



HOLMES DISTRICT SCHOOL BOARD

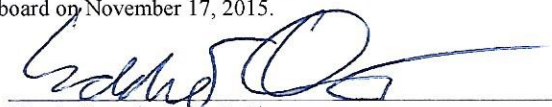
ANNUAL FINANCIAL REPORT 2014-2015

**FLORIDA DEPARTMENT OF EDUCATION
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)
DISTRICT SCHOOL BOARD OF HOLMES COUNTY
For the Fiscal Year Ended June 30, 2015**

Return completed form to: Florida Department of Education Office of Funding and Financial Reporting 325 W. Gaines St., Room 814 Tallahassee, Florida 32399-0400

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The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2015, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on November 17, 2015.


District Superintendent's Signature

11/17/15
Date

Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management discussion and analysis of Holmes County School District's financial performance provides an overall review of the School District's financial activities for the current fiscal year. The intent of this discussion and analysis is to look at the School District's financial performance as a whole while allowing the reader to focus on significant financial issues, identify changes in the financial position, and highlight significant issues in individual funds. The readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-15 fiscal year are as follows:

- In total, net position decreased \$11,270,478, which represents a 32.8% percent decrease when compared to the 2013-14 fiscal year. The reported decrease in net position was caused by an increase in reported liabilities related to the implementation of GASB 68 rather than a decrease in assets.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$1,018,807, which is \$63,844 more than the prior fiscal year balance.
- Revenues totaled \$29,257,077, compared to expenses of \$29,894,845, resulting in a deficit of \$637,767. The largest portion of this deficit, \$599,212, was the result of pre-construction costs associated with the new facility. The bulk of the pre-construction costs were architecture fees and the land purchase. Funds to cover these expenses have been allocated by the state legislature, but will not be received until encumbered in the 2015-2016 fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

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

Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

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 and business-type 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 and liabilities, using an economic resources measurement focus. The difference between the assets 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. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

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.

Fund Financial Statements

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

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

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-

Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

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 balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Other Fund, Special Revenue – ARRA Economic Stimulus Fund, Debt Service – Other Fund, and Capital Projects – Local Capital Improvement Fund. Data from the other governmental funds are combined into a single, aggregated presentation. A budgetary comparison schedule has been provided for the General Fund and Special Revenue – Other Fund to demonstrate compliance with the budget.

Proprietary Funds – Proprietary funds may be established to account for activities in which a fee is charged for services. One type of proprietary fund, an internal service fund, is maintained. This fund is used to account for resources set aside to fund a portion of the District's compensated absences liability.

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.

Notes to Financial Statements

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

Other Information

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

Holmes County School Board
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2015

Components of the Annual Financial Report

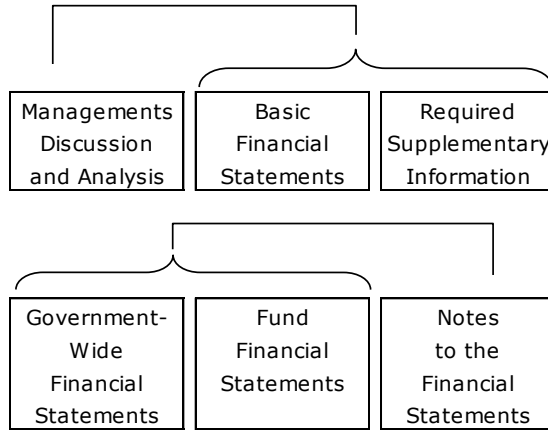


Figure 1: Illustrates the components of the Financial Report in relation to each other.

Major Features of Holmes District's Schools Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is trustee or agent for someone else's resources
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Details the major features of Holmes District School Board's Government-Wide Financial Statements.

Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section is used to present condensed financial information from the government-wide statements that compare the current year to the prior year.

Net Assets

	Governmental Activities	
	2015	2014
Current and other assets	3,424,682	4,153,545
Capital assets	35,981,065	36,147,945
Total assets	39,405,747	40,301,491
Long-term liabilities	13,432,914	5,255,157
Other liabilities	684,209	780,029
Total liabilities	14,117,123	6,035,186
Net assets:		
Invested in capital assets		
Net of related debt	34,843,512	34,442,709
Restricted	(52,164)	310,265
Unrestricted	(11,795,522)	(486,670)
Total Net Position	22,995,827	34,266,305

The largest portion of the District's net position reflects its investment in capital assets (e.g., land; buildings and fixed equipment; furniture, fixtures, and equipment; and motor vehicles), 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 represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the government's ongoing obligations to students, employees, and creditors. The implementation of GASB Statement No. 68, which guides the treatment of pension related liabilities, accounted for a significant decrease in the District's net position. The beginning net position of the District was decreased by \$11,468,317 due to the adoption of this Statement.

The following table reflects the changes in net position for fiscal year.

Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Changes in Net Assets

	Governmental Activities	
	2015	2014
Program Revenues:		
Charges for Services	325,013	332,944
Operating Grants	2,232,145	1,955,474
Capital Grants	108,806	112,697
General Revenue:		
Property Taxes	3,365,912	3,337,225
Grants and Entitlements	22,681,738	22,055,389
Other	641,122	235,150
Total Revenues	<u>29,354,735</u>	<u>28,028,878</u>
Functions / Program Expenses:		
Instruction	15,679,925	16,401,515
Pupil Personnel Services	674,846	750,227
Instructional Media Services	529,237	530,838
Instruction and Curriculum	345,784	261,703
Instructional Staff Training	433,604	474,690
Instruction Related Technology	219,236	265,173
Board of Education	220,756	197,416
General Administration	271,371	306,309
School Administration	2,023,834	2,123,824
Facilities Acq & Construction	852	346,468
Fiscal Services	311,022	317,118
Food Service	1,644,290	1,643,666
Central Services	558,130	651,461
Pupil Transportation Services	1,324,388	1,433,378
Operation of Plant	2,645,926	2,540,085
Maintenance of Plant	965,294	1,324,626
Administrative Technology	2,474	1,536
Community Services	0	0
Interest on Long-Term Debt	40,877	39,385
Depreciation - unallocated	1,611,518	1,627,281
Total Expenses	<u>29,503,365</u>	<u>31,236,699</u>
Increase (Decrease) in Net Assets	<u>(148,629)</u>	<u>(3,207,821)</u>

Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The largest revenue source is the State of Florida (72 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data, and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Instruction expenses represent 60 percent of total governmental expenses in the 2014-15 fiscal year. Instruction expenses decreased by \$434,747, or 3 percent, from the previous fiscal year due mainly from a reduction in staffing levels, resulting in a decrease in salaries and related benefits.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds decreased by \$637,767 during the fiscal year to \$ 1,074,455.27. Approximately 85 percent of this amount is unassigned fund balance (\$913,768.78), which is available for spending at the District's discretion. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form, 2) restricted for particular purposes, or 3) assigned for particular purposes.

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$913,768.78, while the total fund balance is \$1,018,807.29. Total fund balance increased by \$63,843.83 during the fiscal year.

Information about the School District's major funds begins on Exhibit C-1. These funds are accounted for using the modified accrual basis of accounting. Total revenues for all governmental funds were \$29.25 million and expenditures were \$29.89 million.

The Capital Projects – Public Education Capital Outlay (PECO) Fund and Capital Projects – Local Capital Improvement (LCI) Fund have total fund balances of \$-879,181.43 and \$598,770.51, respectively. These funds are restricted for the acquisition, construction, and maintenance of capital assets. Of the total fund balances, \$-530,975.50 has been encumbered for PECO projects and \$250,564.58 for LCI projects. The fund balances decreased in the current fiscal year due to the pre-construction costs associated with a new school and debt associated with the purchase of new buses. While the PECO

Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

funds currently carry a negative balance, this will be remedied once the District begins receiving encumbered funds in 2015-2016.

There was no significant change in the results of operations or a fund balance in the district's other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District's budget is prepared according to Florida law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. Variances between the original, final and actual appropriations and expenditures were the result of certain grants and funds that are not budgeted until grant approval.

During the course of the fiscal year the School District amends its general fund budget as needed to comply with Florida law and local District's policies.

CAPITAL ASSETS AND LONG-TERM DEBT

The following table reflects the District's investment in fixed assets and the outstanding debt at June 30. The notes to the financial statements discuss in greater detail the substance of this information.

Capital Assets	Governmental Activities		Outstanding Debt	
	2015	2014	Total Payments	Debt Outstanding
Land	0	450,584	2015 <u>608,458</u>	<u>1,137,552</u>
Improvements Other than Buildings	677,186	1,723,157		
Buildings	1,723,157	54,031,063		
Furniture & Equipment	54,031,063	3,698,672		
Motor Vehicles	3,672,825	4,748,116		
Construction In Progress	719,275	346,468		
Totals	60,823,506	64,998,060		

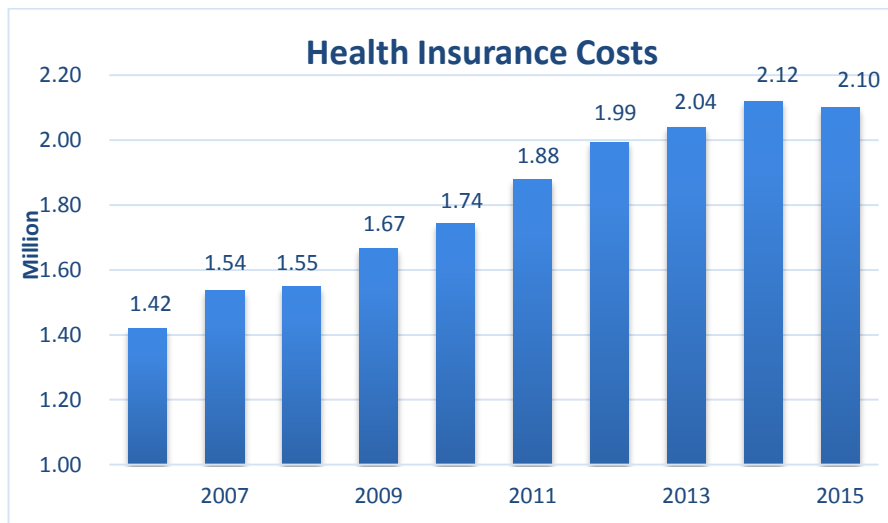
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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

OTHER MATTERS OF SIGNIFICANCE

Insurance Premiums

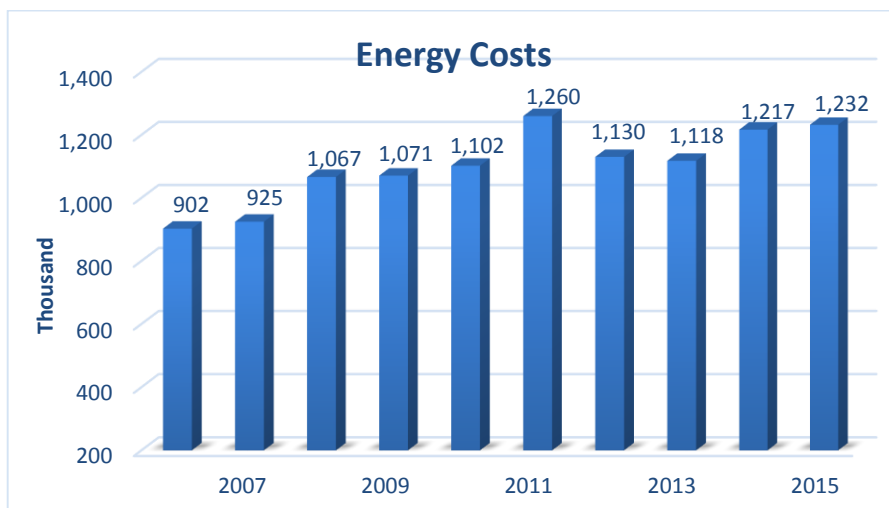
The insurance industry has presented a challenge for consumers for the past few years. Following is information concerning the increases affecting the School District for various insurance premiums.

The current provider of health insurance has a contractual provision whereby the School District is to pay at least 75% of the premium cost for employee health coverage. The District's total cost for health insurance benefits is reflected in the chart below for the indicated years.



Energy Costs

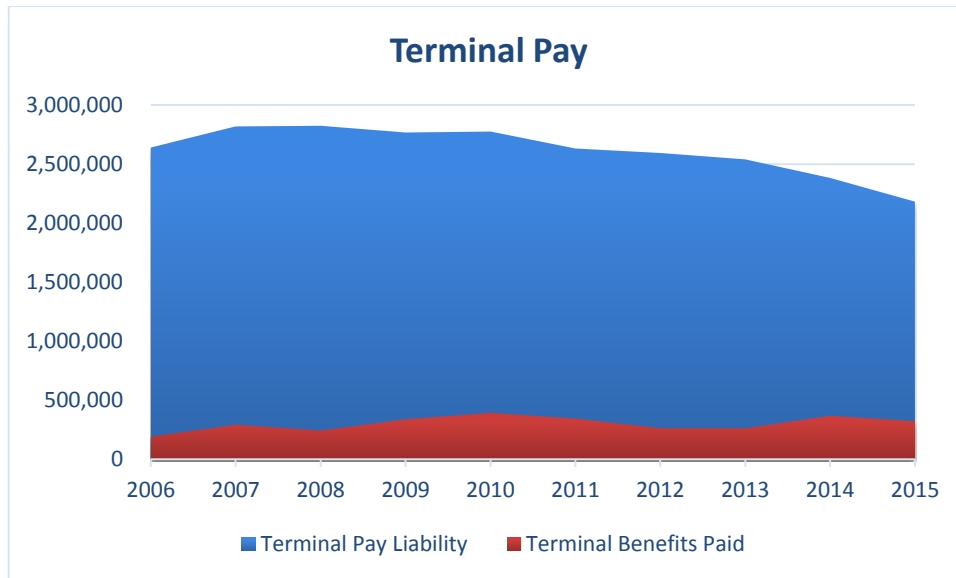
Energy costs for the Operation of Plant have impacted the District's cost containment ability. These energy costs are reflected in the following chart for the indicated years.



Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Terminal Pay Benefits

Terminal pay benefits are a significant annual cost and liability for the School District. The District purchases leave from employees during participation in DROP, Deferred Retirement Option Program, when an employee terminates from employment, and at the rate of 80% of the value of sick leave earned on an annual basis with certain limits. The following reflects the total cost of terminal costs and terminal liability for the years indicated.



REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, customers, 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 financial information should be addressed to the Holmes District School Board, 701 East Pennsylvania Avenue, Bonifay, Florida 32425.

BASIC FINANCIAL STATEMENTS

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF NET POSITION
June 30, 2015

		Governmental Activities
ASSETS		
Cash	1110	3,098,536.89
Investments	1160	20,599.51
Accounts Receivable, net	1130	3,665.23
Due From Other Agencies	1220	157,107.36
Inventory	1150	144,772.89
Capital Assets		
Land	1310	677,186.30
Improvements Other Than Bldgs	1320	1,723,157.27
Buildings And Fixed Equipment	1330	54,031,062.63
Furniture, Fixtures and Equip	1340	3,672,825.13
Motor Vehicles	1350	4,344,880.99
Construction in Progress	1360	718,225.35
Less Accumulated Depreciation	1389	<u>(29,186,273.00)</u>
Total Assets		<u>39,405,746.55</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	1940	<u>3,173,225.00</u>
Total Assets and Deferred Outflows		<u>42,578,971.55</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Salaries and Wages Payable	2110	54,241.71
Accounts Payable	2120	189,267.59
Payroll Withholdings	2170	440,699.42
Non current liabilities - due within one year:		
Note Payable	2310	230,822.03
Bonds Payable	2320	60,000.00
Compensated Absences	2330	318,816.00
Non current liabilities - due after one year:		
Note Payable	2310	471,730.16
Bonds Payable	2320	375,000.00
Compensated Absences	2330	1,863,773.16
Postemployment Healthcare Benefits	2360	1,526,762.00
Net Pension Liability	2365	<u>8,586,011.00</u>
Total Liabilities		<u>14,117,123.07</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Revenues		4,180.49
Pension		<u>5,461,841.00</u>
Total Deferred Inflows of Resources		<u>5,466,021.49</u>
NET POSITION		
Net Investment in Capital Assets		34,843,512.48
Restricted for:		
Food Service	2780	191,188.65
Debt Service	2780	10,584.15
Capital Projects	2780	<u>(253,936.74)</u>
Unrestricted	2790	<u>(11,795,521.55)</u>
Total Net Position		<u>22,995,826.99</u>
Total Liabilities, Deferred Inflows and Net Position		<u>42,578,971.55</u>

The notes to the financial statements are an integral part of this state

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions		Expenses	Program Revenues			Net (Expense)
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue
Governmental Activities:						
Instruction	5000	15,679,925.45	54,661.89			(15,625,263.56)
Pupil Personnel Services	6100	674,846.30				(674,846.30)
Instructional Media Services	6200	529,236.97				(529,236.97)
Instruction and Curriculum	6300	345,784.13				(345,784.13)
Instructional Staff Training	6400	433,603.82				(433,603.82)
Instruction Related Technology	6500	219,235.61				(219,235.61)
Board of Education	7100	220,756.42				(220,756.42)
General Administration	7200	271,370.71				(271,370.71)
School Administration	7300	2,023,834.33				(2,023,834.33)
Facilities Acq & Construction	7400	852.00			26,537.08	25,685.08
Fiscal Services	7500	311,021.70				(311,021.70)
Food Service	7600	1,644,290.33	258,180.05	1,426,528.96		40,418.68
Central Services	7700	558,129.56				(558,129.56)
Pupil Transportation Services	7800	1,324,388.09	12,171.10	738,920.00		(573,296.99)
Operation of Plant	7900	2,645,926.27				(2,645,926.27)
Maintenance of Plant	8100	965,293.85		66,696.00		(898,597.85)
Administrative Technology	8200	2,473.80				(2,473.80)
Community Services	9100	0.00				0.00
Interest on Long-Term Debt	9200	40,877.31			82,268.90	41,391.59
Depreciation - unallocated*	780	1,611,518.00				(1,611,518.00)
Total governmental activities		<u>29,503,364.65</u>	<u>325,013.04</u>	<u>2,232,144.96</u>	<u>108,805.98</u>	<u>(26,837,400.67)</u>
Total primary government		<u>29,503,364.65</u>	<u>325,013.04</u>	<u>2,232,144.96</u>	<u>108,805.98</u>	<u>(26,837,400.67)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes						2,670,177.61
Property taxes, levied for capital projects						695,733.91
Grants and contributions not restricted to specific programs						22,681,737.51
Investment earnings						2,609.92
Miscellaneous						638,512.54
Total general revenues and transfers						<u>26,688,771.49</u>
Change in net assets						(148,629.18)
Net Position - beginning						34,266,304.72
Adjustments to Net Position						<u>(11,121,848.55)</u>
Net Position - ending						<u>22,995,826.99</u>

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

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General	Food	Other	ARRA Economic	SBE/COBI	Other Debt	Public	Capital					Total
	Fund	Service	Federal	Stimulus	Bonds	Service	Education	Outlay and	Capital	Other Capital	Internal	Other	Total
	100	410	420	430	210	290	Capital Outlay	Debt Service	Improvement	Projects	Service	Funds	Funds
ASSETS AND OTHER DEBITS:													
Cash	1110	1,362,195.80	48,264.87	24,522.85		1,715.97	0.00				1,661,837.40	74,503.69	1,436,699.49
Cash with Fiscal Agent	1114				10,584.15							10,584.15	10,584.15
Accounts Receivable	1130	3,625.23	40.00									40.00	3,665.23
Due From Budgetary Funds	1141	134,361.12							598,025.39	206,126.78		206,126.78	938,513.29
Inventory	1150	105,038.51	39,734.38									39,734.38	144,772.89
Investments	1160	5,007.68								5,007.68		5,007.68	10,015.36
Due From Other Agencies	1220	18,838.25	71,011.89	35,857.43				30,654.67	745.12			137,523.99	157,107.36
Total Assets And Other Debits		1,629,066.59	88,039.25	71,011.89	60,380.28	10,584.15	1,715.97	0.00	30,654.67	598,770.51	211,134.46	1,661,837.40	2,701,357.77

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General Fund 100	Food Service 410	Other Federal 420	ARRA Economic Stimulus 430	SBE/COBI Bonds 210	Other Debt Service 290	Public Education Capital Outlay 340	Capital Outlay and Debt Service 360	Capital Improvement Sect 236.25(2) 370	Other Capital Projects 390	Internal Service	Other Government Funds	Total Governmental Funds	
LIABILITIES AND FUND EQUITY														
Salaries and Wages Payable	2110	41,250.80	1,889.11	11,101.80								12,990.91	54,241.71	
Accounts Payable	2120	128,309.08		578.23	60,380.28							60,958.51	189,267.59	
Due To Budgetary Funds	2161	0.00		59,331.86			879,181.43					59,331.86	938,513.29	
Payroll Withholdings	2170	440,699.42										0.00	440,699.42	
Deferred Revenue	2632							4,180.49				4,180.49	4,180.49	
Total Liabilities		610,259.30	1,889.11	71,011.89	60,380.28	0.00	0.00	879,181.43	4,180.49	0.00	0.00	1,661,837.40	1,626,902.50	
FUND BALANCES:														
Nonspendable - Inventory	2711	105,038.51	39,734.38									39,734.38	144,772.89	
Restricted for Food Service	2720		46,415.76									46,415.76	46,415.76	
Restricted for Debt Service	2725				10,584.15							10,584.15	10,584.15	
Restricted for Capital Projects	2726						(879,181.43)	26,474.18	598,770.51			26,474.18	(253,936.74)	
Assigned to Debt Service	2742					1,715.97						1,715.97	1,715.97	
Assigned to Capital Projects	2743									211,134.46		211,134.46	211,134.46	
Unassigned	2750	913,768.78				0.00						0.00	913,768.78	
Total Fund Equity		1,018,807.29	86,150.14	0.00	0.00	10,584.15	1,715.97	(879,181.43)	26,474.18	598,770.51	211,134.46	0.00	336,058.90	1,074,455.27
Total Liabilities And Fund Equity		1,629,066.59	88,039.25	71,011.89	60,380.28	10,584.15	1,715.97	0.00	30,654.67	598,770.51	211,134.46	1,661,837.40	2,701,357.77	

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total Governmental Fund Balances 1,074,455.27

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. 35,981,064.67

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. Long-term liabilities at year end consist of:

Postemployment Healthcare Benefits Payable	(1,526,762.00)	
Bonds Payable	(435,000.00)	
Note Payable	(702,552.19)	(2,664,314.19)

The net effect of deferred outflows and deferred inflows of the district's share of state pension liabilities are not reported in the governmental funds (2,288,616.00)

The district's share of the state's net pension liability is not reported in the governmental funds (8,586,011.00)

The amount to be provided for compensated absences reflected in the funds statements serves as a reduction in available reserves in the governmental activities statements (520,751.76)

Total Net Position - Governmental Activities 22,995,826.99

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2015

	General Fund 100	Food Service 410	Other Federal 420	ARRA Economic Stimulus 430	SBE/COBI Bonds 210	Other Debt Service 290	Public Education Capital Outlay 340	Capital Outlay and Debt Service 360	Capital Improvement 370	Other Capital Projects 390	Internal Service	Other Government Funds	Total Governmental Funds	
Revenues:														
Federal Direct	3100	41,590.52										0.00	41,590.52	
Federal Through State	3200	62,519.46	1,402,160.96	2,127,098.99	427,305.82							3,956,565.77	4,019,085.23	
State Sources	3300	20,465,871.75	25,901.99			82,268.90	209,250.00	66,696.00	26,537.08			343,957.97	20,876,525.72	
Local Sources:														
Property Taxes - Operational	3411	2,670,177.61										0.00	2,670,177.61	
Property Taxes - Capital Projects	3413								695,733.91			0.00	695,733.91	
Charges For Services - Food Service	3450		258,180.05									258,180.05	258,180.05	
Other Local Revenue	3495	690,437.62	4,613.72			55.07			677.94		544.07	4,668.79	695,784.35	
Total Revenues		23,930,596.96	1,690,856.72	2,127,098.99	427,305.82	82,268.90	209,305.07	66,696.00	26,537.08	696,411.85	0.00	544.07	4,563,372.58	29,257,077.39
Expenditures:														
Instruction	5000	14,081,216.71		1,561,649.37	196,420.09							1,758,069.46	15,839,286.17	
Pupil Personnel Services	6100	566,326.08		115,792.36								115,792.36	682,118.44	
Instructional Media Services	6200	532,336.82										0.00	532,336.82	
Instruction and Curriculum	6300	211,121.36		135,300.18	1,033.80							136,333.98	347,455.34	
Instructional Staff Training	6400	128,145.03		217,984.89	90,821.65							308,806.54	436,951.57	
Instruction Related Technology	6500	220,437.61			1,335.00							1,335.00	221,772.61	
Board of Education	7100	221,245.42										0.00	221,245.42	
General Administration	7200	218,591.49		56,050.39	669.05							56,719.44	275,310.93	
School Administration	7300	2,064,865.58			1,017.98							1,017.98	2,065,883.56	
Fiscal Services	7500	320,574.93										0.00	320,574.93	
Food Service	7600		1,643,364.63									1,643,364.63	1,643,364.63	
Central Services	7700	662,027.09		315.00								315.00	662,342.09	
Pupil Transportation Services	7800	1,381,712.52		15,042.07								15,042.07	1,396,754.59	
Operation of Plant	7900	2,655,089.19										0.00	2,655,089.19	
Maintenance of Plant	8100	968,179.44						197.44				0.00	968,376.88	
Administrative Technology	8200	2,473.80										0.00	2,473.80	
Facilities Acq & Construction	7420						599,211.54					0.00	599,211.54	
Other Capital Outlay	9300	219,582.09	35,180.32	24,964.73	136,008.25							196,153.30	415,735.39	
Debt Service	9200													
Redemption of principal	710					60,000.00	507,683.83					567,683.83	567,683.83	
Interest	720					24,000.00	16,773.72					40,773.72	40,773.72	
Dues and fees	730					40.69			62.90			103.59	103.59	
Total Expenditures		24,453,925.16	1,678,544.95	2,127,098.99	427,305.82	84,040.69	524,457.55	599,408.98	62.90	0.00	0.00	544.07	4,841,510.90	29,894,845.04
Excess of Revenues Over (Under) Expenditures		(523,328.20)	12,311.77	(0.00)	0.00	(1,771.79)	(315,152.48)	(532,712.98)	26,474.18	696,411.85	0.00	0.00	(278,138.32)	(637,767.65)
Other Financing Sources (Uses):														
Transfers In	3600	587,172.03					241,000.00					241,000.00	828,172.03	
Transfers Out	9700		(100,000.00)				(139,305.07)			(588,866.96)		(239,305.07)	(828,172.03)	
Total Other Financing Sources (Uses)		587,172.03	(100,000.00)	0.00	0.00	0.00	101,694.93	0.00	0.00	(588,866.96)	0.00	0.00	1,694.93	0.00
Net Change in Fund Balance		63,843.83	(87,688.23)	(0.00)	0.00	(1,771.79)	(213,457.55)	(532,712.98)	26,474.18	107,544.89	0.00	0.00	(276,443.39)	(637,767.65)
Fund Balance, July 1, 2014	2800	954,963.46	173,838.37	0.00	0.00	12,355.94	215,173.52	(346,468.45)	491,225.62	211,134.46	0.00	612,502.29	1,712,222.92	
Total Fund Balance, June 30, 2015		1,018,807.29	86,150.14	(0.00)	0.00	10,584.15	1,715.97	(879,181.43)	26,474.18	598,770.51	211,134.46	0.00	336,058.90	1,074,455.27

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
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, 2015

Net Change in Fund Balances - Total Governmental Funds (637,767.65)

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. In the current period, these amounts are:

Capital Outlay	1,111,208.94	
Depreciation expense	<u>(1,611,518.00)</u>	
Excess of capital outlay over depreciation expense		(500,309.06)

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 amount actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current period.	200,847.90
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces the long-term liabilities in the statement of net assets.	567,683.83
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The district has recorded pension expenses resulting from its propotional share of the state's unfunded pension liability	593,690.00
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Certain items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenue, expenditures, or losses in the governmental funds. These activities consist of:

Net value of surplus property disposed	(13,040.20)
The net changes in the liability for postemployment healthcare benefits payable is reported in the government-wide statements, but not the governmental funds statements	<u>(359,734.00)</u>

Change in Net Postion of Governmental Activities	<u>(148,629.18)</u>
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DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

		Total	Governmental Activities Internal Service Funds
ASSETS			
Cash	1110	1,661,837.40	1,661,837.40
Investments	1160		
Total Assets		1,661,837.40	1,661,837.40
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Compensated Absences Payable	2330	1,661,837.40	1,661,837.40
Total Liabilities		1,661,837.40	1,661,837.40
Net Position - Unrestricted	2700	0.00	0.00
Total Liabilities and Net Position		1,661,837.40	1,661,837.40

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Fiscal Year Ended June 30, 2015

		Total	Governmental Activities Internal Service Funds
Nonoperating Revenues			
Interest on Investments	3431	544.07	544.07
Nonoperating Expenses			
Miscellaneous Expense	790	(544.07)	(544.07)
Income (Loss) before operating transfers		0.00	0.00
Transfers Out			
To General Fund	3610	0.00	0.00
To Debt Service	3620	0.00	0.00
Total Transfers Out	3600	0.00	0.00
Change in Net Assets		0.00	0.00
Net Position, July 1, 2014	2880	0.00	0.00
Net Position, June 30, 2015	2780	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Total	Governmental Activities Internal Service Funds
Cash Flows From Noncapital Financing Activities		
Transfers From Other Funds	0.00	0.00
Net cash provided (used) by noncapital financing activities	0.00	0.00
 Cash Flows From Investing Activities		
Sale of Investments	0.00	0.00
Interest	544.07	544.07
Net Cash Provided by Investing Activities	544.07	544.07
Net Increase in Cash and Cash Equivalents	544.07	544.07
 Cash Beginning	1,661,293.33	1,661,293.33
 Cash Ending	1,661,837.40	1,661,837.40
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	0.00	0.00
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:	0.00	0.00
Total Adjustments	0.00	0.00
Net Cash Provided by Operating Activities	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2015

		School Internal Funds 891	Total Agency Funds
ASSETS			
Cash	1110	378,222.62	378,222.62
Total Assets		378,222.62	378,222.62
 LIABILITIES			
Internal Accounts Payable	2290	378,222.62	378,222.62
Total Liabilities		378,222.62	378,222.62

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Holmes County School District. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external customers for support.

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.

B. Reporting Entity

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Holmes County School District is part of the Florida system of public education under the general direction of the State Board of Education. The governing body of the school district is the Holmes County District School Board which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the district correspond with those of Holmes County.

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the District.

C. 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 School District as a whole. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. These statements include the nonfiduciary financial activity of the School District.

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 not readily associated with a particular function are reported as unallocated.

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

The effects of interfund activity have been eliminated from the government-wide financial statements.

D. Basis of Presentation: Fund Financial Statements

The fund financial statements report detailed information about the District in the. 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.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, motor vehicle purchases, and debt service payments on school buses.
- Capital Projects – PECO – to account for various financial resources to be used for educational capital outlay needs, including new construction and renovation and remodeling projects.

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

- Internal Service Fund(s) – to account for the District's compensated absences liability.
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

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

E. Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and 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. The District considers revenues to be available if they are collected within 45 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 45 days of year-end). Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Budgetary Information

1. Budgetary Basis of Accounting. 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 object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation 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.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of 3 months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME, formerly known as the Local Government Surplus Funds Trust Fund Investment Pool.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

2. Deposits and Investments

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys, amounts placed with the 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, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The District’s investments in Fund B are accounted for as a fluctuating net asset value pool. 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 date of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME.

Investments made locally consist of a certificate of deposit, which is reported at cost. Types and amounts of investments held at fiscal year-end are described in a subsequent 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 the first in, first out basis except that United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Department of Health and Rehabilitative Services, Food Distribution Center. Purchases are recorded as expenditures during the year and are adjusted to reflect year-end physical inventories.

4. Capital Assets

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

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	20 - 35 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	5 - 10 years
Motor Vehicles	5 - 10 years

5. Pensions

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

purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The District's retirement plans and related amounts are described in a subsequent note.

6. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds, and to the extent funded in accordance with Board Policy in the Internal Service Fund, are reported as liabilities in the government-wide statement of net position. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

Changes in long-term liabilities for the current year are reported in a subsequent note.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. The *deferred charge on refunding* reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

The District may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). To calculate the

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board approves the assignment of the fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and Expenditures/Expenses

1. State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the FDOE 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 FDOE. The FDOE 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 5 months following the date of the original reporting. Such amendments may impact funding allocations for subsequent fiscal years. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

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

"Pursuant to Section 1013.64, Florida Statutes, the District received special allocation(s) in the 2014-15, 2015-2016, and 2016-17 fiscal year(s) for specific construction needs through the Public Education Capital Outlay and Debt Service Trust Fund - Special Facility Construction Account. As a condition for receiving these funds, other construction funding must be pledged for the project, including the capital outlay millage levied pursuant to Section 1011.71(2), Florida Statutes, for the following 3 fiscal years. During the 3-year period, reductions to the special allocations are made to the extent of collections from the required pledged sources.")

2. District Property Taxes

The School 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 Holmes County Property Appraiser, and property taxes are collected by the Holmes County Tax Collector.

Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

3. 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.

4. Compensated Absences

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

5. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. ACCOUNTING CHANGES

Governmental Accounting Standards Board Statement No. 68. The District participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The beginning net position of the District was decreased by \$11,468,317 due to the adoption of this Statement. The District's proportionate share of the net pension liabilities at July 1, 2014, totaled \$8,586,011.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

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(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Florida PRIME had a weighted average days to maturity (WAM) of 40 days at the balance sheet date. 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. 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. At the balance sheet date, based on expected future cash flows, the WAL of Fund B is estimated at 3.98 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the WAL. Participation in Fund B is involuntary.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to State Board of Administration (SBA) Local Government Surplus Funds Trust Fund Investment Pool, known as Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District's Investment Policy limits investments to bids from qualified depositories, financial deposit instruments insured by the Federal Deposit Insurance Corporation, time deposits, securities of the United States Government, State managed cooperative investment plans, and other forms of investments as authorized by Section 218.415, Florida Statutes, as well as Florida PRIME.

The District's investments in 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 for this account.

C. Changes in Capital Assets

The following is a summary of changes in general fixed assets:

	Beginning Balance	Additions	Deductions	Ending Balance
Land	450,583.66	226,602.64	0.00	677,186.30
Improvements Other Than Building	1,723,157.27	0.00	0.00	1,723,157.27
Buildings and Fixed Equipment	54,031,062.63	0.00	0.00	54,031,062.63
Furniture, Fixtures, and Equipment	3,698,671.94	423,691.39	(449,538.20)	3,672,825.13
Motor Vehicles	4,748,115.98	89,158.01	(492,393.00)	4,344,880.99
Construction in Progress	346,468.45	372,806.34	0.00	719,274.79
	<u>64,998,059.93</u>	<u>1,112,258.38</u>	<u>(941,931.20)</u>	<u>65,168,387.11</u>
Less Accumulated Depreciation for:				
Improvements Other Than Building	1,529,243.00	12,902.00	0.00	1,542,145.00
Buildings and Fixed Equipment	20,677,194.00	1,112,719.00	0.00	21,789,913.00
Furniture, Fixtures, and Equipment	3,207,707.00	203,512.00	(446,297.00)	2,964,922.00
Motor Vehicles	<u>3,089,502.00</u>	<u>282,395.00</u>	<u>(482,604.00)</u>	<u>2,889,293.00</u>
Total Accumulated Depreciation	<u>28,503,646.00</u>	<u>1,611,528.00</u>	<u>(928,901.00)</u>	<u>29,186,273.00</u>
Capital Assets, net	<u>36,494,413.93</u>	<u>(499,269.62)</u>	<u>(13,030.20)</u>	<u>35,982,114.11</u>

Depreciation expense is not charged to individual functions on the Statement of Activities but rather is reflected as unallocated depreciation.

D. Retirement Plans

1. Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about the FRS

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

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

information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The District's pension expense totaled \$792,456 for the fiscal year ended June 30, 2015.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. PEORP is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in PEORP vest after one year of service.

FRS Pension Plan

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

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

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

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

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

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

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

FRS Retirement Contribution Rates. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.37
FRS, Elected County Officers	3.00	43.24
FRS, Senior Management Service	3.00	21.14
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.28
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.26 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

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

The District's contributions, including employee contributions, to the Plan totaled \$1,330,454 for the fiscal year ended June 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a liability of \$ 3,152,337 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 0.051665%, which was an increase of 0.005417% from its proportionate share measured 0.046248% as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$445,932 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 195,076
Change of assumptions	545,932	
Net difference between projected and actual earnings on FRS pension plan investments		5,258,622
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	748,522	
District FRS contributions subsequent to the measurement date		1,131,687
Total	<u>\$ 1,330,454.00</u>	<u>\$ 6,585,385.00</u>

The deferred outflows of resources related to pensions, totaling \$996,033, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction

of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ (996,033)
2017	(996,033)
2018	(996,033)
2019	(996,033)
2020	55,691
Thereafter	55,691

Actuarial Assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.11%	3.10%	1.65%
Intermediate-Term Bonds	18.00%	4.18%	4.05%	5.15%
High Yield Bonds	3.00%	6.79%	6.25%	10.95%
Broad US Equities	26.50%	8.51%	6.95%	18.90%
Developed Foreign Equities	21.20%	8.66%	6.85%	20.40%
Emerging Market Equities	5.30%	11.58%	7.60%	31.15%
Private Equity	6.00%	11.80%	8.11%	30.00%
Hedge Funds / Absolute Return	7.00%	5.81%	5.35%	10.00%
Real Estate (Property)	12.00%	7.11%	6.35%	13.00%
Total	100.00%			
Assumed inflation - Mean		2.60%		2.00%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate.

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the net pension liability	\$3,120,814	\$ 3,152,337	\$ 3,183,861

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

Payables to the Pension Plan. At June 30, 2015, the District reported a payable of \$0.00 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2015.

HIS Pension Plan

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

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

Benefits Provided. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$231,650 for the fiscal year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a net pension liability of \$ 5,433,674 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's 2013-14 fiscal year contributions relative to the total 2013-14 fiscal year contributions of all participating members. At June 30, 2014, the District's proportionate share was 0.058113% percent, which was an increase/decrease of 0.002547% from its proportionate share measured 0.055566% as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$408,114 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (GASB Statement No. 68 paragraph 80(g) & (h))

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	193,352	
Net difference between projected and actual earnings on HIS pension plan investments	2,608	
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	190,932	-
District contributions subsequent to the measurement date	213,650	-
Total	\$ 600,542	\$ -

The deferred outflows of resources related to pensions, totaling \$386,892, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 27,376
2017	27,376
2018	27,376
2019	27,376
2020	26,854
Thereafter	26,854

Actuarial Assumptions. The total pension liability in the July 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	4.29 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013

Discount Rate. The discount rate used to measure the total pension liability was 4.29 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.29 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29 percent) or 1-percentage-point higher (5.29 percent) than the current rate:

	1% Decrease (3.29%)	Current Discount Rate (4.29%)	1% Increase (5.29%)
District's proportionate share of the net pension liability	\$5,488,011	\$ 5,433,674	\$5,379,338

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report. Payables to the Pension Plan. At June 30, 2015, the District reported a payable of \$0.00 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2015.

2. FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2014-15 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$0.00 for the fiscal year ended June 30, 2015.

The financial statements and other supplementary 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 supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

E. Other Postemployment Benefit Obligations

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan 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 offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan

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

Funding Policy. Plan contribution requirements of the District and Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis. For the current fiscal year, 101 retirees received other postemployment benefits.

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 Plan, and changes in the District's net OPEB obligation:

<u>Description</u>	<u>Amount</u>
Normal Cost at year end	255,732
Amortization of Unfunded Actuarial Accrued Liability	430,784
Interest on Normal Cost and Amortization	
Annual Required Contribution	686,516
Interest on Net OPEB Obligation	46,681
Adjustment to Annual Required Contribution	<u>(52,780)</u>
Annual OPEB Cost	680,417
Contributions to OPEB Cost	<u>(320,683)</u>
Increase in Net OPEB Obligation	359,734
Net OPEB Obligation – beginning of year	<u>1,167,028</u>
Net OPEB Obligation – end of year	<u><u>1,526,762</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation 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>
2010-11	538,989	282,996	52.50%	358,542
2011-12	546,431	312,662	57.22%	592,311
2012-13	585,051	297,632	50.87%	879,730
2013-14	615,400	328,102	53.32%	1,167,028
2014-15	680,417	320,683	47.13%	1,526,762

Funded Status and Funding Progress. As of the balance sheet date, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$9,340,085, all of which was unfunded. The covered payroll (annual payroll of active participating employees) was \$11,240,543, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 83.09 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 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 schedule of funding progress immediately following the notes to financial statements presents 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 plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation as of 41,526,762, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability and to estimate the District's current fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.00 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.25 percent per year, and an annual healthcare cost trend rate of 2.5 percent beginning the most recent actuarial valuation date. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2015, was 26 years.

F. Special Termination Benefits

School Board policy provides for the payment of special termination benefits to qualifying employees in the amount of \$16,000 if the employee retires with 30 through 33 years of experience or equal to ten percent of their annual salary if the employee is retiring with 33 years or less experience and who is not eligible for the \$16,000. In order to receive either one of these benefits, the employee must be eligible to retire under the Florida Retirement System.

G. Construction and Other Significant Commitments

Encumbrances. Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the subsequent fiscal year budget as a result of purchase orders outstanding at current year end.

Compliance. The Capital Projects Public Education Capital Outlay Fund showed a deficit fund balance at June 30, 2015, of \$879,181.43. The deficit is due to expenditures related to the design phase of the new Holmes County K-8 School, which were incurred in advance of a special allocation of Public Education Capital Outlay and Debt Service Trust Fund - Special Facility Construction Account funds to be received in the 2015-16 fiscal year.

H. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Holmes County District School Board is a member of the Panhandle Area Educational Consortium - Risk Management Consortium under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members of the Consortium. Section 1001.42(10)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. The Board of Directors for the Consortium is composed of superintendents of all participating districts. The Washington County District School Board serves as fiscal agent for the Consortium. Health and hospitalization coverage are being provided through purchased commercial insurance, with minimum deductibles for each line of coverage. Settled claims resulting from the risks described above have not exceeded commercial coverage in any of the past three fiscal years.

I. Fund Balance Reporting

The District reports its governmental fund balances in the following categories, as applicable:

Nonspendable Fund Balance. The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.

Restricted Fund Balance. 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.

Committed Fund Balance. The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board). 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.

Assigned Fund Balance. 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 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 specific purposes based on actions of the Board and not included in other categories.

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.

J. Long-Term Liabilities

1. Changes In General Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Bonds Payable	495,000.00		(60,000.00)	435,000.00
Notes Payable	1,210,236.02		(375,106.90)	835,129.12
Compensated Absences	2,382,892.99	205,395.67	(405,699.50)	2,182,589.16
Other Post Employment Benefits	<u>1,167,028.00</u>	<u>680,417.00</u>	<u>(320,683.00)</u>	<u>1,526,762.00</u>
Total	<u>5,255,157.01</u>	<u>885,812.67</u>	<u>(1,161,489.40)</u>	<u>4,979,480.28</u>

For the governmental activities, compensated absences and other postemployment benefits are generally liquidated with resources of the General Fund.

2. Notes Payable

Notes payable are comprised of the following:

A note payable to Mercedes-Benz Financial Services for the purchase of eleven buses is as follows:

Balance
06-30-15

Borrowed \$1,171,082.00 08-16-2013 under the provisions of Section 1013.23, Florida Statutes. Repayment to be made over a five year period. Interest rate of 1.4495%

\$702,552.19

<u>Year Ended</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	241,005.83	230,822.03	10,183.80
2017	241,005.83	234,167.90	6,837.93
2018	241,005.83	237,562.26	3,443.57
 Total	 <u>723,017.49</u>	 <u>702,552.19</u>	 <u>20,465.30</u>

3. Bonds Payable

The State Board of Education on behalf of the District issued School Bonds Series 2001-A. The bonds mature serially and are secured by a pledge of the District’s portion of the State-assessed motor vehicle license tax. The State’s full faith and credit is also pledged as security for these bonds. Principal payments, interest payments, Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration. These bonds are issued to finance capital outlay projects in the District. This bond series was refunded by Public Education Capital Outlay Refunding Bonds, 2010 Series A. The refunding was effectuated to achieve debt service savings due to lower interest rates. Proceeds of the 2010 A Bonds will be used to refund all or a portion of the outstanding 1999 Series E and 2001 Series C and to pay costs of issuance. The individual rates for the bond maturities ranging from 2.0% to 5.0%. The bonds mature through the fiscal year ended 2021.

Fiscal Year June 30	Total Payment	Principal Principal	Interest
2015	84,000.00	60,000.00	24,000.00
2016	81,000.00	60,000.00	21,000.00
2017	83,000.00	65,000.00	18,000.00
2018	84,750.00	70,000.00	14,750.00
2019	86,250.00	75,000.00	11,250.00
Later Years	177,500.00	165,000.00	12,500.00
Total	596,500.00	495,000.00	101,500.00

K. Interfund Receivables, Payables, and Transfers

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

Funds	Receivables	Payables
General Fund	134,361.12	
Local Capital Improvement Fund	598,025.39	
Capital Projects Other	206,126.78	
Federal Funds		59,331.86
Public Education Capital Outlay		879,181.43
Total	938,513.29	938,513.29

The portion of the interfund receivables and payables represent loans to finance expenditures paid by the Local Capital Improvement Fund on behalf of the Public Education Capital Outlay Fund with the expected repayment in the subsequent fiscal year.

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

Funds	Transfers In	Transfers Out
General	587,172.03	
Debt Service - Other Debt Service	241,000.00	
Debt Service - Unassigned Funds		139,305.07
Special Revenue Fund - Food Service		100,000.00
Local Capital Improvement Fund		588,866.96
Total	828,172.03	828,172.03

The interfund transfers were to reimburse the General Fund for capital outlay and maintenance expenditures, terminal pay expenditures, and food service operational expenditures. The Debt Service Fund was reimbursed for a note payable serviced by the fund.

L. Revenues and Expenditures/Expenses

1. Schedule of State Revenue Sources

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

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	16,892,826.00
CO&DS Withheld for Administrative Expense	1,706.49
District Discretionary Lottery Funds	10,483.00
Class Size Reduction/Operating Funds	3,254,112.00
School Recognition/Merit Schools	77,000.00
Voluntary Prekindergarten Program	199,408.75
State License Tax	9,292.21
Miscellaneous State	<u>21,043.30</u>
Total	<u><u>20,465,871.75</u></u>

2. Property Taxes

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

<u>General Fund</u>	<u>Millages</u>	<u>Lewy</u>
Nonvoted School Tax		
Required Local Effort	5.009	2,323,244.68
Basic Discretionary Local Effort	0.748	346,932.93
Local Capital Improvement	<u>1.500</u>	<u>695,733.91</u>
Total	<u><u>7.257</u></u>	<u><u>3,365,911.52</u></u>

REQUIRED SUPPLEMENTAL INFORMATION

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION -
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFITS PLAN
 June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liabilities (AAL) (b)	Unfunded Actuarial Liabilities (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2009	0	4,408,903	4,408,903	0.00%	11,028,315	40.0%
June 30, 2010	0	4,360,952	4,360,952	0.00%	10,874,083	40.1%
October 1, 2010	0	8,000,621	8,000,621	0.00%	10,961,786	72.99%
October 1, 2012	0	8,339,851	8,339,851	0.00%	11,365,424	73.38%
October 1, 2014	0	9,340,085	9,340,085	0.00%	11,240,543	83.09%

Exhibit D-2a

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Note: Schedule of Funding Progress – Other Postemployment Benefits Plan

The 10/1/2014, unfunded actuarial accrued liability of \$9,340,085 was significantly higher than the 10/1/2012, liability of \$8,339,851 as a result of an increase in the number of employees receiving post-employment health benefits in the district and an increase in the cost of coverage.

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN

	<u>2014</u>	<u>2013</u>
District's proportion of the FRS net pension liability (asset)	0.051665204%	0.046247981%
District's proportionate share of the FRS net pension liability (asset)	3,152,337	7,961,336
District's covered-employee payroll	16,949,610	17,268,516
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	18.60%	46.10%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%	96.09%

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM

	<u>2014</u>	<u>2013</u>
Contractually required FRS contribution	1,234,087	1,131,687
FRS contributions in relation to the contractually required contribution	<u>(1,234,087)</u>	<u>(1,131,687)</u>
FRS contribution deficiency (excess)	0	0
District's covered-employee payroll	16,949,610	17,268,516
FRS contributions as a percentage of covered-employee payroll	7.28%	6.55%

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN

	<u>2014</u>	<u>2013</u>
District's proportion of the HIS net pension liability (asset)	0.058112640%	0.055565903%
District's proportionate share of the HIS net pension liability (asset)	5,433,674	4,837,742
District's covered-employee payroll	16,949,610	17,268,516
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	32.06%	28.01%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.99%

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM

	<u>2014</u>	<u>2013</u>
Contractually required FRS contribution	199,074	182,020
FRS contributions in relation to the contractually required contribution	<u>(199,074)</u>	<u>(182,020)</u>
FRS contribution deficiency (excess)	0	0
District's covered-employee payroll	16,949,610	17,268,516
FRS contributions as a percentage of covered-employee payroll	1.17%	1.05%

NON-MAJOR
GOVERNMENTAL FUNDS

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Direct	3100	174,190.00	174,190.00	41,590.52	(132,599.48)
Federal Through State	3200			62,519.46	62,519.46
State Sources	3300	20,675,816.00	20,675,816.00	20,465,871.75	(209,944.25)
Local Sources:					
Property Taxes - Operational	3411	2,645,157.00	2,645,157.00	2,670,177.61	25,020.61
Property Taxes - Capital Projects	3413				
Other Local	3495	260,223.00	260,223.00	690,437.62	430,214.62
Total Revenues		23,755,386.00	23,755,386.00	23,930,596.96	175,210.96
Expenditures:					
Instruction	5000	14,279,634.00	14,083,216.35	14,081,216.71	1,999.64
Pupil Personnel Services	6100	646,108.00	568,327.00	566,326.08	2,000.92
Instructional Media Services	6200	538,919.00	534,336.80	532,336.82	1,999.98
Instruction and Curriculum	6300	136,370.00	213,121.00	211,121.36	1,999.64
Instructional Staff Training	6400	202,899.00	130,146.00	128,145.03	2,000.97
Instruction Related Technology	6500	196,342.00	222,438.00	220,437.61	2,000.39
Board of Education	7100	225,624.00	223,245.00	221,245.42	1,999.58
General Administration	7200	226,987.00	220,591.67	218,591.49	2,000.18
School Administration	7300	2,152,811.00	2,066,866.20	2,064,865.58	2,000.62
Facilities Acq & Construction	7410	0.00	0.00		0.00
Fiscal Services	7500	323,027.00	322,575.00	320,574.93	2,000.07
Central Services	7700	702,422.00	666,174.70	662,027.09	4,147.61
Pupil Transportation Services	7800	1,442,417.00	1,383,712.99	1,381,712.52	2,000.47
Operation of Plant	7900	2,509,680.00	2,656,989.20	2,655,089.19	1,900.01
Maintenance of Plant	8100	1,037,483.00	970,179.00	968,179.44	1,999.56
Administrative Technology	8200	0.00	4,477.00	2,473.80	2,003.20
Community Services	9100		0.00		0.00
Capital Outlay:					
Other Capital Outlay	9300		219,582.09	219,582.09	0.00
Total Expenses		24,620,723.00	24,485,978.00	24,453,925.16	32,052.84
Excess of Revenues Over (Under) Expenditures		(865,337.00)	(730,592.00)	(523,328.20)	207,263.80
Other Financing Sources (Uses):					
Loss Recoveries	3740				0.00
Transfers In	3600	909,250.00	909,250.00	587,172.03	(322,077.97)
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		909,250.00	909,250.00	587,172.03	(322,077.97)
Net Change in Fund Balances		43,913.00	178,658.00	63,843.83	(114,814.17)
Fund Balance, July 1, 2014	2800	954,963.00	954,963.46	954,963.46	0.00
Total Fund Balance, June 30, 2015	2750	998,876.00	1,133,621.46	1,018,807.29	(114,814.17)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - OTHER FEDERAL PROGRAMS
 For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Through State	3200	1,689,400.00	2,250,000.00	2,127,098.99	(122,901.01)
State Sources	3300				0.00
Local Sources	3400				0.00
Total Revenues		1,689,400.00	2,250,000.00	2,127,098.99	(122,901.01)
Expenditures:					
Instruction	5000	1,350,600.00	1,563,650.27	1,561,649.37	2,000.90
Pupil Personnel Services	6100	78,300.00	117,793.00	115,792.36	2,000.64
Instruction and Curriculum	6300	96,500.00	137,301.00	135,300.18	2,000.82
Instructional Staff Training	6400	55,300.00	219,984.00	217,984.89	1,999.11
General Administration	7200	63,000.00	58,051.00	56,050.39	2,000.61
Central Services	7700	32,200.00	2,315.00	315.00	2,000.00
Pupil Transportation Services	7800	13,500.00	17,111.00	15,042.07	2,068.93
Capital Outlay:					
Other Capital Outlay	9300		24,964.73	24,964.73	0.00
Total Expenses		1,689,400.00	2,141,170.00	2,127,098.99	14,071.01
Excess of Revenues Over (Under) Expenditures		0.00	108,830.00	(0.00)	(108,830.00)
Net Change in Fund Balances		0.00	108,830.00	(0.00)	(108,830.00)
Fund Balance, July 1, 2014		0.00	0.00	0.00	0.00
Total Fund Balance, June 30, 2015		0.00	108,830.00	(0.00)	(108,830.00)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL-NON-MAJOR SPECIAL REVENUE- FEDERAL ECONOMIC STIMULUS FUNDS
 For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Through State	3200		446,000.00	427,305.82	(18,694.18)
Total Revenues		0.00	446,000.00	427,305.82	(18,694.18)
Expenditures:					
Instruction	5000		198,420.85	196,420.09	2,000.76
Instruction and Curriculum	6300		3,034.00	1,033.80	2,000.20
Instructional Staff Training	6400		92,822.00	90,821.65	2,000.35
Instruction Related Technology	6500		3,335.90	1,335.00	2,000.90
General Administration	7200		2,670.00	669.05	2,000.95
School Administration	7300		3,018.00	1,017.98	2,000.02
Capital Outlay:					
Other Capital Outlay	9300		136,008.25	136,008.25	0.00
Total Expenses		0.00	439,309.00	427,305.82	12,003.18
Excess of Revenues Over (Under) Expenditures		0.00	6,691.00	0.00	(6,691.00)
Net Change in Fund Balances		0.00	6,691.00	0.00	(6,691.00)
Fund Balance, July 1, 2014		0.00	0.00	0.00	0.00
Total Fund Balance, June 30, 2015		0.00	6,691.00	0.00	(6,691.00)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS
 June 30, 2015

		Food Service 410	Other Federal Programs 420	Federal Economic Stimulus Programs 430	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	1110	48,264.87		24,522.85	72,787.72
Accounts Receivable	1130	40.00			40.00
Due From Budgetary Funds	1141				0.00
Inventory	1150	39,734.38			39,734.38
Investments	1160				0.00
Due From Other Agencies	1220		71,011.89	35,857.43	106,869.32
Total Assets		88,039.25	71,011.89	60,380.28	219,431.42
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accrued Salaries	2110	1,889.11	11,101.80		12,990.91
Accounts Payable	2120		578.23	60,380.28	60,958.51
Due To Budgetary Funds	2161		59,331.86		59,331.86
Payroll Deductions	2170				0.00
Due To Other Agencies	2230				0.00
Total Liabilities		1,889.11	71,011.89	60,380.28	133,281.28
Fund Balances:					
Nonspendable - Inventory	2711	39,734.38			39,734.38
Restricted for Food Service	2720	46,415.76	0.00		46,415.76
Total Fund Balances		86,150.14	0.00		86,150.14
Total Liabilities and Fund Equity		88,039.25	71,011.89	60,380.28	219,431.42

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS
 June 30, 2015

		SBE/COBI Bonds 210	Other Debt Service 290	Total Nonmajor Debt Service Funds
<hr/>				
ASSETS				
Cash	1110		1,715.97	1,715.97
Cash with Fiscal Agent	1114	10,584.15		10,584.15
Due From Budgetary Funds	1141			0.00
<hr/>				
Total Assets		10,584.15	1,715.97	12,300.12
<hr/>				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due To Budgetary Funds	2161			0.00
Matured Bond Payable	2180			0.00
Notes Payable	2310			0.00
<hr/>				
Total Liabilities		0.00	0.00	0.00
<hr/>				
Fund Balances:				
Restricted for Debt Service	2725	10,584.15		10,584.15
Assigned to Debt Service	2742		1,715.97	
Unassigned Fund Balance	2750		0.00	0.00
<hr/>				
Total Fund Balances		10,584.15	1,715.97	12,300.12
<hr/>				
Total Liabilities and Fund Balances		10,584.15	1,715.97	12,300.12
<hr/>				

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS
 June 30, 2015

	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service Funds (CO & DS) 360	Capital Improvement Section 1011.71(2) 370	Other Capital Projects 390	Total Nonmajor Capital Project Funds
ASSETS					
Cash	1110	0.00	0.00		0.00
Accounts Receivable	1130				0.00
Due From Budgetary Funds	1141		598,025.39	206,126.78	206,126.78
Investments	1160			5,007.68	5,007.68
Due From Other Agencies	1220		30,654.67	745.12	30,654.67
Total Assets		0.00	30,654.67	598,770.51	211,134.46
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	2120				0.00
Construction Contract Payable	2140				0.00
Due to Budgetary Funds	2161	879,181.43			0.00
Due to Other Agencies	2230				0.00
Note Payable	2250				0.00
Deferred Revenue	2632		4,180.49		4,180.49
Total Liabilities		879,181.43	4,180.49	0.00	0.00
Fund Balances:					
Restricted Fund Balance	2726	(879,181.43)	26,474.18	598,770.51	26,474.18
Assigned Fund Balance	2743	0.00	0.00	211,134.46	211,134.46
Unassigned Fund Balance	2750	0.00	0.00	0.00	0.00
Total Fund Balances		(879,181.43)	26,474.18	598,770.51	211,134.46
Total Liabilities and Fund Balances		0.00	30,654.67	598,770.51	211,134.46

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2015

		Special Revenue Funds		
		Food Service 410	Other Federal 420	Total Nonmajor Special Revenue Funds
Revenues:				
Federal Through State	3200	1,402,160.96	2,127,098.99	3,529,259.95
State Sources	3300	25,901.99		25,901.99
Charges For Services - Food Service	3450	258,180.05		258,180.05
Other Local Revenue		4,613.72		4,613.72
Total Revenues		1,690,856.72	2,127,098.99	3,817,955.71
Expenditures:				
Food Service	7600	1,643,364.63		1,643,364.63
Other Capital Outlay	9300	35,180.32	24,964.73	60,145.05
Total Expenditures		1,678,544.95	2,127,098.99	3,805,643.94
Excess Deficiency of Revenues Over (Under) Expenditures		12,311.77	(0.00)	12,311.77
Other Financing Sources (Uses):				
Transfers Out	9700	(100,000.00)		(100,000.00)
Total Other Financing Sources (Uses)		(100,000.00)	0.00	(100,000.00)
Net Change in Fund Balance		(87,688.23)	(0.00)	(87,688.23)
Fund Balance, July 1, 2014	2800	173,838.37	0.00	173,838.37
Total Fund Balance, June 30, 2015	2700	86,150.14	(0.00)	86,150.14

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2015

		Debt Service Funds		
		SBE/COBI	Other Debt	Total Nonmajor
		Bonds 210	Service 290	Debt Service Funds
Revenues:				
State Sources	3300	82,268.90	209,250.00	291,518.90
Local Sources:				
Other Local	3495		55.07	55.07
Total Revenues		82,268.90	209,305.07	291,573.97
Expenditures:				
Retirement of Principal	710	60,000.00	507,683.83	567,683.83
Interest	720	24,000.00	16,773.72	40,773.72
Dues, Fees and Issuance Costs	730	40.69		40.69
Total Expenditures		84,040.69	524,457.55	608,498.24
Excess Deficiency of Revenues Over (Under) Expenditures		(1,771.79)	(315,152.48)	(316,924.27)
Other Financing Sources (Uses):				
Transfers in from Capital Projects	3600		241,000.00	241,000.00
Transfers Out	9700		(139,305.07)	(139,305.07)
Total Other Financing Sources (Uses)		0.00	101,694.93	101,694.93
Net Change in Fund Balance		(1,771.79)	(213,457.55)	(215,229.34)
Fund Balance, July 1, 2014	2800	12,355.94	215,173.52	227,529.46
Total Fund Balance, June 30, 2015	2700	10,584.15	1,715.97	12,300.12

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2015

	Capital Projects Funds				
	Public Education Capital Outlay 340	Capital Outlay & Debt Service 360	Capital Improv Sec 1011.71(2) 370	Other Capital Projects 390	Total Nonmajor Capital Projects Funds
Revenues:					
State Sources	3300	66,696.00	26,537.08		26,537.08
Local Sources:					
Other Local	3495		677.94		0.00
Total Revenues		66,696.00	26,537.08	696,411.85	0.00
Excess Deficiency of Revenues Over (Under) Expenditures		(532,712.98)	26,474.18	696,411.85	0.00
Other Financing Sources (Uses):					
Transfers Out	9700		(588,866.96)		0.00
Total Other Financing Sources (Uses)		0.00	0.00	(588,866.96)	0.00
Net Change in Fund Balance		(532,712.98)	26,474.18	107,544.89	0.00
Fund Balance, July 1, 2014	2800	(346,468.45)	491,225.62	211,134.46	211,134.46
Total Fund Balance, June 30, 2015	2700	(879,181.43)	26,474.18	598,770.51	211,134.46
				211,134.46	237,608.64

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FOOD SERVICE (NONMAJOR)
For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Through State	3200	1,271,999.00	1,400,000.00	1,402,160.96	2,160.96
State Sources	3300	25,625.00	25,800.00	25,901.99	101.99
Charges For Services - Food Service	3450	289,755.00	265,000.00	258,180.05	(6,819.95)
Other Local Revenue				4,613.72	4,613.72
Total Revenues		1,587,379.00	1,690,800.00	1,690,856.72	56.72
Expenditures:					
Food Services	7600	1,613,411.00	1,695,000.00	1,678,544.95	16,455.05
Total Expenditures		1,613,411.00	1,695,000.00	1,678,544.95	16,455.05
Excess of Revenues Over (Under) Expenditures					
Transfers Out	9700	(26,032.00)	(4,200.00)	12,311.77	16,511.77
Total Other Financing Sources (Uses)		0.00	(100,000.00)	(100,000.00)	0.00
Net Change in Fund Balances		(26,032.00)	(104,200.00)	(87,688.23)	16,511.77
Fund Balance, July 1, 2014	2800	173,838.00	173,838.37	173,838.37	0.00
Total Fund Balance, June 30, 2015		147,806.00	69,638.37	86,150.14	16,511.77

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - DEBT SERVICE - SBE/COBI BOND
 For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
State Sources	3300	78,200.00	78,200.00	82,268.90	4,068.90
Total Revenues		78,200.00	78,200.00	82,268.90	4,068.90
Expenditures:					
Retirement of Principal	710	60,000.00	60,000.00	60,000.00	0.00
Interest	720	24,000.00	24,000.00	24,000.00	0.00
Dues and fees	730	1,000.00	1,000.00	40.69	959.31
Total Expenditures		85,000.00	85,000.00	84,040.69	959.31
Excess of Revenues Over (Under) Expenditures		(6,800.00)	(6,800.00)	(1,771.79)	5,028.21
Net Change in Fund Balances		(6,800.00)	(6,800.00)	(1,771.79)	5,028.21
Fund Balance, July 1, 2014	2800	12,356.00	12,356.00	12,355.94	(0.06)
Total Fund Balance, June 30, 2015	2700	5,556.00	5,556.00	10,584.15	5,028.15

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE - OTHER DEBT SERVICE
For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
State Sources	3300	209,250.00	209,250.00	209,250.00	0.00
Local Sources					
Other Local	3495	950.00	950.00	55.07	(894.93)
Total Revenues		210,200.00	210,200.00	209,305.07	(894.93)
Expenditures:					
Retirement of Principal	710	365,704.00	508,000.00	507,683.83	316.17
Interest	720	22,004.00	17,000.00	16,773.72	226.28
Dues and fees	730	2,000.00	1,000.00		1,000.00
Total Expenditures		389,708.00	526,000.00	524,457.55	1,542.45
Excess of Revenues Over (Under) Expenditures		(179,508.00)	(315,800.00)	(315,152.48)	647.52
Other Financing Sources (Uses):					
Transfers In	3600	241,000.00	241,000.00	241,000.00	0.00
Transfers Out	9700	(200,000.00)	(140,000.00)	(139,305.07)	694.93
Total Other Financing Sources (Uses)		41,000.00	101,000.00	101,694.93	694.93
Net Change in Fund Balances		(138,508.00)	(214,800.00)	(213,457.55)	1,342.45
Fund Balance, July 1, 2014	2800	215,173.00	215,173.52	215,173.52	0.00
Total Fund Balance, June 30, 2015		76,665.00	373.52	1,715.97	1,342.45

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - CAPITAL PROJECTS - PECO
 For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Total Revenues	2,266,696.00	2,266,696.00	66,696.00	(2,200,000.00)
Facilities Acq & Construction	7410 1,800,000.00	1,800,000.00		1,800,000.00
Total Expenditures	1,800,000.00	1,800,500.00	599,408.98	1,201,091.02
Excess of Revenues Over (Under) Expenditures	466,696.00	466,196.00	(532,712.98)	(998,908.98)
Net Change in Fund Balances	466,696.00	466,196.00	(532,712.98)	(998,908.98)
Fund Balance, July 1, 2014	2800 (346,468.00)	(346,468.45)	(346,468.45)	0.00
Total Fund Balance, June 30, 2015	2700 <u>120,228.00</u>	<u>119,727.55</u>	(879,181.43)	(998,908.98)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS - CO&DS
 For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
State Sources	3300	33,000.00	33,000.00	26,537.08	(6,462.92)
Local Sources:					
Other Local	3495				0.00
Total Revenues		33,000.00	33,000.00	26,537.08	(6,462.92)
Expenditures:					
Total Expenditures		0.00	200.00	62.90	137.10
Excess of Revenues Over (Under) Expenditures		33,000.00	32,800.00	26,474.18	(6,325.82)
Other Financing Sources (Uses):					
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
Net Change in Fund Balances		33,000.00	32,800.00	26,474.18	(6,325.82)
Fund Balance, July 1, 2014	2800	0.00	0.00	0.00	0.00
Total Fund Balance, June 30, 2015	2700	33,000.00	32,800.00	26,474.18	(6,325.82)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - CAPITAL PROJECTS - LOCAL CAPITAL IMPROVEMENT
 For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Property Taxes - Capital Projects	3413	689,202.00	689,202.00	695,733.91	6,531.91
Other Local	3495	1,270.00	1,270.00	677.94	(592.06)
Total Revenues		690,472.00	690,472.00	696,411.85	5,939.85
Facilities Acq & Construction	7410				0.00
Total Expenditures		0.00	0.00	0.00	0.00
Excess of Revenues Over (Under) Expenditures					
		690,472.00	690,472.00	696,411.85	5,939.85
Transfers Out	9700	(241,000.00)	(589,000.00)	(588,866.96)	133.04
Total Other Financing Sources (Uses)		(241,000.00)	(589,000.00)	(588,866.96)	133.04
Net Change in Fund Balances					
Fund Balance, July 1, 2014	2800	491,226.00	491,225.62	491,225.62	0.00
Total Fund Balance, June 30, 2015	2700	940,698.00	592,697.62	598,770.51	6,072.89

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - CAPITAL PROJECTS - OTHER CAPITAL
 For the Fiscal Year Ended June 30, 2015

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Other Local	3495	230.00	230.00		(230.00)
Total Revenues		230.00	230.00	0.00	(230.00)
Total Expenditures		0.00	0.00	0.00	0.00
Excess of Revenues Over (Under) Expenditures		230.00	230.00	0.00	(230.00)
Other Financing Sources (Uses):					
Transfers Out	9700		0.00		0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
Net Change in Fund Balances		230.00	230.00	0.00	(230.00)
Fund Balance, July 1, 2014	2800	211,134.00	211,134.46	211,134.46	0.00
Total Fund Balance, June 30, 2015	2700	211,364.00	211,364.46	211,134.46	(230.00)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 June 30, 2015

		<u>Total</u>	<u>Total Internal Service Funds</u>
ASSETS			
Cash	1110	1,661,837.40	1,661,837.40
Investments	1160		
Total Assets		<u>1,661,837.40</u>	<u>1,661,837.40</u>
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Compensated Absences Payable	2330	1,661,837.40	1,661,837.40
Total Liabilities		<u>1,661,837.40</u>	<u>1,661,837.40</u>
Net Position - Unrestricted	2700	<u>0.00</u>	<u>0.00</u>
Total Liabilities and Net Position		<u>1,661,837.40</u>	<u>1,661,837.40</u>

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2015

		Total Internal Total Service Funds	
Nonoperating Revenues			
Interest on Investments	3400	544.07	544.07
Gain on Sale of Investments	3432	0.00	0.00
Nonoperating Expenses			
Income (Loss) before operating transfers		0.00	0.00
Transfers Out			
To General Fund	9710	0.00	0.00
Total Transfers Out	9700	0.00	0.00
Net Position, July 1, 2014	2800	0.00	0.00
Net Position, June 30, 2015	2780	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2015

	Total	Total Internal Service Funds
Cash Flows From Noncapital Financing Activities		
Transfers From Other Funds	0.00	0.00
Net cash provided (used) by noncapital financing activities	0.00	0.00
Cash Flows From Investing Activities		
Sale of Investments	0.00	0.00
Interest	544.07	544.07
Net Cash Provided by Investing Activities	544.07	544.07
Net Increase (Decrease) in Cash and Cash Equivalents	544.07	544.07
Cash Beginning	1,661,293.33	1,661,293.33
Cash Ending	1,661,837.40	1,661,837.40
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	0.00	0.00
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:	0.00	0.00
Total Adjustments	0.00	0.00
Net Cash Provided by Operating Activities	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2015

	School Internal Funds 891	Total Agency Funds
ASSETS		
Cash	378,222.62	378,222.62
Total Assets	378,222.62	378,222.62
LIABILITIES		
Internal Accounts Payable	378,222.62	378,222.62
Total Liabilities	378,222.62	378,222.62

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS - SCHOOL INTERNAL FUNDS
 June 30, 2015

		Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS					
Cash	1110	334,947.87	1,225,201.72	1,181,926.97	378,222.62
Total Assets		<u>334,947.87</u>	<u>1,225,201.72</u>	<u>1,181,926.97</u>	<u>378,222.62</u>
LIABILITIES					
Internal Accounts Payab	2290	334,947.87	1,225,201.72	1,181,926.97	378,222.62
Total Liabilities		<u>334,947.87</u>	<u>1,225,201.72</u>	<u>1,181,926.97</u>	<u>378,222.62</u>

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

**FLORIDA DEPARTMENT OF EDUCATION
 REPORT OF FINANCIAL DATA TO THE
 COMMISSIONER OF EDUCATION (ESE 348)
 DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 For the Fiscal Year Ended June 30, 2015**

Return completed form to: Florida Department of Education Office of Funding and Financial Reporting 325 W. Gaines St., Room 814 Tallahassee, Florida 32399-0400

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The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2015, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on November 17, 2015.



 District Superintendent's Signature

11/17/15

 Date

**DISTRICT SCHOOL BOARD OF COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND**

For the Fiscal Year Ended June 30, 2015

Exhibit K-1
FDOE Page 1
Fund 100

REVENUES	Account Number	Amount
<i>Federal Direct:</i>		
Reserve Officers Training Corps (ROTC)	3191	41,590.52
Total Federal Direct	3100	41,590.52
<i>Federal Through State and Local:</i>		
Medicaid	3202	61,554.83
Miscellaneous Federal Through State	3299	964.63
Total Federal Through State and Local	3200	62,519.46
<i>State:</i>		
Florida Education Finance Program (FEFP)	3310	16,892,826.00
CO&DS Withheld for Administrative Expenditure	3323	1,706.49
State License Tax	3343	9,292.21
District Discretionary Lottery Funds	3344	10,483.00
<i>Categorical Programs:</i>		
Class Size Reduction Operating Funds	3355	3,254,112.00
Florida School Recognition Funds	3361	77,000.00
Excellent Teaching Program	3363	0.00
Voluntary Prekindergarten Program	3371	199,408.75
<i>Other State:</i>		
Other Miscellaneous State Revenues	3399	21,043.30
Total State	3300	20,465,871.75
<i>Local:</i>		
District School Taxes	3411	2,670,177.61
Interest on Investments	3431	1,840.62
Preschool Program Fees	3471	54,661.89
<i>Miscellaneous Local:</i>		
Receipt of Federal Indirect Cost Rate	3494	56,719.44
Other Miscellaneous Local Sources	3495	577,215.67
Total Local	3400	3,360,615.23
Total Revenues	3000	23,930,596.96

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DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
 For the Fiscal Year Ended June 30, 2015

Exhibit K-1
 FDOE Page 2
 Fund 100

EXPENDITURES		100	200	300	400	500	600	700	Totals
	Account Number	Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
Current:									
Instruction	5000	10,260,890.25	2,665,349.89	207,766.67		463,536.90	160,768.67	322,904.33	14,081,216.71
Student Support Services	6100	408,834.53	100,773.42	55,614.63		1,025.00	0.00	78.50	566,326.08
Instructional Media Services	6200	385,758.96	92,400.29	13,619.88		11,682.85	21,091.93	7,782.91	532,336.82
Instruction and Curriculum Services	6300	168,505.69	42,389.92	59.25				166.50	211,121.36
Instructional Staff Training Services	6400	90,791.55	23,424.83	12,061.24		860.65		1,006.76	128,145.03
Instruction-Related Technology	6500	165,598.00	42,815.49	0.00		2,701.18	9,322.94	0.00	220,437.61
Board	7100	128,601.55	63,828.16	10,327.09		10.00	2,079.97	16,398.65	221,245.42
General Administration	7200	137,674.82	66,775.64	5,702.85		1,031.43	827.75	6,579.00	218,591.49
School Administration	7300	1,547,230.72	499,689.43	3,933.39		3,455.93	1,237.60	9,318.51	2,064,865.58
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500	222,119.34	61,962.25	30,725.87		1,562.53	3,366.16	838.78	320,574.93
Food Services	7600								0.00
Central Services	7700	412,286.92	116,189.06	96,760.44		19,764.26	2,683.49	14,342.92	662,027.09
Student Transportation Services	7800	721,910.71	241,062.93	31,894.01	200,278.97	137,518.23	11,506.45	37,541.22	1,381,712.52
Operation of Plant	7900	491,656.28	325,627.83	714,167.60	1,031,834.19	61,491.08	7,467.04	22,845.17	2,655,089.19
Maintenance of Plant	8100	450,165.40	129,653.81	160,648.74		200,362.09	27,175.50	173.90	968,179.44
Administrative Technology Services	8200			130.00		159.09	2,184.71		2,473.80
Other Capital Outlay	9300						219,582.09		219,582.09
Total Expenditures		15,592,024.72	4,471,942.95	1,343,411.66	1,232,113.16	905,161.22	469,294.30	439,977.15	24,453,925.16

Excess (Deficiency) of Revenues Over Expenditures (523,328.20)

ESE 348

**DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES**

For the Fiscal Year Ended June 30, 2015

Exhibit K-2
FDOE Page 4
Fund 410

REVENUES	Account Number	
<i>Federal Through State and Local:</i>		
School Lunch Reimbursement	3261	973,792.34
School Breakfast Reimbursement	3262	301,066.94
Afterschool Snack Reimbursement	3263	17,273.30
Child Care Food Program	3264	0.00
USDA-Donated Commodities	3265	106,530.89
Cash in Lieu of Donated Foods	3266	0.00
Summer Food Service Program	3267	3,497.49
Fresh Fruit and Vegetable Program	3268	0.00
Other Food Services	3269	0.00
Federal Through Local	3280	0.00
Miscellaneous Federal Through State	3299	0.00
Total Federal Through State and Local	3200	<u>1,402,160.96</u>
 <i>State:</i>		
School Breakfast Supplement	3337	11,000.00
School Lunch Supplement	3338	13,368.00
State Through Local	3380	0.00
Other Miscellaneous State Revenues	3399	1,533.99
Total State	3300	<u>25,901.99</u>
 <i>Local:</i>		
Interest on Investments	3431	36.29
Gain on Sale of Investments	3432	0.00
Net Increase (Decrease) in Fair Value of Investments	3433	0.00
Gifts, Grants and Bequests	3440	0.00
Student Lunches	3451	153,767.24
Student Breakfasts	3452	41,773.35
Adult Breakfasts/Lunches	3453	49,162.38
Student and Adult á la Carte Fees	3454	13,477.08
Student Snacks	3455	0.00
Other Food Sales	3456	0.00
Other Miscellaneous Local Sources	3495	4,577.43
Refunds of Prior Year's Expenditures	3497	0.00
Total Local	3400	<u>262,793.77</u>
 Total Revenues	 3000	 <u><u>1,690,856.72</u></u>

ESE 348

**DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES (Continued)**
For the Fiscal Year Ended June 30, 2015

Exhibit K-2
FDOE Page 5
Fund 410

EXPENDITURES (Function 7600/9300)	Account Number	Amount
Salaries	100	459,744.40
Employee Benefits	200	187,647.45
Purchased Services	300	5,153.94
Materials and Supplies	500	962,011.21
Capital Outlay	600	2,045.87
Other	700	26,761.76
Other Capital Outlay (Function 9300)	600	35,180.32
Total Expenditures		1,678,544.95
Excess (Deficiency) of Revenues Over Expenditures		12,311.77
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES		
Loans	3720	0.00
Sale of Capital Assets	3730	0.00
Loss Recoveries	3740	0.00
Total Transfers In	3600	0.00
<i>Transfers Out: (Function 9700)</i>		
To General Fund	910	(100,000.00)
Total Other Financing Sources (Uses)		(100,000.00)
Net Change in Fund Balance		(87,688.23)
Fund Balance, July 1, 2014	2800	173,838.37
Adjustments to Fund Balance	2891	0.00
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	39,734.38
Restricted Fund Balance	2720	46,415.76
Committed Fund Balance	2730	0.00
Assigned Fund Balance	2740	0.00
Unassigned Fund Balance	2750	0.00
Total Fund Balances, June 30, 2015	2700	86,150.14

ESE 348

**DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - OTHER FEDERAL PROGRAMS**

For the Fiscal Year Ended June 30, 2015

Exhibit K-3
FDOE Page 6
Fund 420

REVENUES	Account Number	Amount
<i>Federal Direct:</i>		
Total Federal Direct	3100	0.00
<i>Federal Through State and Local:</i>		
Career and Technical Education	3201	75,585.18
Medicaid	3202	0.00
Individuals with Disabilities Education Act (IDEA)	3230	751,612.61
<i>Workforce Innovation and Opportunity Act:</i>		
Adult General Education	3221	0.00
English Literacy and Civics Education	3222	0.00
Adult Migrant Education	3223	0.00
Other WIOA Programs	3224	0.00
<i>NCLB - Elementary and Secondary Education Act:</i>		
Elementary and Secondary Education Act - Title I	3240	1,027,062.83
Teacher and Principal Training and Recruiting - Title II, Par	3225	0.00
Math and Science Partnerships - Title II, Part B	3226	190,983.93
Language Instruction - Title III	3241	0.00
Twenty-First Century Schools - Title IV	3242	0.00
Federal Through Local	3280	0.00
Emergency Immigrant Education Program	3293	0.00
Miscellaneous Federal Through State	3299	<u>81,854.44</u>
Total Federal Through State and Local	3200	<u>2,127,098.99</u>
<i>State:</i>		
Total State	3300	0.00
<i>Local:</i>		
Total Local	3400	<u>0.00</u>
Total Revenues	3000	<u><u>2,127,098.99</u></u>

ESE 348

DISTRICT SCHOOL BOARD OF HOLMES COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAM

For the Fiscal Year Ended June 30, 2015

Exhibit K-3

FDOE Page 7

Fund 420

EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Instruction	5000	973,958.26	292,711.19	121,630.08		82,802.27	44,440.92	46,106.65	1,561,649.37
Student Support Services	6100	72,434.08	18,695.06	3,966.38		19,797.84		899.00	115,792.36
Instructional Media Services	6200					0.00			0.00
Instruction and Curriculum Development Services	6300	89,711.62	27,521.62	12,665.07		3,418.23	748.64	1,235.00	135,300.18
Instructional Staff Training Services	6400	154,261.53	27,676.01	26,792.32		213.18		9,041.85	217,984.89
Instruction-Related Technology	6500					0.00			0.00
Board	7100					0.00			0.00
General Administration	7200					0.00		56,050.39	56,050.39
School Administration	7300								0.00
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700			315.00					315.00
Student Transportation Services	7800	10,359.00	1,580.31	2,814.76				288.00	15,042.07
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300						24,964.73		24,964.73
Total Expenditures		1,300,724.49	368,184.19	168,183.61	0.00	106,231.52	70,154.29	113,620.89	2,127,098.99
Excess (Deficiency) of Revenues over Expenditures									0.00

**DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS
 FEDERAL ECONOMIC STIMULUS PROGRAMS**

Exhibit K-4
 FDOE Page 8
Funds 430

For the Fiscal Year Ended June 30, 2015

REVENUES	Account Number	Targeted ARRA Stimulus Funds 432	Other ARRA Stimulus Grants 433	ARRA Race to the Top 434	Totals
<i>Federal Direct:</i>					
Workforce Innovation and Opportunity Act (WIOA)	3170				0.00
Community Action Programs	3180				0.00
Reserve Officers Training Corps (ROTC)	3191				0.00
Miscellaneous Federal Direct	3199				0.00
Total Federal Direct:	3100	0.00	0.00	0.00	0.00
<i>Federal Through State and Local:</i>					
Career and Technical Education	3201				0.00
Race to the Top	3214			427,305.82	427,305.82
Individuals with Disabilities Education Act (IDEA)	3230				0.00
Elementary and Secondary Education Act - Title I	3240				0.00
Other Food Services	3269				0.00
Federal Through Local	3280				0.00
Miscellaneous Federal Through State	3299				0.00
Total Federal Through State and Local	3200	0.00	0.00	427,305.82	427,305.82
<i>State:</i>					
State Through Local	3380				0.00
Other Miscellaneous State Revenues	3399				0.00
Total State	3300	0.00	0.00	0.00	0.00
<i>Local:</i>					
Interest on Investments	3431				0.00
Gain on Sale of Investments	3432				0.00
Net Increase (Decrease) in Fair Value of Investments	3433				0.00
Gifts, Grants and Bequests	3440				0.00
Other Miscellaneous Local Sources	3495				0.00
Refunds of Prior Year's Expenditures	3497				0.00
Total Local	3400	0.00	0.00	0.00	0.00
Total Revenues	3000	0.00	0.00	427,305.82	427,305.82

DISTRICT SCHOOL BOARD OF HOLMES COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - ARRA RACE TO THE TOP (Continued)

Exhibit K-4

FDOE Page 11

For the Fiscal Year Ended June 30, 2015

Fund 434

EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Instruction	5000			2,003.41		1,331.68	190,090.00	2,995.00	196,420.09
Student Support Services	6100								0.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300						1,033.80		1,033.80
Instructional Staff Training Services	6400		356.60	17,743.22		525.00	63,334.96	8,861.87	90,821.65
Instruction-Related Technology	6500						1,335.00		1,335.00
Board	7100								0.00
General Administration	7200							669.05	669.05
School Administration	7300						1,017.98		1,017.98
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700								0.00
Student Transportation Services	7800								0.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300						136,008.25		136,008.25
Total Expenditures		0.00	356.60	19,746.63	0.00	1,856.68	392,819.99	12,525.92	427,305.82
Excess (Deficiency) of Revenues over Expenditures									0.00
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES	Account Number								
Total Other Financing Sources (Uses)									0.00
Net Change in Fund Balance									0.00
Fund Balance, July 1, 2014	2800								0.00
Total Fund Balances, June 30, 2015	2700								0.00

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - DEBT SERVICE FUNDS

Exhibit K-6

For the Fiscal Year Ended June 30, 2015

FDOE Page 13

Funds 200

REVENUES	Account Number	SBE/COBI Bonds 210	Other Debt Service 290	Totals
<i>Federal:</i>				
Miscellaneous Federal Direct	3199			0.00
Miscellaneous Federal Through State	3299			0.00
<i>State:</i>				
CO&DS Withheld for SBE/COBI Bonds	3322	82,196.14		82,196.14
SBE/COBI Bond Interest	3326	72.76		72.76
Racing Commission Funds	3341		209,250.00	209,250.00
Other Miscellaneous State Revenues	3399			0.00
Total State Sources	3300	82,268.90	209,250.00	291,518.90
<i>Local:</i>				
Interest on Investments	3431		55.07	55.07
Total Revenues	3000	82,268.90	209,305.07	291,573.97
EXPENDITURES				
<i>Debt Service (Function 9200)</i>				
Redemption of Principal	710	60,000.00	507,683.83	567,683.83
Interest	720	24,000.00	16,773.72	40,773.72
Dues and Fees	730	40.69		40.69
Miscellaneous	790			0.00
Total Expenditures		84,040.69	524,457.55	608,498.24
Excess (Deficiency) of Revenues Over Expenditures		(1,771.79)	(315,152.48)	(316,924.27)
OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE				
	Account Number	SBE/COBI Bonds 210	Other Debt Service 290	Totals
<i>Transfers In:</i>				
From Capital Projects Funds	3630		241,000.00	241,000.00
<i>Transfers Out: (Function 9700)</i>				
To General Fund	910		(139,305.07)	(139,305.07)
Total Other Financing Sources (Uses)		0.00	101,694.93	101,694.93
Net Change in Fund Balances		(1,771.79)	(213,457.55)	(215,229.34)
Fund Balance, July 1, 2014	2800	12,355.94	215,173.52	227,529.46
Adjustments to Fund Balances	2891			0.00
<i>Ending Fund Balance:</i>				
Nonspendable Fund Balance	2710			0.00
Restricted Fund Balance	2720	10,584.15		10,584.15
Committed Fund Balance	2730			0.00
Assigned Fund Balance	2740		1,715.97	1,715.97
Unassigned Fund Balance	2750			0.00
Total Fund Balances, June 30, 2015	2700	10,584.15	1,715.97	12,300.12

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2015

Exhibit K-7
FDOE Page 14
Funds 300

REVENUES	Account Number	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service Program (CO&DS) 360	Nonvoted Cap. Improvement Section 1011.71(2), F.S. 370	Other Capital Projects 390	Totals
<i>Federal:</i>						
Miscellaneous Federal Direct	3199					0.00
Miscellaneous Federal Through State	3299					0.00
<i>State:</i>						
CO&DS Distributed	3321		25,790.60			25,790.60
Interest on Undistributed CO&DS	3325		746.48			746.48
Public Education Capital Outlay (PECO)	3391	66,696.00				66,696.00
Classrooms First Program	3392					0.00
Class Size Reduction Capital Outlay	3396					0.00
Special Facility Construction Account	3398					0.00
Other Miscellaneous State Revenues	3399					0.00
Total State Sources	3300	66,696.00	26,537.08	0.00	0.00	93,233.08
<i>Local:</i>						
District Local Capital Improvement Tax	3413			695,733.91		695,733.91
County Local Sales Tax	3418					0.00
School District Local Sales Tax	3419					0.00
Tax Redemptions	3421					0.00
Payment in Lieu of Taxes	3422					0.00
Excess Fees	3423					0.00
Interest on Investments	3431			677.94		677.94
Total Local Sources	3400	0.00	0.00	696,411.85	0.00	696,411.85
Total Revenues	3000	66,696.00	26,537.08	696,411.85	0.00	789,644.93
EXPENDITURES						
<i>Capital Outlay: (Function 7400)</i>						
Buildings and Fixed Equipment	630	372,806.34				372,806.34
Land	660	226,602.64				226,602.64
<i>Debt Service: (Function 9200)</i>						
Dues and Fees	730		62.90			62.90
Total Expenditures		599,408.98	62.90	0.00	0.00	599,471.88
Excess (Deficiency) of Revenues Over Expenditures		(532,712.98)	26,474.18	696,411.85	0.00	190,173.05

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2015

Exhibit K-7
 FDOE Page 15
Funds 300

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	Public Education Capital Outlay (PECO) 340	Capital Outlay and Debt Service Program (CO&DS) 360	Nonvoted Cap. Improvement Section 1011.71(2), F.S. 370	Other Capital Projects 390	Totals
Issuance of Bonds	3710					0.00
Premium on Sale of Bonds	3791					0.00
Discount on Sale of Bonds (Function 9299)	891					0.00
Proceeds of Lease-Purchase Agreements	3750					0.00
Premium on Lease-Purchase Agreements	3793					0.00
Discount on Lease-Purchase Agreements (Function 9299)	893					0.00
Loans	3720					0.00
Sale of Capital Assets	3730					0.00
Loss Recoveries	3740					0.00
Proceeds of Forward Supply Contract	3760					0.00
<i>Transfers In:</i>						
From General Fund	3610					0.00
From Debt Service Funds	3620					0.00
From Special Revenue Funds	3640					0.00
Interfund	3650					0.00
From Permanent Funds	3660					0.00
From Internal Service Funds	3670					0.00
From Enterprise Funds	3690					0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00
<i>Transfers Out: (Function 9700)</i>						
To General Fund	910			(347,866.96)		(347,866.96)
To Debt Service Funds	920			(241,000.00)		(241,000.00)
To Special Revenue Funds	940					0.00
Interfund	950					0.00
To Permanent Funds	960					0.00
To Internal Service Funds	970					0.00
To Enterprise Funds	990					0.00
Total Transfers Out	9700	0.00	0.00	(588,866.96)	0.00	(588,866.96)
Total Other Financing Sources (Uses)		0.00	0.00	(588,866.96)	0.00	(588,866.96)
Net Change in Fund Balances		(532,712.98)	26,474.18	107,544.89	0.00	(398,693.91)
Fund Balance, July 1, 2014	2800	(346,468.45)		491,225.62	211,134.46	355,891.63
Adjustments to Fund Balances	2891					0.00
<i>Ending Fund Balance:</i>						
Nonspendable Fund Balance	2710					0.00
Restricted Fund Balance	2720		26,474.18	598,770.51		625,244.69
Committed Fund Balance	2730					0.00
Assigned Fund Balance	2740				211,134.46	211,134.46
Unassigned Fund Balance	2750	(879,181.43)				(879,181.43)
Total Fund Balances, June 30, 2015	2700	(879,181.43)	26,474.18	598,770.51	211,134.46	(42,802.28)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY

Exhibit K-10

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION - INTERNAL SERVICE FUNDS

FDOE Page 18

For the Fiscal Year Ended June 30, 2015

Funds 700

INCOME OR (LOSS)	Account Number	Other Internal Service 791	Totals
OPERATING REVENUES			
Total Operating Revenues		0.00	0.00
OPERATING EXPENSES (Function 9900)			
Total Operating Expenses		0.00	0.00
Operating Income (Loss)		0.00	0.00
NONOPERATING REVENUES (EXPENSES)			
Interest on Investments	3431	544.07	544.07
Loss on Disposition of Assets (Function 9900)	810	(544.07)	(544.07)
Total Nonoperating Revenues (Expenses)		0.00	0.00
Income (Loss) Before Operating Transfers		0.00	0.00
TRANSFERS and CHANGES IN NET POSITION			
<i>Transfers In:</i>			
Total Transfers In	3600	0.00	0.00
<i>Transfers Out: (Function 9700)</i>			
Total Transfers Out	9700	0.00	0.00
Change in Net Position		0.00	0.00
Net Position, July 1, 2014	2880	0.00	0.00
Adjustments to Net Position	2896	0.00	0.00
Net Position, June 30, 2015	2780	0.00	0.00

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL INTERNAL FUNDS

June 30, 2015

Exhibit K-11
FDOE Page 19

Fund 891

ASSETS	Account Number	Beginning Balance July 1, 2014	Additions	Deductions	Ending Balance June 30, 2015
Cash	1110	334,947.87	1,225,201.72	1,181,926.97	378,222.62
Investments	1160				0.00
Accounts Receivable, Net	1131				0.00
Interest Receivable on Investments	1170				0.00
Due From Budgetary Funds	1141				0.00
Due From Other Agencies	1220				0.00
Inventory	1150				0.00
Total Assets		<u>334,947.87</u>	<u>1,225,201.72</u>	<u>1,181,926.97</u>	<u>378,222.62</u>
LIABILITIES					
Cash Overdraft	2125				0.00
Accrued Salaries and Benefits	2110				0.00
Payroll Deductions and Withholdings	2170				0.00
Accounts Payable	2120				0.00
Internal Accounts Payable	2290	334,947.87	1,225,201.72	1,181,926.97	378,222.62
Due to Budgetary Funds	2161				0.00
Total Liabilities		<u>334,947.87</u>	<u>1,225,201.72</u>	<u>1,181,926.97</u>	<u>378,222.62</u>

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DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF LONG-TERM LIABILITIES
 June 30, 2015

Exhibit K-12
 FDOE Page 20
Fund 601

	Account Number	Governmental Activities Total June 30, 2015	Business-Type Activities Total June 30, 2015	Total	Governmental Activities Debt Principal Payments 2014-15	Governmental Activities - Principal Due Within One Year 2015-16	Governmental Activities - Debt Interest Payments 2014-15	Governmental Activities - Interest Due Within One Year 2015-16
Notes Payable	2310	702,552.19		702,552.19	507,683.83	230,822.03	16,773.72	10,183.80
Obligations Under Capital Leases	2315			0.00				
Bonds Payable								
SBE/COBI Bonds Payable	2321	435,000.00		435,000.00	60,000.00	60,000.00	24,000.00	21,000.00
District Bonds Payable	2322			0.00				
Special Act Bonds Payable	2323			0.00				
Motor Vehicle License Revenue Bonds Payable	2324			0.00				
Sales Surtax Bonds Payable	2326			0.00				
Total Bonds Payable	2320	435,000.00	0.00	435,000.00	60,000.00	60,000.00	24,000.00	21,000.00
Liability for Compensated Absences	2330	2,182,589.16		2,182,589.16				
Lease-Purchase Agreements Payable								
Certificates of Participation (COPS) Payable	2341			0.00				
Qualified Zone Academy Bonds (QZAB) Payable	2342			0.00				
Qualified School Construction Bonds (QSCB) Payable	2343			0.00				
Build America Bonds (BAB) Payable	2344			0.00				
Other Lease-Purchase Agreements Payable	2349			0.00				
Total Lease-Purchase Agreements Payable	2340	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Liability for Long-Term Claims	2350			0.00				
Net Other Postemployment Benefits Obligations	2360	1,526,762.00		1,526,762.00				
Net Pension Liability	2365	8,586,011.00		8,586,011.00				
Estimated PECO Advance Payable	2370			0.00				
Other Long-Term Liabilities	2380			0.00				
Derivative Instrument	2390			0.00				
Total Long-Term Liabilities		13,432,914.35	0.00	13,432,914.35	567,683.83	290,822.03	40,773.72	31,183.80

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2015, including discounts and premiums.

**DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF CATEGORICAL PROGRAMS
REPORT OF EXPENDITURES AND AVAILABLE FUNDS**

For the Fiscal Year Ended June 30, 2015

Exhibit K-13

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CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2014	Returned To FDOE	Revenues [1] 2014-15	Expenditures 2014-15	Flexibility [2] 2014-15	Unexpended June 30, 2015
Class Size Reduction Operating Funds (3355)	94740			3,254,112.00	3,254,112.00		0.00
Class Size Reduction Capital Outlay (3396)	91050						0.00
Excellent Teaching Program (3363)	90570						0.00
Florida Digital Classrooms (FEFP Earmark)	98250			275,479.00	275,479.00		0.00
Florida School Recognition Funds (3361)	92040			77,000.00	77,000.00		0.00
Instructional Materials (FEFP Earmark) [3]	90880			244,888.00	244,888.00		0.00
Library Media (FEFP Earmark) [3]	90881			13,837.00	13,837.00		0.00
Preschool Projects (3372)	97950						0.00
Public School Technology	90320						0.00
Research-Based Reading Instruction (FEFP Earmark) [4]	90800			242,840.00	242,840.00		0.00
Safe Schools (FEFP Earmark) [5]	90803			105,909.00		105,909.00	0.00
Salary Bonus Outstanding Teachers in D and F Schools	94030						0.00
Student Transportation (FEFP Earmark)	90830			738,920.00	738,920.00		0.00
Supplemental Academic Instruction (FEFP Earmark) [4]	91280			696,063.00		696,063.00	0.00
Teacher Training	91290						0.00
Teachers Classroom Supply Assistance (FEFP Earmark)	97580			53,999.00	53,999.00		0.00
Voluntary Prekindergarten - School Year Program (3371)	96440			199,408.75	199,408.75		0.00
Voluntary Prekindergarten - Summer Program (3371)	96441						0.00

[1] Include both state and local revenue sources.

[2] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

[3] Report the Library Media portion of the Instructional Materials allocation on the line "Library Media."

[4] Expenditures for designated low-performing elementary schools, based on the statewide standardized English Language Arts assessment, should be included in expenditures.

[5] Combine all programs funded from the Safe Schools allocation on one line, "Safe Schools."

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DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2015

Exhibit K-14
FDOE Page 22

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
ENERGY EXPENDITURES:						
Natural Gas	411					0.00
Bottled Gas	421	45,584.92				45,584.92
Electricity	430	986,249.27				986,249.27
Heating Oil	440					0.00
Total		1,031,834.19	0.00	0.00	0.00	1,031,834.19
ENERGY EXPENDITURES FOR STUDENT TRANSPORTATION:						
Compressed Natural Gas	412					0.00
Liquefied Petroleum Gas	422					0.00
Gasoline	450	42,894.93				42,894.93
Diesel Fuel	460	157,384.04				157,384.04
Oil and Grease	540	8,249.55				8,249.55
Total		208,528.52		0.00	0.00	208,528.52

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Capital Projects Funds 3XX	Total
EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS:						
Buses	651					0.00
EXPENDITURES FOR CAPITALIZED AV MATERIALS:						
Capitalized Audiovisual Materials	621					0.00

	Subobject	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
SUBAWARDS FOR INDIRECT COST RATE:						
<i>Professional and Technical Services:</i>						
Subawards Under Subagreements - First \$25,000	311					0.00
Subawards Under Subagreements - In Excess of \$25,000	312					0.00
<i>Other Purchased Services:</i>						
Subawards Under Subagreements - First \$25,000	391					0.00
Subawards Under Subagreements - In Excess of \$25,000	392					0.00

	Subobject	Special Revenue Food Services 410
FOOD SERVICE SUPPLIES SUBOBJECT		
Supplies	510	74,250.23
Food	570	798,670.82
Donated Foods	580	88,661.16

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2015

Exhibit K-14
FDOE Page 23

	Subobject	General Fund 100	Special Revenue Other Federal 420	Special Revenue Federal Economic 430	Total
TEACHER SALARIES					
Basic Programs 101, 102 and 103 (Function 5100)	120	6,051,852.68	431,465.37		6,483,318.05
Basic Programs 101, 102 and 103 (Function 5100)	140				0.00
Basic Programs 101, 102 and 103 (Function 5100)	750	249,723.97	8,990.03		258,714.00
Total Basic Program Salaries		6,301,576.65	440,455.40	0.00	6,742,032.05
Other Programs 130 (ESOL) (Function 5100)	120				0.00
Other Programs 130 (ESOL) (Function 5100)	140				0.00
Other Programs 130 (ESOL) (Function 5100)	750				0.00
Total Other Program Salaries		0.00	0.00	0.00	0.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	120	650,192.74	5,988.56		656,181.30
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	140				0.00
ESE Programs 111, 112, 113, 254 and 255 (Function 5200)	750	21,794.41	20,331.72		42,126.13
Total ESE Program Salaries		671,987.15	26,320.28	0.00	698,307.43
Career Program 300 (Function 5300)	120	325,192.49			325,192.49
Career Program 300 (Function 5300)	140				0.00
Career Program 300 (Function 5300)	750	21,672.90			21,672.90
Total Career Program Salaries		346,865.39	0.00	0.00	346,865.39
Total		7,320,429.19	466,775.68	0.00	7,787,204.87

	Subobject	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
TEXTBOOKS (used for classroom instruction)					
Textbooks (Function 5000)	520	290,559.83	402.48		290,962.31

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**DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION**

For the Fiscal Year Ended June 30, 2015

Exhibit K-14

FDOE Page 24

CATEGORICAL FLEXIBLE SPENDING - GENERAL FUND EXPENDITURES	Account Number	Safe Schools	Student Transportation	Supplemental Academic Instruction	Research-Based Reading Instruction	Instructional Materials	Instructional Materials / Library Media	Totals
<i>Instruction:</i>								
Basic	5100	105,909.00		696,063.00				801,972.00
Exceptional	5200							0.00
Career Education	5300							0.00
Adult General	5400							0.00
Prekindergarten	5500							0.00
Other Instruction	5900							0.00
Total Flexible Spending Instructional Expenditures	5000	105,909.00	0.00	696,063.00	0.00	0.00	0.00	801,972.00

MEDICAID EXPENDITURE REPORT (Medicaid expenditures are used in federal reporting)	Unexpended June 30, 2014	Earnings 2014-15	Expenditures 2014-15	Unexpended June 30, 2015
Earnings, Expenditures and Carryforward Amounts:		61,554.83	61,554.83	

Expenditure Program or Activity:

Exceptional Student Education	61,554.83
School Nurses and Health Care Services	
Occupational Therapy, Physical Therapy and Other Therapy Services	
ESE Professional and Technical Services	
Gifted Student Education	
Staff Training and Curriculum Development	
Medicaid Administration and Billing Services	
Student Services	
Consultants	
Other	
Total Expenditures	61,554.83

General Fund Balance Sheet Information (This information is used in state reporting)	Fund Number	Amount
<i>Balance Sheet Amount:</i>		
Total Assets and Deferred Outflows of Resources	100	38,460,918.56
Total Liabilities and Deferred Inflows of Resources	100	14,121,303.56

**DISTRICT SCHOOL BOARD OF HOLMES COUNTY
VOLUNTARY PREKINDERGARTEN (VPK) PROGRAM**

For the Fiscal Year Ended June 30, 2015

Supplemental Schedule - Fund 100

VOLUNTARY PREKINDERGARTEN PROGRAM [1] GENERAL FUND EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Prekindergarten	5500	137,101.53	54,862.95	12.00		1,954.72		2,903.91	196,835.11
Student Support Services	6100								0.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300								0.00
Instructional Staff Training Services	6400								0.00
Instruction-Related Technology	6500								0.00
Board	7100								0.00
General Administration	7200								0.00
School Administration	7300								0.00
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700	2,237.95	335.69						2,573.64
Student Transportation Services	7800								0.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		139,339.48	55,198.64	12.00	0.00	1,954.72	0.00	2,903.91	199,408.75

[1] Include expenditures for the summer program (section 1002.61, F.S.) and the school-year program (section 1002.63, F.S.).

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
 ASSISTANCE PROGRAM EXPENDITURES
 For the Fiscal Year Ended June 30, 2015

Grantor/Program	CFDA NUMBER	Pass Through Grantor Number	Amount of Expenditures	Amount Provided To Subrecipients
United States Department of Agriculture:				
National School Lunch Program	10.555	300, 350	991,065.64	
School Breakfast Program	10.553	321	301,066.94	
Department of Health and Rehabilitative Services; Food Donation	10.555(2)	N/A	88,661.16	
United States Department of Defense:				
Army Junior Reserve Officers Training Corps	None		41,590.52	
Educationally Deprived Children- Title I Part A	84.010	212, 226	1,030,670.62	
State Aid Programs for the Handicapped	84.027	263	723,724.04	
Vocation Education-Basic Grants to States	84.048	161	75,585.18	
Handicapped Early Childhood Education	84.173	267	28,356.54	
Title VI Rural And Low Income	84.358	110	46,220.23	
Summer Food Service Program	10.559	323	3,497.49	
Title II, Part A - Teacher and Principal Training and Recruiting Fund	84.367	224	190,983.93	
21st Century Community Learning Centers	84.287	244	138,295.00	
Race To The Top-District Evaluation Systems Monitoring-ARRA	84.395	RG4	22,683.49	
Race To The Top-Common Core State Standards	84.395	RG3	302,965.63	
Race To The Top-Local Instructional Improvement System-ARRA	84.395	RD2	<u>101,656.70</u>	
Total Expenditures			<u>4,087,023.11</u>	<u>0.00</u>