
School Board of Sarasota County, Florida



Comprehensive Annual Financial Statement Report

For the Fiscal Year Ended June 30, 2014

**SCHOOL BOARD OF
SARASOTA COUNTY,
FLORIDA
Sarasota, Florida**

**Comprehensive Annual
Financial Report**

**For the
Fiscal Year
Ended June 30, 2014**

**Prepared By:
Financial Services Department**

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

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School Board of Sarasota County, Florida



Comprehensive Annual Financial Statement Report

For the Fiscal Year Ended June 30, 2014



THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

OFFICE OF THE SUPERINTENDENT

1960 LANDINGS BOULEVARD

TELEPHONE (941) 927-9000

SARASOTA, FLORIDA 34231-3331

FAX (941) 927-2539



December 12, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the School Board of Sarasota County, Florida (District) for the fiscal year ended June 30, 2014. State law requires that all school districts publish within twelve months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the District for the fiscal year ended June 30, 2014.

We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this CAFR, based on the above standards, rests with the District's management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to compile sufficient reliable information for the District's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's comprehensive framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

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

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 independent auditor's report.

This accompanying report includes all funds of the District, The Financing Corporation for the School Board of Sarasota County (Corporation), and charter schools, which comprise the reporting entity. The Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. Charter schools are public schools operating under a performance contract with the School Board. The Corporation was identified as a component unit, requiring blended presentation of the financial statements. The District's charter schools are included as discretely presented component units.

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 the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of District public schools. The appointed Superintendent of Schools (Superintendent) is the secretary and 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. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

Geographic boundaries of the District correspond with those of Sarasota County. During the 2013-14 fiscal year, the District operated 54 schools, including 23 elementary schools, 7 middle schools, 6 high schools, 10 charter schools, 1 technical center and 7 other types of schools, such as a virtual school and an all gifted school for grades 2 through 12.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operate through a contract with the District and are provided with the proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school. The District provided a full range of educational programs, including kindergarten through 12th grade, basic and enriched programs, and exceptional student education to 41,153 unweighted full-time equivalent students. Student enrollment is expected to increase by 2.6, 1.4 and 1.2 percent each in fiscal years ending June 30, 2015, 2016 and 2017, respectively. The District also provides career technical and adult education programs.

Economic Condition and Outlook

Sarasota County is part of the Sarasota-Bradenton-Venice Metropolitan Statistical Area (MSA) along with Manatee County. According to the Bureau of Economic and Business Research at the University of Florida, the 2014 population of Sarasota County was 387,140 and is projected to be 492,129 by 2040. The Corporation promotes Sarasota County for its charming cities with world-class arts and culture.

Based upon the last U.S. Census Survey, the population of Sarasota County has increased 16.4 percent from 2000 to 2010 compared to the State of Florida which increased 17.6 percent. The population of the County differs significantly from the State. The largest age group, at 32.5 percent, are persons 65 years and older. The State average for this age group is 18.2 percent. The average household size is 2.13 and the average household income is \$55,422. The American Community Survey done

by the U.S. Census Bureau shows 91.6 percent of the County residents were high school graduates and 29.9 percent had a bachelor's degree or higher.

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 remains Sarasota County's largest employer, employing 5,546 full and part-time employees, including 2,896 teachers.

Financial Information

The District follows procedures established by Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. Appropriations are controlled at the function level (e.g. instruction, pupil personnel services, and school administration) within each fund and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

The District has an investment policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines for the investment management of the District's cash reserves and to ensure compliance with Florida Statutes.

The District has a fund balance policy that specifies the unassigned fund balance in the General Fund will at a minimum be 7.5 percent of the total appropriations and transfers out. The District currently exceeds this policy with an unassigned fund balance at 10.2 percent.

The District has a debt policy that establishes guidance for incurring and managing the debt of the District. The purpose of this policy is to set forth a structure to facilitate the management of debt in accordance with stated objectives.

The District has a capital asset policy that specifies the categories of capital assets and the dollar thresholds for capitalizing purchases. It also specifies the length of depreciation for each asset category.

The District is self-insured for workers' compensation, general and automobile liability, and certain dental benefits with outside contractors providing various administrative services. All funds make payments to the District's applicable internal service fund based on the personnel staffing levels, number of vehicles, or square footage. Resources have been accumulated in order to meet potential losses.

On March 25, 2014, voters in Sarasota County voted to continue the one-mill levy to preserve quality schools. This vote continued the tax levy that was originally passed by the voters in 2002. This vote allows the District to maintain existing programs and

continues the District's commitment to quality education. This revenue source will continue until the fiscal year ended June 30, 2018.

Major Initiatives

Class Size Reduction Amendment

In November 2002, the voters of Florida amended the State Constitution to limit class size. By the beginning of the 2010-11 fiscal year, the amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: (1) pre-kindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students.

For the 2013-14 fiscal year, the District continued its efforts to meet the constitutional maximums for the three grade groupings at classroom-level. Based on the annual review by the Florida Department of Education, the District fully complied with the constitutional maximums in all classrooms.

Capital Outlay Program

During the 2013-14 fiscal year, the District Capital Outlay program focused primarily on the completion of three school rebuild projects: Booker High School, Venice High School and the Sarasota County Technical Institute; the continuation of renovations at Sarasota High School; large scale heating, ventilation and air conditioning system upgrades; and the construction of a Bus Depot in the southern portion of the County.

Accomplishments

One of the ways to judge a school district is to compare the results of its students on national and statewide tests and the accomplishments of its staff. The District believes that its students and staff have performed remarkably well based on various tests and accomplishments as noted below.

Schools throughout Florida are held accountable and receive school grades based on the results of the Florida Comprehensive Assessment Test (FCAT). The 2013-14 fiscal year marks the 15th year of this accountability program and Sarasota County School District continued its tradition of excellence. Reports from the Florida Department of Education reflect that this year 18 schools received a grade of 'A', 5 received a grade of 'B', and 8 received a grade of 'C'. There are seven schools still awaiting their school grade. They are our six comprehensive high schools and our grades 2 - 12 gifted school. The District has received an overall grade of 'A'.

The Florida Department of Education also reports grades for all 67 school districts in the state as part of their school accountability report. The District ranks second in the state in terms of student achievement for the 2013-14 fiscal year. The District is also only one

of five school districts to have received a grade of 'A' every year since 2004, the first year school district grades were reported.

The District met or exceeded National and Florida averages for 2014 high school graduates on college admission examinations. A comparison of the average scores is reflected in the table below.

<u>Examination</u>	<u>Sarasota</u>	<u>National</u>	<u>Florida</u>
ACT Composite	21	21	19.6
SAT:			
Critical Reading	529	497	491
Math	525	513	485
Writing	507	487	472

Sixty five percent of Sarasota District teachers have earned Master's degrees or higher. The District ranks first among all Florida school districts with the highest percentage of teachers with advanced degrees based on the most recent data available from the Florida Department of Education.

The School Board of Sarasota County has 121 teachers that have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information regarding teaching styles, examples of work performed by students, and successfully pass an examination.

In October 2011, MGT of America, Inc. (MGT), was awarded a contract by the community based Gulf Coast Community Foundation of Sarasota County to conduct an efficiency and effectiveness review of the District. MGT reviewed the following administrative and operational areas including processes, procedures, staffing, performance, controls, and spending:

- District Governance and Administration
- Human Resources Management
- Financial Management
- Food Services
- Facility Use and Management
- Transportation
- Technology Management
- Educational Service Delivery, including Special Programs

In the executive summary of the final report, MGT had the following comment: *"It is important for the community to understand that SCS is one of the best-run districts that MGT has reviewed. Morale and performance, including innovative practices, are*

unusually high in SCS; for example, in reviews of districts the size of SCS, MGT typically finds 50 or fewer commendations, while SCS garnered 73.”

In addition to the 73 commendations issued by MGT, the District was provided with 89 recommendations to increase operational effectiveness and efficiency in the reviewed areas. There were 73 recommendations with no estimated fiscal impact and 16 recommendations with an estimated fiscal impact. As of June 2014, 53% or 47 of the MGT recommendations have been completed. Approximately 26% or 23 of the recommendations are ongoing with the remaining 21% or 19 of the recommendations either declined or on hold due to current resource constraints.

Awards and Acknowledgements

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

These awards are valid for one year only. We believe that our current CAFR continues to meet the Certificate Programs' requirements, and we are submitting it to both GFOA and ASBO, to determine its eligibility to receive their respective prestigious awards.

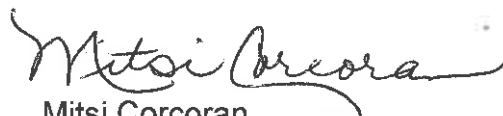
The preparation of this CAFR could not have been accomplished without the commitment and dedication of the Financial Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Lori White
Superintendent



Mitsi Corcoran
Chief Financial Officer

**LIST OF PRINCIPAL OFFICIALS –
ELECTED**



**Ms. Jane Goodwin, Chair
Term expires November 2014**

**Mr. Frank Kovach, Vice Chair
Term expires November 2016**

**Mrs. Shirley Brown
Term expires November 2014**

**Mrs. Caroline Zucker
Term expires November 2016**

**Mrs. Bridget Ziegler
Term expires November 2014**

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

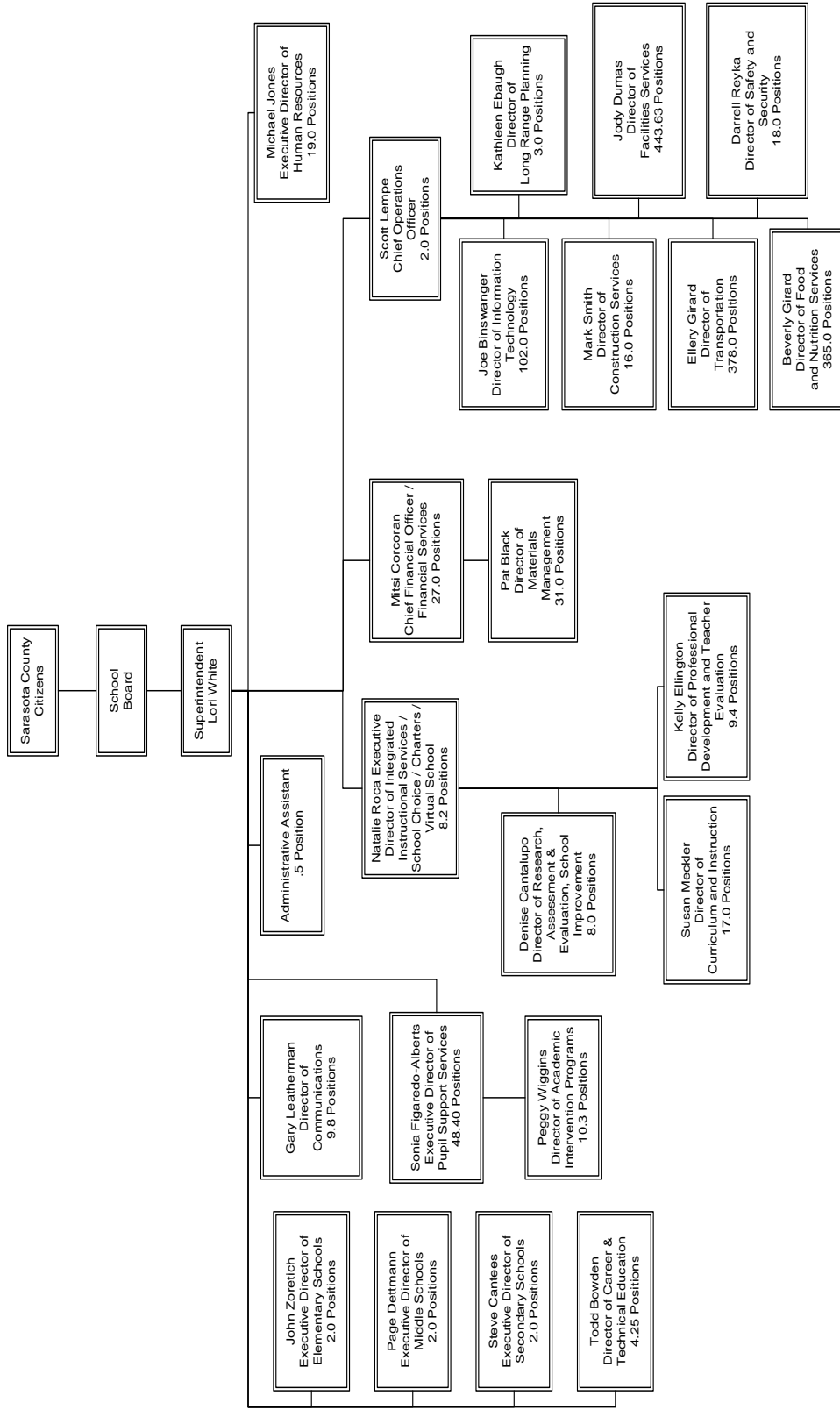
LIST OF PRINCIPAL OFFICIALS – APPOINTED

Mrs. Lori White	Superintendent
Mr. Scott Lempe	Chief Operations Officer
Mrs. Mitsi Corcoran	Chief Financial Officer
Mr. Al Weidner	Deputy Chief Financial Officer
Mr. John Zoretich	Executive Director Elementary Schools
Dr. Page Dettmann	Executive Director Middle Schools
Mr. Steve Cantees	Executive Director High Schools
Mrs. Sonia Figaredo-Alberts	Executive Director Pupil Support Services
Dr. Natalie Roca	Executive Director Integrated Instructional Services
Dr. Todd Bowden	Executive Director Career and Technical Education
Mr. Joe Binswanger	Director Information Technology
Mr. Gary Leatherman	Director Communications

The School Board of Sarasota County, Florida

Organizational Chart

June 30, 2014



Association of School Business Officials International



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

The School Board of Sarasota County, Florida

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

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



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

**School Board of Sarasota County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

School Board of Sarasota County, Florida



Comprehensive Annual Financial Statement Report

For the Fiscal Year Ended June 30, 2014

FINANCIAL SECTION

Report of Independent Auditor

The Honorable Members of the
School Board of Sarasota County, Florida
Sarasota, Florida

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 School Board of Sarasota County, Florida (the "District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit any of the financial statements of the aggregate discretely presented component units. 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 of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of 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 District, as of June 30, 2014, the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund and the Federal Economic Stimulus Fund thereof for the 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 the management's discussion and analysis on pages 3 through 16 and required supplementary information on page 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

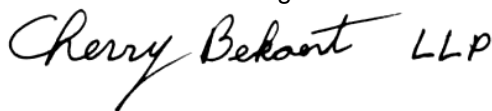
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The combining and individual fund statement and schedules and the 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 or to the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the reports of others auditors, the combining and individual fund statements and schedules and the 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 our report dated December 12, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or 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.

Handwritten signature of Cherry Bekant in black ink, followed by the text "LLP".

Tampa, Florida
December 12, 2014

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2014

The management of the School Board of Sarasota County, Florida (the District) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's financial statements and notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013-14 fiscal year are as follows:

- The District's financial position improved during the fiscal year ended June 30, 2014. In total, net position increased by \$1,767,237, or less than 1 percent.
- General revenues totaled \$461,907,472, or 94 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions totaled \$28,258,820, or 6 percent. Total revenues increased by \$18,680,834 from \$471,485,458 in fiscal year 2012-13 to \$490,166,292 in fiscal year 2013-14. The change is primarily attributed to an increase in the required local portion of funding the Florida Education Finance Program (FEFP) through property tax revenues.
- Expenses totaled \$488,399,055, only \$28,258,820 of these expenses were offset by program specific charges, with the remainder paid from general revenues. Total revenues exceeded total expenses by \$1,767,237. Total expenses increased \$18,251,302 or 4 percent, from \$470,147,753 in fiscal year 2012-13. This change is attributed primarily to salary and benefit expenses from additional instructional positions, a salary increase included as a specific line item in the FEFP, and charter school pass through payments due to enrollment growth.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totaled \$39,435,810 at June 30, 2014 or 10.2 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

In addition, this report presents certain required supplementary information, which includes management's discussion and analysis.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2014

GOVERNMENT- WIDE FINANCIAL STATEMENTS

The Government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, deferred outflows of resources, and liabilities, using an economic resources measurement focus. The difference between the assets, deferred outflows of resources, and liabilities, the net position, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year.

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

- Governmental activities – This represents most of the District's services including its educational programs: basic, vocational, adult and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units –The District presents ten separate legal entities in this report. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Nine of these organizations are charter schools. Financial information for these component units is reported separately from the financial information presented for the primary government. The Financing Corporation for the School Board of Sarasota County (Corporation), although also legally separate, was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the Board and the Corporation, the Corporation is included as an integral part of the primary government. Please refer to Note 1 to the basic financial statements for more information on the District's component units.

Over a period of time, changes in the District's net position are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets including its school buildings and administrative facilities.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
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FUND FINANCIAL STATEMENTS

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

All of the District's funds may be classified within one of three broad categories:

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the Government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the Government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

Proprietary Funds. Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains one type of proprietary fund, the internal service fund to account for the District's self-insurance programs. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the Government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the Government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District uses agency funds to account for resources held for student activities and groups.

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GOVERNMENT- WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position and provides a perspective of the District as a whole. The following is a summary of the District's net position as of June 30, 2014, compared to net position as of June 30, 2013:

Net Position, End of Year

	Governmental Activities		Increase (Decrease)	Percentage Change
	6/30/2014	6/30/2013		
Current and other assets	\$ 216,451,567	\$ 251,005,833	\$ (34,554,266)	
Capital assets, net	944,228,478	923,307,067	20,921,411	
Total assets	<u>1,160,680,045</u>	<u>1,174,312,900</u>	<u>(13,632,855)</u>	-1%
Deferred outflows of resources	250,498	271,373	(20,875)	
Total deferred outflows	<u>250,498</u>	<u>271,373</u>	<u>(20,875)</u>	-8%
Other liabilities	35,973,338	38,538,415	(2,565,077)	
Long-term liabilities, current	36,573,938	34,361,201	2,212,737	
Long-term liabilities, noncurrent	216,011,215	231,079,842	(15,068,627)	
Total liabilities	<u>288,558,491</u>	<u>303,979,458</u>	<u>(15,420,967)</u>	-5%
Net investments in capital assets	754,873,856	737,197,939	17,675,917	
Restricted	94,797,196	107,809,491	(13,012,295)	
Unrestricted	22,701,000	25,597,385	(2,896,385)	
Total net position	<u>\$ 872,372,052</u>	<u>\$ 870,604,815</u>	<u>\$ 1,767,237</u>	0%

The largest portion of the District's net position (86 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net position (11 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position (3 percent) may be used to meet the government's ongoing obligations to students, employees, and creditors.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
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June 30, 2014

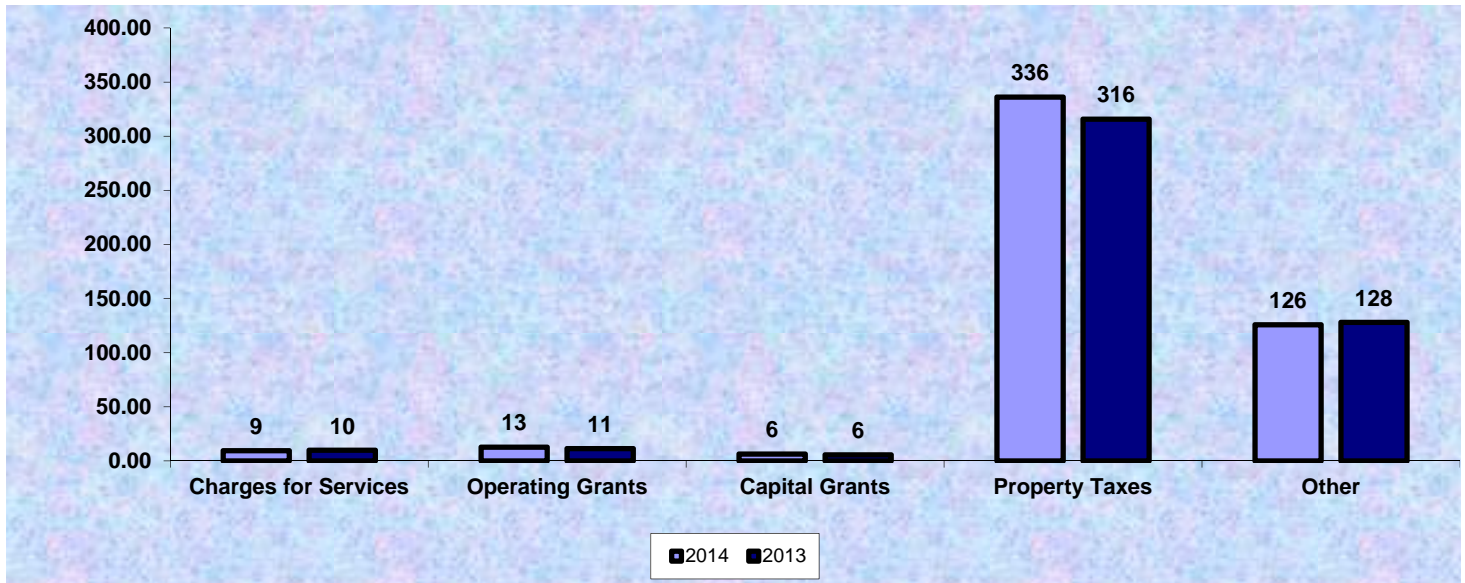
The key elements of the changes in the District's net position for the fiscal years ended June 30, 2014, and June 30, 2013, are shown in the following table and graphs:

Changes in Net Position from Operating Results

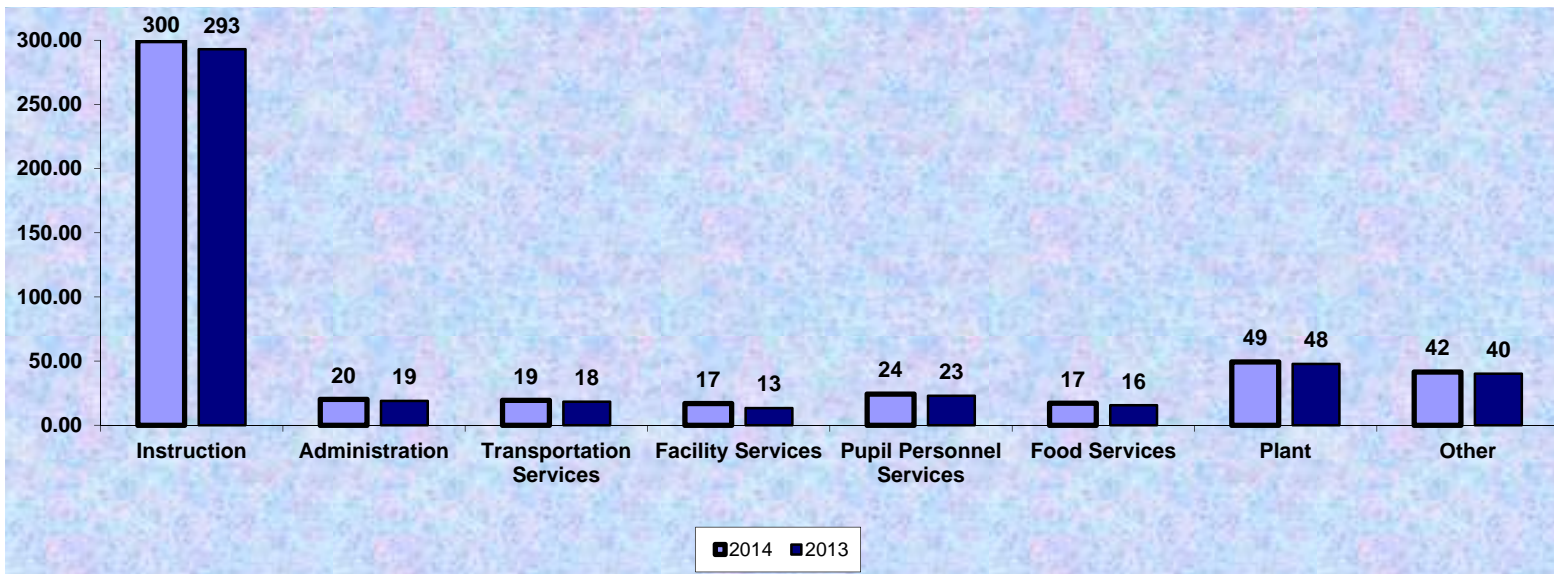
	Governmental Activities			
	6/30/2014	6/30/2013	Increase (Decrease)	Percentage Change
Revenues:				
Program revenues				
Charges for services	\$ 9,356,782	\$ 9,831,969	\$ (475,187)	-5%
Operating grants and contributions	12,602,559	11,311,262	1,291,297	11%
Capital grants and contributions	6,299,479	5,615,947	683,532	12%
General revenues				
Property taxes - general	272,808,869	255,168,075	17,640,794	7%
Property taxes - capital projects	63,261,086	60,632,620	2,628,466	4%
Local sales taxes	15,791,473	14,752,739	1,038,734	7%
Grants and contributions not restricted to specific programs	105,250,969	104,701,937	549,032	1%
Miscellaneous	3,755,476	8,123,934	(4,368,458)	-54%
Unrestricted investment earnings	1,039,599	1,346,975	(307,376)	-23%
Total revenues	<u>490,166,292</u>	<u>471,485,458</u>	<u>18,680,834</u>	4%
Expenses:				
Instruction	299,703,201	293,223,596	6,479,605	2%
Pupil personnel services	24,326,894	22,931,811	1,395,083	6%
Instructional media services	3,196,433	4,036,099	(839,666)	-21%
Instruction and curriculum development services	3,359,671	3,269,677	89,994	3%
Instructional staff training services	5,031,783	4,947,478	84,305	2%
Instruction related technology	3,475,721	3,320,282	155,439	5%
Board of education	1,283,234	819,319	463,915	57%
General administration	2,751,981	2,605,606	146,375	6%
School administration	17,338,048	16,303,070	1,034,978	6%
Facility services - non-capitalized	16,972,664	13,475,579	3,497,085	26%
Fiscal services	1,998,046	1,884,311	113,735	6%
Food services	17,193,318	15,649,443	1,543,875	10%
Central services	6,523,876	6,072,463	451,413	7%
Pupil transportation services	19,415,299	18,343,827	1,071,472	6%
Operation of plant	34,507,859	33,785,539	722,320	2%
Maintenance of plant	14,784,318	14,121,895	662,423	5%
Administrative technology services	3,719,238	3,175,384	543,854	17%
Community services	3,555,076	2,586,369	968,707	37%
Interest on long-term debt	9,262,395	9,596,005	(333,610)	-3%
Total expenses	<u>488,399,055</u>	<u>470,147,753</u>	<u>18,251,302</u>	4%
Increase in net position	<u>1,767,237</u>	<u>1,337,705</u>	<u>429,532</u>	32%
Beginning net position	<u>870,604,815</u>	<u>869,267,110</u>	<u>1,337,705</u>	
Ending net position	<u>\$ 872,372,052</u>	<u>\$ 870,604,815</u>	<u>\$ 1,767,237</u>	

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Revenues by Source – Governmental Activities – in Millions of Dollars



Expenses – Governmental Activities – in Millions of Dollars



Overall total revenues increased by \$18,680,834 or 4 percent from the fiscal year ended June 30, 2013. The change was primarily attributed to an increase in the required local funding portion of the FEFP through property tax revenues.

Total expenses increased by \$18,251,302, or 4 percent from the fiscal year ended June 30, 2013. The increase was primarily due to an increase in salary and benefit expenses from additional instructional positions, a salary increase included as a specific line item in the FEFP and charter school pass through payments due to enrollment growth.

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FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District completed the year with a total governmental fund balance of \$158,152,770, a decrease of \$32,411,109 or 17% from last year's ending fund balance of \$190,563,879. The decrease in total District fund balance is primarily due to large capital construction expenditures for the rebuild of two high schools and a technical center funded by debt issued in prior years.

Major Governmental Funds

General Fund

The General Fund is the primary operating fund for the District. Presented below is an overall analysis of the General Fund as compared to the prior year:

	6/30/2014	6/30/2013	(Decrease)	Change
Revenue	\$ 363,271,257	\$ 343,409,673	\$ 19,861,584	6%
Other financing sources	21,841,338	20,309,754	1,531,584	8%
Beginning fund balance	53,480,753	63,999,318	(10,518,565)	-16%
Total	<u>\$ 438,593,348</u>	<u>\$ 427,718,745</u>	<u>\$ 10,874,603</u>	3%
Expenditures	387,159,805	373,307,402	13,852,403	4%
Other financing uses	550,279	930,590	(380,311)	-41%
Ending fund balance	50,883,264	53,480,753	(2,597,489)	-5%
Total	<u>\$ 438,593,348</u>	<u>\$ 427,718,745</u>	<u>\$ 10,874,603</u>	3%

The District's General Fund ending fund balance decreased by \$2,597,489 or 5 percent. This decrease is primarily attributed to salary and benefit expenditures from additional instructional positions. While the District's increased enrollment generated additional earned revenue, there was a holdback of state funding in the amount of \$798,047 for a proration to funds available which reduced the amount of actual state revenue received by the District. It should be noted that \$922,282 of ending fund balance has been encumbered for specific projects.

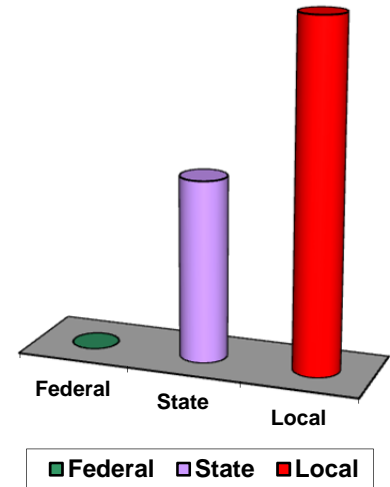
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Revenues – Overall revenues increased by \$19,861,584 or 6 percent as follows:

Revenues By Source - General Fund

	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal	\$ 2,243,920	\$ 2,265,678	\$ (21,758)	-1%
State	76,669,585	76,425,715	243,870	0%
Local	284,357,752	264,718,280	19,639,472	7%
Total	<u>\$ 363,271,257</u>	<u>\$ 343,409,673</u>	<u>\$ 19,861,584</u>	6%

**Composition of Revenues
In Millions of Dollars -
2014**

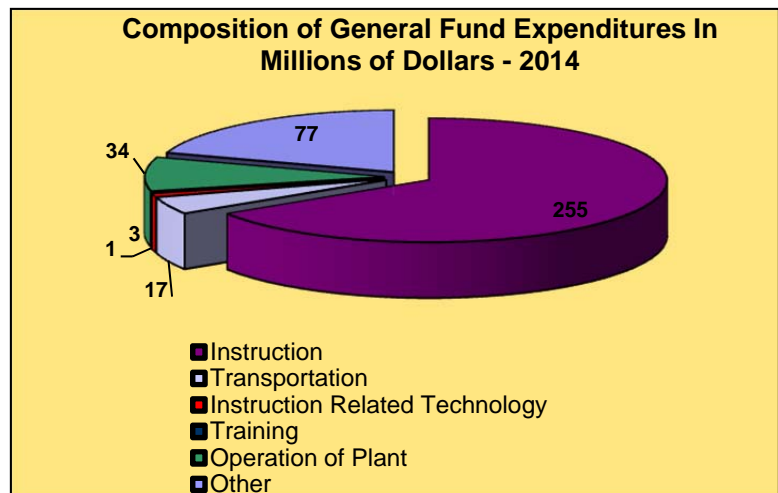


Federal sources decreased by \$21,758, or 1 percent, mainly attributed to a decrease in Medicaid funding.

State sources increased by \$243,870 or less than 1 percent, mainly attributed to the increase in the required funding of the Florida Education Program Funding.

Local sources increased by \$19,639,472, or 7 percent, mainly as a result of an increase in the required local funding portion of the FEFP through property tax general revenues of \$15,875,855 and an increase in a voted additional property tax revenue of \$1,764,939.

Expenditures - Total General Fund expenditures increased by \$13,852,403 from \$373,307,402 to \$387,159,805 for the fiscal year ended June 30, 2014. The increase of 4 percent is related to salary and benefit expenses from additional instructional positions, a salary increase included as a specific line item in the FEFP and charter school pass through payments due to enrollment growth.



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Expenditures By Function - General Fund

	6/30/2014	6/30/2013	Increase (Decrease)	Percentage Change
Instruction	\$ 254,835,992	\$ 247,624,935	\$ 7,211,057	3%
Instructional staff training services	1,156,950	1,253,537	(96,587)	-8%
Pupil transportation services	16,835,624	15,882,426	953,198	6%
Operation of plant	34,361,468	33,599,632	761,836	2%
Instruction related technology	2,988,524	3,009,685	(21,161)	-1%
Other	76,981,247	71,937,187	5,044,060	7%
Total	<u>\$ 387,159,805</u>	<u>\$ 373,307,402</u>	<u>\$ 13,852,403</u>	4%

Special Revenue - Federal Economic Stimulus Fund

The Federal Economic Stimulus Fund is used to account for Federal program revenues and expenditures related to the American Recovery and Reinvestment Act. Since Federal revenue is recognized to the extent that eligible expenditures have been incurred, these funds do not accumulate a fund balance. The increase in expenditures is due to payments on scheduled deliverables related to the Race to the Top grant.

An overall analysis of the District's Special Revenue - Federal Economic Stimulus Fund expenditures is presented below:

	6/30/2014	6/30/2013	Increase (Decrease)	Percentage Change
Current:				
Instruction	\$ 30,005	\$ 12,813	\$ 17,192	134%
Instruction and curriculum development services	10,647	18,375	(7,728)	-42%
Instructional staff training services	68,553	235,025	(166,472)	-71%
Instruction related technology	477,001	291,256	185,745	64%
Fiscal services	37,273	30,175	7,098	24%
Central services	268,154	161,466	106,688	66%
Capital Outlay:				
Other capital outlay	27,994	4,977	23,017	462%
Total	<u>\$ 919,627</u>	<u>\$ 754,087</u>	<u>\$ 165,540</u>	22%

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Debt Service – Other Debt Service Fund

An overall analysis of the District's Other Debt Service Fund is presented below. The increase in expenditures was due to increased debt service payments as a result of a change in the computer equipment capital lease model from a 5 year to a 4 year lease term. There is a corresponding increase in transfers from the Capital Projects – Local Capital Improvement Tax fund.

	6/30/2014	6/30/2013	Increase (Decrease)	Percentage Change
Revenue	\$ 36,391	\$ 35,465	\$ 926	3%
Other financing sources	26,870,976	25,742,884	1,128,092	4%
Beginning fund balance	971,430	936,611	34,819	4%
Total	<u>\$ 27,878,797</u>	<u>\$ 26,714,960</u>	<u>\$ 1,163,837</u>	4%
Expenditures	\$ 26,871,370	\$ 25,743,530	\$ 1,127,840	4%
Ending fund balance	1,007,427	971,430	35,997	4%
Total	<u>\$ 27,878,797</u>	<u>\$ 26,714,960</u>	<u>\$ 1,163,837</u>	4%

Debt Service – ARRA Economic Stimulus Fund

This fund is used to account for the accumulation of resources for and the payment of, sinking fund, interest and related costs on the Certificates of Participation, Series 2010A Qualified School Construction Bonds. This is the fourth year of this fund. Revenues in this fund are an interest rebate received from the Internal Revenue Service. The fund balance represents amounts placed into the sinking fund to pay the debt when due. Interest payments are made twice a year.

Capital Projects – Local Capital Improvement Tax Fund

An overall analysis of the District's Capital Projects – Local Capital Improvement Tax Fund is presented below:

	6/30/2014	6/30/2013	(Decrease)	Change
Revenue	\$ 63,398,078	\$ 61,081,902	\$ 2,316,176	4%
Other financing sources	13,888	2,870,811	(2,856,923)	-100%
Beginning fund balance	51,273,846	59,142,983	(7,869,137)	-13%
Total	<u>\$ 114,685,812</u>	<u>\$ 123,095,696</u>	<u>\$ (8,409,884)</u>	-7%
Expenditures	\$ 27,465,761	\$ 25,495,969	\$ 1,969,792	8%
Other financing uses	47,899,160	46,325,881	1,573,279	3%
Ending fund balance	39,320,891	51,273,846	(11,952,955)	-23%
Total	<u>\$ 114,685,812</u>	<u>\$ 123,095,696</u>	<u>\$ (8,409,884)</u>	-7%

During the fiscal year 2013-14, revenue in the Capital Projects – Local Capital Improvement Tax Fund increased by \$2,316,176 or 4 percent. Expenditures increased by \$1,969,792 or 8 percent. The rebuild of Sarasota High School is the primary reason for the increase. Of the total fund balance, \$23,766,394 has been encumbered for specific projects.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
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Capital Projects - Other Capital Projects Fund

The District's other capital projects fund is used primarily to report revenues and expenditures from sales tax collections and expenditures from the District's Series 2009 and Series 2010B Certificates of Participation issuance. An overall analysis of this fund is presented below:

	6/30/2014	6/30/2013	Increase (Decrease)	Percentage Change
Revenue	\$ 20,552,914	\$ 20,010,459	\$ 542,455	3%
Other financing sources	8,872,894	8,086,208	786,686	10%
Beginning fund balance	71,982,142	104,494,144	(32,512,002)	-31%
Total	<u>\$ 101,407,950</u>	<u>\$ 132,590,811</u>	<u>\$ (31,182,861)</u>	-24%
Expenditures	\$ 47,259,751	\$ 55,882,526	\$ (8,622,775)	-15%
Other financing uses	2,485,208	4,726,143	(2,240,935)	-47%
Ending fund balance	51,662,991	71,982,142	(20,319,151)	-28%
Total	<u>\$ 101,407,950</u>	<u>\$ 132,590,811</u>	<u>\$ (31,182,861)</u>	-24%

Other financing sources increased by \$786,686 primarily due to issuance of a capital lease agreement for computer equipment. Expenditures decreased by \$8,622,775 due primarily to completion of construction on Phase III of the Sarasota Technical Institute rebuild and the rebuild of Venice High School. It should be noted that \$27,858,648 of fund balance has been encumbered for specific projects.

Capital Projects - ARRA Economic Stimulus Fund

The District's ARRA Economic Stimulus Capital Project fund is used to report the revenues and expenditures from the District's Series 2010A Certificates of Participation Qualified School Construction Bonds. The proceeds from these bonds were required to be spent in their entirety by September 1, 2013.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the District revised its budget and brought two amendments to the Board. These amendments were needed to adjust to actual revenues and direct resources where needed. The Board approves the final amendment to the budget after year-end. The original 2013-14 budget was prepared on a conservative basis as the State had experienced multiple years of revenue shortfalls and prorated funding to school districts accordingly. Budgeted expenditures increased \$1,279,684 from the original budget due to increased student enrollment. Actual expenditures were \$3,583,403 below the final amended expenditure budget.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2014

CAPITAL ASSETS AND LONG-TERM DEBT

At June 30, 2014, the District had \$944,228,478 invested in a broad range of capital assets, including land, improvements, buildings, and equipment; net of accumulated depreciation. This amount represents a net increase (including additions, deductions and depreciation) of \$20,921,411 or 2 percent, from last fiscal year due primarily to the rebuilds at Booker High School, Venice High School and Sarasota Technical Institute.

	Governmental Activities			Percentage
	6/30/2014	6/30/2013	Change	Change
Capital assets not being depreciated:				
Land	\$ 31,546,729	\$ 31,548,138	\$ (1,409)	0%
Land improvements	75,508,871	67,884,975	7,623,896	11%
Construction in progress	24,356,020	164,779,586	(140,423,566)	-85%
Capital assets being depreciated:				
Improvements other than buildings	61,289,213	50,844,685	10,444,528	21%
Buildings and fixed equipment	961,992,420	819,480,695	142,511,725	17%
Furniture, fixtures and equipment and Audio visual materials	56,653,798	61,013,316	(4,359,518)	-7%
Motor vehicles	33,269,983	31,562,431	1,707,552	5%
Equipment under capital leases	32,203,325	32,950,142	(746,817)	-2%
Computer software	8,934,681	9,309,119	(374,438)	-4%
Total Capital Assets	1,285,755,040	1,269,373,087	16,381,953	1%
Less accumulated depreciation	(341,526,562)	(346,066,020)	4,539,458	-1%
Total Capital Assets, net	<u>\$ 944,228,478</u>	<u>\$ 923,307,067</u>	<u>\$ 20,921,411</u>	2%

Detailed information regarding the District's capital asset balances and activity for the fiscal year ended June 30, 2014, is provided in Note 5 to the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2014

Long-Term Debt

At June 30, 2014, the District had \$197,617,344 in bonds payable, obligations under capital leases, and certificates of participation versus \$210,754,656 last fiscal year, a decrease of 6 percent. A summary of the long-term debt obligations are listed in the following table:

	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Obligations under capital leases	\$ 21,488,041	\$ 19,034,624	\$ 2,453,417	13%
State school bonds	10,470,188	11,718,571	(1,248,383)	-11%
Qualified academy zone bonds	1,299,696	1,299,696	-	0%
Certificates of participation	164,359,419	178,701,765	(14,342,346)	-8%
Total	<u>\$ 197,617,344</u>	<u>\$ 210,754,656</u>	<u>\$ (13,137,312)</u>	-6%

The District's decrease in debt is primarily due to payments made on Certificates of Participation.

The District has been given the following ratings for their outstanding Certificates of Participation:

<u>Rating Agency</u>	<u>Certificates of Participation</u> <u>Rating</u>	<u>Issue Series</u>
Standard & Poor's	AA-	2009, 2010B
Moody's	Aa3	2004, 2009, 2010B
Fitch IBCA	AA	2004, 2009, 2010B

For more details concerning long-term debt, refer to Notes 7 to 11 in the basic financial statements.

ECONOMIC FACTORS

The unemployment rate in June 2014 for Sarasota County was 5.7 percent, which is a decrease of 1.4 percent from June 2013. The State's average unemployment rate in June 2014 was 6.3 percent. Florida's unemployment rate has decreased 1.1 percent while the nation's unemployment rate has decreased 1.4 percent from the prior year.

The State of Florida funds the District through the FEFP which is based on student enrollment. Through fiscal year 2007-08, the District grew at a steady pace as enrollment increased. Starting in fiscal year 2008-09, and continuing through fiscal year 2011-12, revenue to the District through the State and Local FEFP declined due to the slowing of growth as well as state funding shortfalls. In fiscal year 2012-13, the District realized a 3 percent increase in FEFP base student funding, the first increase since the economic downturn. In fiscal year 2013-14, the District continued to see an increase in student enrollment as well as another increase in base student funding reflecting a steady increase in State revenue collections. However, base funding per student has only been restored to fiscal year 2005-06 levels and remains 8 percent below their highest funding level from fiscal year 2007-08.

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In fiscal year 2013-14, property values increased 4.6% from the prior year to \$43.6 billion. It is anticipated that property values will continue to increase next year as real property sales have increased with average home prices continuing to rise over the prior year.

During the current fiscal year, unassigned fund balance of the General Fund totaled \$39,435,810. It is anticipated that the unassigned fund balance at June 30, 2015 will be in excess of the Board required minimum of 7.5 percent of total appropriations and transfers out.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mitsi Corcoran, Chief Financial Officer, 1960 Landings Boulevard, Sarasota, Florida 34231.

BASIC FINANCIAL STATEMENTS

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Net Position
June 30, 2014

	Primary Government	Component Units
	Governmental Activities	Charter Schools
Assets		
Cash and cash equivalents	\$ 126,063,565	\$ 6,260,069
Investments	82,920,453	385,555
Accounts receivable	1,146,755	199,637
Interest receivable	89,952	-
Deposits receivable	75,000	-
Due from other agencies	2,036,280	212,996
Due from related parties	-	1,374,919
Inventories	1,463,028	-
Prepaid items	2,656,534	424,280
Other	-	292,088
Capital assets:		
Nondepreciable	131,411,620	2,660,441
Depreciable, net	812,816,858	27,459,356
Total assets	1,160,680,045	39,269,341
Deferred Outflows of Resources		
Loss on refunding	250,498	-
Total deferred outflows of resources	250,498	-
Liabilities		
Accounts payable and other current liabilities	12,604,036	3,431,500
Due to other agencies	4,412,393	-
Matured debt payable	13,850,000	-
Matured interest payable	4,091,674	-
Accrued interest payable	218,756	-
Unearned revenue	796,479	-
Portion due within one year:		
Notes payable	-	411,566
Bonds payable	1,264,000	268,000
Loans payable	-	122,936
Obligations under capital leases	6,830,237	9,327
Certificates of participation payable	14,400,000	-
Liability for compensated absences	10,446,990	16,125
Estimated insurance claims payable	3,148,412	-
Early retirement incentive payable	484,299	-
Portion due in more than one year:		
Notes payable	-	4,846,278
Bonds payable	10,505,884	15,711,416
Loans payable	-	2,375,815
Interest rate swap	-	453,108
Obligations under capital leases	14,657,804	8,905
Certificates of participation payable	149,959,419	-
Liability for compensated absences	24,569,066	14,378
Estimated insurance claims payable	5,766,085	-
Early retirement incentive payable	98,767	-
Other postemployment healthcare benefits payable	10,454,190	-
Total liabilities	288,558,491	27,669,354
Net position		
Net investment in capital assets	754,873,856	6,952,820
Restricted for:		
Capital projects	76,176,273	520,722
Debt service	10,874,101	1,333,352
Food service	5,130,965	-
Other purposes-grants	71,711	-
State categorical programs	2,544,146	89,493
Unrestricted	22,701,000	2,703,600
Total net position	\$ 872,372,052	\$ 11,599,987

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Instruction	\$ 299,703,201	\$ 3,570,476	\$ -	\$ -
Pupil personnel services	24,326,894	-	-	-
Instructional media services	3,196,433	-	-	-
Instruction and curriculum development services	3,359,671	-	-	-
Instructional staff training services	5,031,783	-	-	-
Instruction related technology	3,475,721	-	-	-
Board of education	1,283,234	-	-	-
General administration	2,751,981	-	-	-
School administration	17,338,048	-	-	-
Facility services - non-capitalized	16,972,664	-	-	2,655,893
Fiscal services	1,998,046	-	-	-
Food services	17,193,318	5,190,096	12,602,559	-
Central services	6,523,876	-	-	-
Pupil transportation services	19,415,299	596,210	-	-
Operation of plant	34,507,859	-	-	-
Maintenance of plant	14,784,318	-	-	-
Administrative technology services	3,719,238	-	-	-
Community services	3,555,076	-	-	-
Interest on long-term debt	9,262,395	-	-	3,643,586
Total primary government	<u>\$ 488,399,055</u>	<u>\$ 9,356,782</u>	<u>\$ 12,602,559</u>	<u>\$ 6,299,479</u>
Component units:				
Charter schools	\$ 47,739,584	\$ 656,555	\$ 1,497,917	\$ 2,547,979
Total component units	<u>\$ 47,739,584</u>	<u>\$ 656,555</u>	<u>\$ 1,497,917</u>	<u>\$ 2,547,979</u>
General revenues:				
Property taxes, levied for general purposes				
Property taxes, levied for capital projects				
Local sales taxes				
Grants and contributions not restricted to specific programs				
Miscellaneous				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Total net position, beginning of year				
Total net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Units
Governmental Activities	Charter Schools
\$ (296,132,725)	\$ -
(24,326,894)	-
(3,196,433)	-
(3,359,671)	-
(5,031,783)	-
(3,475,721)	-
(1,283,234)	-
(2,751,981)	-
(17,338,048)	-
(14,316,771)	-
(1,998,046)	-
599,337	-
(6,523,876)	-
(18,819,089)	-
(34,507,859)	-
(14,784,318)	-
(3,719,238)	-
(3,555,076)	-
(5,618,809)	-
(460,140,235)	-
	(43,037,133)
	(43,037,133)
272,808,869	-
63,261,086	-
15,791,473	-
105,250,969	43,080,832
3,755,476	359,732
1,039,599	-
461,907,472	43,440,564
1,767,237	403,431
870,604,815	11,196,556
\$ 872,372,052	\$ 11,599,987

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Balance Sheet
Governmental Funds
June 30, 2014

		Special Revenue -	Debt Service Funds	
	General Fund	Federal Economic Stimulus	Other Debt Service	ARRA Economic Stimulus
Assets				
Cash and cash equivalents	\$ 36,019,315	\$ -	\$ 16,878,932	\$ 1,062,742
Investments	20,264,392	-	1,007,427	9,847,020
Accounts receivable	1,146,755	-	-	-
Interest receivable	35,988	-	-	-
Due from other funds	-	1,914	16,234	-
Due from other agencies	757,115	385,338	-	-
Prepaid items	2,645,429	-	-	-
Inventories	980,038	-	-	-
Total assets	\$ 61,849,032	\$ 387,252	\$ 17,902,593	\$ 10,909,762
Liabilities and fund balances				
Liabilities:				
Salaries and wages payable	\$ 1,304,125	\$ 11,743	\$ -	\$ -
Payroll deductions and withholdings payable	1,229,142	-	-	-
Accounts payable	920,767	152,379	16,234	-
Construction contracts payable	-	-	-	-
Deposits payable	17,450	-	-	-
Due to other funds	3,144,390	223,130	-	-
Due to other agencies	4,349,894	-	-	-
Matured debt payable	-	-	13,850,000	-
Matured interest payable	-	-	3,028,932	1,062,742
Accrued interest payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	10,965,768	387,252	16,895,166	1,062,742
Nonspendable	3,625,467	-	-	-
Restricted	2,551,274	-	1,007,427	9,847,020
Assigned	5,270,713	-	-	-
Unassigned	39,435,810	-	-	-
Total Fund Balances	50,883,264	-	1,007,427	9,847,020
Total liabilities and fund balances	\$ 61,849,032	\$ 387,252	\$ 17,902,593	\$ 10,909,762

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

Capital Projects Funds				
Local Capital Improvement Tax	Other Capital Projects	ARRA Economic Stimulus	Nonmajor Governmental Funds	Total Governmental Funds
\$ 10,508,066	\$ 44,734,660	\$ -	\$ 4,439,324	\$ 113,643,039
30,218,726	11,255,245	-	242,877	72,835,687
-	-	-	-	1,146,755
17,988	17,988	-	-	71,964
2,538,074	-	-	825,250	3,381,472
17,853	37,317	-	806,383	2,004,006
-	-	-	-	2,645,429
-	-	-	482,990	1,463,028
<u>\$ 43,300,707</u>	<u>\$ 56,045,210</u>	<u>\$ -</u>	<u>\$ 6,796,824</u>	<u>\$ 197,191,380</u>
\$ 659	\$ 4,804	\$ -	\$ 149,549	\$ 1,470,880
-	-	-	-	1,229,142
1,172,808	928,042	-	352,226	3,542,456
2,790,115	3,449,012	-	-	6,239,127
-	-	-	-	17,450
16,234	361	-	-	3,384,115
-	-	-	62,499	4,412,393
-	-	-	-	13,850,000
-	-	-	-	4,091,674
-	-	-	4,894	4,894
-	-	-	796,479	796,479
<u>3,979,816</u>	<u>4,382,219</u>	<u>-</u>	<u>1,365,647</u>	<u>39,038,610</u>
-	-	-	482,990	4,108,457
39,320,891	44,865,493	-	4,948,187	102,540,292
-	6,797,498	-	-	12,068,211
-	-	-	-	39,435,810
<u>39,320,891</u>	<u>51,662,991</u>	<u>-</u>	<u>5,431,177</u>	<u>158,152,770</u>
<u>\$ 43,300,707</u>	<u>\$ 56,045,210</u>	<u>\$ -</u>	<u>\$ 6,796,824</u>	<u>\$ 197,191,380</u>

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2014

Total fund balances - governmental funds	\$ 158,152,770
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.	944,228,478
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The loss on refunding is the difference between old and new debt and is reported in the statement of net position as deferred outflows of resources and amortized over the life of the debt in the statement of activities.	250,498
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Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.	(213,862)
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Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds. Long-term liabilities at year-end consist of:

Bonds payable	(11,769,884)
Obligations under capital leases	(21,488,041)
Certificates of participation payable	(164,359,419)
Liability for compensated absences (net of \$10,223 related to the internal service funds)	(35,005,833)
Early retirement incentive payable	(583,066)
Postemployment healthcare benefits payable	(10,454,190)

Internal service funds are used by the District to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	13,614,601
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Total net position of governmental activities	<u>\$ 872,372,052</u>
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The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue - Federal Economic Stimulus	Debt Service Funds	
			Other Debt Service	ARRA Economic Stimulus
Revenues				
Federal direct	\$ 343,627	\$ -	\$ -	\$ 1,936,514
Federal through state and local	1,900,293	919,627	-	-
State sources	76,669,585	-	-	-
Local sources:				
Property taxes levied for operational purposes	272,808,869	-	-	-
Property taxes levied for capital projects	-	-	-	-
Sales tax collections	-	-	-	-
Charges for services	4,166,686	-	-	-
Impact fee collections	-	-	-	-
Other local revenue	7,382,197	-	36,391	424,998
Total revenues	363,271,257	919,627	36,391	2,361,512
Expenditures				
Current:				
Instruction	254,835,992	30,005	-	-
Pupil personnel services	21,355,214	-	-	-
Instructional media services	3,192,651	-	-	-
Instruction and curriculum development services	2,763,317	10,647	-	-
Instructional staff training services	1,156,950	68,553	-	-
Instruction related technology	2,988,524	477,001	-	-
Board of education	1,281,964	-	-	-
General administration	1,494,835	-	-	-
School administration	17,274,031	-	-	-
Facility services - non-capitalized	98,055	-	-	-
Fiscal services	1,937,353	37,273	-	-
Food services	68,057	-	-	-
Central services	5,720,404	268,154	-	-
Pupil transportation services	16,835,624	-	-	-
Operation of plant	34,361,468	-	-	-
Maintenance of plant	14,579,869	-	-	-
Administrative technology services	3,642,831	-	-	-
Community services	2,739,056	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	833,610	27,994	-	-
Debt service:				
Principal	-	-	20,266,477	-
Interest	-	-	6,597,293	2,125,484
Dues and fees	-	-	7,600	7,000
Total expenditures	387,159,805	919,627	26,871,370	2,132,484
Excess (deficiency) of revenues over (under) expenditures	(23,888,548)	-	(26,834,979)	229,028
Other financing sources (uses)				
Inception of capital leases	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
Loss recoveries	6,495	-	-	-
Transfers in	21,834,843	-	26,870,976	2,471,307
Transfers out	(550,279)	-	-	-
Total other financing sources (uses)	21,291,059	-	26,870,976	2,471,307
Net change in fund balances	(2,597,489)	-	35,997	2,700,335
Fund balance - beginning	53,480,753	-	971,430	7,146,685
Fund balance - ending	\$ 50,883,264	\$ -	\$ 1,007,427	\$ 9,847,020

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

Capital Projects Funds				
Local Capital Improvement Tax	Other Capital Projects	ARRA Economic Stimulus	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 801,920	\$ 3,082,061
-	-	-	34,542,515	37,362,435
-	2,620,113	-	2,064,480	81,354,178
-	-	-	-	272,808,869
63,261,086	-	-	-	63,261,086
-	15,791,473	-	-	15,791,473
-	-	-	5,190,096	9,356,782
-	30,484	-	-	30,484
136,992	2,110,844	17,942	2,332,681	12,442,045
63,398,078	20,552,914	17,942	44,931,692	495,489,413
-	-	-	14,991,118	269,857,115
-	-	-	2,909,632	24,264,846
-	-	-	9,873	3,202,524
-	-	-	571,680	3,345,644
-	-	-	3,764,486	4,989,989
-	-	-	2,431	3,467,956
-	-	-	-	1,281,964
-	-	-	1,020,536	2,515,371
-	-	-	39,492	17,313,523
9,277,254	5,834,236	-	77,446	15,286,991
-	-	-	18,089	1,992,715
-	-	-	17,012,977	17,081,034
-	-	-	124,704	6,113,262
-	-	-	181,897	17,017,521
-	-	-	10,520	34,371,988
-	-	-	-	14,579,869
-	-	-	-	3,642,831
-	-	-	805,063	3,544,119
18,188,507	41,425,515	95,345	181,390	59,890,757
-	-	-	838,011	1,699,615
-	-	-	1,215,000	21,481,477
-	-	-	520,932	9,243,709
-	-	-	29,816	44,416
27,465,761	47,259,751	95,345	44,325,093	536,229,236
35,932,317	(26,706,837)	(77,403)	606,599	(40,739,823)
-	8,869,894	-	-	8,869,894
-	-	-	658,000	658,000
-	-	-	106,524	106,524
-	-	-	(764,920)	(764,920)
-	3,000	-	-	3,000
-	-	-	-	6,495
13,888	-	-	-	51,191,014
(47,899,160)	(2,485,208)	-	(806,646)	(51,741,293)
(47,885,272)	6,387,686	-	(807,042)	8,328,714
(11,952,955)	(20,319,151)	(77,403)	(200,443)	(32,411,109)
51,273,846	71,982,142	77,403	5,631,620	190,563,879
\$ 39,320,891	\$ 51,662,991	\$ -	\$ 5,431,177	\$ 158,152,770

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Net change in fund balances - total governmental funds **\$ (32,411,109)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.

Capital Outlay	\$ 61,590,372	
Less, Depreciation Expense	(34,750,089)	
		26,840,283

The loss on disposal of capital assets during the current period is reported in the statement of activities. In the government funds, the costs of these assets was recognized as an expenditure in the year purchased. Thus the change in net position differs from the change in fund balances by the undepreciated cost of the disposed assets.

(5,918,872)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

State Board of Education Bonds, Series 2014A	\$ (658,000)	
Capital Leases	(8,869,894)	
		(9,527,894)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments.

Certificates of Participation	\$ 13,850,000	
State School Bonds	1,960,000	
Capital Leases	6,416,477	
		22,226,477

Premiums on new debt issues are reported when issued as expenditures and other financing sources in the governmental funds, but are deferred and amortized as expenses over the life of the debt in the statement of activities.

Unamortized Difference Between Old and New Debt:

Current Year	\$ 250,498	
Less, Prior Year	271,373	
Net Decrease in Expense from Difference Between Old and New Debt		(20,875)

Unamortized Premiums:

Prior Year	\$ 5,499,336	
Less, Current Year	5,060,607	
Net Decrease in Revenue from Unamortized Premiums		438,729

The net change in the liability for early retirement benefits is reported in the government-wide statements but not in the governmental funds until due.

276,413

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities.

Prior Year	\$ 260,467	
Less, Current Year	213,862	
Net Reduction in Expenses from Accrued Interest Payable		46,605

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 leave used. This is the net amount of vacation and sick leave earned in excess of the amount used in the current period, net of \$31,561 recorded in the internal service funds.

(22,788)

Internal service funds are used by management to charge the cost of insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.

877,922

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

(1,037,654)

Change in net position of governmental activities

\$ 1,767,237

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal direct	\$ 2,248,813	\$ 2,339,939	\$ 343,627	\$ (1,996,312)
Federal through state and local	-	-	1,900,293	1,900,293
State sources	77,242,255	77,525,500	76,669,585	(855,915)
Local sources:				
Property taxes levied for operational purposes	270,789,330	272,808,869	272,808,869	-
Charges for services	3,552,361	4,189,167	4,166,686	(22,481)
Other local revenue	6,308,067	7,452,764	7,382,197	(70,567)
Total revenues	360,140,826	364,316,239	363,271,257	(1,044,982)
Expenditures				
Current:				
Instruction	262,754,098	256,687,600	254,835,992	1,851,608
Pupil personnel services	21,051,444	21,455,500	21,355,214	100,286
Instructional media services	3,605,587	3,487,938	3,192,651	295,287
Instruction and curriculum development services	2,549,807	2,854,199	2,763,317	90,882
Instructional staff training services	1,238,677	1,372,588	1,156,950	215,638
Instruction related technology	2,934,647	3,199,550	2,988,524	211,026
Board of education	842,508	1,311,617	1,281,964	29,653
General administration	1,451,313	1,504,521	1,494,835	9,686
School administration	16,624,114	17,303,112	17,274,031	29,081
Facility services - non-capitalized	19,029	98,081	98,055	26
Fiscal services	1,775,871	1,938,380	1,937,353	1,027
Food services	94,717	94,717	68,057	26,660
Central services	5,367,820	5,751,335	5,720,404	30,931
Pupil transportation services	15,848,578	16,942,323	16,835,624	106,699
Operation of plant	34,282,328	34,552,468	34,361,468	191,000
Maintenance of plant	14,186,220	14,816,412	14,579,869	236,543
Administrative technology services	3,050,654	3,691,819	3,642,831	48,988
Community services	1,786,112	2,847,438	2,739,056	108,382
Capital outlay:				
Other capital outlay	-	833,610	833,610	-
Total expenditures	389,463,524	390,743,208	387,159,805	3,583,403
Deficiency of revenues under expenditures	(29,322,698)	(26,426,969)	(23,888,548)	2,538,421
Other financing sources (uses)				
Loss recoveries	-	-	6,495	6,495
Transfers in	20,646,003	22,956,687	21,834,843	(1,121,844)
Transfers out	(550,279)	(550,279)	(550,279)	-
Total other financing sources (uses)	20,095,724	22,406,408	21,291,059	(1,115,349)
Net change in fund balance	\$ (9,226,974)	\$ (4,020,561)	(2,597,489)	\$ 1,423,072
Fund balance - beginning			53,480,753	
Fund balance - ending			\$ 50,883,264	

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Revenue - Federal Economic Stimulus Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal through state and local	\$ 2,340,277	\$ 919,627	\$ 919,627	\$ -
Total revenues	<u>2,340,277</u>	<u>919,627</u>	<u>919,627</u>	<u>-</u>
Expenditures				
Current:				
Instruction	9,027	30,005	30,005	-
Instruction and curriculum development services	109,280	10,647	10,647	-
Instructional staff training services	168,442	68,553	68,553	-
Instruction related technology	570,168	477,001	477,001	-
Fiscal services	9,210	37,273	37,273	-
Central services	1,474,150	268,154	268,154	-
Capital outlay:				
Other capital outlay	-	27,994	27,994	-
Total expenditures	<u>2,340,277</u>	<u>919,627</u>	<u>919,627</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ -</u>	

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Fund Net Position
Proprietary Funds
June 30, 2014

	Governmental Activities Internal Service Funds
<hr/>	
Assets	
Current assets	
Cash and cash equivalents	\$ 12,420,526
Investments	10,084,766
Interest receivable	17,988
Deposits receivable	75,000
Due from other funds	2,643
Due from other agencies	32,274
Prepaid items	11,105
Total current assets	<u>22,644,302</u>
Total assets	<u>22,644,302</u>
Liabilities	
Current liabilities	
Salaries and wages payable	250
Accounts payable	104,731
Estimated insurance claims payable	3,148,412
Total current liabilities	<u>3,253,393</u>
Long-term liabilities	
Liability for compensated absences	10,223
Estimated insurance claims payable	5,766,085
Total long-term liabilities	<u>5,776,308</u>
Total liabilities	<u>9,029,701</u>
Net position	
Unrestricted	<u>13,614,601</u>
Total net position	<u><u>\$ 13,614,601</u></u>

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for services	\$ 4,967,337
Other operating revenues	210,621
Total operating revenues	<u>5,177,958</u>
Operating expenses	
Salaries	258,882
Employee benefits	76,658
Purchased services	742,376
Insurance claims	3,833,323
Total operating expenses	<u>4,911,239</u>
Operating income	266,719
Nonoperating revenues	
Investment income	<u>60,924</u>
Income before transfers	327,643
Transfer in	<u>550,279</u>
Change in net position	877,922
Total net position - beginning	<u>12,736,679</u>
Total net position - ending	<u><u>\$ 13,614,601</u></u>

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Cashflows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Governmental Activities Internal Service Funds
Operating activities	
Cash receipts from interfund services provided	\$ 4,976,350
Cash payments to suppliers	(676,916)
Cash payments to employees	(366,851)
Cash payments for insurance claims	(4,342,054)
Cash receipts from other operating revenues	210,621
Net cash used by operating activities	<u>(198,850)</u>
Noncapital financing activities	
Transfer from other funds	550,279
Net cash provided by noncapital financing activities	<u>550,279</u>
Investing activities	
Proceeds from the sale and maturities of investments	113,854
Investment income received	60,924
Purchase of investments	(10,000,000)
Net cash used by investing activities	<u>(9,825,222)</u>
Net decrease in cash	(9,473,793)
Cash and cash equivalents - Beginning of year	<u>21,894,319</u>
Cash and cash equivalents - End of year	<u><u>\$ 12,420,526</u></u>
Reconciliation of operating income to net cash used by operating activities	
Operating income	\$ 266,719
Adjustments to reconcile operating income to net cash used by operating activities:	
Change in assets and liabilities	
Decrease in due from other funds	3,602
(Increase) in due from other agencies	(32,274)
Decrease in prepaid items	776
Increase in salaries and wages payable	250
Increase in accounts payable	64,684
(Decrease) in liability for compensated absences	(31,561)
(Decrease) in estimated insurance claims payable	(471,046)
Total adjustments	<u>(465,569)</u>
Net cash used by operating activities	<u><u>\$ (198,850)</u></u>

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds School Internal Accounts
<hr/>	
Assets	
Cash and cash equivalents	\$ 6,727,896
Accounts receivable, net of allowance of \$28,663	118,926
Inventories	278,135
	<hr/>
Total assets	\$ 7,124,957
	<hr/>
Liabilities	
Accounts payable and other	\$ 658,071
Internal accounts payable	6,466,886
	<hr/>
Total liabilities	\$ 7,124,957
	<hr/>

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The School Board of Sarasota County, Florida, (the "District") has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Sarasota County School District is considered part of the Florida system of public education. The governing body of the school district is the Sarasota County District School Board (Board) that is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Sarasota County.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Statement No. 61. The rationale for including charter schools in the District's financial statements is pursuant to Article VII, Section 9 of the Florida Constitution and Section 1002.33(9)(l), Florida Statutes (F.S.), which provides that charter schools do not have the constitutional authority to levy taxes, making charter schools fiscally dependent on school districts. Because it may be misleading to exclude charter schools, GASB 61 provides the option to consider charter schools as component units of school districts.

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

- **Blended Component Unit** The Financing Corporation for the School Board of Sarasota County (Corporation), was founded to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 8. Due to the substantive economic relationship between the Board and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements for the Corporation are not published.
- **Discretely Presented Component Units** The component units columns in the government-wide financial statements include the financial data of the District's other component units. For financial reporting purposes, nine charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board, and are considered to be component units of the District since they are fiscally dependent on the District to levy taxes for them. The component units are as follows:

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Island Village Montessori Charter School, Inc., Sarasota Suncoast Academy, Inc., Student Leadership Academy of Venice, Inc., Imagine School at North Port, Inc., Sarasota Military Academy, Inc., Sarasota School of Arts and Sciences, Inc., Suncoast School for Innovative Studies, Inc., and Sarasota Academy of the Arts, Inc. (charter schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes. Imagine School at Sarasota, LLC, doing business as Imagine School at Palmer Ranch (charter school) is organized as a limited liability company pursuant to Chapter 608, Florida Statutes, and Section 1002.33, Florida Statutes. The Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2014. Audits of the charter schools for the fiscal year ended June 30, 2014, were conducted by independent certified public accountants and are filed at the District's administrative office at 1960 Landings Boulevard, Sarasota, FL 34231.

The District considered the SKY Academy charter school for inclusion as a component unit of the District. However, it is organized under an existing not-for-profit organization and is not a legally separate entity but is a division of the South County Family YMCA Foundation, Inc., and therefore, is excluded from the District's reporting entity.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expenses are allocated to functions/programs of the primary government. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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

Fund Financial Statements - 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, a reconciliation is presented with each of the governmental fund financial statements. The District reports the following major governmental funds:

- General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Federal Economic Stimulus Fund – to account for certain Federal grant program resources related to the American Recovery and Reinvestment Act (ARRA).
- Debt Service – Other Debt Service Fund – to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs on the long-term certificates of participation.
- Debt Service – ARRA Economic Stimulus Fund - to account for the accumulation of resources for, and the payment of, sinking fund, interest and related costs on the Certificates of Participation, 2010A Qualified School Construction Bonds.
- Capital Projects – Local Capital Improvement Tax Fund - to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, and renovation and remodeling projects.
- Capital Projects – Other Capital Projects Fund – to account for the financial resources such as sales tax proceeds, impact fees, and certificates of participation, which are used for capital outlay needs.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Capital Projects – ARRA Economic Stimulus Fund – to account for the proceeds and capital outlay related to the Certificates of Participation, 2010A Qualified School Construction Bonds.

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

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

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied.

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, early retirement incentive payments, postemployment healthcare benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

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

➤ **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

➤ **Deposits and Investments**

Cash balances from the majority of funds are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts, and therefore all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these statements. For investments which are held separately from the pools, those which are highly liquid (including restricted assets) with an original maturity of 90 days or less are considered to be cash equivalents. The amounts reported as cash and cash equivalents consist of cash in demand deposits; amounts placed with the State Board of Administration (SBA) Local Government Surplus Funds Trust Fund Investment Pool (LGIP), which, effective July 1, 2009, is known as Florida PRIME; and amounts placed in the Wells Fargo Advantage Heritage Money Market Fund and the Florida Education Investment Trust Fund.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by the Federal Depository Insurance Corporation and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash and cash equivalents as those accounts used as demand deposit accounts and all highly liquid investments with an original maturity of 90 days or less.

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys, with SBA for participation in the Florida PRIME and Fund B Surplus Funds Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.417, Florida Statutes, and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME and the Florida Education Investment Trust Fund (FEITF), which the SBA and the FEITF indicate are Securities and Exchange Commission Rule 2a7-like external investment pools, as of June 30, 2014, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at fair value, which is amortized cost.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments held locally consist of money market mutual funds, commercial paper, corporate notes and bonds, United States Treasury notes and strips, obligations of United States Agencies and Instrumentalities, and certificates of deposit and are reported at fair value. Types and amounts of investments held by the District at June 30, 2014 are further described in Note 3.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on a weighted average basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures at the time individual inventory items are requisitioned for consumption, except for transportation parts.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The purchase method is used to account for prepaid items.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated assets are recorded at fair value at the date of donation. Capital assets shall be depreciated over their estimated useful lives unless they are inexhaustible (i.e. land and land improvements) or construction in progress. Land improvements consist of betterments, site preparation and site improvements that ready land for its intended use. Land improvements are characterized as having an unlimited life and are therefore not depreciated.

The costs of normal maintenance and repairs that does not add to the value of the asset or materially extends the 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>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	5 – 40 years
Buildings and Fixed Equipment	10 – 50 years
Furniture, Fixtures and Equipment and Audio Visual Materials	3 – 15 years
Motor Vehicles	5 – 10 years
Computer Software	5 - 10 years

Changes in capital assets for the current year are further described in Note 5.

➤ **Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate section, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District has one item that meets this criteria- the loss on refunding which is the difference between reacquisition price and net carrying amount of old debt.

➤ **Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The liability is based on the sick leave accumulated at June 30th by those employees who are currently eligible to receive termination payments and those employees for whom it is probable that they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and State law.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, only the amount payable to employees who terminated their employment as of the end of the fiscal year is reported. The liability at year-end includes salary related payments such as Social Security, Medicare and Florida Retirement System contributions.

Changes in compensated absences liability for the current year are further described in Note 11.

➤ **Long-Term Debt**

Long-term debt obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond and certificates of participation premiums and discounts, and differences between the reacquisition price and net carrying amount of the old debt are deferred and amortized over the life of the bonds and certificates of participation using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

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

Changes in long-term debt obligations for the current year are further described in Note 11.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

➤ **State Revenue Sources**

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes.

In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five months following the date of original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental funds financial statements for the unspent balance of categorical and earmarked educational program resources.

A schedule of revenue from State sources for the current year is further described in Note 15.

➤ **District Property Taxes**

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

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

The Board adopted the 2013 tax levy on September 10, 2013. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes become a lien on the property on January 1, and are delinquent on April 1, of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Sarasota County Tax Collector at fiscal year-end but not yet remitted to the District.

Millage rates and taxes levied for the current year are further described in Note 16.

➤ **School Capital Outlay Surtax (Local Sales Tax)**

The citizens of Sarasota County on November 4, 1997, approved a one-cent sales tax authorized under Section 212.055(6), Florida Statutes. The Board receives one-fourth of the one-cent sales tax. The surtax levy commenced on September 1, 1999, and remained in effect for a period of 10 years through 2009. The voters of Sarasota County approved the continuation of this tax effective September 1, 2009, which remains in effect for a period of 15 years through 2024.

➤ **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.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State statutes and State Board of Education rules in establishing budget balances for governmental funds as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the function level within each fund (e.g., instruction, pupil 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.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued.
- Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.
- The reported budgetary data consists of the original budget as well as the final appropriated budget after amendments approved by the Board.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

3. INVESTMENTS

- The District's investment policy authorizes the following investments:
- Savings accounts
 - Certificates of deposits
 - Intergovernmental investment pools
 - State and/or Local Government Taxable and/or Tax-Exempt Debt
 - Securities of the United States Government including obligations of the United States Treasury
 - United States Government Agencies
 - Federal Instrumentalities
 - Mortgage Backed Securities
 - Repurchase Agreements
 - Commercial Paper
 - Corporate Notes
 - Bankers' Acceptances

Investments at June 30, 2014, are shown below:

Investments	Maturities	Value
State Board of Administration (SBA):		
Florida PRIME	40 Day Average ⁽¹⁾	\$ 90,345,126
Fund B Surplus Funds Trust Fund (Fund B)	2.86 Year Average	798,837
Debt Service Accounts	6 Months	238,410
Wells Fargo Advantage Heritage Money Market Fund	30 Day Average ⁽¹⁾	10,961,647
Wells Fargo Advantage Heritage Money Market Fund	30 Day Average ⁽²⁾	2,275,690
Florida Education Investment Trust Fund (FEITF)	51 days ⁽¹⁾	9,714,124
Obligations of United States Agencies and Instrumentalities	February 2016-June 2017	16,654,969
United States Treasury Strip	5/15/2027	7,571,330
United States Treasury Notes	January 2016-March 2017	21,398,980
Obligations of United States Agencies and Instrumentalities - FAMC Discount Note	11/17/2014	1,006,768
Commercial Paper	July 2014	20,999,603
Corporate Notes	February 2016-June 2017	11,875,144
Money Market Fund	30 Day Average ⁽²⁾	100,722
Total Investments		<u>\$ 193,941,350</u>

⁽¹⁾ Investments are reported as cash equivalents.

⁽²⁾ Cash held by fiscal agent or under a paying agent agreement for investment purposes.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

3. INVESTMENTS (continued)

➤ **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415, Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Due to the nature of the securities in Fund B, the interest rate risk information required by GASB Statement No. 40 (i.e., specific identification, duration, weighted average maturity, segmented time distribution, or simulation model) is not available. An estimate of the weighted average life (WAL) is available. In the calculation of the WAL, the time at which an expected principal amount is to be received, measured in years, is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL, based on expected future cash flows, of Fund B at June 30, 2014, is estimated at 2.86 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the WAL. Participation in Fund B is involuntary.

Florida PRIME had weighted average days to maturity (WAM) of 40 days and FEITF had a WAM of 51 days at June 30, 2014. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

➤ **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 in money market funds to Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; Florida PRIME or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; and 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.

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

3. INVESTMENTS (continued)

As of June 30, 2014, the District's investments in the Florida PRIME is rated AAAm by Standard & Poor's. Pool B is unrated.

The Wells Fargo Advantage Heritage Money Market Fund was rated AAAm by Standard & Poor's.

The Florida Education Investment Trust Fund was rated AAAm by Standard & Poor's.

Obligations of United States Agencies and Instrumentalities totaling \$16,654,969 were rated AA+ by Standard & Poor's.

Commercial paper was rated A-1 short term by Standard and Poor's.

The District's investment in Obligations of United States Agencies and Instrumentalities is authorized under a forward delivery agreement with the Qualified Zone Academy Bonds paying agent. The forward delivery agreement authorizes the investment of the sinking fund amounts in certain eligible securities, including, without limitation, the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation and Federal Farm Credit Banks. The eligible securities must have a maturity date that is on or before November 16, 2021. The District's investment in the Federal Agriculture Mortgage Corporation discount note is rated Aaa by Moody's.

The District's investment in United States Treasury Strips authorized under the supplemental trust agreement for the 2010A Qualified School Construction Bonds. The agreement authorizes the investment of the sinking fund amounts in certain eligible securities, including, without limitation, U.S. Treasury Strips and Notes and the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation and Farm Credit Banks. The eligible securities must have a maturity date that is on or before June 15, 2027. Disclosure of credit risk is not required for the District's investment in a United States Treasury Strip.

➤ **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.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

3. INVESTMENTS (continued)

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

The District's \$1,006,768 investment in a FAMC discount note was held in a custody account by the paying agent.

The District's \$7,571,330 investment in the U.S. Treasury Strip was held in a custody account by the paying agent.

➤ **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 has a formal policy that limits the amount the District may invest in any one issuer.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

3. INVESTMENTS (continued)

The below table reflects the District's investment policy minimum rating requirements, maturity limits, maximum investment allocation limits and maximum single issuer limits by investment security type:

Security Type	Minimum Rating Requirement	Maturity Limits	Maximum Allocation Limit	Maximum Issuer Limit
United States Government Securities	N/A	5 Years	100%	N/A
United States Government Agencies (full faith and credit of the United States Government)	N/A	5 Years	50%	25%
Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE") which are non-full faith and credit).*	N/A	5 Years	80%	40%
Mortgage-Backed Securities (MBS) *	N/A	5 Years	20%	15%
Non-Negotiable Interest Bearing Time Certificates of Deposit	N/A	1 Years	50%	25%
Repurchase Agreements	N/A	60 Days	50%	25%
Commercial Paper	P-1/A-1	270 Days	25%	15%
Corporate Notes	Single "A" category by two NRSROs	5 Years	25%	5%
Bankers' Acceptances	P-1/A-1	180 Days	35%	20%
State and/or Local Government Taxable and/or Tax-Exempt Debt	Single "A" category by two NRSROs	5 Years	20%	10%
Registered Investment Companies (Money Market Mutual Funds)	AAAm	N/A	50%	25%
Intergovernmental Investment Pool	AAA	N/A	25%	N/A
Florida PRIME	AAAm	N/A	75%	N/A

*The combined total of available funds invested in Federal Instrumentalities and Mortgage- Backed Securities cannot be more than 80%.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

4. RECEIVABLES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible amounts is accrued.

Due from other agencies at June 30, 2014, are shown below:

Florida Department of Education	\$ 619,623
Department Of Financial Services	523,441
Gulf Coast Community Foundation	283,726
US Department of Agriculture	218,841
Sarasota County Sheriff	95,000
Sarasota County Tax Collector	94,327
Miscellaneous Governmental Agencies	56,404
SWFWMD Grant	40,945
State of Florida	39,745
Florida Retirement System	39,487
Department of Health	19,032
Washington County School Board	3,658
Nokomis Fire Department	2,051
	<hr/>
	\$ 2,036,280

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7/1/2013	Additions	Deletions	Balance 6/30/2014
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 31,548,138	\$ -	\$ 1,409	\$ 31,546,729
Land Improvements	67,884,975	9,662,995	2,039,099	75,508,871
Construction in Progress	164,779,586	14,383,786	154,807,352	24,356,020
Total Capital Assets Not Being Depreciated	264,212,699	24,046,781	156,847,860	131,411,620
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	50,844,685	11,899,889	1,455,361	61,289,213
Buildings and Fixed Equipment	819,480,695	164,911,831	22,400,106	961,992,420
Furniture, Fixtures, and Equipment and				
Audio Visual Materials	61,013,316	4,094,628	8,454,146	56,653,798
Motor Vehicles	31,562,431	2,574,701	867,149	33,269,983
Equipment Under Capital Leases	32,950,142	8,869,894	9,616,711	32,203,325
Computer Software	9,309,119	-	374,438	8,934,681
Total Capital Assets Being Depreciated	1,005,160,388	192,350,943	43,167,911	1,154,343,420
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(29,202,079)	(2,039,259)	1,164,097	(30,077,241)
Buildings and Fixed Equipment	(232,565,371)	(18,636,383)	19,070,944	(232,130,810)
Furniture, Fixtures, and Equipment and				
Audio Visual Materials	(47,804,517)	(4,597,146)	8,196,208	(44,205,455)
Motor Vehicles	(19,512,720)	(2,286,287)	867,149	(20,931,858)
Equipment Under Capital Leases	(14,893,292)	(6,279,848)	9,616,711	(11,556,429)
Computer Software	(2,088,041)	(911,166)	374,438	(2,624,769)
Total Accumulated Depreciation	(346,066,020)	(34,750,089)	39,289,547	(341,526,562)
Total Capital Assets Being Depreciated, Net	659,094,368	157,600,854	3,878,364	812,816,858
Governmental Activities Capital Assets, Net	\$ 923,307,067	\$ 181,647,635	\$ 160,726,224	\$ 944,228,478

The class of property under capital leases is presented in Note 7.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

5. CHANGES IN CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 29,534,846
Pupil Personnel Services	5,910
Instructional Media Services	6,269
Instruction and Curriculum Development Services	7,336
Instructional Staff Training	36,056
Board of Education	43
General Administration	256,025
School Administration	11,656
Facility Services	1,681,614
Fiscal Services	757
Food Services	84,863
Central Services	413,562
Pupil Transportation Services	2,357,173
Operation of Plant	84,165
Maintenance of Plant	188,284
Administrative Technology Services	72,861
Community Services	8,669
Total Depreciation Expense - Governmental Activities	<u>\$ 34,750,089</u>

6. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Accounts payable and other current liabilities at June 30, 2014, are shown below:

Construction Contracts Payable	\$ 6,239,127
Accounts Payable	3,647,187
Salary and Wages Payable	1,471,130
Payroll Deductions and Withholdings Payable	1,229,142
Deposits Payable	17,450
	<u>\$ 12,604,036</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

7. OBLIGATIONS UNDER CAPITAL LEASES

The class and amount of property being acquired under capital leases are as follows:

<u>Asset Description</u>	<u>Asset Balance</u>
Equipment:	
Copier Equipment	\$ 1,096,435
Computer Equipment	<u>31,106,890</u>
	<u><u>\$ 32,203,325</u></u>

Future minimum capital lease obligations and the present value of the minimum lease payments as of June 30 are as follows:

2015	\$ 7,410,104
2016	6,310,725
2017	5,273,298
2018	3,607,153
2019	<u>87,617</u>
Total minimum lease payments	22,688,897
Less interest	<u>(1,200,856)</u>
Present value of minimum payments	<u><u>\$ 21,488,041</u></u>

The imputed interest rates range from 1.450 to 3.496 percent.

8. CERTIFICATES OF PARTICIPATION PAYABLE

The District entered into a financing arrangement on September 15, 2004. This arrangement was characterized as a lease-purchase agreement, with the Corporation whereby the District secured financing of various educational facilities in the amount of \$50,000,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2004, to be repaid from the proceeds of rents paid by the District.

The District also entered into a financing arrangement on March 25, 2009. This arrangement was characterized as a lease-purchase agreement, with the Corporation whereby the District secured financing of various educational facilities in the amount of \$75,625,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2009, to be repaid from the proceeds of rents paid by the District.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

8. CERTIFICATES OF PARTICIPATION PAYABLE (continued)

The District also entered into a financing arrangement on September 1, 2010. This arrangement was characterized as a lease-purchase agreement in the form of Qualified School Construction Bonds, with the Corporation whereby the District secured financing of various education facilities and equipment in the amount of \$43,026,000. The Qualified School Construction Bond financing was accomplished through the issuance of Certificates of Participation, Series 2010A, to be repaid from the proceeds of rents paid by the District.

Qualified School Construction Bonds provide for a refundable credit from the United States Department of Treasury in accordance with Section 6431(f) of the Internal Revenue Code of 1986, as amended, equal to the lesser of the amount of interest payable with respect to the Certificates on such date or the amount of interest which would have been payable with respect to the Certificates on such date if such interest were determined at the tax credit rate otherwise applicable to such Certificates in accordance with the Code. The tax credit rate set by the Department on August 30, 2010 was 4.85 percent. This interest rate credit will be paid to the District with respect to the Certificates (the "Subsidy Payment").

Lease principal payments in the amount of \$2,192,123 are required to be deposited by the District into a sinking fund on an annual basis, and interest at the rate of 4.94 percent is paid semiannually. Sinking fund proceeds are invested and accumulate over the life of the issue, ending in a lump sum repayment to the leaseholders at maturity. The annual principal lease payment is adjusted as required based upon final investment earnings.

The District also entered into a financing arrangement on September 16, 2010. This arrangement was characterized as a lease-purchase agreement, with the Corporation whereby the District secured financing of various education facilities in the amount of \$70,070,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2010B, to be repaid from the proceeds of rents paid by the District.

As a condition of the above financing arrangements, the District has given a ground lease on District property to the Corporation with a rental fee of \$10 per year. The 2004, 2009, 2010A and 2010B leases have an original term extending to the date that the Certificates of Participation are paid, or prior to July 1, 2015 for the 2004 certificates, prior to July 1, 2024 for the 2009 certificates, prior to July 1, 2025 for the 2010B certificates, and prior to July 1, 2027 for the 2010A certificates. If the District fails to provide for the rent payment through to term, the District may be required to surrender the sites and financed improvements to the Corporation.

The District properties included in the ground lease under this arrangement include:

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

8. CERTIFICATES OF PARTICIPATION PAYABLE (continued)

Series 2004 Certificates of Participation

Phillippi Shores Elementary School
Venice Elementary School
Wilkinson Elementary School

Series 2009 Certificates of Participation

Atwater Elementary School
Sarasota County Technical Institute

Series 2010A Certificate of Participation (Qualified School Construction Bonds)

Booker High School

Series 2010B Certificates of Participation

Booker High School
Venice High School

The lease payments are payable by the District semiannually, on July 1 and January 1, with interest rates ranging from 3.00 to 5.50 percent. The following is a schedule by years of future minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30:</u>	<u>Series 2004 Lease</u>	<u>Series 2009 Lease</u>	<u>Series 2010A Lease</u>	<u>Series 2010B Lease</u>	<u>Total</u>
2015	\$ 6,084,750	\$ 7,271,869	\$ 2,125,484	\$ 6,552,445	\$ 22,034,548
2016	-	7,272,819	2,125,484	6,548,845	15,947,148
2017	-	7,272,219	2,125,484	6,551,645	15,949,348
2018	-	7,275,219	2,125,484	6,551,845	15,952,548
2019	-	7,271,994	2,125,484	6,549,595	15,947,073
2020-2024	-	36,372,486	10,627,422	32,755,105	79,755,013
2025-2027	-	-	49,402,455	6,547,500	55,949,955
Total Minimum Lease Payments	6,084,750	72,736,606	70,657,297	72,056,980	221,535,633
Add: Unamortized Premium on Debt	114,139	71,913	-	4,072,367	4,258,419
Less: Interest	<u>(289,750)</u>	<u>(16,876,606)</u>	<u>(27,631,297)</u>	<u>(16,636,980)</u>	<u>(61,434,633)</u>
Total Certificates of Participation	<u>\$ 5,909,139</u>	<u>\$ 55,931,913</u>	<u>\$ 43,026,000</u>	<u>\$ 59,492,367</u>	<u>\$ 164,359,419</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

9. BONDS PAYABLE

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

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2005-B	\$ 3,850,000	5.000	2020
Series 2006-A	1,080,000	4.100-4.625	2026
Series 2008-A	985,000	4.25-5.00	2028
Series 2009-A	1,025,000	5.00	2019
Series 2010	1,555,000	3.50-5.00	2030
Series 2011-A	515,000	3.00-5.00	2023
Series 2014-A	658,000	2.00-5.00	2024
District Revenue Bonds:			
Qualified Academy Zone Bonds	1,299,696		2021
Subtotal	<u>10,967,696</u>		
Add: Unamortized Premium on Debt	802,188		
Total Bonds Payable	<u><u>\$ 11,769,884</u></u>		

The various bonds were issued to finance capital outlay projects of the District.

The following is a description of the bonded debt issues:

➤ **State School Bonds**

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

9. BONDS PAYABLE (continued)

Annual requirements to amortize all bonded debt outstanding as of June 30, 2014, are as follows:

Fiscal Year Ending June 30: State School Bonds	Total	Principal	Interest
2015	\$ 1,726,117	\$ 1,264,000	\$ 462,117
2016	1,730,666	1,333,000	397,666
2017	1,718,245	1,386,000	332,245
2018	1,732,612	1,469,000	263,612
2019	875,538	685,000	190,538
2020-2024	2,702,994	2,126,000	576,994
2025-2029	1,438,419	1,270,000	168,419
2030	140,400	135,000	5,400
Total	\$ 12,064,991	\$ 9,668,000	\$ 2,396,991

➤ **Qualified Zone Academy Bonds**

The District entered into a purchase contract dated November 1, 2005, under the Qualified Zone Academy Bonds (QZAB) Program. The QZAB program provides no interest cost financing to purchase certain goods or services for schools located in eligible District areas (zones). The District received financing of \$1,299,696 from a local bank on November 16, 2005. Interest on the debt is paid by the United States Government through the issuance of Federal income tax credits to the holder of the QZAB debt (the bank). The rate of return to the bank was established by the United States Government at the time of the sale.

Repayment of the original \$1,299,696 financing proceeds is due in full on November 16, 2021. In connection with the financing, the District entered into a forward delivery agreement dated November 16, 2005, requiring a single deposit of \$726,519 into a sinking fund. The forward delivery agreement provides for a guaranteed investment return of 3.67 percent per annum whereby the required deposit, along with accrued interest, will be sufficient to repay the debt at maturity. The invested assets accumulated pursuant to the forward delivery agreement are held under a custodial agreement until the debt matures. There is \$1,006,768 in this sinking fund at June 30, 2014.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

10. DEFEASED DEBT

In prior years, the Board defeased in substance certain outstanding bonds by placing a portion of the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the in-substance defeased bonds are not included in the District's financial statements.

On May 22, 2014, the bond proceeds received for the issuance of the State Board of Education (SBE) Capital Outlay Bonds, 2014 Series A, \$658,000, refunded certain callable portions of the SBE Capital Outlay Bonds, 2004 Series A. Accordingly, Series 2004 Series A, \$745,000 is considered defeased. As a result of this refunding, the District will see a decrease in Debt Service payments of \$102,034.

On June 30, 2014, debt considered defeased in substance are as follows:

Debt Issue	Amount Outstanding
State School Bonds, Series 2003A	\$ 515,000
State School Bonds, Series 2004A	\$ 745,000
Total Defeased Debt	<u>\$ 1,260,000</u>

11. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 13,018,267	\$ 764,524	\$ 2,012,907	\$ 11,769,884	\$ 1,264,000
Obligations Under Capital Leases	19,034,624	8,869,894	6,416,477	21,488,041	6,830,237
Certificates of Participation Payable	178,701,765	-	14,342,346	164,359,419	14,400,000
Liability for Compensated Absences	35,024,829	10,407,695	10,416,468	35,016,056	10,446,990
Estimated Insurance Claims Payable	9,385,543	3,362,277	3,833,323	8,914,497	3,148,412
Early Retirement Incentive Payable	859,479	-	276,413	583,066	484,299
Other Postemployment Healthcare Benefits Payable	9,416,536	2,999,243	1,961,589	10,454,190	-
Total Governmental Activities	<u>\$ 265,441,043</u>	<u>\$ 26,403,633</u>	<u>\$ 39,259,523</u>	<u>\$ 252,585,153</u>	<u>\$ 36,573,938</u>

For the governmental activities, compensated absences, early retirement incentive, and other postemployment healthcare benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the internal service funds as discussed in Note 20.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

12. FUND BALANCE REPORTING

There are two major types of fund balances, nonspendable and spendable. 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 does not have any nonspendable funds related to endowments. The District has inventories totaling \$1,463,028 and prepaid assets totaling \$2,645,429 that are considered nonspendable.

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as *Restricted, Assigned, and Unassigned* and considered each to have been spent when expenditures are incurred. The District does not report any *Committed* fund balance. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

- Restricted: The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as unspent State categorical and earmarked education funding that are legally or otherwise restricted. The District's restricted fund balance total is \$102,540,292 and represents \$2,544,146 for categorical programs, \$71,711 for grants, \$4,647,975 for food service, \$11,087,963 for debt service and \$84,188,497 for capital projects.
- Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., majority vote of the Board at a public meeting).

These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District does not report any committed fund balance.

- Assigned: The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

12. FUND BALANCE REPORTING (continued)

an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. This category includes any remaining positive amounts, for governmental funds other than the General Fund, not classified as nonspendable, restricted, or committed. The District also classifies amounts as assigned that are constrained to be used for a specific purpose based on actions of the Superintendent and the Chief Financial Officer as authorized by Board Policy 7.101 and not included in other categories. The District's assigned fund balance total is \$12,068,211 and represents \$2,795,522 in District projects, \$2,475,191 in school operating budget carryforwards and \$6,797,498 in capital projects.

- Unassigned: The General Fund is the only fund that reports a positive unassigned fund balance. The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes. The unassigned fund balance in the General Fund is \$39,435,810.

The District has adopted Board Policy 7.101 that the unassigned fund balance in the General Fund will be, at a minimum, 7.5 percent of the total appropriations and transfers out. The District currently exceeds this policy with an unassigned fund balance at 10.2 percent.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

12. FUND BALANCE REPORTING (continued)

The following is a schedule of fund balances by category at June 30, 2014:

	<u>Major Funds</u>					
	General	Special Revenue - Federal Economic Stimulus	Debt Service - Other Debt Service	Debt Service - ARRA Economic Stimulus	Capital Projects - Local Capital Improvement Tax	Capital Projects - Other Capital Projects
Fund Balances						
Nonspendable:						
Inventories	\$ 980,038	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	2,645,429	-	-	-	-	-
Spendable:						
Restricted:						
Categorical Programs	2,544,146	-	-	-	-	-
Grants	7,128	-	-	-	-	-
Special Revenue - Food Service	-	-	-	-	-	-
Debt Service	-	-	1,007,427	9,847,020	-	-
Capital Projects	-	-	-	-	39,320,891	44,865,493
Assigned:						
School Operations:						
District Projects	2,795,522	-	-	-	-	-
School Carryforwards	2,475,191	-	-	-	-	-
Capital Projects	-	-	-	-	-	6,797,498
Unassigned	39,435,810	-	-	-	-	-
Total Fund Balances	<u>\$ 50,883,264</u>	<u>\$ -</u>	<u>\$ 1,007,427</u>	<u>\$ 9,847,020</u>	<u>\$ 39,320,891</u>	<u>\$ 51,662,991</u>
		Nonmajor Governmental Funds	Total Governmental Funds			
Fund Balances						
Nonspendable:						
Inventories	\$ 482,990	\$ 1,463,028				
Prepaid items	-	2,645,429				
Spendable:						
Restricted:						
Categorical Programs	-	2,544,146				
Grants	64,583	71,711				
Special Revenue - Food Service	4,647,975	4,647,975				
Debt Service	233,516	11,087,963				
Capital Projects	2,113	84,188,497				
Assigned:						
School Operations:						
District Projects	-	2,795,522				
School Carryforwards	-	2,475,191				
Capital Projects	-	6,797,498				
Unassigned	-	39,435,810				
Total Fund Balances	<u>\$ 5,431,177</u>	<u>\$ 158,152,770</u>				

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

13. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Encumbrances: Appropriations in governmental funds are encumbered upon issuance of purchase order for goods and 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 Special Revenue-Federal Economic Stimulus fund has a zero fund balance. This type of reimbursement grant has not been recognized in the financial statements yet to reflect the encumbrance amount in the fund balance category.

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

Major Funds					
General	Special Revenue - Federal Economic Stimulus	Capital Projects - Local Capital Improvement Fund	Capital Funds - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 922,282	\$ 236,011	\$ 23,766,394	\$ 27,858,648	\$ 1,310,699	\$ 54,094,034

Construction Contracts: Encumbrances include the following major construction contract commitments at fiscal year-end:

Project Name	Contract Amount	Completed To Date	Balance Committed
Bay Haven	\$ 8,397,187	\$ 475,039	\$ 7,922,148
Booker High	38,887,175	38,122,104	765,071
Booker Middle	6,841,195	6,279,104	562,091
Landings	444,072	403,502	40,570
Oak Park	339,061	199,538	139,523
Sarasota County Technical	22,287,860	19,373,153	2,914,707
Sarasota Middle	474,602	78,054	396,548
Sarasota High	31,029,404	8,161,462	22,867,942
Tuttle	542,236	240,391	301,845
Venice High	41,353,284	36,025,194	5,328,090
District Wide	645,991	173,592	472,399
Total	\$ 151,242,067	\$ 109,531,133	\$ 41,710,934

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Funds</u>	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General	\$ -	\$ 3,144,390
Other Debt Service	16,234	-
Special Revenue:		
Federal Economic Stimulus	1,914	223,130
Capital Projects:		
Local Capital Improvement Tax	2,538,074	16,234
Other Capital Projects	-	361
Nonmajor Governmental Funds	825,250	-
Internal Service Funds	2,643	-
	<u> </u>	<u> </u>
Total	<u>\$ 3,384,115</u>	<u>\$ 3,384,115</u>

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purposes for which the monies were received in the fund providing the advancement. All amounts will be repaid within the 2014-15 fiscal year.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

**14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS
(continued)**

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

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 21,834,843	\$ 550,279
Debt Service:		
Other Debt Service	26,870,976	-
ARRA Economic Stimulus	2,471,307	-
Capital Projects:		
Local Capital Improvement Tax	13,888	47,899,160
Other Capital Projects	-	2,485,208
Nonmajor Governmental Funds	-	806,646
Internal Service Funds	550,279	-
Total	<u>\$ 51,741,293</u>	<u>\$ 51,741,293</u>

Interfund transfers of money represent permanent transfers of monies between funds. The transfer from the General Fund to the Internal Service Funds was to reimburse the general liability and automobile liability self-insurance funds. Transfers from the Local Capital Improvement Tax Fund were for the purpose of funding maintenance and equipment expenditures and payment of premiums for property and casualty insurance in the General Fund and for paying debt service expenditures in the Other Debt Service Fund. Transfers from Other Capital Projects Fund were for capital outlay to charter schools, and to reimburse certain capital outlay expenditures. The transfer from Nonmajor Governmental Funds represents the closing of the Debt Service Racetrack Fund into the General Fund.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

15. SCHEDULE OF STATE REVENUE SOURCES

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

Source:	Amount
Categorical educational programs - Class size reduction	\$ 45,502,774
Florida education finance program	19,283,432
Workforce development program	8,211,198
School recognition	1,813,199
Motor vehicle license tax (capital outlay & debt service)	1,920,310
Charter school capital outlay	2,471,320
Racing commissions	446,500
Adults with disabilities	437,887
Discretionary lottery funds	415,912
Mobile home license tax	243,819
Food service supplement	172,836
Performance based incentives	85,053
Miscellaneous	349,938
Total	\$ 81,354,178

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

16. PROPERTY TAXES

The following is a summary of millages and taxes levied (net of an estimated uncollectible amount) on the 2013 tax roll for the 2013-14 fiscal year:

Funds	Millage Rates	Taxes Levied
General Fund		
Nonvoted School Tax:		
Required Local Effort	4.722	\$ 197,966,748
Basic Discretionary Local Effort	0.748	31,359,409
Voted Tax:		
Operating	1.000	41,924,343
Capital Projects Funds		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>62,886,515</u>
Total	<u>7.970</u>	<u>\$ 334,137,015</u>

17. STATE RETIREMENT PROGRAMS

Florida Retirement System. The Florida Retirement System (FRS) covers all regular employees of the District. The FRS offers employees a defined benefit retirement plan and a defined contribution program. The District is required to make contributions in accordance with rates established by the Florida Legislature. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. During the 2011 legislative session, the laws governing the FRS were amended and effective July 1, 2011, requires all employees except Deferred Retirement Option Program (DROP) participants to start contributing 3 percent of their salary into the retirement system, excludes service credit earned after July 1, 2011 from the calculation of a member's cost-of-living increase at the time of retirement, reduces the interest rate earned on DROP participant accounts to 1.3 percent for new participants, and changes the normal retirement age and or years of service requirements, vesting requirements and calculation of average final compensation for members of the FRS initially enrolled on or after July 1, 2011.

Defined Benefit Plan. Most employees working for the District are covered by a State-administered, cost-sharing, multiple-employer defined benefit retirement plan (Plan) under the FRS. Plan provisions 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 Plan eligibility, contributions, and benefits are defined and described in detail. Employees in the Plan vest at six years of service if enrolled before July 1, 2011. All employees enrolled in the plan on or after July 1, 2011 vest at eight years of 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, which may include up to 4 years of credit for military service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

17. STATE RETIREMENT PROGRAMS (continued)

of service. Members who enrolled in the plan on or after July 1, 2011 and become vested are eligible for normal retirement benefits at age 65 or at any age after 33 years of service, which may include up to 4 years of credit for military service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. The Plan also includes an early retirement provision but there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

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

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Defined Contribution Plan. Pursuant to Section 121.4501, Florida Statutes, the Florida Legislature created a defined contribution program called the Florida Retirement System Investment Plan (Investment Plan). Employees in the Investment Plan vest after one year of service. District employees participating in DROP are not eligible to participate in the program. This program is administered by FRS as an option to the defined benefit plan, and is self-directed by the employee. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave FRS. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.). Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. There were 723 District participants in the Investment Plan during the 2013-14 fiscal year. Required employer contributions made to the program totaled \$1,957,813 and employee contributions totaled \$840,722.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

17. STATE RETIREMENT PROGRAMS (continued)

Funding Policy. The contribution rates for Plan members are established and may be amended by the State of Florida. During the 2012-13 fiscal year, contribution rates were amended to require all employees except DROP participants to start contributing 3 percent of their salary into the retirement system. The current rates for 2013-14 are as follows:

Membership Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	6.95
Florida Retirement System, Elected County Officers	3.00	33.03
Florida Retirement System, Senior Management Service	3.00	18.31
Florida Retirement System, DROP	0.00	12.84
Florida Retirement System, Special Risk System	3.00	19.06
Florida Retirement System, Reemployed Retiree	(B)	(B)

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

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

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions for the fiscal years ended June 30, 2012, June 30, 2013, and June 30, 2014, totaled \$9,946,576, \$10,755,347 and \$16,202,718 respectively, which were equal to the required contributions for each fiscal year. The employees' contributions for the fiscal year ending June 30, 2014 were \$5,455,708.

Pension Reporting. The financial statements and other supplemental information of FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained from the Florida Department of Financial Services. Also, an annual report on FRS, which includes its financial statements, required supplemental information, actuarial report, and other relevant information, may be obtained from the Florida Department of Management Services, Division of Retirement.

18. SPECIAL TERMINATION BENEFITS

On May 18, 1993, the Board approved the establishment of a one-time early retirement incentive program for members of the instructional and classified collective bargaining units and its administrative personnel who signed an agreement to participate in the program and agreed to retire from employment under the provisions of the FRS as explained in Note 17. The early out program was offered only until August 15, 1993.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

18. SPECIAL TERMINATION BENEFITS (continued)

Participating employees were required to select an option under the existing provisions of the FRS which pays over the life of the employee the maximum retirement benefit payable, forfeiting an option which would pay decreased retirement benefits for the lifetime of both the employee and a joint annuitant (Survivor). To compensate for the loss of these extended survivor benefits, the District, as part of the Early Out Program, purchased on behalf of participating employees a flexible premium universal life insurance policy to be paid for over the life of the retiree, providing death benefits upon the qualified employee's death equaling the amount the survivor would have received, including a 3 percent annual cost of living adjustment (COLA), had the qualified employee selected the FRS option which paid survivor benefits. Premiums are to be paid for over the life of the participating employee. The District reported a liability of \$583,066 in the Statement of Net Position representing the present value of the estimated future payments for life insurance premiums for the remaining 112 employees who elected to retire during the 1992-93 and 1993-94 fiscal years and participate in the program.

19. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and their eligible dependents may continue to participate in one of four fully insured comprehensive plans for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not provide any explicit subsidies for retiree coverage. Retirees are not required to enroll in the Federal Medicare programs parts A and B for their primary coverage as soon as they are eligible. A retiree may also participate in the District's life insurance program that provides \$5,000 coverage reducing to \$2,500 at age 70. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity. A copy of the actuarial report provided by AON Hewitt dated August 19, 2014 is available in the District's Finance Department.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

19. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funding Policy – Plan contribution requirements of the District and OPEB Plan members are established and may be amended through action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation and the OPEB Plan is financed on a pay-as-you-go basis. As of the valuation date there were 415 retirees and 41 eligible dependents receiving postemployment health care benefits and 1,765 receiving life insurance coverage. For the 2013-14 fiscal year, the District provided required contributions of \$1,961,589 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling \$2,648,427 which is 1.10 percent of the covered payroll.

Annual OPEB Cost and Net OPEB Obligation – The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

Description	Amount
Normal Cost (service cost for one year)	\$ 1,569,519
Amortization of Unfunded Actuarial Accrued Liability	1,275,570
Interest on Normal Cost and Amortization	<u>113,804</u>
Annual Required Contribution	2,958,893
Interest on Net OPEB Obligation	376,661
Adjustment to Annual Required Contribution	<u>(336,311)</u>
Annual OPEB Cost (expense)	2,999,243
Contribution Toward the OPEB Cost	<u>(1,961,589)</u>
Increase in Net OPEB Obligation	1,037,654
Net OPEB Obligation, Beginning of Year	<u>9,416,536</u>
Net OPEB Obligation, End of Year	<u><u>\$ 10,454,190</u></u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

19. OTHER POSTEMPLOYMENT BENEFITS (continued)

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

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011-2012	\$ 2,617,062	1,179,591	45.1%	\$ 8,601,246
2012-2013	2,825,394	2,010,104	71.1%	9,416,536
2013-2014	2,999,243	1,961,589	65.4%	10,454,190

Funded Status and Funding Progress – As of June 30, 2014, the most recent valuation date actuarial accrued liability for benefits was \$30,047,158 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$30,047,158 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$240,311,586 for the 2013-14 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.5 percent.

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The required supplementary schedule of funding progress immediately following the notes to the financial statements present multiyear trend information about whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

19. OTHER POSTEMPLOYMENT BENEFITS (continued)

The District's OPEB actuarial valuation for the 2013-14 fiscal year used the entry age normal cost actuarial method to estimate both the unfunded actuarial liability and to determine the annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also include a payroll growth rate of 3.50 percent per year, general inflation is 2.5 percent, and an annual healthcare cost trend rate of 8.5 percent initially (8.5 percent for Medicare eligible) for the 2013-14 fiscal year, reduced to an ultimate rate of 5.00 percent for fiscal year ending June 30, 2023. The unfunded actuarial accrued liability and gains/losses are being amortized as a level percentage of projected payroll on a closed basis over 30 years. The remaining amortization period at June 30, 2014 was 22 years.

20. RISK MANAGEMENT PROGRAMS

The District has established a cafeteria plan under Section 125 of the Internal Revenue Code whereby the District will purchase various insurance products for the employee. In addition, an employee may purchase additional insurance, which qualifies for salary reduction under Internal Revenue Service guidelines. The cafeteria plan is accounted for as an Internal Service Fund.

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, and general liability coverage, and certain dental benefits contained within the District's cafeteria plan, are being provided on a self-insured basis up to specified limits.

The District has contracted with an insurance administrator to administer the workers' compensation and dental benefits self-insurance programs, including the processing, investigation, and payment of claims. The District has entered into an insurance agreement for their workers' compensation plan to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis and aggregate excess coverage up to \$25 million. For automobile and general liability coverage the District depends on the Florida Sovereign Immunity Act, Section 768.28, Florida Statutes, to limit its potential tort liability to \$200,000 per person or \$300,000 per occurrence.

Property protection, employee blanket crime policy and fidelity bond, and other coverages deemed necessary by the Board are provided through purchased commercial insurance. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District's health and hospitalization insurance program is administered by an insurance carrier under an agreement wherein premium payments are made monthly for covered employees and their dependents.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2014

20. RISK MANAGEMENT PROGRAMS (continued)

A liability in the amount of \$8,699,634 for the workers' compensation, the general liability, the automobile liability, and the dental liability funds was actuarially determined to cover estimated incurred but not reported insurance claims payable at June 30, 2014, and is net of excess insurance recoverable on unpaid claims. A liability in the amount of \$214,863 relates to the District's cafeteria plan fund. Non-incremental claims expense has been included as part of the liabilities.

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

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2012-2013	\$ 8,559,393	\$ 5,265,566	\$ (4,439,416)	\$ 9,385,543
2013-2014	9,385,543	3,362,277	(3,833,323)	8,914,497

21. LITIGATION

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

22. CONTINGENCY

The District receives grant funds from the Federal government. Certain expenditures of these funds are subject to audit by the grantor, and the reporting entity is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the District, no material refunds will be required as a result of expenditures disallowed by the grantors.

23. SUBSEQUENT EVENTS

The District has evaluated subsequent events from July 1, 2014 through December 12, 2014, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. No subsequent events occurred which would have a material impact on the District's financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Required Supplementary Information -
Schedule of Funding Progress
Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) 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]
June 30, 2012	-	\$ 25,969,958	\$ 25,969,958	0.0%	\$ 234,975,704	11.1%
June 30, 2013	-	29,245,845	29,245,845	0.0%	239,771,906	12.2%
June 30, 2014	-	30,047,158	30,047,158	0.0%	240,311,586	12.5%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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.

Debt Service Funds

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

State Board of Education Bonds Fund – 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 vehicle license tax.

Special Act Bonds Fund – To account for and report on the payment of principal, interest, and related charges on the District's Race-Track Revenue Bonds, which are payable from the District's portion of race track and jai-alai fronton receipts.

District Bonds Fund – To account for bonds issued by the District as authorized by vote of the people of the District.

(continued)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Nonmajor Governmental Funds (continued)

Capital Projects Fund

The Capital Projects Fund is used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are the District's portion of the state Capital Outlay and Debt Service program.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,439,324	\$ -	\$ -	\$ 4,439,324
Investments	4,467	238,410	-	242,877
Due from other funds	825,250	-	-	825,250
Due from other agencies	804,270	-	2,113	806,383
Inventories	482,990	-	-	482,990
Total assets	<u>\$ 6,556,301</u>	<u>\$ 238,410</u>	<u>\$ 2,113</u>	<u>\$ 6,796,824</u>
Liabilities and fund balances				
Liabilities:				
Salaries and wages payable	\$ 149,549	\$ -	\$ -	\$ 149,549
Accounts payable	352,226	-	-	352,226
Due to other agencies	62,499	-	-	62,499
Accrued interest payable	-	4,894	-	4,894
Unearned revenue	796,479	-	-	796,479
Total liabilities	<u>1,360,753</u>	<u>4,894</u>	<u>-</u>	<u>1,365,647</u>
Fund balances:				
Nonspendable	482,990	-	-	482,990
Restricted	4,712,558	233,516	2,113	4,948,187
Total fund balances	<u>5,195,548</u>	<u>233,516</u>	<u>2,113</u>	<u>5,431,177</u>
Total liabilities and fund balances	<u>\$ 6,556,301</u>	<u>\$ 238,410</u>	<u>\$ 2,113</u>	<u>\$ 6,796,824</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Federal direct	\$ 801,920	\$ -	\$ -	\$ 801,920
Federal through state and local	34,542,515	-	-	34,542,515
State sources	172,836	1,707,071	184,573	2,064,480
Local Sources:				
Charges for services	5,190,096	-	-	5,190,096
Other local revenue	2,332,681	-	-	2,332,681
Total revenues	<u>43,040,048</u>	<u>1,707,071</u>	<u>184,573</u>	<u>44,931,692</u>
Expenditures				
Current:				
Instruction	14,991,118	-	-	14,991,118
Pupil personnel services	2,909,632	-	-	2,909,632
Instructional media services	9,873	-	-	9,873
Instruction and curriculum development services	571,680	-	-	571,680
Instructional staff training services	3,764,486	-	-	3,764,486
Instruction Related Technology	2,431	-	-	2,431
General administration	1,020,536	-	-	1,020,536
School administration	39,492	-	-	39,492
Facility services - non-capitalized	77,446	-	-	77,446
Fiscal Services	18,089	-	-	18,089
Food services	17,012,977	-	-	17,012,977
Central services	124,704	-	-	124,704
Pupil transportation services	181,897	-	-	181,897
Operation of plant	10,520	-	-	10,520
Community services	805,063	-	-	805,063
Capital outlay:				
Facilities acquisition and construction	-	-	181,390	181,390
Other capital outlay	838,011	-	-	838,011
Debt service:				
Principal	-	1,215,000	-	1,215,000
Interest	-	520,932	-	520,932
Dues and fees	-	28,746	1,070	29,816
Total expenditures	<u>42,377,955</u>	<u>1,764,678</u>	<u>182,460</u>	<u>44,325,093</u>
Excess (deficiency) of revenues over (under) expenditures	662,093	(57,607)	2,113	606,599
Other financing sources (uses)				
Refunding bonds issued	-	658,000	-	658,000
Premium on refunding bonds	-	106,524	-	106,524
Payments to refunded bond escrow agent	-	(764,920)	-	(764,920)
Transfers out	-	(806,646)	-	(806,646)
Total other financing sources (uses)	<u>-</u>	<u>(807,042)</u>	<u>-</u>	<u>(807,042)</u>
Net change in fund balances	662,093	(864,649)	2,113	(200,443)
Fund balance - beginning	<u>4,533,455</u>	<u>1,098,165</u>	<u>-</u>	<u>5,631,620</u>
Fund balance - ending	<u>\$ 5,195,548</u>	<u>\$ 233,516</u>	<u>\$ 2,113</u>	<u>\$ 5,431,177</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Food Service Fund	Contracted Programs Fund	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	\$ 4,329,015	\$ 110,309	\$ 4,439,324
Investments	1,129	3,338	4,467
Due from other funds	406,548	418,702	825,250
Due from other agencies	219,540	584,730	804,270
Inventories	482,990	-	482,990
Total assets	\$ 5,439,222	\$ 1,117,079	\$ 6,556,301
Liabilities and fund balances			
Liabilities:			
Salaries and wages payable	\$ 44,996	\$ 104,553	\$ 149,549
Accounts payable	56,331	295,895	352,226
Due to other agencies	-	62,499	62,499
Unearned revenue	206,930	589,549	796,479
Total liabilities	308,257	1,052,496	1,360,753
Fund balances:			
Nonspendable	482,990	-	482,990
Restricted	4,647,975	64,583	4,712,558
Total fund balances	5,130,965	64,583	5,195,548
Total liabilities and fund balances	\$ 5,439,222	\$ 1,117,079	\$ 6,556,301

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	Food Service Fund	Contracted Programs Fund	Total Nonmajor Special Revenue Funds
Revenues			
Federal direct	\$ -	\$ 801,920	\$ 801,920
Federal through state and local	12,429,723	22,112,792	34,542,515
State sources	172,836	-	172,836
Local Sources:			
Charges for services	5,190,096	-	5,190,096
Other local revenue	40,850	2,291,831	2,332,681
Total revenues	<u>17,833,505</u>	<u>25,206,543</u>	<u>43,040,048</u>
Expenditures			
Current:			
Instruction	-	14,991,118	14,991,118
Pupil personnel services	-	2,909,632	2,909,632
Instructional media services	-	9,873	9,873
Instruction and curriculum development services	-	571,680	571,680
Instructional staff training services	-	3,764,486	3,764,486
Instruction related technology	-	2,431	2,431
General administration	-	1,020,536	1,020,536
School administration	-	39,492	39,492
Facility services - non-capitalized	-	77,446	77,446
Fiscal services	-	18,089	18,089
Food services	17,012,977	-	17,012,977
Central services	-	124,704	124,704
Pupil transportation services	-	181,897	181,897
Operation of plant	-	10,520	10,520
Community services	-	805,063	805,063
Capital outlay:			
Other capital outlay	159,576	678,435	838,011
Total expenditures	<u>17,172,553</u>	<u>25,205,402</u>	<u>42,377,955</u>
Excess of revenues over expenditures	660,952	1,141	662,093
Fund balance - beginning	<u>4,470,013</u>	<u>63,442</u>	<u>4,533,455</u>
Fund balance - ending	<u>\$ 5,130,965</u>	<u>\$ 64,583</u>	<u>\$ 5,195,548</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2014

	State Board of Education Bonds Fund	Special Act Bonds Fund	Total Nonmajor Debt Service Funds
Assets			
Investments	\$ 238,410	\$ -	\$ 238,410
Total assets	\$ 238,410	\$ -	\$ 238,410
Liabilities and fund balances			
Liabilities:			
Accrued interest payable	\$ 4,894	\$ -	\$ 4,894
Total liabilities	4,894	-	4,894
Fund balances:			
Restricted for debt service	233,516	-	233,516
Total fund balances	233,516	-	233,516
Total liabilities and fund balances	\$ 238,410	\$ -	\$ 238,410

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2014

	State Board of Education Bonds Fund	Special Act Bonds Fund	Total Nonmajor Debt Service Funds
Revenues			
State sources	\$ 1,707,071	\$ -	\$ 1,707,071
Local Sources:			
Other local revenue	-	-	-
Total revenues	<u>1,707,071</u>	<u>-</u>	<u>1,707,071</u>
Expenditures			
Debt service:			
Principal	1,215,000	-	1,215,000
Interest	520,932	-	520,932
Dues and fees	28,746	-	28,746
Total expenditures	<u>1,764,678</u>	<u>-</u>	<u>1,764,678</u>
Deficiency of revenues under expenditures	(57,607)	-	(57,607)
Other financing sources (uses)			
Refunding bonds issued	658,000	-	658,000
Premium on refunding bonds	106,524	-	106,524
Payments to refunded bond escrow agent	(764,920)	-	(764,920)
Transfers out	-	(806,646)	(806,646)
Total other financing sources (uses)	<u>(396)</u>	<u>(806,646)</u>	<u>(807,042)</u>
Net change in fund balances	(58,003)	(806,646)	(864,649)
Fund balance - beginning	<u>291,519</u>	<u>806,646</u>	<u>1,098,165</u>
Fund balance - ending	<u><u>\$ 233,516</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 233,516</u></u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Food Service - Nonmajor Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Food Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Federal through state and local:				
Food service	\$ 11,945,380	\$ 12,429,723	\$ 12,429,723	\$ -
Total federal through state and local	11,945,380	12,429,723	12,429,723	-
State sources:				
Food service	167,256	172,836	172,836	-
Total state sources	167,256	172,836	172,836	-
Local sources:				
Food service	5,401,328	5,213,785	5,190,096	(23,689)
Interest income	2,007	3,561	3,766	205
Other local sources	13,000	13,600	37,084	23,484
Total local sources	5,416,335	5,230,946	5,230,946	-
Total revenues	17,528,971	17,833,505	17,833,505	-
Expenditures				
Current:				
Food services	16,441,926	17,012,977	17,012,977	-
Capital outlay:				
Other capital outlay	-	159,576	159,576	-
Total expenditures	16,441,926	17,172,553	17,172,553	-
Excess of revenues over expenditures	\$ 1,087,045	\$ 660,952	660,952	\$ -
Fund balance - beginning			4,470,013	
Fund balance - ending			\$ 5,130,965	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Contracted Programs - Nonmajor Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Contracted Programs			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Federal direct	\$ 715,000	\$ 801,920	\$ 801,920	\$ -
Federal through state and local	23,393,012	22,112,792	22,112,792	-
Local Sources:				
Other local revenue	1,469,782	2,290,690	2,291,831	1,141
Total revenues	25,577,794	25,205,402	25,206,543	1,141
Expenditures				
Current:				
Instruction	17,367,987	14,991,118	14,991,118	-
Pupil personnel services	2,404,150	2,909,632	2,909,632	-
Instructional media services	19,873	9,873	9,873	-
Instruction and curriculum development services	726,540	571,680	571,680	-
Instructional staff training services	3,082,584	3,764,486	3,764,486	-
Instructional related technology	9,875	2,431	2,431	-
General administration	918,559	1,020,536	1,020,536	-
School administration	19,118	39,492	39,492	-
Facility services - non-capitalized	50,000	77,446	77,446	-
Fiscal services	53,053	18,089	18,089	-
Central services	-	124,704	124,704	-
Pupil transportation services	193,955	181,897	181,897	-
Operation of plant	16,600	10,520	10,520	-
Community services	715,500	805,063	805,063	-
Capital outlay:				
Other capital outlay	-	678,435	678,435	-
Total expenditures	25,577,794	25,205,402	25,205,402	-
Excess of revenues over expenditures	\$ -	\$ -	1,141	\$ 1,141
Fund balance - beginning			63,442	
Fund balance - ending			\$ 64,583	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Other Debt Service - Major Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Other Debt Service			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local sources:				
Interest income	\$ -	\$ 36,396	\$ 36,391	\$ (5)
Total revenues	-	36,396	36,391	(5)
Expenditures				
Debt service:				
Principal	20,414,228	20,411,438	20,266,477	144,961
Interest	6,594,572	6,597,395	6,597,293	102
Dues and fees	7,600	7,600	7,600	-
Total expenditures	27,016,400	27,016,433	26,871,370	145,063
Deficiency of revenues under expenditures	(27,016,400)	(26,980,037)	(26,834,979)	145,058
Other financing sources				
Transfers in	27,016,400	27,016,037	26,870,976	(145,061)
Total other financing sources	27,016,400	27,016,037	26,870,976	(145,061)
Net change in fund balance	\$ -	\$ 36,000	35,997	\$ (3)
Fund balance - beginning			971,430	
Fund balance - ending			\$ 1,007,427	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ARRA Economic Stimulus - Major Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	ARRA Economic Stimulus			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal direct	\$ 2,086,761	\$ 2,086,761	\$ 1,936,514	\$ (150,247)
Local sources:				
Interest income	-	425,000	424,998	(2)
Total revenues	2,086,761	2,511,761	2,361,512	(150,249)
Expenditures				
Debt service:				
Interest	2,125,484	2,125,500	2,125,484	16
Dues and fees	8,500	8,500	7,000	1,500
Total expenditures	2,133,984	2,134,000	2,132,484	1,516
Excess (deficiency) of revenues over (under) expenditures	(47,223)	377,761	229,028	(148,733)
Other financing sources				
Transfers in	2,321,413	2,472,000	2,471,307	(693)
Total other financing sources	2,321,413	2,472,000	2,471,307	(693)
Net change in fund balance	\$ 2,274,190	\$ 2,849,761	2,700,335	\$ (149,426)
Fund balance - beginning			7,146,685	
Fund balance - ending			\$ 9,847,020	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Board of Education Bonds - Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	State Board of Education Bonds			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
State sources:				
CO&DS withheld for SBE Bonds	\$ 1,735,932	\$ 1,707,080	\$ 1,707,071	\$ (9)
Total revenues	1,735,932	1,707,080	1,707,071	(9)
Expenditures				
Current:				
Debt service:				
Principal	1,215,000	1,215,000	1,215,000	-
Interest	520,932	520,933	520,932	1
Dues and fees	-	29,000	28,746	254
Total expenditures	1,735,932	1,764,933	1,764,678	255
Deficiency of revenues under expenditures	-	(57,853)	(57,607)	246
Other financing sources (uses)				
Refunding bonds issued	-	660,000	658,000	2,000
Premium on refunding bonds	-	107,000	106,524	476
Payments to refunded bond escrow agent	-	(765,000)	(764,920)	(80)
Total other financing sources (uses)	-	2,000	(396)	2,396
Net change in fund balance	\$ -	\$ (55,853)	(58,003)	\$ (2,150)
Fund balance - beginning			291,519	
Fund balance - ending			\$ 233,516	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Act Bonds - Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Special Act Bonds			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Other financing uses				
Transfers out	\$ -	\$ (806,646)	\$ (806,646)	\$ -
Total other financing uses	-	(806,646)	(806,646)	-
Net change in fund balance	\$ -	\$ (806,646)	(806,646)	\$ -
Fund balance - beginning			806,646	
Fund balance - ending			\$ -	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Local Capital Improvement Tax - Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2014

	Local Capital Improvement Tax			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local sources:				
Property taxes levied for capital projects	\$ 62,886,514	\$ 62,886,514	\$ 63,261,086	\$ 374,572
Interest income	-	-	136,992	136,992
Total local sources	62,886,514	62,886,514	63,398,078	511,564
Total revenues	62,886,514	62,886,514	63,398,078	511,564
Expenditures				
Current:				
Facility services - non-capitalized	61,353,817	43,165,310	9,277,254	33,888,056
Capital outlay:				
Facilities acquisition and construction	-	18,188,507	18,188,507	-
Total expenditures	61,353,817	61,353,817	27,465,761	33,888,056
Excess of revenues over expenditures	1,532,697	1,532,697	35,932,317	34,399,620
Other financing sources (uses)				
Transfers in	-	14,000	13,888	(112)
Transfers out	(47,427,334)	(49,076,210)	(47,899,160)	1,177,050
Total other financing sources (uses)	(47,427,334)	(49,062,210)	(47,885,272)	1,176,938
Net change in fund balance	<u>\$ (45,894,637)</u>	<u>\$ (47,529,513)</u>	<u>(11,952,955)</u>	<u>\$ 35,576,558</u>
Fund balance - beginning			51,273,846	
Fund balance - ending			<u>\$ 39,320,891</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Other Capital Projects - Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2014

	Other Capital Projects			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
State sources:				
Charter school capital outlay funding	\$ 2,556,159	\$ 2,556,482	\$ 2,471,320	\$ (85,162)
Miscellaneous state revenue	-	30,662	148,793	118,131
Local sources:				
Sales tax collections	16,225,321	16,225,321	15,791,473	(433,848)
Impact fee collections	-	-	30,484	30,484
Interest income	135,000	135,000	192,760	57,760
Miscellaneous local revenue	1,822,500	1,849,153	1,918,084	68,931
Total revenues	20,738,980	20,796,618	20,552,914	(243,704)
Expenditures				
Current:				
Facility services - non-capitalized	72,054,237	36,895,619	5,834,236	31,061,383
Capital outlay:				
Facilities acquisition and construction	-	41,425,515	41,425,515	-
Total expenditures	72,054,237	78,321,134	47,259,751	31,061,383
Deficiency of revenues under expenditures	(51,315,257)	(57,524,516)	(26,706,837)	30,817,679
Other financing sources (uses)				
Inception of capital leases	-	8,869,894	8,869,894	-
Sale of capital assets	-	-	3,000	3,000
Transfer out	(2,556,482)	(2,570,482)	(2,485,208)	85,274
Total other financing sources (uses)	(2,556,482)	6,299,412	6,387,686	88,274
Net change in fund balance	\$ (53,871,739)	\$ (51,225,104)	(20,319,151)	\$ 30,905,953
Fund balance - beginning			71,982,142	
Fund balance - ending			\$ 51,662,991	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ARRA Economic Stimulus - Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2014

	ARRA Economic Stimulus			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local sources:				
Interest income	\$ 17,937	\$ 17,942	\$ 17,942	\$ -
Total revenues	17,937	17,942	17,942	-
Expenditures				
Capital outlay:				
Facilities acquisition and construction	95,340	95,345	95,345	-
Total expenditures	95,340	95,345	95,345	-
Deficiency of revenues under expenditures	\$ (77,403)	\$ (77,403)	(77,403)	\$ -
Fund balance - beginning			77,403	
Fund balance - ending			\$ -	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Outlay and Debt Service - Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2014

	Capital Outlay and Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
State sources:				
CO&DS Distribution	\$ 198,034	\$ 198,034	\$ 184,573	\$ (13,461)
Total revenues	198,034	198,034	184,573	(13,461)
Expenditures				
Current:				
Facilities acquisition and construction	198,034	15,574	-	15,574
Capital outlay:				
Facilities acquisition and construction	-	181,390	181,390	-
Debt service:				
Dues and fees	-	1,070	1,070	-
Total expenditures	198,034	198,034	182,460	15,574
Excess of revenues over expenditures	\$ -	\$ -	2,113	\$ 2,113
Fund balance - beginning			-	
Fund balance - ending			\$ 2,113	

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Internal Service Funds

Internal Service funds are used to account for the District's individual self-insurance programs.

Workers Compensation Insurance Fund – To account for the financial activities of the District's self-insured workers compensation program.

General Liability Insurance Fund – To account for the financial activities of the District's self-insured general liability coverages.

Cafeteria Plan Funds – To account for self-insured dental and Internal Revenue Code Section 125 benefits for employees.

Automobile Liability Insurance Fund – To account for the financial activities of the District's self-insured automobile liability coverage.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Fund Net Position
Internal Service Funds
June 30, 2014

	Workers' Compensation Insurance	General Liability Insurance
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,772,870	\$ 1,760,238
Investments	5,053,285	2,512,376
Interest receivable	8,994	4,497
Deposits receivable	75,000	-
Due from other funds	878	403
Due from other agencies	-	-
Prepaid items	-	11,105
Total current assets	<u>12,911,027</u>	<u>4,288,619</u>
Total assets	<u>12,911,027</u>	<u>4,288,619</u>
Liabilities and net position		
Current liabilities		
Salaries and wages payable	250	-
Accounts payable	34,286	352
Estimated insurance claims payable	2,343,956	233,956
Total current liabilities	<u>2,378,492</u>	<u>234,308</u>
Long-term liabilities		
Liability for compensated absences	3,574	1,655
Estimated insurance claims payable	4,988,888	620,905
Total long-term liabilities	<u>4,992,462</u>	<u>622,560</u>
Total liabilities	<u>7,370,954</u>	<u>856,868</u>
Net position		
Unrestricted	<u>5,540,073</u>	<u>3,431,751</u>
Total net position	<u><u>\$ 5,540,073</u></u>	<u><u>\$ 3,431,751</u></u>

Cafeteria Plan		Automobile	Internal Service
Dental Insurance	Cafeteria	Liability Insurance	Funds Total
\$ 1,818,657	\$ 748,107	\$ 320,654	\$ 12,420,526
11,682	4,805	2,502,618	10,084,766
-	-	4,497	17,988
-	-	-	75,000
-	959	403	2,643
32,274	-	-	32,274
-	-	-	11,105
1,862,613	753,871	2,828,172	22,644,302
1,862,613	753,871	2,828,172	22,644,302
-	-	-	250
62,285	3,959	3,849	104,731
123,840	214,863	231,797	3,148,412
186,125	218,822	235,646	3,253,393
-	3,334	1,660	10,223
-	-	156,292	5,766,085
-	3,334	157,952	5,776,308
186,125	222,156	393,598	9,029,701
1,676,488	531,715	2,434,574	13,614,601
\$ 1,676,488	\$ 531,715	\$ 2,434,574	\$ 13,614,601

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Workers' Compensation Insurance	General Liability Insurance
Operating revenues		
Charges for services	\$ 2,490,358	\$ -
Other operating revenues	210,621	-
Total operating revenues	<u>2,700,979</u>	<u>-</u>
Operating expenses		
Salaries	139,240	32,258
Employee benefits	36,394	10,014
Purchased services	457,773	34,185
Insurance claims	1,690,178	111,498
Total operating expenses	<u>2,323,585</u>	<u>187,955</u>
Operating income (loss)	377,394	(187,955)
Nonoperating revenues		
Investment income	<u>36,530</u>	<u>10,678</u>
Income (loss) before transfers	413,924	(177,277)
Transfer in	<u>-</u>	<u>279,490</u>
Change in net position	413,924	102,213
Total net position - beginning	<u>5,126,149</u>	<u>3,329,538</u>
Total net position - ending	<u><u>\$ 5,540,073</u></u>	<u><u>\$ 3,431,751</u></u>

Cafeteria Plan		Automobile Liability Insurance	Internal Service Funds Total
Dental Insurance	Cafeteria		
\$ 2,322,982	\$ 153,997	\$ -	\$ 4,967,337
-	-	-	210,621
2,322,982	153,997	-	5,177,958
-	55,127	32,257	258,882
-	20,231	10,019	76,658
193,557	49,688	7,173	742,376
1,972,163	-	59,484	3,833,323
2,165,720	125,046	108,933	4,911,239
157,262	28,951	(108,933)	266,719
5,920	2,488	5,308	60,924
163,182	31,439	(103,625)	327,643
-	-	270,789	550,279
163,182	31,439	167,164	877,922
1,513,306	500,276	2,267,410	12,736,679
\$ 1,676,488	\$ 531,715	\$ 2,434,574	\$ 13,614,601

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Workers' Compensation Insurance	General Liability Insurance
Cash flows from operating activities		
Cash receipts from interfund services provided	\$ 2,490,287	\$ -
Cash payments to suppliers	(451,389)	(38,927)
Cash payments to employees	(196,848)	(45,580)
Cash payments for insurance claims	(2,212,648)	(24,939)
Cash receipts from other operating revenues	210,621	-
Net cash provided (used) by operating activities	<u>(159,977)</u>	<u>(109,446)</u>
Cash flows from noncapital financing activities		
Transfers from other funds	-	279,490
Net cash provided by noncapital financing activities	<u>-</u>	<u>279,490</u>
Cash flows from Investing activities		
Proceeds from the sale and maturities of investments	65,294	23,491
Interest income received	36,530	10,678
Purchase of investments	(5,000,000)	(2,500,000)
Net cash provided (used) by investing activities	<u>(4,898,176)</u>	<u>(2,465,831)</u>
Net increase (decrease) in cash	<u>(5,058,153)</u>	<u>(2,295,787)</u>
Cash and cash equivalents - Beginning of year	<u>12,831,023</u>	<u>4,056,025</u>
Cash and cash equivalents- End of year	<u><u>\$ 7,772,870</u></u>	<u><u>\$ 1,760,238</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ 377,394	\$ (187,955)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities		
(Increase) decrease in due from other funds	(71)	(31)
(Increase) in due from other agencies	-	-
Decrease in prepaid items	-	776
(Decrease) in liability for compensated absences	(21,464)	(3,308)
Increase in salaries and benefits payable	250	-
Increase (decrease) in accounts payable	6,384	(5,518)
Increase (decrease) in estimated insurance claims payable	(522,470)	86,590
Total adjustments	<u>(537,371)</u>	<u>78,509</u>
Net cash provided (used) by operating activities	<u><u>\$ (159,977)</u></u>	<u><u>\$ (109,446)</u></u>

Cafeteria Plan		Automobile Liability Insurance	Internal Service Funds Total
Dental Insurance	Cafeteria		
\$ 2,294,517	\$ 191,546	\$ -	\$ 4,976,350
(131,272)	(45,729)	(9,599)	(676,916)
-	(78,844)	(45,579)	(366,851)
(1,998,323)	-	(106,144)	(4,342,054)
-	-	-	210,621
164,922	66,973	(161,322)	(198,850)
-	-	270,789	550,279
-	-	270,789	550,279
3,840	1,673	19,556	113,854
5,920	2,488	5,308	60,924
-	-	(2,500,000)	(10,000,000)
9,760	4,161	(2,475,136)	(9,825,222)
174,682	71,134	(2,365,669)	(9,473,793)
1,643,975	676,973	2,686,323	21,894,319
\$ 1,818,657	\$ 748,107	\$ 320,654	\$ 12,420,526
\$ 157,262	\$ 28,951	\$ (108,933)	\$ 266,719
3,809	(74)	(31)	3,602
(32,274)	-	-	(32,274)
-	-	-	776
-	(3,486)	(3,303)	(31,561)
-	-	-	250
62,285	3,959	(2,426)	64,684
(26,160)	37,623	(46,629)	(471,046)
7,660	38,022	(52,389)	(465,569)
\$ 164,922	\$ 66,973	\$ (161,322)	\$ (198,850)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Agency Funds

Agency funds are used to account for assets held by the District in a trustee capacity.

School Internal Accounts – To account for resources of the school internal funds which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	School Internal Accounts			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets				
Cash and cash equivalents	\$ 6,139,575	\$ 15,933,917	\$ 15,345,596	\$ 6,727,896
Accounts receivable, net of allowance of \$28,663	66,875	118,926	66,875	118,926
Inventories	259,876	278,135	259,876	278,135
Total assets	<u>\$ 6,466,326</u>	<u>\$ 16,330,978</u>	<u>\$ 15,672,347</u>	<u>\$ 7,124,957</u>
Liabilities				
Accounts payable and other	\$ 502,068	\$ 658,071	\$ 502,068	\$ 658,071
Internal accounts payable	5,964,258	15,672,907	15,170,279	6,466,886
Total liabilities	<u>\$ 6,466,326</u>	<u>\$ 16,330,978</u>	<u>\$ 15,672,347</u>	<u>\$ 7,124,957</u>

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Discretely Presented Component Units

The District's discretely presented component units consist of the following entities:

Charter Schools – The following charter schools are considered discretely presented component units: Island Village Montessori Charter School, Inc., Sarasota Suncoast Academy, Inc., Student Leadership Academy of Venice, Inc., Imagine School at North Port, Inc., Sarasota Military Academy, Inc., Sarasota School of Arts and Sciences, Inc. Sarasota Academy of the Arts, Inc., and Suncoast School for Innovative Studies, Inc. (charter schools), are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes. Imagine School at Sarasota, LLC, doing business as Imagine School at Palmer Ranch (charter school) is organized as a limited liability company pursuant to Chapter 608, Florida Statutes, and Section 1002.33, Florida Statutes.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Net Position
Component Units - Charter Schools
June 30, 2014

	Island Village Montessori Charter School, Inc.	Sarasota Suncoast Academy, Inc.	Student Leadership Academy of Venice, Inc.	Imagine School at North Port, Inc.
Assets				
Cash and cash equivalents	\$ 738,735	\$ 606,447	\$ 270,594	\$ 370,361
Investments	-	-	-	-
Accounts receivable	60,691	-	100,000	19,639
Due from other governmental agencies	-	-	62,106	87,287
Due from related parties	-	-	-	686,929
Prepaid items	20,683	263,946	14,590	52,608
Other	85,126	-	600	9,316
Capital assets:				
Land	829,116	-	-	106,016
Construction In Process	-	-	98,194	-
Improvements Other Than Buildings	-	15,319	-	-
Leasehold Improvements	-	689,932	629,661	958,457
Buildings and Fixed Equipment	4,727,858	-	-	2,133,108
Furniture, Fixtures and Equipment	1,138,812	403,855	479,797	892,063
Motor Vehicles	20,471	11,000	-	360,180
Capital Lease	-	-	-	-
Less Accumulated Depreciation	(1,899,008)	(553,967)	(595,302)	(955,899)
Total assets	<u>5,722,484</u>	<u>1,436,532</u>	<u>1,060,240</u>	<u>4,720,065</u>
Liabilities				
Salaries and wages payable	160,307	207,594	-	-
Due to related parties	-	-	-	466,560
Accounts payable	54,206	10,450	123,339	7,204
Other	-	-	163,562	612,462
Noncurrent liabilities:				
Portion due within one year:				
Notes payable	95,987	-	-	157,707
Bonds payable	-	-	-	-
Loans Payable	122,936	-	-	-
Obligations under capital leases	-	-	-	-
Liability for compensated absences	-	-	2,000	-
Portion due after one year:				
Notes payable	1,588,125	-	-	2,772,841
Bonds payable	-	-	-	-
Loans Payable	2,375,815	-	-	-
Interest rate swap	-	-	-	-
Obligations under capital leases	-	-	-	-
Liability for compensated absences	-	-	14,378	-
Total liabilities	<u>4,397,376</u>	<u>218,044</u>	<u>303,279</u>	<u>4,016,774</u>
Net position				
Invested in capital assets, net of related debt	634,386	566,139	514,156	1,378,461
Restricted for capital projects	-	-	100,000	-
Restricted for debt service	-	-	-	-
Restricted for state categorical programs	-	-	-	87,287
Unrestricted	690,722	652,349	142,805	(762,457)
Total net position	<u>\$ 1,325,108</u>	<u>\$ 1,218,488</u>	<u>\$ 756,961</u>	<u>\$ 703,291</u>

Imagine School at Palmer Ranch	Sarasota Military Academy, Inc.	Sarasota School of Arts and Sciences, Inc.	Sarasota Academy of the Arts, Inc.	Suncoast School for Innovative Studies, Inc.	Total Component Units
\$ 228,210	\$ 1,057,830	\$ 2,567,673	\$ 244,212	\$ 176,007	\$ 6,260,069
-	385,555	-	-	-	385,555
-	18,841	427	-	39	199,637
2,206	32,245	-	29,152	-	212,996
173,537	514,453	-	-	-	1,374,919
7,008	-	63,813	1,632	-	424,280
10,020	117,012	3,541	-	66,473	292,088
-	973,750	652,565	-	-	2,561,447
-	800	-	-	-	98,994
-	50,420	-	-	-	65,739
-	-	-	-	153,359	2,431,409
-	11,116,996	8,408,950	45,035	-	26,431,947
150,755	1,241,218	1,363,291	27,278	326,411	6,023,480
223,141	267,859	254,098	-	8,710	1,145,459
-	-	43,000	-	-	43,000
(197,197)	(2,421,516)	(1,746,563)	(5,813)	(306,413)	(8,681,678)
597,680	13,355,463	11,610,795	341,496	424,586	39,269,341
-	-	170,514	62,276	7,469	608,160
116,645	-	-	-	-	583,205
5,637	53,427	13,554	29,767	40,414	337,998
289,484	489,828	346,801	-	-	1,902,137
119,008	-	38,864	-	-	411,566
-	128,000	140,000	-	-	268,000
-	-	-	-	-	122,936
-	-	9,327	-	-	9,327
-	14,125	-	-	-	16,125
174,642	-	-	-	310,670	4,846,278
-	5,218,000	10,493,416	-	-	15,711,416
-	-	-	-	-	2,375,815
-	453,108	-	-	-	453,108
-	-	8,905	-	-	8,905
-	-	-	-	-	14,378
705,416	6,356,488	11,221,381	92,043	358,553	27,669,354
66,468	5,531,620	(1,676,307)	66,500	(128,603)	6,952,820
-	73,057	235,371	112,294	-	520,722
-	-	1,333,352	-	-	1,333,352
2,206	-	-	-	-	89,493
(176,410)	1,394,298	496,998	70,659	194,636	2,703,600
\$ (107,736)	\$ 6,998,975	\$ 389,414	\$ 249,453	\$ 66,033	\$ 11,599,987

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Activities
Component Units - Charter Schools
For the Fiscal Year Ended June 30, 2014

	Island Village Montessori Charter School, Inc.	Sarasota Suncoast Academy, Inc.	Student Leadership Academy of Venice, Inc.	Imagine School at North Port, Inc.
Expenses:				
Instruction	\$ 3,070,695	\$ 1,971,017	\$ 1,510,293	\$ 4,722,162
Pupil personnel services	181,490	-	89,891	99,857
Instructional media services	-	309	34,639	175,407
Instructional curriculum development services	-	-	-	51,460
Instructional staff training services	-	7,195	11,333	13,658
Instruction related technology	-	1,679	-	147,944
Board of education	-	116,693	17,757	18,135
General administration	38,148	-	35,983	693,380
School administration	882,067	279,748	411,397	993,927
Facility services - non-capitalized	6,850	1,125,310	-	-
Fiscal services	81,700	50,511	18,075	87,686
Food services	-	26,553	10,119	13,298
Central services	-	-	-	4,557
Pupil transportation services	190,342	26,466	56,423	181,422
Operation of plant	301,973	372,964	394,528	2,186,701
Maintenance of plant	372,026	56,216	48,777	105,771
Community services	-	73,682	-	48,952
Interest on long-term debt	197,960	-	-	63,433
Unallocated depreciation	261,032	100,734	-	-
Total expenses	<u>5,584,283</u>	<u>4,209,077</u>	<u>2,639,215</u>	<u>9,607,750</u>
Program Revenues:				
Charges for services	56,183	39,343	-	272,546
Operating grants and contributions	23,707	19,462	-	150,469
Capital grants and contributions	532,849	535,229	100,000	-
Total program revenues	<u>612,739</u>	<u>594,034</u>	<u>100,000</u>	<u>423,015</u>
Net program expense	<u>(4,971,544)</u>	<u>(3,615,043)</u>	<u>(2,539,215)</u>	<u>(9,184,735)</u>
General Revenues:				
Grants and contributions not restricted to specific programs	4,848,464	3,880,145	2,616,836	8,224,754
Other state and local sources	17,324	53,944	17,109	42,168
Total general revenues	<u>4,865,788</u>	<u>3,934,089</u>	<u>2,633,945</u>	<u>8,266,922</u>
Change in net position	<u>(105,756)</u>	<u>319,046</u>	<u>94,730</u>	<u>(917,813)</u>
Total net position - beginning of year	<u>1,430,864</u>	<u>899,442</u>	<u>662,231</u>	<u>1,621,104</u>
Total net position - ending	<u>\$ 1,325,108</u>	<u>\$ 1,218,488</u>	<u>\$ 756,961</u>	<u>\$ 703,291</u>

Imagine School at Palmer Ranch	Sarasota Military Academy, Inc.	Sarasota School of Arts and Sciences, Inc.	Sarasota Academy of the Arts, Inc.	Suncoast School for Innovative Studies, Inc.	Total Component Units
\$ 2,428,746	\$ 4,880,798	\$ 3,650,773	\$ 659,063	\$ 1,872,775	\$ 24,766,322
124	356,662	39,515	13,715	-	781,254
35,264	351,098	100,421	5,387	-	702,525
41,305	-	-	-	-	92,765
535	-	25,889	6,830	-	65,440
11,830	-	-	4,070	-	165,523
12,751	20,126	117,127	3,454	2,813	308,856
575,364	-	17,821	77,886	95,418	1,534,000
332,693	1,724,799	717,982	502,607	1,073,359	6,918,579
-	-	-	11,811	280,692	1,424,663
62,632	136,959	37,563	4,091	14,005	493,222
14,042	-	-	7,972	-	71,984
901	-	-	3,839	26,654	35,951
106,663	257,000	129,089	50,477	187,039	1,184,921
1,650,532	764,365	318,587	112,176	334,183	6,436,009
34,256	26,951	233,987	48,574	44,815	971,373
54,864	-	-	-	-	177,498
9,070	258,458	695,124	-	22,888	1,246,933
-	-	-	-	-	361,766
<u>5,371,572</u>	<u>8,777,216</u>	<u>6,083,878</u>	<u>1,511,952</u>	<u>3,954,641</u>	<u>47,739,584</u>
234,596	-	-	-	53,887	656,555
248,115	539,137	37,500	135,149	344,378	1,497,917
-	1,030,328	-	-	349,573	2,547,979
<u>482,711</u>	<u>1,569,465</u>	<u>37,500</u>	<u>135,149</u>	<u>747,838</u>	<u>4,702,451</u>
<u>(4,888,861)</u>	<u>(7,207,751)</u>	<u>(6,046,378)</u>	<u>(1,376,803)</u>	<u>(3,206,803)</u>	<u>(43,037,133)</u>
4,825,239	7,569,603	6,267,678	1,626,232	3,221,881	43,080,832
-	155,128	34,207	24	39,828	359,732
<u>4,825,239</u>	<u>7,724,731</u>	<u>6,301,885</u>	<u>1,626,256</u>	<u>3,261,709</u>	<u>43,440,564</u>
<u>(63,622)</u>	<u>516,980</u>	<u>255,507</u>	<u>249,453</u>	<u>54,906</u>	<u>403,431</u>
<u>(44,114)</u>	<u>6,481,995</u>	<u>133,907</u>	<u>-</u>	<u>11,127</u>	<u>11,196,556</u>
<u>\$ (107,736)</u>	<u>\$ 6,998,975</u>	<u>\$ 389,414</u>	<u>\$ 249,453</u>	<u>\$ 66,033</u>	<u>\$ 11,599,987</u>

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School Board of Sarasota County, Florida



Comprehensive Annual Financial Statement Report

For the Fiscal Year Ended June 30, 2014

STATISTICAL SECTION

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Statistical Section

This part of The School Board of Sarasota 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 Board's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	116
Revenue Capacity <i>These schedules contain information to help the reader assess the District's most significant local revenues sources, the property tax.</i>	130
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	134
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	141
Operating Information <i>These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	144

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Net Position by Component
Last 10 Fiscal Years
(Unaudited)

Net position components	Fiscal Year			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Primary government				
Net investment in capital assets	\$ 394,541,772	\$ 466,284,259	\$ 528,236,762	\$ 629,612,938
Restricted	83,717,983	79,306,831	131,953,410	117,008,881
Unrestricted	26,964,755	21,309,850	23,801,166	31,288,602
Total primary government net position	<u>\$ 505,224,510</u>	<u>\$ 566,900,940</u>	<u>\$ 683,991,338</u>	<u>\$ 777,910,421</u>

^a Restated June 30, 2012 net position

Source: District records

Table 1

Fiscal Year					
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ 683,452,772	\$ 707,136,203	\$ 712,540,799	\$ 721,892,327 ^a	\$ 737,197,939	\$ 754,873,856
101,262,108	100,813,654	112,329,674	118,612,155	107,809,491	94,797,196
28,594,130	38,944,347	35,271,890	28,762,628	25,597,385	22,701,000
<u>\$ 813,309,010</u>	<u>\$ 846,894,204</u>	<u>\$ 860,142,363</u>	<u>\$ 869,267,110 ^a</u>	<u>\$ 870,604,815</u>	<u>\$ 872,372,052</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Expenses, Program Revenues and Net (Expense)/Revenue
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Primary Government Expenses				
Governmental activities:				
Instruction ^a	\$ 233,185,107	\$ 257,897,300	\$ 280,629,797	\$ 297,901,222
Pupil personnel services	24,232,443	27,207,302	29,165,173	30,325,345
Instructional media services	6,672,205	5,575,610	6,364,718	5,905,210
Instruction and curriculum development services	5,183,796	5,386,657	8,844,988	6,187,932
Instructional staff training services	5,874,238	8,195,277	9,659,899	13,498,341
Instructional related technology	-	5,713,311	7,313,334	8,129,129
Board of education	949,399	1,226,200	990,629	1,350,453
General administration	2,962,401	3,318,674	3,595,878	3,146,996
School administration	16,074,405	17,583,450	18,363,321	18,772,984
Facility services - non-capitalized	21,520,131	25,269,288	27,089,488	27,421,208
Fiscal services	1,875,597	2,078,552	2,182,470	2,308,943
Food services	14,044,865	14,788,117	15,666,988	15,918,869
Central services	9,537,256	7,091,071	7,854,963	7,380,444
Pupil transportation services	16,821,952	19,250,296	23,219,538	22,371,308
Operation of plant	27,720,445	30,327,497	34,389,933	35,228,040
Maintenance of plant	15,265,066	16,481,878	16,142,678	16,031,105
Administrative technology services	-	2,097,590	2,095,439	2,150,968
Community services	1,774,211	1,326,509	1,305,084	1,494,913
Interest on long-term debt	3,495,834	4,621,914	2,515,380	2,169,385
Loss on disposal of assets	1,811,401	580,294	-	-
Total expenses	<u>\$ 409,000,752</u>	<u>\$ 456,016,787</u>	<u>\$ 497,389,698</u>	<u>\$ 517,692,795</u>
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	\$ 2,339,858	\$ 2,299,622	\$ 2,496,679	\$ 2,400,410
Food	8,201,660	8,765,289	8,894,983	8,200,630
Transportation	-	-	-	-
Operating grants and contributions	13,499,585	13,812,394	16,001,462	15,283,133
Capital grants and contributions ^b	11,199,114	21,970,232	36,756,130	23,384,964
Total program revenues	<u>35,240,217</u>	<u>46,847,537</u>	<u>64,149,254</u>	<u>49,269,137</u>
Primary government net expense	<u>\$ (373,760,535)</u>	<u>\$ (409,169,250)</u>	<u>\$ (433,240,444)</u>	<u>\$ (468,423,658)</u>

^a The District's expenses, particularly for instruction, have increased significantly as a result of the state's class size reduction law.

^b In conjunction with the state's class size reduction law, the district received additional funding for school construction and expansion. That funding ceased in 2009 due to funding cuts.

Source: District records

Table 2

Fiscal Year					
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ 298,584,873	\$ 292,676,391	\$ 296,690,439	\$ 281,722,647	\$ 293,223,596	\$ 299,703,201
28,222,953	28,441,735	28,732,840	23,967,492	22,931,811	24,326,894
6,137,851	5,294,666	5,386,832	4,724,382	4,036,099	3,196,433
5,258,883	3,677,673	3,844,308	3,434,577	3,269,677	3,359,671
7,366,429	5,137,212	5,378,038	4,969,184	4,947,478	5,031,783
2,891,781	1,396,745	1,373,380	2,368,817	3,320,282	3,475,721
1,201,716	2,021,403	1,126,670	1,021,338	819,319	1,283,234
3,397,495	3,694,955	2,951,442	2,559,299	2,605,606	2,751,981
18,352,757	17,856,861	17,484,966	16,226,134	16,303,070	17,338,048
20,860,191	13,279,770	13,136,595	13,562,468	13,475,579	16,972,664
2,225,376	2,085,840	2,051,350	2,106,502	1,884,311	1,998,046
16,059,192	15,747,007	16,391,007	15,439,526	15,649,443	17,193,318
6,841,163	6,214,941	6,455,528	6,143,183	6,072,463	6,523,876
21,089,902	19,525,725	19,524,334	18,989,823	18,343,827	19,415,299
36,378,916	36,822,811	35,436,543	33,328,174	33,785,539	34,507,859
18,436,686	17,342,439	17,949,420	15,893,062	14,121,895	14,784,318
2,064,623	2,414,933	2,080,924	2,504,196	3,175,384	3,719,238
1,536,844	1,771,570	2,457,531	2,318,840	2,586,369	3,555,076
4,673,833	5,766,106	9,911,864	10,324,210	9,596,005	9,262,395
-	-	-	-	-	-
<u>\$ 501,581,464</u>	<u>\$ 481,168,783</u>	<u>\$ 488,364,011</u>	<u>\$ 461,603,854</u>	<u>\$ 470,147,753</u>	<u>\$ 488,399,055</u>
\$ 2,598,848	\$ 3,070,864	\$ 2,994,646	\$ 3,113,655	\$ 3,632,297	\$ 3,570,476
7,372,093	6,833,017	6,195,344	5,789,837	5,600,358	5,190,096
525,511	496,302	489,684	598,078	599,314	596,210
15,321,080	9,967,097	10,412,253	10,690,392	11,311,262	12,602,559
7,639,232	6,078,399	6,549,424	5,873,206	5,615,947	6,299,479
<u>33,456,764</u>	<u>26,445,679</u>	<u>26,641,351</u>	<u>26,065,168</u>	<u>26,759,178</u>	<u>28,258,820</u>
<u>\$ (468,124,700)</u>	<u>\$ (454,723,104)</u>	<u>\$ (461,722,660)</u>	<u>\$ (435,538,686)</u>	<u>\$ (443,388,575)</u>	<u>\$ (460,140,235)</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
General Revenues and
Total Changes in Net Position
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Net (Expense)				
Total primary government net expense	\$ (373,760,535)	\$ (409,169,250)	\$ (433,240,444)	\$ (468,423,658)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes ^a	237,166,152	263,419,295	296,843,842	309,870,020
Property taxes, levied for capital projects	74,530,028	89,881,339	113,936,426	120,956,816
Local sales taxes	15,472,027	16,601,829	16,453,038	14,850,716
Grants and contributions				
Not restricted to specific programs	79,305,558	84,374,487	96,569,779	100,984,457
Miscellaneous	4,079,285	7,887,638	14,031,997	6,967,194
Unrestricted investment earnings	4,575,342	8,681,092	12,495,760	8,713,538
Total primary government	<u>415,128,392</u>	<u>470,845,680</u>	<u>550,330,842</u>	<u>562,342,741</u>
Change in Net Position				
Total primary government	<u>\$ 41,367,857</u>	<u>\$ 61,676,430</u>	<u>\$ 117,090,398 ^b</u>	<u>\$ 93,919,083</u>

^a Changes in property tax revenues are a product of underlying changes in property values and tax rates.

^b Changes in Net Position in 2007 due to a large increase in assessed taxable property values.

^c Changes in Net Position in 2009 due to a large decrease in assessed taxable values and a legislative reduction in maximum capital outlay tax levy.

^d Changes in Net Position in 2013 due to an increase in charter school payments due to enrollment growth and salary and benefits expenses from the 2011-12 reinstated furlough days and a one-time compensation adjustment.

Source: District records

Table 3

Fiscal Year					
June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
\$ (468,124,700)	\$ (454,723,104)	\$ (461,722,660)	\$ (435,538,686)	\$ (443,388,575)	\$ (460,140,235)
286,459,398	282,106,749	276,860,927	249,145,074	255,168,075	272,808,869
94,721,430	71,468,723	64,915,896	60,937,028	60,632,620	63,261,086
13,422,199	12,880,581	13,295,558	13,860,532	14,752,739	15,791,473
99,090,763	112,699,479	109,899,786	112,835,562	104,701,937	105,250,969
9,205,352	6,498,942	8,938,210	7,466,487	8,123,934	3,755,476
624,147	2,653,824	1,761,982	1,529,710	1,346,975	1,039,599
503,523,289	488,308,298	475,672,359	445,774,393	444,726,280	461,907,472
\$ 35,398,589 ^c	\$ 33,585,194	\$ 13,949,699	\$ 10,235,707	\$ 1,337,705 ^d	\$ 1,767,237

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Fund Balances, Governmental Funds (A)
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Reserved	\$ 6,218,253	\$ 3,771,836	\$ 4,480,699	\$ 5,374,137
Unreserved	55,374,160	47,308,999	54,670,550	56,579,914
Total general fund	<u>\$ 61,592,413</u>	<u>\$ 51,080,835</u>	<u>\$ 59,151,249</u>	<u>\$ 61,954,051</u>
All Other Governmental Funds				
Reserved	\$ 42,521,301	\$ 45,463,536	\$ 76,629,184	\$ 99,169,076
Unreserved, reported in:				
Capital projects funds	28,540,690	24,187,552	51,701,565	14,937,827
Debt Service	-	789,122	782,457	1,780,555
Special revenue funds	1,119,637	955,725	19,957	6,190
Total all other governmental funds	<u>\$ 72,181,628</u>	<u>\$ 71,395,935</u>	<u>\$ 129,133,163</u>	<u>\$ 115,893,648</u>

General Fund
Nonspendable
Restricted
Assigned
Unassigned

Total General Fund

All Other Governmental Funds
Nonspendable
Restricted
Assigned
Unassigned

Total all other governmental funds

Note: (A) Includes all governmental fund types
GASB Statement No. 54 was implemented for fiscal year 2010-2011.
Fiscal year 2009-2010 GASB 54 compliant fund balance is unaudited and shown for comparative purposes only.

- ^a The increase is due to the balance of unspent proceeds related to the issuance of the Certificates of Participation, Series 2010A and 2010B.
- ^b The decrease is due to decreases in per student funding, property tax revenues, and the loss of Federal Stimulus funding.
- ^c The decrease is primarily attributed to increased salary and benefit expenditures from the loss of federal Education Jobs Act funds and from the reinstatement of 2011-12 furlough days and a one-time compensation adjustment.

Source: District records

Table 4

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 6,705,148	\$ 5,178,957				
52,325,727	61,664,354				
<u>\$ 59,030,875</u>	<u>\$ 66,843,311</u>				
\$ 76,532,149	\$ 76,245,010				
80,355,779	62,724,039				
-	-				
221,254	971,341				
<u>\$ 157,109,182</u>	<u>\$ 139,940,390</u>				
	\$ 3,048,627	\$ 3,022,373	\$ 4,686,136	\$ 3,719,373	\$ 3,625,467
	4,203,910	4,463,012	3,944,117	2,134,839	2,551,274
	16,085,961	19,885,279	20,031,791	6,912,566	5,270,713
	<u>43,504,813</u>	<u>37,449,121</u>	<u>35,337,274</u>	<u>40,713,975</u>	<u>39,435,810</u>
	<u>\$ 66,843,311</u>	<u>\$ 64,819,785</u>	<u>\$ 63,999,318</u>	<u>\$ 53,480,753</u>	<u>\$ 50,883,264</u>
	\$ 325,354	\$ 460,304	\$ 395,913	\$ 518,145	\$ 482,990
	133,142,006	228,682,195	176,666,571	129,791,129	99,989,018
	6,473,030	4,017,253	6,732,425	6,773,852	6,797,498
	<u>-</u>	<u>2,312,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 139,940,390</u>	<u>\$ 235,471,864 ^a</u>	<u>\$ 183,794,909 ^b</u>	<u>\$ 137,083,126 ^c</u>	<u>\$ 107,269,506</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Revenues (A)
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
Revenues				
Federal sources:				
Federal grants	\$ 21,206,226	\$ 21,296,728	\$ 21,020,923	\$ 23,039,187
Food services	6,380,608	6,218,085	6,546,549	7,415,005
Total federal sources	<u>27,586,834</u>	<u>27,514,813</u>	<u>27,567,472</u>	<u>30,454,192</u>
State sources:				
Florida education finance program	18,492,045	15,326,282	14,817,885	10,547,459
Public education capital outlay	3,589,035	7,418,890	10,538,636	8,080,289
Food services	151,721	157,278	181,407	155,052
State grants and other	50,128,637	59,450,786	86,910,926	87,739,209
Total state sources	<u>72,361,438</u>	<u>82,353,236</u>	<u>112,448,854</u>	<u>106,522,009</u>
Local sources:				
Ad valorem taxes	311,696,180	353,316,447	410,780,268	430,826,836
Food service sales	8,201,660	8,765,289	9,884,189	8,319,301
Interest and other income	4,222,565	4,265,347	12,495,760	8,713,067
Other revenues	25,470,697	40,048,173	34,662,569	25,612,832
Total local sources	<u>349,591,102</u>	<u>406,395,256</u>	<u>467,822,786</u>	<u>473,472,036</u>
 Total revenues	 <u>\$ 449,539,374</u>	 <u>\$ 516,263,305</u>	 <u>\$ 607,839,112</u>	 <u>\$ 610,448,237</u>

Note: (A) Includes all governmental fund types

Source: District records

Table 5

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 23,337,833	\$ 47,811,371	\$ 48,044,321	\$ 37,528,633	\$ 28,100,534	\$ 28,014,773
8,402,604	9,810,993	10,245,493	10,520,402	11,145,812	12,429,723
31,740,437	57,622,364	58,289,814	48,049,035	39,246,346	40,444,496
10,604,605	6,005,237	3,093,335	17,015,914	17,138,970	19,283,432
3,093,362	784,890	2,149,547	-	-	-
155,255	156,104	166,759	169,990	165,450	172,836
75,451,244	62,382,285	63,098,786	62,850,215	63,506,692	61,897,910
89,304,466	69,328,516	68,508,427	80,036,119	80,811,112	81,354,178
381,180,828	353,575,472	341,776,823	310,082,102	315,800,695	336,069,955
7,372,093	10,327,655	6,214,575	5,811,913	5,621,262	5,230,946
660,303	809,681	745,590	1,429,854	1,201,855	974,909
26,347,457	20,662,975	26,062,544	25,645,504	28,331,418	31,414,929
415,560,681	385,375,783	374,799,532	342,969,373	350,955,230	373,690,739
\$ 536,605,584	\$ 512,326,663	\$ 501,597,773	\$ 471,054,527	\$ 471,012,688	\$ 495,489,413

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Expenditures and Debt Service Ratios
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
Expenditures:				
Instruction	\$ 216,279,716	\$ 240,739,506	\$ 256,946,940	\$ 271,323,020
Pupil personnel services	24,180,157	27,229,460	28,948,930	30,195,029
Instructional media services	6,536,392	5,605,383	6,053,112	5,813,674
Instruction and curriculum development services	5,164,216	5,167,001	8,469,582	5,862,954
Instructional staff training services	5,727,951	8,116,892	9,531,003	13,397,827
Instruction related technology	-	5,685,909	6,071,627	6,766,334
Board of education	942,274	1,215,542	969,522	1,333,359
General administration	2,803,097	3,121,207	3,353,244	2,833,221
School administration	16,042,734	17,680,518	18,271,940	18,738,880
Facility services - non-capitalized	-	25,991,220	110,523	33,649,291
Fiscal services	1,853,645	2,066,910	2,154,917	2,288,599
Food services	13,944,723	14,770,445	15,491,356	15,847,930
Central services	8,664,140	6,564,895	6,990,947	6,808,436
Pupil transportation services	14,900,983	16,491,954	18,057,575	19,537,524
Operation of plant	27,696,037	30,316,553	34,066,726	34,868,202
Maintenance of plant	14,497,219	15,726,868	15,146,073	15,319,147
Administrative technology services	-	1,918,449	2,035,824	2,124,392
Community services	1,761,530	1,315,817	1,283,031	1,462,921
Capital Outlay:				
Facilities acquisition and construction	100,295,481	79,846,343	92,840,335	113,133,250
Other capital outlay	3,722,243	2,548,271	1,922,626	2,493,800
Debt Service:				
Principal	9,529,713	14,204,533	14,477,828	14,690,677
Interest and fiscal charges	4,195,284	3,820,416	3,448,699	3,108,218
Total expenditures	<u>\$ 478,737,535</u>	<u>\$ 530,144,092</u>	<u>\$ 546,642,360</u>	<u>\$ 621,596,685</u>
Debt service as a percentage of noncapital expenditures	3.7%	4.0%	4.0%	3.5%

Source: District records

Table 6

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 268,425,220	\$ 265,811,151	\$ 266,581,120	\$ 253,298,629	\$ 263,409,471	\$ 269,857,115
28,073,008	28,407,978	28,493,209	23,697,895	22,796,479	24,264,846
6,132,968	5,296,556	5,359,753	4,696,872	4,029,572	3,202,524
5,188,321	3,630,588	3,788,923	3,376,568	3,240,384	3,345,644
7,308,599	5,110,661	5,340,332	4,923,975	4,896,582	4,989,989
2,856,419	1,375,951	1,363,247	2,301,684	3,300,941	3,467,956
1,181,284	2,005,951	1,111,754	1,005,310	816,281	1,281,964
3,087,799	3,396,131	2,653,620	2,277,193	2,345,566	2,515,371
18,362,541	27,072,936	17,381,348	16,067,921	16,226,354	17,313,523
20,353,217	3,493,719	12,490,422	12,803,351	11,998,111	15,286,991
2,199,020	2,070,591	2,025,671	2,078,746	1,870,902	1,992,715
15,958,579	15,699,502	16,218,563	15,232,938	15,532,507	17,081,034
6,325,951	5,717,568	5,995,234	5,565,215	5,610,756	6,113,262
18,032,493	17,127,826	17,258,729	16,669,533	16,034,187	17,017,521
36,208,129	36,725,942	35,189,729	33,045,743	33,605,632	34,371,988
17,756,455	16,840,599	17,444,372	15,510,396	13,844,931	14,579,869
2,020,762	2,392,633	2,069,903	2,469,166	3,102,763	3,642,831
1,505,642	1,762,846	2,442,909	2,294,407	2,566,324	3,544,119
76,790,460	51,016,090	68,170,877	81,726,760	79,619,254	59,890,757
26,471,971	-	231,822	911,219	985,366	1,699,615
15,470,158	21,156,712	16,209,613	18,398,319	20,110,615	21,481,477
4,425,405	6,073,650	10,356,962	10,187,808	9,836,543	9,288,125
<u>\$ 584,134,401</u>	<u>\$ 522,185,581</u>	<u>\$ 538,178,112</u>	<u>\$ 528,539,648</u>	<u>\$ 535,779,521</u>	<u>\$ 536,229,236</u>
4.3%	5.8%	5.7%	6.4%	6.6%	6.5%

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Other Financing Sources and Uses and Net Changes in Fund Balance,
Governmental Funds
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
Excess (deficiency) of revenues over (under) expenditures	\$ (29,198,161)	\$ (13,880,787)	\$ 61,196,752	\$ (11,148,448)
Other Financing Sources (Uses)				
Long-term debt issued	52,457,063	2,814,696	-	1,150,000
Premium on sale of bonds	-	-	-	41,521
Inception of capital leases	469,793	-	-	-
Refunding bonds issued	-	7,860,000	-	-
Premium on refunding bonds	-	765,091	-	-
Discount on sale of bonds	-	(7,658)	-	-
Payments to refunded bond escrow agent	-	(8,595,518)	-	-
Sale of capital assets	-	-	5,065,250	46,646
FEMA loss recovery	438,240	438,765	-	-
Loss recoveries	-	-	202,865	33,487
Transfers in	25,667,628	32,819,053	26,220,779	30,552,099
Transfers out	(26,345,197)	(33,515,312)	(26,913,564)	(31,114,202)
Total other financing sources (uses)	<u>52,687,527</u>	<u>2,579,117</u>	<u>4,575,330</u>	<u>709,551</u>
Net change in fund balances	<u>\$ 23,489,366</u>	<u>\$ (11,301,670)</u>	<u>\$ 65,772,082</u>	<u>\$ (10,438,897)</u>

Source: District records

Table 7

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ (47,528,817)	\$ (9,858,918)	\$ (36,580,339)	\$ (57,485,121)	\$ (64,766,833)	\$ (40,739,823)
75,625,000	-	114,841,000	-	-	-
119,854	-	5,528,547	-	-	-
10,562,139	-	10,254,654	5,163,158	8,006,208	8,869,894
-	1,860,000	-	550,000	-	658,000
-	186,454	145,198	84,160	-	106,524
-	-	-	-	-	-
-	(2,029,565)	-	(632,525)	-	(764,920)
13,043	1,762,564	10,000	373,873	-	3,000
-	-	-	-	-	-
42,350	86,780	12,861	11,880	80,556	6,495
40,772,772	48,333,427	49,578,490	47,359,586	51,432,335	51,191,014
(41,313,942)	(48,998,608)	(50,277,302)	(47,909,865)	(51,982,614)	(51,741,293)
85,821,216	1,201,052	130,093,448	5,000,267	7,536,485	8,328,714
<u>\$ 38,292,399</u>	<u>\$ (8,657,866)</u>	<u>\$ 93,513,109</u>	<u>\$ (52,484,854)</u>	<u>\$ (57,230,348)</u>	<u>\$ (32,411,109)</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years
(in thousands of dollars)
(Unaudited)

Table 8

Fiscal Year	Assessed Value		Less: Exemptions	Total Taxable Value	Total Direct Rate ⁽¹⁾
	Residential and Commercial Property	Personal Property			
2005	49,021,600	3,299,142	13,544,250	38,776,492	8.366
2006	58,973,841	4,380,022	16,901,193	46,452,670	7.861
2007	76,796,905	6,432,934	24,313,875	58,915,964	7.210
2008	78,936,448	6,365,749	22,638,384	62,663,813	7.123
2009	67,743,874	7,291,518	19,191,350	55,844,042	7.045
2010	57,691,815	6,632,664	15,025,342	49,299,137	7.427
2011	50,678,383	2,190,004	8,088,600	44,779,787	7.901
2012	47,796,116	2,069,404	7,849,112	42,016,408	7.635
2013	47,354,594	1,973,103	7,681,227	41,646,470	7.816
2014	48,972,181	2,122,290	7,518,325	43,576,146	7.970

Note: Assessed values approximate estimated actual values. For each fiscal year ending June 30, property is valued as of the preceding January 1st.

⁽¹⁾ Per \$1,000 of assessed value

Source: Sarasota County Property Appraiser

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Direct and Overlapping Property Tax Rates
Last 10 Fiscal Years
(Unaudited)
(per \$1,000 assessed valuation)

Table 9

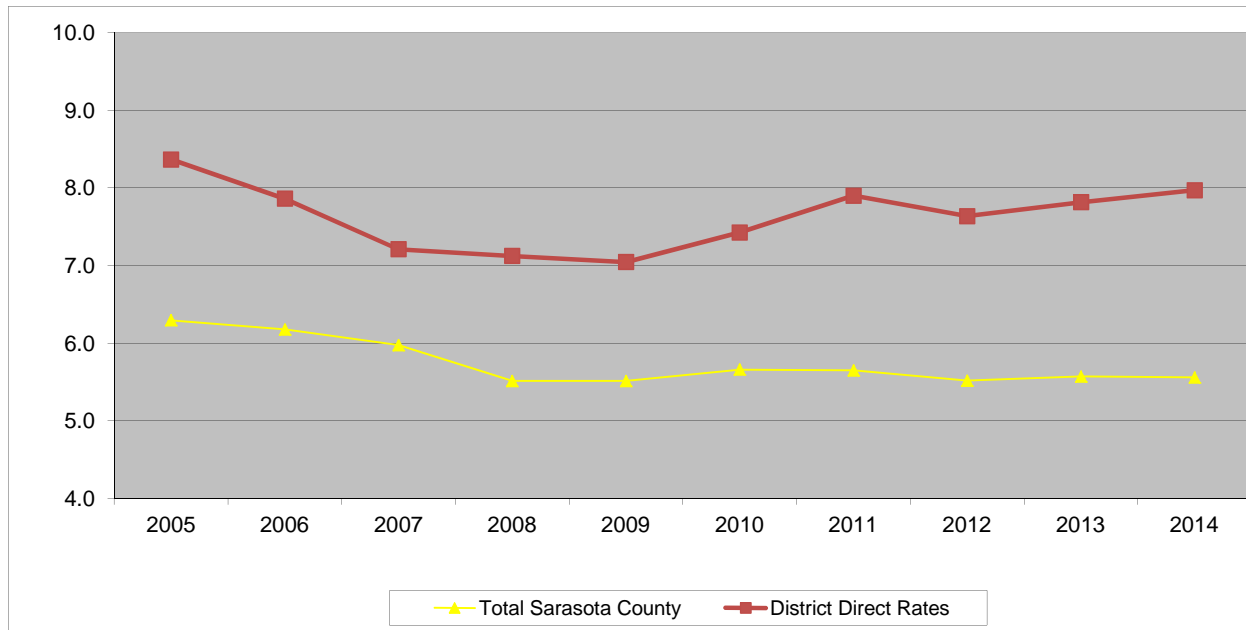
Fiscal Year	District Direct Rates			Overlapping Rates ⁽¹⁾				
	General Purposes	Capital Purposes	Total	Sarasota County	City of Sarasota	City of Venice	Town of Longboat Key ⁽²⁾	City of North Port
2005	6.366	2.000	8.366	6.294	3.018	3.512	1.836/2.287	4.900
2006	5.861	2.000	7.861	6.176	3.009	3.395	1.729/2.163	4.900
2007	5.210	2.000	7.210	5.976	3.000	3.344	1.627/2.006	3.300
2008	5.123	2.000	7.123	5.514	3.166	2.939	1.635/2.011	2.981
2009	5.295	1.750	7.045	5.514	3.106	2.984	1.696/2.110	2.981
2010	5.927	1.500	7.427	5.659	3.152	3.004	1.709/2.170	3.340
2011	6.401	1.500	7.901	5.649	3.198	3.004	1.958/1.958	3.340
2012	6.135	1.500	7.635	5.517	3.355	3.195	1.955/1.955	3.568
2013	6.316	1.500	7.816	5.570	3.353	3.227	1.944/1.944	3.617
2014	6.470	1.500	7.970	5.559	3.582	3.302	2.132/2.132	3.447

(1) Additional millages for incorporated areas include levies for operating and debt service costs.

(2) Inland/Beach side

Source: Sarasota County Property Appraiser

County and School District Millages



SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Principal Property Taxpayers
Current Year and 9 Years Ago
(Unaudited)

Table 10

Taxpayer	Rank	2014		Rank	2005	
		Taxable Value	Percentage of Total Taxable Value		Taxable Value	Percentage of Total Taxable Value
Florida Power & Light Co.	1	\$ 378,677,887	0.87 %	1	\$ 272,936,623	0.64 %
Verizon Florida LLC	2	151,541,298	0.35	2	244,125,611	0.74
Sarasota Shoppingtown LLC	3	97,121,821	0.22	3	130,662,771	0.33
SNF Property LLC	4	91,113,201	0.21	7	75,263,433	0.18
Publix Super Markets Inc.	5	82,747,531	0.19	-	-	-
Glenridge on Palmer Ranch Inc.	6	78,936,958	0.18	6	86,497,674	0.20
Sarasota Doctors Hospital, Inc.						
Columbia Healthcare	7	69,036,322	0.16	4	115,419,756	0.25
Wal-Mart Stores East, LP	8	68,712,117	0.16	-	-	-
Venice HMA LLC	9	68,475,732	0.16	-	-	-
Southgate Mall Owner LLC	10	71,368,673	0.16	-	-	-
WCI Communities, Inc.	-	-	-	9	48,551,353	0.11
Irish American Management						
Services	-	-	-	10	46,115,540	0.10
Osprey S A	-	-	-	8	71,367,154	0.16
Slab/Ritz Carlton Hotel Co.	-	-	-	5	92,504,774	0.21
Total		<u>\$ 1,157,731,540</u>	<u>2.66 %</u>		<u>\$ 1,183,444,689</u>	<u>2.92 %</u>

Source: Sarasota County Property Appraiser

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Property Tax Levies and Collections
Last 10 Fiscal Years
(Unaudited)

Table 11

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 324,404,132	\$ 311,696,180	96.08 %	\$ 368,388	\$ 312,064,568	96.20 %
2006	365,164,439	353,300,634	96.75	680,559	353,981,193	96.94
2007	424,784,100	410,780,268	96.7	567,988	411,348,256	96.84
2008	446,354,340	430,826,836	96.52	1,620,743	432,447,579	96.88
2009	386,044,194	379,560,085	98.32	1,291,417	380,851,502	98.65
2010	366,144,690	352,996,495	96.41	578,977	353,575,472	96.57
2011	353,805,097	341,469,125	96.51	307,698	341,776,823	96.60
2012	320,795,275	309,805,201	96.57	276,902	310,082,103	96.66
2013	325,508,810	315,266,543	96.85	534,152	315,800,695	97.02
2014	347,301,884	335,864,117	96.71	205,838	336,069,955	96.77

Source: Sarasota County Property Appraiser

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Outstanding Debt by Type
Last 10 Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)

Table 12

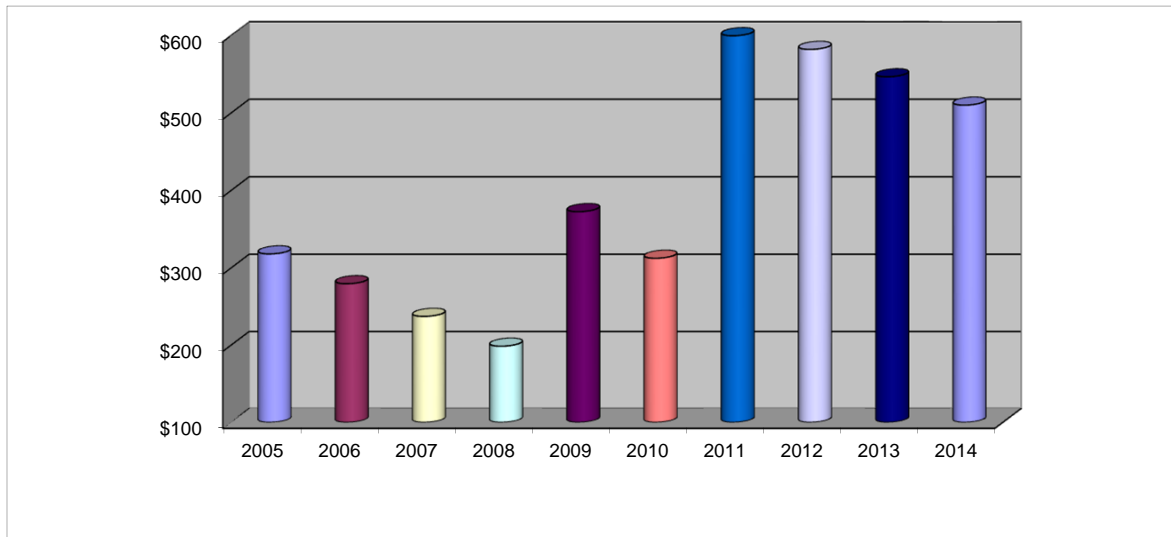
Governmental Activities									
Fiscal Year	Lease Revenue Bonds	State Board of Education Bonds	Qualified Zone Academy Bonds	Certificates of Participation	Race Track Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
2005	\$ -	\$ 14,805	\$ -	\$ 95,440	\$ 2,905	\$ 935	\$ 114,086	0.63	\$ 318
2006	-	15,543	1,300	82,525	2,565	585	102,518	0.53	280
2007	-	14,680	1,300	69,321	2,215	286	87,802	0.43	238
2008	-	14,931	1,300	55,759	1,855	145	73,990	0.36	199
2009	-	13,977	1,300	117,574	1,490	10,156	144,497	0.70	373
2010	-	12,969	1,300	99,565	1,105	8,180	123,119	0.62	313
2011	-	13,763	1,300	205,941	705	15,460	237,169	1.15	622
2012	-	12,647	1,300	192,514	295	16,680	223,436	1.04	582
2013	-	11,718	1,300	178,702	-	19,035	210,755	N/A	547
2014	-	10,470	1,300	164,359	-	21,488	197,617	N/A	510

Note: The lease revenue bonds were repaid with the proceeds of certificates of participation in 2003.
Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.
N/A = Data not currently available

⁽¹⁾ Population and personal income data can be found in Table 16

Source: District records

Debt Per Capita



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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Direct and Overlapping Governmental Activities Debt
as of June 30, 2014
(dollars in thousands)
(Unaudited)

Governmental Unit	General Obligation Bonded Debt Outstanding	State Board of Education (SBE) Bonded Debt Outstanding	Revenue Bonds Outstanding	Qualified Zone Academy Bonds or Special Obligation Bonds Outstanding	Certificates of Participation Outstanding
Sarasota County Board of County Commissioners	\$ -	\$ -	\$ 268,994	\$ -	\$ -
City of Sarasota	41,828	-	-	31,826	-
City of Venice	7,585	-	-	-	-
City of North Port	-	-	-	-	-
Town of Longboat Key	1,605	-	-	-	-
School District of Sarasota County	-	10,470	-	1,300	164,359
Totals	\$ 51,018	\$ 10,470	\$ 268,994	\$ 33,126	\$ 164,359

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Source: Debt outstanding data provided by each governmental unit as of 09/30/2013.

^a The estimated percentage applicable is based on population numbers obtained from the Bureau of Economic and Business Research.

Table 13

Commercial Paper Outstanding	Capital Leases Loans and Notes Outstanding	Total Debt Outstanding	Direct Debt-100%	Overlapping Debt		Total Direct and Overlapping Debt
			Amount Applicable to This Governmental Unit	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt	
\$ 6,168	\$ 19,183	\$ 294,345	\$ -	100.00 %	\$ 294,345	\$ 294,345
-	2,925	76,579	-	13.68	10,476	10,476
-	-	7,585	-	5.48	416	416
-	665	665	-	15.37	102	102
-	-	1,605	-	1.16	19	19
-	21,488	197,617	197,617		-	197,617
<u>\$ 6,168</u>	<u>\$ 44,261</u>	<u>\$ 578,396</u>	<u>\$ 197,617</u>		<u>\$ 305,358</u>	<u>\$ 502,975</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Legal Debt Margin Information
Last 10 Fiscal Years
(dollars in thousands)
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value 2014 tax roll	\$ 43,576,146
Limit of bonded indebtedness, 10% of net assessed taxable property value	4,357,615
Amount of debt applicable to the debt limit	<u>197,617</u>
Legal Debt Margin	<u><u>\$ 4,159,998</u></u>

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 3,877,649	\$ 4,645,267	\$ 5,891,596	\$ 6,266,381
Total debt applicable to limit	<u>114,086</u>	<u>102,518</u>	<u>87,802</u>	<u>73,990</u>
Legal debt margin	<u><u>\$ 3,763,564</u></u>	<u><u>\$ 4,542,749</u></u>	<u><u>\$ 5,803,794</u></u>	<u><u>\$ 6,192,391</u></u>
Total debt applicable as a percentage of debt limit	2.94%	2.21%	1.49%	1.18%

Note: This schedule was previously presented as a requirement of State Board of Education Rule 6A-1.037(2), Florida Administrative code which established a legal debt limit of 10 percent of the assessed valuation of the District. This rule was repealed in March 2006, however, management believes this information may still be of value to users.

Source: District records
Assessed value data provided by the Sarasota County Property Appraiser.

Table 14

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 5,584,404	\$ 4,929,914	\$ 4,477,979	\$ 4,201,641	\$ 4,164,647	\$ 4,357,615
144,497	123,119	237,169	223,436	210,755	197,617
<u>\$ 5,439,907</u>	<u>\$ 4,806,795</u>	<u>\$ 4,240,810</u>	<u>\$ 3,978,205</u>	<u>\$ 3,953,892</u>	<u>\$ 4,159,998</u>
2.59%	2.50%	5.30%	5.32%	5.06%	4.53%

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(Unaudited)

Table 15

Fiscal Year	Race Track Revenue Bonds ⁽¹⁾				State Board of Education Bonds			
	Racing	Debt Service			Motor Vehicle	Debt Service		
	Commission	Interest		Coverage	License	Interest		Coverage
	Funds	Principal			Tax	Principal		
2005	446,500	270,000	96,730	1.22	1,455,168	720,000	730,105	1.00
2006	446,500	340,000	89,980	1.04	1,449,261	790,000	703,821	0.97
2007	446,500	350,000	81,480	1.03	1,533,496	845,000	1,110,299	0.78
2008	446,500	360,000	71,855	1.03	1,527,268	880,000	1,102,775	0.77
2009	446,500	365,000	61,055	1.05	1,967,296	935,000	674,779	1.22
2010	446,500	385,000	50,105	1.03	1,608,606	1,000,000	588,482	1.01
2011	446,500	400,000	38,170	1.02	1,682,213	1,055,000	612,530	1.01
2012	446,500	410,000	24,970	1.03	1,711,152	1,110,000 (2)	625,411	0.99
2013	446,500	295,000	10,620	1.46	1,708,789	1,165,000	574,741	0.98
2014	-	-	-	-	1,706,997	1,215,000 (3)	520,933	0.98

Note: Details regarding the District's outstanding debt can be found in Note 9 of the notes to the financial statements.

- (1) Bonds are issued by the District and secured from pari-mutuel tax proceeds distributed annually to Sarasota County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Florida Statutes. Bonds were paid off in fiscal year 2013.
- (2) Excludes \$610,000 related to the refunding of the 2003-A bonds.
- (3) Excludes \$745,000 related to the refunding of the 2004-A bonds.

Source: District records

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Demographic and Economic Statistics
Last 10 Fiscal Years
(Unaudited)

Table 16

Calendar Year	Estimated Population⁽¹⁾	Personal Income⁽²⁾ (thousands of dollars)	Per Capita Personal Income	Student Membership⁽³⁾	Unemployment Rate⁽⁴⁾
2005	358,307	\$ 18,000,000	\$ 49,455	38,850	3.5
2006	366,256	19,436,000	52,772	41,884	2.6
2007	369,535	20,605,000	55,559	42,190	3.5
2008	372,073	20,659,000	57,179	42,013	5.9
2009	387,461	20,765,000	51,347	41,057	10.4
2010	393,608	19,887,936	52,331	41,281	12.3
2011	381,319	20,551,266	53,769	40,899	10.7
2012	383,664	21,400,975	55,422	41,076	8.7
2013	385,292	N/A	N/A	41,094	7.1
2014	387,140	N/A	N/A	41,398	5.9

N/A = Data not currently available

Source: (1) Bureau of Economic and Business Research
(2) US Department of Commerce, Bureau of Economic Analysis
(3) The Florida Department of Education's Statistical Brief entitled "Membership in Florida's Public Schools Fall" for each respective year
(4) Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics (12 month average)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Principal Employers
Current Year and 9 Years Ago
(Unaudited)

Table 17

Employer	Rank	2014		Rank	2005	
		Employees	Percentage of Total County Employment		Employees	Percentage of Total County Employment
School Board of Sarasota County, Florida	1	4,664	2.89%	1	5,745	3.54%
Sarasota Memorial Hospital	2	3,099	1.92%	2	3,939	2.43%
Sarasota County Government	3	2,052	1.27%	3	3,447	2.12%
PGT Industries	4	1,440	0.89%	5	1,462	0.90%
Publix Super Markets, Inc.	5	1,335	0.83%	4	3,050	1.88%
Venice Regional Medical Center	6	1,300	0.81%	7	1,009	0.62%
Sarasota County Sheriff	7	976	0.60%	-	-	-
FCCI Insurance Group	8	720	0.45%	-	-	-
Sun Hydraulics Corporation	9	702	0.43%	-	-	-
Goodwill Industries	10	682	0.42%	-	-	-
HCA Doctors Hospital	-	-	-	10	630	0.39%
Wal-Mart	-	-	-	6	1,207	0.74%
Charter One Hotels	-	-	-	8	700	0.43%
Nielsen Media Research	-	-	-	9	700	0.43%
Total		<u>16,970</u>	<u>10.51%</u>		<u>21,889</u>	<u>13.48%</u>
Total Sarasota County Employment		<u>161,468</u>			<u>162,379</u>	

Source: Economic Development Corporation Sarasota County and Florida Dept of Economic Opportunity

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Full-Time Equivalent District Employees by Type
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2005	2006	2007	2008
Supervisory				
Administrators	41	43	42	41
Consultants/supervisors of instruction	5	7	6	7
Principals	38	48	44	52
Assistant principals	58	69	71	69
Curriculum coordinators	-	-	-	-
Total supervisory	142	167	163	169
Instruction				
Elementary classroom teachers	1,101	1,168	1,170	1,210
Secondary classroom teachers	979	1,124	1,040	1,111
ESE teachers	519	565	523	542
Other teachers (adult)	45	71	71	72
Other professionals (instructional)	150	179	185	190
Aides	626	610	531	536
Total instructional	3,420	3,717	3,520	3,661
Student Services				
Guidance counselors	76	95	93	102
Visiting teachers/Social workers	12	16	15	15
Psychologists	22	22	21	24
Librarians	19	19	22	25
Other professionals (non-instructional)	162	170	168	190
Technicians	43	46	46	45
Total student services	334	368	365	401
Support and Administration				
Clerical/secretarial	387	409	391	403
Service workers	995	1,098	1,087	1,098
Skilled crafts	128	128	137	127
Unskilled laborers	32	33	50	51
Total support and administration	1,542	1,668	1,665	1,679
Total employees	5,438	5,920	5,713	5,910

Note: Employee data includes only full-time staff
Information presented above excludes Charter Schools and
Second Chance Schools. The number of personnel is total employees.

Source: Florida Department of Education Statistical Brief entitled
"Staff in Florida's Public Schools" as reported on the
Florida Education Finance Program FTE Survey 2

Table 18

Fiscal Year					
2009	2010	2011	2012	2013	2014
41	40	39	40	40	43
7	6	8	7	9	10
47	54	45	54	53	53
61	60	53	54	55	60
-	5	3	60	58	62
156	165	148	215	215	228
1,126	1,188	1,158	1,151	1,204	1,230
1,005	1,037	1,057	1,055	1,080	1,101
514	493	498	485	530	536
29	36	41	40	34	29
176	155	163	131	132	133
504	542	543	516	547	568
3,354	3,451	3,460	3,378	3,527	3,597
87	85	86	78	78	87
17	15	18	17	14	13
22	21	22	20	22	21
26	14	15	15	15	1
176	182	172	167	166	191
94	92	90	84	86	67
422	409	403	381	381	380
377	360	350	277	284	288
1,107	1,095	1,056	405	917	936
86	86	81	79	77	79
46	52	51	43	43	38
1,616	1,593	1,538	804	1,321	1,341
5,548	5,618	5,549	4,778	5,444	5,546

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Operating Statistics - General
Last 10 Fiscal Years
(Unaudited)

Table 19

Fiscal Year	Operating Expenditures ⁽¹⁾	Fall Student Memberships ⁽²⁾	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2005	352,355,192	41,158	8,561	9.11	2,644	15.6
2006	405,210,263	41,884	9,675	8.55	2,928	14.3
2007	434,592,467	42,190	10,301	6.39	2,804	15.0
2008	455,663,146	42,013	10,846	9.54	2,935	14.3
2009	440,341,271	41,057	10,725	(1.00)	2,674	15.4
2010	430,432,805	41,281	10,427	(2.78)	2,754	15.0
2011	429,450,566	40,899	10,500	0.27	2,754	14.9
2012	403,329,297	41,076	9,819	(6.49)	2,731	15.0
2013	411,654,332	41,094	10,017	2.00	2,848	14.4
2014	426,913,268	41,398	10,312	1.06	2,896	14.3

Note: Expenditures only include General and Special Revenue Funds.
Community service expenditures are not included in total expenditure amounts.

Source: (1) District records
(2) DOE Education Information and Accountability Services: Data Report-Membership in FL Public Schools

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Operating Statistics-Food Service
Last 10 Fiscal Years
(Unaudited)

Table 19
(continued)

Fiscal Year	Total Days Meals Were Served	Number of Free and Reduced Meals Served	Percentage of Free and Reduced Meals to Total Meals Served	Total Meals Served
2005	178	3,376,704	57%	5,904,361
2006	179	3,351,614	54%	6,181,508
2007	180	3,348,590	54%	6,201,092
2008	180	3,380,045	60%	5,633,408
2009	180	3,632,140	65%	5,587,908
2010	180	3,892,057	70%	5,560,082
2011	180	3,941,469	72%	5,474,263
2012	180	3,720,862	74%	5,006,232
2013	180	3,779,245	75%	5,027,574
2014	180	3,702,768	76%	4,903,344

Source: District records - Budget book

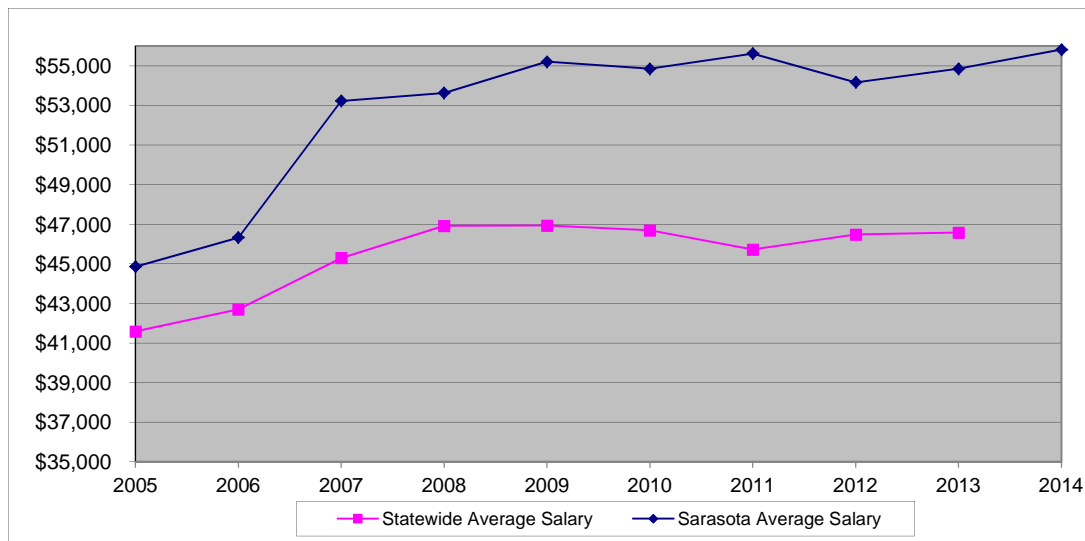
SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Teacher Salaries
Last 10 Fiscal Years
(Unaudited)

Table 20

Fiscal Year	Minimum Salary⁽¹⁾	Maximum Salary⁽¹⁾	Sarasota Average Salary⁽¹⁾	Statewide Average Salary⁽²⁾
2005	\$ 31,518	\$ 53,273	\$ 44,860	\$ 41,590
2006	34,024	66,944	46,329	42,702
2007	37,038	72,874	53,231	45,296
2008	38,611	75,060	53,636	46,922
2009	38,530	75,811	55,213	46,938
2010	38,997	75,811	54,852	46,696
2011	38,997	75,811	55,623	45,723
2012	38,599	75,037	54,170	46,479
2013	38,997	75,811	54,858	46,583
2014	38,997	75,811	55,823	N/A

Source: (1) District records
(2) Florida Department of Education

Teacher Average Salary



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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
School Building Information
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary										
Alta Vista (1955)										
Square feet	96,746	96,746	122,939	122,727	122,455	122,455	122,455	122,455	122,455	122,455
Student Stations	1,110	1,155	968	968	972	967	953	953	953	953
Enrollment	695	703	703	682	689	640	624	575	563	639
Ashton (1976)										
Square feet	130,555	126,044	126,044	115,724	110,855	110,855	112,423	112,423	112,423	112,423
Student Stations	1,682	1,555	1,062	1,062	938	938	908	908	908	908
Enrollment	1,225	898	873	838	812	837	819	807	799	835
Atwater (2010)										
Square feet	-	-	-	-	-	134,578	130,501	130,501	130,501	130,501
Student Stations	-	-	-	-	-	1,066	1,028	1,028	1,028	1,028
Enrollment	-	-	-	-	-	686	672	705	711	731
Bay Haven (1926)										
Square feet	72,576	71,440	71,440	70,305	70,305	70,305	70,305	70,305	70,305	70,305
Student Stations	641	841	701	701	701	701	701	701	701	701
Enrollment	545	570	582	588	589	583	584	578	583	597
Emma Booker (1990)										
Square feet	118,071	118,064	118,344	119,064	119,105	119,105	119,105	119,105	119,105	119,105
Student Stations	1,335	1,375	1,146	900	882	882	882	882	882	882
Enrollment	665	648	648	560	523	490	522	513	521	519
Brentwood (1958)										
Square feet	140,395	136,450	136,450	137,040	137,040	137,040	137,040	133,899	133,899	133,899
Student Stations	1,534	1,336	1,114	1,061	1,061	1,061	1,043	1,043	1,043	1,043
Enrollment	939	812	741	733	709	674	656	651	647	640
Cranberry (2003)										
Square feet	118,053	134,496	133,945	132,377	132,377	132,377	131,474	129,122	129,122	129,122
Student Stations	983	1,294	1,079	1,043	1,043	1,043	985	985	985	985
Enrollment	750	859	843	879	805	810	747	747	765	756
Englewood (1928)										
Square feet	104,788	104,788	104,788	104,027	104,027	104,027	103,953	103,953	103,953	103,953
Student Stations	873	837	698	698	698	698	698	698	698	698
Enrollment	534	486	449	420	405	402	384	429	475	492
Fruitville (1941)										
Square feet	110,442	112,566	112,406	112,399	112,389	113,631	115,914	115,917	115,917	115,917
Student Stations	1,329	1,112	949	984	984	966	1,014	1,014	1,014	1,014
Enrollment	782	672	684	680	693	719	715	748	770	773
Garden (1965)										
Square feet	87,638	88,184	88,184	86,892	86,892	86,892	83,463	83,463	83,463	83,463
Student Stations	1,016	1,003	836	821	821	821	751	751	751	751
Enrollment	668	658	638	628	617	609	600	576	589	612
Glenallen (1984)										
Square feet	120,032	173,605	168,891	165,538	156,358	156,276	143,398	143,398	143,398	143,398
Student Stations	1,697	1,924	1,426	1,382	1,208	1,208	1,020	1,020	1,020	1,020
Enrollment	1,195	1,274	875	868	774	714	684	707	667	673
Gocio (1966)										
Square feet	120,062	122,730	121,895	120,904	119,353	119,353	119,353	120,261	120,261	120,261
Student Stations	1,279	1,419	1,183	1,183	1,111	1,111	844	844	844	844
Enrollment	877	927	898	812	736	755	749	783	762	700
Gulf Gate (1963)										
Square feet	132,212	136,531	154,346	154,265	154,265	154,265	154,265	154,265	154,265	154,265
Student Stations	1,190	1,095	913	913	913	913	913	913	913	913
Enrollment	927	894	778	792	804	735	751	767	709	752
Lakeview (1987)										
Square feet	85,988	85,988	86,439	95,871	84,776	83,967	83,967	82,395	82,395	82,395
Student Stations	1,106	1,166	1,192	1,190	940	922	922	922	922	922
Enrollment	977	828	790	750	772	697	635	648	604	575
Lamarque (2006)										
Square feet	-	-	150,688	158,548	158,548	158,185	164,485	164,485	164,485	164,485
Student Stations	-	-	1,295	1,295	1,295	1,282	1,430	1,430	1,430	1,430
Enrollment	-	-	1,011	1,131	1,055	1,044	1,013	946	870	876
Phillippi Shores (1953)										
Square feet	119,168	120,900	121,160	121,160	121,162	121,162	121,162	121,162	121,162	121,162
Student Stations	806	867	723	731	731	731	731	731	731	731
Enrollment	491	591	569	628	659	665	646	674	758	727
Southside (1926)										
Square feet	73,660	127,155	119,822	108,019	108,019	108,019	108,019	110,371	110,371	110,371
Student Stations	601	1,524	1,058	826	826	826	851	851	851	851
Enrollment	730	675	640	646	640	705	736	724	772	779
Tatum Ridge (2005)										
Square feet	-	122,673	126,495	129,651	129,646	129,646	129,651	129,651	129,651	129,651
Student Stations	-	890	835	889	889	889	893	893	893	893
Enrollment	-	698	766	833	849	805	754	724	685	696
Taylor Ranch (1989)										
Square feet	20,389	111,247	142,727	142,713	139,360	139,360	137,550	137,550	137,550	137,550
Student Stations	1,264	1,371	1,143	1,143	1,075	1,075	1,057	1,057	1,057	1,057
Enrollment	918	875	863	846	840	803	704	680	642	626
Toledo Blade (1992)										
Square feet	138,725	142,361	171,183	185,307	178,014	178,014	140,937	140,921	140,921	140,921
Student Stations	1,577	1,998	1,773	2,025	1,761	1,761	987	987	987	987
Enrollment	1,276	1,511	1,417	1,564	1,320	677	646	652	662	747
Tuttle (1963)										
Square feet	121,631	124,844	129,058	122,388	122,387	122,387	133,027	133,027	133,027	133,027
Student Stations	1,201	1,238	1,032	921	921	921	921	921	921	921
Enrollment	847	891	788	727	697	629	626	661	671	680
Venice (1953)										
Square feet	128,259	133,267	131,371	131,371	131,371	131,371	131,371	131,371	131,371	131,371
Student Stations	1,033	993	828	828	828	828	784	784	784	784
Enrollment	678	674	651	652	682	609	603	597	577	601
Wilkinson (1967)										
Square feet	144,479	142,499	142,499	144,395	144,395	144,862	144,862	144,862	144,862	144,862
Student Stations	1,166	943	786	786	786	786	786	786	786	786
Enrollment	788	780	718	638	572	553	529	502	506	513

Table 21

School	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Middle										
Booker (1992)										
Square feet	208,117	208,117	208,117	210,232	209,394	209,394	209,394	209,394	209,394	209,394
Student Stations	2,195	2,221	1,851	2,057	2,013	2,014	1,810	1,810	1,810	1,810
Enrollment	1,207	1,015	938	893	890	887	854	645	810	848
Brookside (1955)										
Square feet	207,303	207,303	208,812	208,812	208,812	208,812	208,812	208,812	208,812	208,812
Student Stations	1,723	1,794	1,484	1,649	1,649	1,649	1,484	1,484	1,484	1,484
Enrollment	1,200	1,122	1,097	1,075	1,135	1,077	1,036	898	844	820
Heron Creek (2003)										
Square feet	241,609	242,903	242,903	226,037	219,907	219,903	218,937	218,937	218,937	218,937
Student Stations	2,157	2,533	2,174	2,005	1,897	1,897	1,643	1,643	1,643	1,643
Enrollment	1,730	1,789	1,977	2,071	1,278	1,176	1,116	1,052	879	872
McIntosh (1961)										
Square feet	216,660	219,000	219,000	218,814	218,814	218,814	219,237	219,237	219,237	219,237
Student Stations	1,492	1,550	1,292	1,437	1,437	1,437	1,275	1,275	1,275	1,275
Enrollment	1,092	1,096	1,105	1,063	978	891	867	879	853	803
Sarasota (1992)										
Square feet	189,730	188,097	188,097	183,172	183,172	185,264	185,264	189,980	189,980	189,980
Student Stations	1,882	1,963	1,636	1,697	1,697	1,698	1,508	1,508	1,508	1,508
Enrollment	1,397	1,266	1,203	1,169	1,148	1,142	1,142	1,149	1,210	1,218
Venice (1984)										
Square feet	167,301	170,608	170,608	170,061	170,061	170,061	169,752	169,752	169,752	169,752
Student Stations	1,458	1,796	1,497	1,664	1,664	1,664	1,497	1,497	1,497	1,497
Enrollment	781	908	887	870	791	755	731	639	618	549
Woodland (2008)										
Square feet	-	-	-	-	211,591	250,557	227,483	227,483	227,483	227,483
Student Stations	-	-	-	-	1,567	1,567	1,410	1,410	1,410	1,410
Enrollment	-	-	-	-	719	767	669	657	752	832
High										
Booker (1953)										
Square feet	353,517	359,684	359,684	366,630	366,630	366,630	299,500	269,174	269,174	269,174
Student Stations	2,276	2,671	2,240	2,272	2,272	2,272	3,821	3,821	3,821	3,821
Enrollment	1,596	1,662	1,711	1,536	1,255	1,142	1,073	1,017	985	1,100
Cyysis (1993)										
Square feet	38,680	38,680	39,090	39,090	-	-	-	-	-	-
Student Stations	345	394	329	329	-	-	-	-	-	-
Enrollment	132	144	130	143	-	-	-	-	-	-
NorthPort (2001)										
Square feet	389,694	466,254	296,971	418,243	418,257	476,402	481,947	479,575	479,575	479,575
Student Stations	1,781	3,551	2,882	3,049	3,037	3,040	2,842	2,842	2,842	2,842
Enrollment	1,810	2,089	2,438	2,709	2,540	2,587	2,472	2,334	2,266	2,267
Riverview (1957)										
Square feet	313,627	324,327	310,282	310,282	486,698	495,696	494,051	494,051	494,051	494,051
Student Stations	3,202	4,131	3,347	3,434	3,195	2,936	2,786	2,786	2,786	2,786
Enrollment	2,657	2,687	2,548	2,454	2,532	2,670	2,742	2,640	2,638	2,560
Sarasota (1926)										
Square feet	423,101	422,111	422,111	457,608	457,612	459,673	462,600	462,600	462,600	462,600
Student Stations	2,878	3,841	3,201	3,264	3,264	3,298	2,516	2,516	2,516	2,516
Enrollment	2,619	2,673	2,669	2,533	2,373	2,235	2,018	1,965	1,968	2,016
Suncoast Polytechnical (2008)										
Square feet	-	-	-	-	72,943	78,177	78,177	78,177	78,177	78,177
Student Stations	-	-	-	-	606	606	545	545	545	545
Enrollment	-	-	-	-	150	308	436	549	525	528
Venice (1955)										
Square feet	338,797	348,832	353,177	356,526	364,482	364,482	550,330	541,926	541,926	541,926
Student Stations	2,716	3,264	2,706	2,899	2,919	2,941	4,854	4,854	4,854	4,854
Enrollment	2,178	2,204	2,141	2,112	2,019	1,960	1,951	1,899	1,870	1,909
Other										
Laurel Nokomis (1991)										
Square feet	23,598	214,260	214,260	214,229	216,825	216,122	215,197	221,485	221,485	221,485
Student Stations	2,414	2,415	2,013	2,236	2,237	2,237	1,963	1,963	1,963	1,963
Enrollment	1,535	1,318	1,232	1,153	1,067	1,080	1,096	1,089	988	1,014
Oak Park (1993)										
Square feet	148,647	156,997	179,189	170,757	169,171	169,171	169,171	169,171	169,171	169,171
Student Stations	580	877	731	731	706	706	666	666	666	666
Enrollment	439	439	408	414	412	428	393	349	342	333
Pineview (1993)										
Square feet	210,814	216,360	216,360	225,307	225,269	225,269	225,269	225,269	225,269	225,269
Student Stations	1,998	2,505	2,254	2,464	2,464	2,464	1,974	1,974	1,974	1,974
Enrollment	1,948	2,061	2,200	2,210	2,116	2,170	2,210	2,196	2,266	2,146
Phoenix Academy (2005)										
Square feet	26,808	26,657	26,647	26,863	26,863	26,863	26,863	26,863	26,863	-
Student Stations	282	345	288	288	288	288	288	288	288	-
Enrollment	203	157	163	172	191	193	201	181	194	-

Sources: District Records
Florida Inventory of School Houses

Notes: Capacity information reported for fiscal year ended 2003 reflects adjustments due to the Class Size Reduction Amendment.
Rebuilt schools only include information after rebuilding.
Booker High and Venice High square footage and student stations reflect the old and new buildings on campus as these schools are currently being rebuilt. These numbers will be updated in FISH once construction is complete.

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School Board of Sarasota County, Florida



Comprehensive Annual Financial Statement Report

For the Fiscal Year Ended June 30, 2014

Federal Reports and Schedules

Report of Independent Auditor 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*

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

Independent Auditor's Management Letter

Report of Independent Accountant on an Examination Conducted in Accordance with *AICPA Professional Standards Section 601*

**Report of Independent Auditor 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 Honorable Members of the
School Board of Sarasota County, Florida
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Sarasota County, Florida (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2014. 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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, 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
December 12, 2014

**Report of Independent Auditor on Compliance for
Each Major Program and on Internal Control over
Compliance Required by OMB Circular A-133**

The Honorable Members of the
School Board of Sarasota County, Florida
Sarasota, Florida

Report on Compliance for Each Major Federal Program

We have audited the School Board of Sarasota County, Florida's (the "District") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Handwritten signature of Cherry Bekant LLP in cursive script.

Tampa, Florida
December 12, 2014

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the Fiscal Year End June 30, 2014

Federal Grantor / Pass-Through Grantor Title or Cluster Title	Program	Federal CFDA#	Pass-Through Grantor Number	Federal Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture:					
Direct:					
Farm to School Grant Program:		10.575		\$ 19,230	\$ -
Team Nutrition Grants-Healthier US School Challenge:		10.574		23,500	-
Total United States Department of Agriculture Direct				<u>42,730</u>	<u>-</u>
Indirect:					
Child Nutrition Cluster:					
Florida Department of Agriculture and Consumer Services:					
School Breakfast Program		10.553	321	1,724,817	-
National School Lunch Program		10.555	300, 350	9,547,225	-
Summer Food Service Program for Children		10.559	323	435,903	-
Total Child Nutrition Cluster				<u>11,707,945</u>	<u>-</u>
Florida Department of Agriculture and Consumer Services:					
Fresh Fruit and Vegetable Program		10.582	330	82,996	-
Total United States Department of Agriculture Indirect				<u>11,790,941</u>	<u>-</u>
Total United States Department of Agriculture				<u>11,833,671</u>	<u>-</u>
United States Department of Transportation:					
Direct:					
Highway Planning and Construction		20.205	N/A	44,158	-
Total United States Department of Transportation				<u>44,158</u>	<u>-</u>
United States Department of Education:					
Direct:					
Student Financial Assistance Cluster:					
Federal Supplemental Educational Opportunity Grants		84.007	N/A	85,000	-
Federal Pell Grant Program		84.063	N/A	716,920	-
Total Student Financial Assistance Cluster				<u>801,920</u>	<u>-</u>
Total United States Department of Education Direct				<u>801,920</u>	<u>-</u>
Indirect:					
Title I Part A Cluster:					
Florida Department of Education:					
Title I Grants to Local Educational Agencies		84.010	212,222,226,228	8,102,854	370,368
Total Title I, Part A Cluster				<u>8,102,854</u>	<u>370,368</u>
Special Education Cluster:					
Florida Department of Education:					
Special Education - Grants to States		84.027	262,263	10,340,927	641,025
Special Education - Preschool Grants		84.173	266,267	310,936	-
Putnam County District School Board:					
Special Education - Grants to States		84.027	263	19,940	-
Total Special Education Cluster				<u>10,671,803</u>	<u>641,025</u>
Education for Homeless Children and the Youth Cluster:					
Florida Department of Education:					
Education for Homeless Children and the Youth		84.196	127	90,250	-
Total Education for Homeless Children and the Youth Cluster				<u>90,250</u>	<u>-</u>
Florida Department of Education:					
Adult Education - Basic Grants to States		84.002	191,193	409,931	-
Migrant Education - State Grant Program		84.011	217	9,974	-
Career and Technical Education - Basic Grants to States		84.048	151,161	302,135	-
Charter Schools		84.282	282	179,479	179,479
Twenty-First Century Community Learning Centers		84.287	244	560,000	-
English Language Acquisition Grants		84.365	102	427,399	-
Improving Teacher Quality State Grants		84.367	224	1,240,184	10,511
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top					
Incentive Grants, Recovery Act		84.395	RL111	916,388	-
Putnam County District School Board:					
Special Education - Grants to States		84.395	RL111	3,239	-
Total Florida Department of Education				<u>4,048,729</u>	<u>189,990</u>
Total United States Department of Education Indirect				<u>22,913,636</u>	<u>1,201,382</u>
Total United States Department of Education				<u>23,715,556</u>	<u>1,201,382</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the Fiscal Year End June 30, 2014

Federal Grantor / Pass-Through Grantor Title or Cluster Title	Program	Federal CFDA#	Pass-Through Grantor Number	Federal Expenditures	Amount Provided to Subrecipients
United States Department of Health and Human Services:					
Indirect:					
Florida Department of Health:					
Child Care Food Program		10.558	A-4161	596,052	-
Assistance Programs for Chronic Disease Prevention and Control		93.945		10,000	-
Total United States Department of Health and Human Services				606,052	-
United States Department of Homeland Security:					
Indirect:					
Homeland Security Cluster:					
Florida Department of Education:					
Homeland Security Grant Program		97.067	532	64,626	-
Total United States Department of Homeland Security				64,626	-
United States Department of Defense:					
Direct:					
Army Junior Reserve Officers Training Corps		None	N/A	222,157	-
Marine Junior Reserve Officers Training Corps		None	N/A	70,399	-
Navy Junior Reserve Officers Training Corps		None	N/A	51,071	-
Total United States Department of Defense				343,627	-
Total Expenditures of Federal Awards				\$ 36,607,690	\$ 1,201,382

See accompanying notes to Schedule of Expenditures of Federal Awards

School Board of Sarasota County, Florida
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

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

Note 2 – Noncash Assistance – National School Lunch Program includes \$1,072,109 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified that are
not considered to be a material weakness(es)? yes x none reported

Noncompliance material to financial
statements noted? yes x no

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified that are
not considered to be a material weakness(es)? yes x none reported

Type of auditor's report on compliance for
major programs: Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
Section 510(a) of OMB Circular A-133? yes x no

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Part I - Summary of Auditors' Results (continued)

Federal Awards Section (continued)

Identification of major programs:

<u>Name of Program or Cluster</u>	<u>CFDA Number</u>
Title I, Grants to Local Education Agencies	84.010
Special Education Cluster	84.027 and 84.173
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395
Student Financial Assistance Cluster	84.007 and 84.063

Dollar threshold used to determine Type A programs:

Federal	\$ 1,098,230
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Auditee qualified as low-risk auditee for federal purposes? yes x no

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major programs, as required to be reported by Section 510(a) of OMB Circular A-133.

There were no findings required to be reported by Section 510(a) of OMB Circular A-133.

Independent Auditor's Management Letter

The Honorable Members of the
School Board of Sarasota County, Florida
Sarasota, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Sarasota County, Florida (the "District") as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2014. We did not audit the financial statements of the aggregate discretely presented component units; those financial statements were audited by other auditors.

Auditor's Responsibility

We conducted our audit 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.800, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor 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*, Report of Independent Auditor on Compliance with Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 12, 2014, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings or recommendations were made in the preceding annual financial audit report.

Financial Condition

Section 10.804(1)(f)2., Rules of the Auditor General, requires a statement be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit of the financial statements of the District, the results of our tests did not indicate that the District met any of the conditions of a financial emergency contained in Section 218.503(1), Florida Statutes.

Pursuant to sections 10.804(1)(f)5.a, and 10.805(6) Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information proved by same.

Transparency

Section 10.804(1)(f)6., Rules of the Auditor General, requires the auditor to state whether or not the District complied with transparency requirements (Section 1011.035, Florida Statutes, provides that district school boards include a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public). In connection with our audit, we determined that the District complied with transparency requirements.

Other Matters

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we address in the management letter any recommendation to improve financial management. Regarding internal controls over information technology, we recommended the following:

- We recommend that the District complete a formal IT Risk assessment and network vulnerability, ideally by an independent outside entity, at least once every three years to identify and assess high risk areas in the District's IT environment. Results of the assessment should be shared with upper management and incorporated into the District's IT Strategic Plan and/or Audit Plan as appropriate. We recognized that the District is currently undergoing a formal IT risk assessment and will incorporate results of such into the District's IT Strategic Plan.

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

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.800, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
December 12, 2014

**Report of Independent Accountant on an
Examination Conducted in Accordance with
AICPA Professional Standards Section 601**

The Honorable Members of the
School Board of Sarasota County, Florida
Sarasota, Florida

Report on Compliance

We have examined the School Board of Sarasota County, Florida (the "District") compliance with the requirements of Section 218.415, Florida Statutes during the year ended June 30, 2014. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

Opinion

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2014.

Cherry Bekaert LLP

Tampa, Florida
December 12, 2014