

Triumph Gulf Coast, Inc. Trust Fund Application for Funds

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education; encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that:

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.

- Create a unique asset in the region that can be leveraged for regional growth of targeted industries.
- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

Applicant Information

Name of Individual (if applying in individual capacity):_____

Name of Entity/Organization:_____

Background of Applicant Individual/Entity/Organization:_____

(If additional space is needed, please attach a Word document with your entire answer.)

Federal Employer Identification Number:_____

Contact Information:

Primary Contact Information:_____

Title:_____

Mailing Address: _____

Phone:_____

Email:_____

Website:_____

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

(If additional space is needed, please attach a Word document with your entire answer.)

Total amount of funding requested from Triumph Gulf Coast:_____

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

☐ Yes ☐ No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or realized results and/or outcomes from prior funding.

(If additional space is needed, please attach a Word document with your entire answer.)

Describe the financial status of the applicant and any co-applicants or partners:

(If additional space is needed, please attach a Word document with your entire answer.)

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

☐ Yes ☐ No

If yes, please identify the entity or individual that filed for bankruptcy and the date of filing.

(If additional space is needed, please attach a Word document with your entire answer.)

Eligibility

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- ☐ Ad valorem tax rate reduction within disproportionately affected counties;
- ☐ Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- ☐ Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- ☐ Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- ☐ Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- ☐ Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- ☐ Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

3. Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.

(If additional space is needed, please attach a Word document with your entire answer.)

4. Describe data or information available to demonstrate the viability of the proposed project or program.

(If additional space is needed, please attach a Word document with your entire answer.)

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

(If additional space is needed, please attach a Word document with your entire answer.)

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

(If additional space is needed, please attach a Word document with your entire answer.)

7. Describe how the deliverables for the proposed project or program will be measured.

(If additional space is needed, please attach a Word document with your entire answer.)

Priorities

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

- ☐ Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- ☐ Increase household income in the disproportionately affected counties above national average household income.
- ☐ Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

- ☐ Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- ☐ Benefit the environment, in addition to the economy.
- ☐ Provide outcome measures.
- ☐ Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- ☐ Are recommended by the board of county commissioners of the county in which the project or program will be located.
- ☐ Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

2. Please explain how the proposed project meets the priorities identified above.

(If additional space is needed, please attach a Word document with your entire answer.)

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

(If additional space is needed, please attach a Word document with your entire answer.)

4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)

Escambia Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?

☐ Yes ☐ No

If yes, list all Counties that apply: _____

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?

☐ Yes ☐ No

****Please attach proof of recommendation(s) from each County identified.**

Approvals and Authority

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

(If additional space is needed, please attach a Word document with your entire answer.)

2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:

A. Provide the schedule of upcoming meetings for the group for a period of at least six months.

B. State whether that group can hold special meetings, and if so, upon how many days' notice.

(If additional space is needed, please attach a Word document with your entire answer.)

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

(If additional space is needed, please attach a Word document with your entire answer.)

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

Funding and Budget:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.

(If additional space is needed, please attach a Word document with your entire answer.)

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.)

(If additional space is needed, please attach a Word document with your entire answer.)

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

(If additional space is needed, please attach a Word document with your entire answer.)

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.

☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction	\$ _____
Reconstruction	\$ _____
Design & Engineering	\$ _____
Land Acquisition	\$ _____
Land Improvement	\$ _____
Equipment	\$ _____
Supplies	\$ _____
Salaries	\$ _____

Other (specify) \$ _____

Total Project Costs: \$ _____

B. Other Project Funding Sources:

Example Funding Sources (Note: Not an exhaustive list of possible Funding Sources.)

City/County \$ _____

Private Sources \$ _____

Other (e.g., grants, etc.) \$ _____

Total Other Funding \$ _____

Total Amount Requested: \$ _____

Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

(If additional space is needed, please attach a Word document with your entire answer.)

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award.

☐ Yes ☐ No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

☐ Yes ☐ No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

☐ Yes ☐ No

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

☐ Yes ☐ No

ADDENDUM FOR INFRASTRUCTURE PROPOSALS:

1. Program Requirements

- A. Is the infrastructure owned by the public?
☐ Yes ☐ No
- B. Is the infrastructure for public use or does it predominately benefit the public?
☐ Yes ☐ No
- C. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?
☐ Yes ☐ No
- D. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Is this project an expansion of existing infrastructure project?
☐ Yes ☐ No
- B. Provide the proposed beginning commencement date and number of days required to complete construction of the infrastructure project.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. What is the location of the public infrastructure? (Provide the road number, if applicable.)

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)

(If additional space is needed, please attach a Word document with your entire answer.)

- E. What permits are necessary for the infrastructure project?

(If additional space is needed, please attach a Word document with your entire answer.)

Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will these permits be prioritized?

(If additional space is needed, please attach a Word document with your entire answer.)

- F. What is the future land use and zoning designation on the proposed site of the Infrastructure improvement, and will the improvements conform to those uses?

(If additional space is needed, please attach a Word document with your entire answer.)

- G. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline
☐ Yes ☐ No
-

(If additional space is needed, please attach a Word document with your entire answer.)

- H. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.
☐ Yes ☐ No
-

(If additional space is needed, please attach a Word document with your entire answer.)

- I. Provide any additional information or attachments to be considered for this proposal.
-

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR WORKFORCE TRAINING PROPOSALS

1. Program Requirements

- A. Will this proposal supports programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties? If yes, please identify where the campuses are located and provide details on how the proposed programs will prepare students for future occupations and at which K-20 institutions that programs will be provided.

☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Will the proposed program (check all that apply):

- ☐ Increase students' technology skills and knowledge
- ☐ Encourage industry certifications
- ☐ Provide rigorous, alternative pathways for students to meet high school graduation requirements
- ☐ Strengthen career readiness initiatives
- ☐ Fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors
- ☐ Encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties (similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission on Education)

For each item checked above, describe how the proposed program will achieve these goals

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Will this proposal provide participants in the disproportionately affected counties with transferable, sustainable workforce skills but not confined to a single employer? If yes, please provide details.

☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Identify the disproportionately affected counties where the proposed programs will operate or provide participants with workforce skills.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Is this an expansion of an existing training program? Is yes, describe how the proposed program will enhance or improve the existing program and how the proposal program will supplements but not supplant existing funding sources.
- ☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Indicate how the training will be delivered (*e.g.*, classroom-based, computer based, other).
- If in-person, identify the location(s) (*e.g.*, city, campus, etc.) where the training will be available.

If computer-based, identify the targeted location(s) (e.g., city, county) where the training will be available.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Identify the number of anticipated enrolled students and completers.

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Indicate the length of the program (e.g., quarters, semesters, weeks, months, etc.) including anticipated beginning and ending dates.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Describe the plan to support the sustainability of the proposed program.

(If additional space is needed, please attach a Word document with your entire answer.)

- F. Identify any certifications, degrees, etc. that will result from the completion of the program.

(If additional space is needed, please attach a Word document with your entire answer.)

- G. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.

☐ Yes

☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- H. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR AD VALOREM TAX RATE REDUCTION:

1. Program Requirements

- A. Describe the property or transaction that will be supported by the ad valorem tax rate reduction.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the ad valorem tax rate reduction will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of the quantitative evidence demonstrating how the proposed ad valorem tax reduction will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the ad valorem tax rate reduction?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the ad valorem tax rate reduction and provide a detailed description of when and how the ad valorem tax rate reduction will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Does this proposed project have a local match amount? If yes, please describe the entity providing the match and the amount.
☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

**ADDENDUM FOR LOCAL MATCH REQUIREMENTS OF SECTION 288.0655,
FLORIDA STATUTES**

1. Program Requirements

- A. Describe the local match requirements of Section 288.0655 and the underlying project, program or transaction that will be funded by the proposed award.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the local match requirements and the underlying project or program will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of, and quantitative evidence demonstrating how the proposed local match requirements will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the local match requirements?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the local match requirement and provide a detailed description of when and how the local match requirement will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR LOCAL ACTION PLAN

1. Program Requirements

- A. Describe how the proposed award will establish and maintain equipment and trained personnel for local action plans of response to respond to disasters.
- B. Describe the type and amount of equipment and trained personnel that will be established or maintained by the proposed award.
- C. Identify the specific local action plans (*e.g.*, Coastal Impacts Assistance Program) that will benefit from the proposed award.
- D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:
 - Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the local action program that will be supported by the proposed award?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the local action plans (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR ADVERTISING/PROMOTION

1. Program Requirements

- A. Is the applicant a tourism entity created under s. 288.1226, Florida Statutes?
☐ Yes ☐ No

- B. Does the applicant advertise and promote tourism and Fresh From Florida? If yes, provide details on how it advertises and promotes tourism and Fresh From Florida.
☐ Yes ☐ No
-

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Does the proposed award promote workforce and infrastructure on behalf of the disproportionately affected counties? If yes, describe how workforce and infrastructure is promoted on behalf of the disproportionately affected counties.
☐ Yes ☐ No
-

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.
-

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.
-

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Describe the advertising and promotion mediums and locations where the advertising and promotion will occur.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the advertising and promotion (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)


- C. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Walsh County School Board

Name and Title of Authorized Representative: Robert Pearce, Superintendent

Representative Signature: 

Signature Date: March 5, 2018

10/13/2017 FINAL

SUMMARY-WAKULLA CAREER PREPATORY ACADEMY

INTENT OF PROPOSAL

- To provide students with Associates of Arts Degree (A.A.) while in high school
- Absorb the expense on the family and student for A.A. degree
- Create sustainable post-secondary school with transferable skills that have generational impacts
- Remove barriers to post-secondary degree attainment
- House facility on Wakulla High School campus to eliminate travel, increase safety for students and provide access
- Increase wages for small and rural community members

METHODOLOGY

- Build post-secondary facility-current facilities for post-secondary course work in Wakulla County will not emulate a college-going atmosphere to adhere to the Southern Association of Colleges and Schools Commission on Colleges (SACS-COC) for an A.A degree award
- Accept students during the day who qualify for dual enrollment into school to complete A.A. at the time of high school graduation/accept non-traditional students for night courses to attain A.A. to increase community exposure and access to college courses

MATCHING DOLLARS

- \$375,000.00 input from Wakulla County School Board
- \$15,000.00 savings per student/family enrolled in Wakulla Career Preparatory Academy that completes
- All materials/supplies/curriculum/maintenance/salaries to sustain teachers/power for the life of the program
- In five years, the estimated match of 200 students completing their A.A. at the time of graduating high school is \$3,000,000 in tuition, books and fees alone.

Students will be able to earn more money and increase their median household income directly upon graduation without hesitation, without expense and with a clear direction. According to the Florida Data Warehouse 83% of 2014-2015 public high school graduated earning a standard diploma are found to earn less than \$8.05 per hr, whereas the number decreases to 39% with an A.A. (2017, March Florida Education & Training Placement Information Program FETPIP <http://www.fldoe.org/core/fileparse.php/7592/urlt/AORPublicationForWeb1415.pdf>). Less than 1% of 2014-2015 high school graduates make at least \$21.18 per hr. That number increases to 12%

The goal for these funds is to provide students and community members with economic benefits to increase household income and maximize current and future quality of life. These funds will be used to create a high local impact and ideally regional as students will gain transferrable skills for a broader reach.



November 6, 2017

**BOARD OF
COUNTY COMMISSIONERS**

Ralph Thomas
Chairman, District 1

Mike Stewart
Vice-Chairman, District 3

Randy Merritt
District 2

Jerry Moore
District 4

Charles Hess, Ph.D.
District 5

J. David Edwards
County Administrator

Heather J. Encinosa
County Attorney
(850) 224-4070

Mr. Alan Bense, Chairman
Triumph Gulf Coast, Inc.
Post Office Box 12007
Tallahassee, Florida 32317

Dear Chairman Bense,

The Wakulla County Board of County Commissioners (Board) held a workshop on October 30, 2017, for the purpose of discussing Triumph Gulf Coast, Inc. (Triumph) funds, project criteria, and to provide a venue for our boards of elected officials and citizens to present projects for Board consideration and recommendation to Triumph pursuant to statute.

We were very appreciative of Jason Shoaf and Scott Remington taking time to attend our Workshop. Their input and response to questions certainly exceeded expectations and contributed to the success of our Workshop.

The Board met on November 6, 2017, to finalize its initial list of recommended projects for Triumph funding and identified five priority projects that can be implemented quickly and provide optimum results for the funding being requested. The County's five priority projects below align with existing local strategic and planning documents and the Great Northwest Florida Forward strategic plan.

1. Wakulla Career and Technical Education Center
2. Wakulla County Learning Center
3. First Responder Communication System
4. New County Library
5. ADA Compliant Kayak/Canoe Launch – St. Marks City Park

Summary information on each project is provided in the enclosed list of Board recommended projects for Triumph funding as of November 6, 2017. The forthcoming Pre-Screening Application for each of the projects will provide further information.

It is anticipated that the Board will update its list of recommended projects from time to time as projects are funded or as priorities shift

Office of Intergovernmental Affairs
Post Office Box 1263
Crawfordville, FL 32326
(850) 926-0919 x 705
www.mywakulla.com

Mr. Alan Bense
Page Two
November 6, 2017

to reflect current needs and conditions. Your consideration of each of our projects is greatly appreciated.

We look forward to hosting the November 8th Triumph Board meeting in Wakulla County. Please contact me if you have any questions or need additional information.

Sincerely,



Ralph Thomas
Chairman

RT/stk

Enclosure

Cc:

Mr. Bobby Pearce, Wakulla County School Board

Ms. Gail Gilman, City of St. Marks

Ms. Dana Peck, Wakulla Commercial Fishermen's Association

Mr. Bob Ballard, WEI

WAKULLA COUNTY LIST OF RECOMMENDED PROJECTS FOR TRIUMPH GULF COAST, INC. FUNDING

November 6, 2017

<i>Organization</i>	<i>Project Title/Brief Description</i>	<i>Est. Project Cost</i>	<i>Board Priority</i>
Wakulla County Board of County Commissioners	First Responder Communication System: Replace existing aging and unrepairable first responder communication system with one that can communicate with all federal, state and local first responder agencies as well as extending the range of communication within the County, i.e., national/state forest, metal building, etc. Our County is working with other 7-counties for potential regional project – with each County submitting their own application.	\$2 M	#3
	New Library: Construct a new, larger more centrally located library at the community center to meet the growing demands for new programs and provide space for participation at current and new events. The existing library will be repurposed and used for a much-needed Fire/EMS station in the Medart area, south of Crawfordville. A new library also has the potential to provide virtual classes not provided elsewhere in the County and could target underprivileged populations needing workforce skills. The County owns the property. Funds are needed for design, permitting, construction and furnishings.	\$3.5 M	#4
	Medart Rec Park Improvements: Improve the parking lot, restroom and concession facilities, and sports fields of Wakulla County's only recreation park for organized outdoor youth and adult sports. The County owns the Park. Funds are needed for any design, permitting and construction.	\$2.0 M	
	Realignment of County Road 61/Shell Point: The County has only two north-south bound highways from Capital Circle (Leon County) to US 98 (Wakulla County): US 319 is on the eastern side of the County and US 27 is on the western side. High traffic on both of these highways is attributed mainly to travelers working in Tallahassee and living in Wakulla. Internal arterial roads off of these highways leading to residential areas become clogged at peak times creating extremely hazardous conditions. Additionally, these highways provide the only access to Wakulla's coast, rivers, forest, etc. creating heavy traffic conditions on weekends and holidays. This proposed realignment would provide a north-south bound County Road centrally located in Wakulla County and would ease congestion and increase safety conditions. Funds are needed for design, permitting and construction.	\$2.5 M	
	Camp Indian Springs Campground Partnership: This project proposes a partnership with Department of Environment Protection (DEP), in the event they purchase the Camp Indian Springs Property. The County proposes seeking funds for the improvement of existing buildings on the Camp Indian Springs Campground property and the design, permitting and construction of a RV/Tent camp ground.	TBD	
	New Rec Park – US 319: The County is in need of land to design, permit and construct a larger outdoor multi-use recreational Park on the north side of the County. This park has the potential to serve the region for youth and adult outdoor sports, i.e., softball tournaments, soccer tournaments, etc. Funds are needed for land acquisition, planning, design, construction and furnishings.	\$20 M	

WAKULLA COUNTY LIST OF RECOMMENDED PROJECTS FOR TRIUMPH GULF COAST, INC. FUNDING

November 6, 2017

Wakulla County School Board	<p>Wakulla Career and Technical Education Center: This project would provide training and job skills for the non-degree seeking student for emerging or high-demand jobs. WCSB owns the property and will staff the center once constructed. Funds are requested for design, permitting, construction and furnishings.</p> <p>Wakulla County Learning Center: This project proposes a partnership with TCC for a campus in Wakulla County where students and adults may pursue an AA degree. WCSB owns the property and will staff the center once constructed in partnership with TCC. Funds are requested for design, permitting, construction and furnishings.</p>	\$5.7 M	#1
City of St. Marks,	<p>ADA Compliant Kayak/Canoe Launch: To provide kayak/canoe access to the Wakulla River via the City Park. Increase recreational opportunities and enhanced visitor experience. Will also relieve kayak/canoe launching at the St. Marks Boat Ramp. The City of St. Marks owns the property. Funds are requested for design, permitting and construction.</p> <p>St. Marks WWTP – Conversion of Grinders to Gravity Sewer: First a feasibility study (i.e., preliminary engineer report) will need to be conducted to determine if conversion is feasible and probable cost. Funds are needed for feasibility study/preliminary engineering report.</p> <p>St. Marks Board Walk: Construct a boardwalk that will connect to the terminus of the St. Marks Bike Trail and provide an off-road multi-use pedestrian to the Fort, St. Marks Board Ramp, and back to the St. Marks Bike Trail terminus. The City of St. Marks own the property and the project is designed and permitted. Funds are requested for construction.</p>	\$3.4 M	#2
		\$65 K	#5
		\$350 K	
		\$900 K	
Wakulla Commercial Fishermen's Assoc, Inc.	<p>A Partnership Reviving Apalachee Bay Oyster Reefs: Shoreline restoration on oyster reefs to enhance commercial and recreational fishing; provide tidal, storm surge and coastal erosion protection, improve water quality; strengthen economy, social and environmental capital. Funds are requested for all stages of the project.</p>	\$2.6 M	
Wakulla Environmental Institute	<p>Marine Manufacturing Training Center: A state of the art multi-purpose facility that will function as an auditorium, conference center, manufacturing center, oyster seed hatchery and commercial kitchen for processing local Gulf Coast seafood products. WEI owns the property. Funds are needed for design, permitting, construction and furnishings. Total estimated project cost is \$22.7 M, seeking \$15M Triumph funds.</p>	\$15 M	

STATE OF FLORIDA AUDITOR GENERAL

Financial and Federal Single Audit

WAKULLA COUNTY DISTRICT SCHOOL BOARD

For the Fiscal Year Ended
June 30, 2017



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2016-17 fiscal year, Robert Pearce served as Superintendent of the Wakulla County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Verna Brock	1
Melisa Taylor, Vice Chair from 11-22-16	2
Becky Cook, Chair from 11-22-16, Vice Chair through 11-21-16	3
Greg Thomas, Chair through 11-21-16	4
JoAnn Daniels	5

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Stacy P. Boyd and the audit was supervised by Edward A. Waller, CPA.

Please address inquiries regarding this report to Micah E. Rodgers, CPA, Audit Manager, by e-mail at micahrodgers@aud.state.fl.us or by telephone at (850) 412-2905.

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State of Florida Auditor General

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the Wakulla County District School Board (District's) basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal awards requirements. The Child Nutrition Cluster was audited as a major Federal program. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on the Child Nutrition Cluster.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to determine whether the School Board and its officers with administrative and stewardship responsibilities for District operations had:

- Presented the District's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements or on the District's major Federal program; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements, and those applicable to the District's major Federal program.

The scope of this audit included an examination of the District's basic financial statements and the accompanying Schedule of Expenditures of Federal Awards, as of and for the fiscal year ended June 30, 2017. We obtained an understanding of the District's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements and Federal awards. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Wakulla County District School Board, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 71 percent of the assets and 99 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the discretely presented component unit, which represent 100 percent of the transactions and account balances of the discretely presented component unit's columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the discretely presented component unit, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the school internal funds were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Wakulla County District School Board, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General and Major Special Revenue Funds**, **Schedule of Funding Progress – Other Postemployment Benefits Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
October 25, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Wakulla County District School Board has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2017. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-17 fiscal year are as follows:

- The District's total net position decreased by \$401,486.32, which represents a 0.6 percent decrease from the 2015-16 fiscal year.
- General Fund revenues exceeded expenditures by \$701,415.11. This may be compared to last year's results in which General Fund expenditures exceeded revenues by \$784,999.61.
- The unassigned and assigned fund balances for the General Fund, representing the net current financial resources available for general appropriation by the Board, totaled \$4,306,768.37, or 11.5 percent of General Fund expenditures totaling \$37,469,608.78. This represents a 33.7 percent increase from the previous year's unassigned and assigned fund balances of \$3,220,015.84.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental and business-type activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in the following categories:

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.

- Business-type activities – As the fiscal agent of the Small School District Council Consortium, the District charges fees to cover the cost of certain services it provides.
- Component unit – The District presents Wakulla's Charter School of Arts, Science and Technology, Inc. as a separate legal entity in this report. Although the school is a legally separate organization, it is considered a component unit for financial reporting purposes and is included in this report because the school meets the criteria for inclusion provided by generally accepted accounting principles. Financial information for this component unit is reported separately from the financial information presented for the primary government.

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and 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 – Food Services Fund, Special Revenue – Other Fund, and Capital Projects - Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General and major Special Revenue Funds 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. Enterprise funds are used to report the same functions as business-type activities

in the government-wide financial statements. The District uses an enterprise fund to account for the activities of the Small School District Council Consortium, for which the District is fiscal agent.

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 net pension liability and its progress in funding its obligation to provide other postemployment benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2017, compared to net position as of June 30, 2016:

Net Position, End of Year

	Governmental Activities		Business-Type Activities		Total	
	6-30-17	6-30-16	6-30-17	6-30-16	6-30-17	6-30-16
Current and Other Assets	\$ 7,542,115.47	\$ 6,227,956.02	\$ 18,370.02	\$ 21,503.05	\$ 7,560,485.49	\$ 6,249,459.07
Capital Assets	79,144,354.34	79,680,359.59	-	-	79,144,354.34	79,680,359.59
Total Assets	86,686,469.81	85,908,315.61	18,370.02	21,503.05	86,704,839.83	85,929,818.66
Deferred Outflows of Resources	9,784,971.00	4,672,915.00	-	-	9,784,971.00	4,672,915.00
Long-Term Liabilities	29,856,381.86	22,359,599.93	-	-	29,856,381.86	22,359,599.93
Other Liabilities	526,452.88	457,881.02	283.20	950.50	526,736.08	458,831.52
Total Liabilities	30,382,834.74	22,817,480.95	283.20	950.50	30,383,117.94	22,818,431.45
Deferred Inflows of Resources	1,014,899.00	2,291,022.00	-	-	1,014,899.00	2,291,022.00
Net Position:						
Net Investment in Capital Assets	78,772,456.54	78,993,834.09	-	-	78,772,456.54	78,993,834.09
Restricted	1,414,063.98	1,030,927.09	-	-	1,414,063.98	1,030,927.09
Unrestricted (Deficit)	(15,112,813.45)	(14,552,033.52)	18,086.82	20,552.55	(15,094,726.63)	(14,531,480.97)
Total Net Position	\$ 65,073,707.07	\$ 65,472,727.66	\$ 18,086.82	\$ 20,552.55	\$ 65,091,793.89	\$ 65,493,280.21

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

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

As of June 30, 2017, the unrestricted portion of the District's net position remains negative due to the recognized pension liability.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2017, and June 30, 2016, are as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities		Business-Type Activities		Total	
	6-30-17	6-30-16	6-30-17	6-30-16	6-30-17	6-30-16
Program Revenues:						
Charges for Services	\$ 402,365.85	\$ 355,140.44	\$ 105,450.00	\$ 105,450.00	\$ 507,815.85	\$ 460,590.44
Operating Grants and Contributions	3,845,233.08	3,558,457.46	-	-	3,845,233.08	3,558,457.46
Capital Grants and Contributions	203,265.74	191,704.69	-	-	203,265.74	191,704.69
General Revenues:						
Property Taxes, Levied for Operational Purposes	6,890,100.35	7,318,321.92	-	-	6,890,100.35	7,318,321.92
Property Taxes, Levied for Debt Service	-	27.69	-	-	-	27.69
Property Taxes, Levied for Capital Projects	1,762,010.54	1,722,026.50	-	-	1,762,010.54	1,722,026.50
Grants and Contributions Not Restricted to Specific Programs	31,876,152.67	31,180,294.40	-	-	31,876,152.67	31,180,294.40
Unrestricted Investment Earnings	68,345.39	37,453.60	-	-	68,345.39	37,453.60
Miscellaneous	283,820.19	553,922.95	1,000.00	-	284,820.19	553,922.95
Total Revenues	45,331,293.81	44,917,349.65	106,450.00	105,450.00	45,437,743.81	45,022,799.65
Functions/Program Expenses:						
Instruction	23,375,767.90	23,176,795.67	-	-	23,375,767.90	23,176,795.67
Student Support Services	2,673,854.00	2,437,139.70	-	-	2,673,854.00	2,437,139.70
Instructional Media Services	490,428.54	501,428.34	-	-	490,428.54	501,428.34
Instruction and Curriculum Development Services	651,963.69	715,613.92	-	-	651,963.69	715,613.92
Instructional Staff Training Services	466,331.34	509,544.06	-	-	466,331.34	509,544.06
Instruction-Related Technology	304,580.83	275,891.35	-	-	304,580.83	275,891.35
Board	621,648.72	644,825.80	-	-	621,648.72	644,825.80
General Administration	522,729.19	509,582.98	-	-	522,729.19	509,582.98
School Administration	2,679,718.08	2,586,550.48	-	-	2,679,718.08	2,586,550.48
Facilities Acquisition and Construction	467,390.30	572,507.74	-	-	467,390.30	572,507.74
Fiscal Services	438,036.97	410,532.47	-	-	438,036.97	410,532.47
Food Services	2,138,156.98	2,250,491.71	-	-	2,138,156.98	2,250,491.71
Central Services	769,565.10	850,537.43	-	-	769,565.10	850,537.43
Student Transportation Services	3,003,745.20	3,001,474.54	-	-	3,003,745.20	3,001,474.54
Operation of Plant	3,914,599.03	4,268,662.30	-	-	3,914,599.03	4,268,662.30
Maintenance of Plant	1,041,393.94	1,002,897.59	-	-	1,041,393.94	1,002,897.59
Administrative Technology Services	134,940.81	145,697.33	-	-	134,940.81	145,697.33
Community Services	12,981.90	6,510.91	-	-	12,981.90	6,510.91
Unallocated Interest on Long-Term Debt	11,779.71	28,283.30	-	-	11,779.71	28,283.30
Unallocated Depreciation Expense	2,010,702.17	2,058,028.55	-	-	2,010,702.17	2,058,028.55
Small School District Council Consortium	-	-	108,915.73	108,538.91	108,915.73	108,538.91
Total Functions/Program Expenses	45,730,314.40	45,952,996.17	108,915.73	108,538.91	45,839,230.13	46,061,535.08
Change in Net Position	(399,020.59)	(1,035,646.52)	(2,465.73)	(3,088.91)	(401,486.32)	(1,038,735.43)
Net Position - Beginning	65,472,727.66	66,508,374.18	20,552.55	23,641.46	65,493,280.21	66,532,015.64
Net Position - Ending	\$ 65,073,707.07	\$ 65,472,727.66	\$ 18,086.82	\$ 20,552.55	\$ 65,091,793.89	\$ 65,493,280.21

The largest revenue source is the State of Florida (69 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. Compared to the previous fiscal year, the base student allocation multiplied by the District cost differential decreased by 0.2 percent from \$3,966.67 per full-time equivalent student to

\$3,957.25 per full-time equivalent student. Overall State revenues totaled \$31,272,483.94, an increase of \$1,359,311.84.

Property tax revenues decreased by \$388,265.22, or 4.3 percent, primarily due to a reduction in the required local effort millage.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

The General Fund is the District's chief operating fund. For the current fiscal year, 84.2 percent of revenues and 85 percent of expenditures of the governmental funds were accounted for in the General Fund. During the fiscal year, the total fund balance increased by \$1,482,121.85 to \$5,274,729.35. The unassigned and assigned fund balances of the General Fund are an important indicator of the District's financial condition. Through fiscal prudence, the District attempts to maintain an unassigned plus assigned fund balance of at least 5 percent of General Fund revenues for any given fiscal year. At the end of the current fiscal year, unassigned plus assigned fund balance is \$4,306,768.37, or 11.3 percent of General Fund revenues totaling \$38,171,023.89. The unassigned plus assigned fund balance increased \$1,086,752.53 from the unassigned plus assigned fund balance of \$3,220,015.84 in the previous fiscal year.

The Special Revenue – Food Service Fund has a total fund balance of \$291,951.13. Of the total fund balance, \$90,996.16 represents nonspendable inventories. The remaining fund balance is considered restricted to solely support the food service operations of the District. During the fiscal year, total fund balance increased \$147,447.14, primarily due to the District entering into a food service management company contract which significantly decreased personnel costs.

The Special Revenue – Other Fund is used to account for certain Federal grant program activities, including revenues and expenditures totaling \$2,460,078.11 each. Because grant revenues attributed to grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Capital Projects – Other Fund has a total fund balance of \$1,186,921.07. The fund balance for this fund is assigned for the acquisition, construction, and maintenance of capital assets. Of the total fund balance, \$156,604 has been encumbered for the Shadeville Elementary and Wakulla High door hardware and replacement project.

Proprietary Fund

The only proprietary fund for the District is the Small School District Council Consortium Enterprise Fund, which reported unrestricted net position of \$18,086.82. This balance represents a 12 percent decrease from the previous year primarily because of the increased costs for the consulting firm utilized by the Consortium.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2016-17 fiscal year, the District amended its General Fund budget several times, which resulted in an increase in total budgeted revenues amounting to \$751,104.80, and an increase in final appropriations of \$126,577.16 from the original budgeted amounts.

Actual revenues are \$84,471.91, or 0.2 percent less than the final budgeted amounts and actual expenditures are \$1,865,241.40, or 5 percent, less than final budget amounts. The decrease in expenditures was mainly because instruction expenditures were less than planned. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$1,767,604.23.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, totaled \$79,144,354.34 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Additional information on the District's capital assets can be found in Notes I.F.4., II.C., and II.F. to the financial statements.

Long-Term Debt

At June 30, 2017, the District has total long-term debt outstanding of \$371,897.80, composed of \$158,000 of bonds payable and \$213,897.80 of installment-purchases payable. During the current fiscal year, retirement of debt was \$314,627.70.

Additional information on the District's long-term debt can be found in Notes I.F.6., II.H., and II.I. to the financial statements.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer, Wakulla County District School Board, 69 Arran Road, Crawfordville, Florida 32327.

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BASIC FINANCIAL STATEMENTS

Wakulla County District School Board Statement of Net Position June 30, 2017

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		
ASSETS				
Cash and Cash Equivalents	\$ 6,972,958.43	\$ 18,370.02	\$ 6,991,328.45	\$ 240,611.00
Investments	3,817.34	-	3,817.34	25,071.00
Accounts Receivable	30,108.17	-	30,108.17	30,334.00
Due from Other Agencies	332,696.71	-	332,696.71	17,399.00
Prepaid Items	-	-	-	5,644.00
Inventories	202,534.82	-	202,534.82	-
Capital Assets:				
Nondepreciable Capital Assets	3,538,420.93	-	3,538,420.93	-
Depreciable Capital Assets, Net	75,605,933.41	-	75,605,933.41	679,998.00
TOTAL ASSETS	86,686,469.81	18,370.02	86,704,839.83	999,057.00
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	9,784,971.00	-	9,784,971.00	-
LIABILITIES				
Accrued Salaries and Benefits	20,787.71	-	20,787.71	-
Payroll Deductions and Withholdings	51,665.12	-	51,665.12	-
Accounts Payable	446,553.22	283.20	446,836.42	10,732.00
Accrued Interest Payable	7,446.83	-	7,446.83	-
Long-Term Liabilities:				
Portion Due Within One Year	985,977.97	-	985,977.97	24,685.00
Portion Due After One Year	28,870,403.89	-	28,870,403.89	126,271.00
TOTAL LIABILITIES	30,382,834.74	283.20	30,383,117.94	161,688.00
DEFERRED INFLOWS OF RESOURCES				
Pensions	1,014,899.00	-	1,014,899.00	-
NET POSITION				
Net Investment in Capital Assets	78,772,456.54	-	78,772,456.54	529,042.00
Restricted for:				
State Required Carryover Programs	856,422.32	-	856,422.32	-
Capital Projects	265,690.53	-	265,690.53	37,882.00
Food Service	291,951.13	-	291,951.13	4,062.00
Unrestricted	(15,112,813.45)	18,086.82	(15,094,726.63)	266,383.00
TOTAL NET POSITION	\$ 65,073,707.07	\$ 18,086.82	\$ 65,091,793.89	\$ 837,369.00

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

**Wakulla County District School Board
Statement of Activities
For the Fiscal Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 23,375,767.90	\$ 36,628.00	\$ -	\$ -
Student Support Services	2,673,854.00	-	-	-
Instructional Media Services	490,428.54	-	-	-
Instruction and Curriculum Development Services	651,963.69	-	-	-
Instructional Staff Training Services	466,331.34	-	-	-
Instruction-Related Technology	304,580.83	-	-	-
Board	621,648.72	-	-	-
General Administration	522,729.19	-	-	-
School Administration	2,679,718.08	-	-	-
Facilities Acquisition and Construction	467,390.30	-	-	88,067.59
Fiscal Services	438,036.97	-	-	-
Food Services	2,138,156.98	365,737.85	1,855,358.08	-
Central Services	769,565.10	-	-	-
Student Transportation Services	3,003,745.20	-	1,760,988.00	-
Operation of Plant	3,914,599.03	-	-	-
Maintenance of Plant	1,041,393.94	-	228,887.00	-
Administrative Technology Services	134,940.81	-	-	-
Community Services	12,981.90	-	-	-
Unallocated Interest on Long-Term Debt	11,779.71	-	-	115,198.15
Unallocated Depreciation Expense*	2,010,702.17	-	-	-
Total Governmental Activities	45,730,314.40	402,365.85	3,845,233.08	203,265.74
Business-Type Activities:				
Small School District School Consortium	108,915.73	105,450.00	-	-
Total Primary Government	\$ 45,839,230.13	\$ 507,815.85	\$ 3,845,233.08	\$ 203,265.74
Component Unit				
Wakulla's Charter School of Arts, Science and Technology, Inc.	\$ 1,277,266.00	\$ 1,258.00	\$ 431,444.00	\$ 46,215.00

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (23,339,139.90)	\$ -	\$ (23,339,139.90)	\$ -
(2,673,854.00)	-	(2,673,854.00)	-
(490,428.54)	-	(490,428.54)	-
(651,963.69)	-	(651,963.69)	-
(466,331.34)	-	(466,331.34)	-
(304,580.83)	-	(304,580.83)	-
(621,648.72)	-	(621,648.72)	-
(522,729.19)	-	(522,729.19)	-
(2,679,718.08)	-	(2,679,718.08)	-
(379,322.71)	-	(379,322.71)	-
(438,036.97)	-	(438,036.97)	-
82,938.95	-	82,938.95	-
(769,565.10)	-	(769,565.10)	-
(1,242,757.20)	-	(1,242,757.20)	-
(3,914,599.03)	-	(3,914,599.03)	-
(812,506.94)	-	(812,506.94)	-
(134,940.81)	-	(134,940.81)	-
(12,981.90)	-	(12,981.90)	-
103,418.44	-	103,418.44	-
(2,010,702.17)	-	(2,010,702.17)	-
(41,279,449.73)	-	(41,279,449.73)	-
-	(3,465.73)	(3,465.73)	-
(41,279,449.73)	(3,465.73)	(41,282,915.46)	-
-	-	-	(798,349.00)
6,890,100.35	-	6,890,100.35	-
1,762,010.54	-	1,762,010.54	-
31,876,152.67	-	31,876,152.67	896,208.00
68,345.39	-	68,345.39	763.00
283,820.19	1,000.00	284,820.19	-
40,880,429.14	1,000.00	40,881,429.14	896,971.00
(399,020.59)	(2,465.73)	(401,486.32)	98,622.00
65,472,727.66	20,552.55	65,493,280.21	738,747.00
\$ 65,073,707.07	\$ 18,086.82	\$ 65,091,793.89	\$ 837,369.00

**Wakulla County District School Board
Balance Sheet – Governmental Funds
June 30, 2017**

	<u>General Fund</u>	<u>Special Revenue - Food Service Fund</u>	<u>Special Revenue - Other Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,159,703.85	\$ 363,654.45	\$ 998.13
Investments	-	-	-
Accounts Receivable	30,108.17	-	-
Due from Other Funds	133,497.49	-	-
Due from Other Agencies	58,327.81	12,271.44	248,808.39
Inventories	111,538.66	90,996.16	-
TOTAL ASSETS	<u>\$ 5,493,175.98</u>	<u>\$ 466,922.05</u>	<u>\$ 249,806.52</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	\$ -	\$ -	\$ 20,787.71
Payroll Deductions and Withholdings	50,757.33	575.94	331.85
Accounts Payable	167,689.30	174,394.98	95,189.47
Due to Other Funds	-	-	133,497.49
Total Liabilities	<u>218,446.63</u>	<u>174,970.92</u>	<u>249,806.52</u>
Fund Balances:			
Nonspendable:			
Inventories	111,538.66	90,996.16	-
Restricted for:			
State Required Carryover Programs	856,422.32	-	-
Food Service	-	200,954.97	-
Debt Service	-	-	-
Capital Projects	-	-	-
Total Restricted Fund Balance	<u>856,422.32</u>	<u>200,954.97</u>	<u>-</u>
Assigned for:			
School Operations	543,991.82	-	-
Capital Projects	-	-	-
Purchases on Order	125,938.00	-	-
Total Assigned Fund Balance	<u>669,929.82</u>	<u>-</u>	<u>-</u>
Unassigned Fund Balance	<u>3,636,838.55</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,274,729.35</u>	<u>291,951.13</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,493,175.98</u>	<u>\$ 466,922.05</u>	<u>\$ 249,806.52</u>

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

Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,175,449.15	\$ 273,152.85	\$ 6,972,958.43
-	3,817.34	3,817.34
-	-	30,108.17
-	-	133,497.49
11,471.92	1,817.15	332,696.71
-	-	202,534.82
<u>\$ 1,186,921.07</u>	<u>\$ 278,787.34</u>	<u>\$ 7,675,612.96</u>
\$ -	\$ -	\$ 20,787.71
-	-	51,665.12
-	9,279.47	446,553.22
-	-	133,497.49
<u>-</u>	<u>9,279.47</u>	<u>652,503.54</u>
-	-	202,534.82
-	-	856,422.32
-	-	200,954.97
-	3,817.34	3,817.34
-	265,690.53	265,690.53
<u>-</u>	<u>269,507.87</u>	<u>1,326,885.16</u>
-	-	543,991.82
1,186,921.07	-	1,186,921.07
-	-	125,938.00
<u>1,186,921.07</u>	<u>-</u>	<u>1,856,850.89</u>
-	-	3,636,838.55
1,186,921.07	269,507.87	7,023,109.42
<u>\$ 1,186,921.07</u>	<u>\$ 278,787.34</u>	<u>\$ 7,675,612.96</u>

**Wakulla County District School Board
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017**

Total Fund Balances - Governmental Funds	\$	7,023,109.42
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		79,144,354.34
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Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.		(7,446.83)
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Long-term liabilities are not due and payable in the fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds Payable	\$ (158,000.00)	
Installment-Purchase Payable	(213,897.80)	
Compensated Absences Payable	(2,623,609.06)	
Net Pension Liability	(23,937,338.00)	
Other Postemployment Benefits Payable	<u>(2,923,537.00)</u>	(29,856,381.86)

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

Deferred Outflows Related to Pensions	\$ 9,784,971.00	
Deferred Inflows Related to Pensions	<u>(1,014,899.00)</u>	<u>8,770,072.00</u>

Net Position - Governmental Activities	\$	<u>65,073,707.07</u>
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The accompanying notes to financial statements are an integral part of this statement.

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Wakulla County District School Board
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue - Food Service Fund	Special Revenue - Other Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 73,670.95	\$ -	\$ -
Federal Through State and Local	289,888.52	1,829,837.08	2,460,078.11
State	30,547,310.85	25,521.00	-
Local:			
Property Taxes	6,890,100.35	-	-
Charges for Services - Food Service	-	365,737.85	-
Miscellaneous	370,053.22	2,511.79	-
Total Local Revenues	<u>7,260,153.57</u>	<u>368,249.64</u>	<u>-</u>
Total Revenues	<u>38,171,023.89</u>	<u>2,223,607.72</u>	<u>2,460,078.11</u>
Expenditures			
Current - Education:			
Instruction	20,833,397.37	-	1,730,113.15
Student Support Services	2,296,971.28	-	243,475.71
Instructional Media Services	501,776.70	-	499.00
Instruction and Curriculum Development Services	536,444.08	-	73,147.65
Instructional Staff Training Services	195,752.17	-	269,600.26
Instruction-Related Technology	290,239.70	-	-
Board	614,894.26	-	-
General Administration	447,508.07	-	102,950.49
School Administration	2,543,875.96	-	16.66
Facilities Acquisition and Construction	227,552.38	-	-
Fiscal Services	410,983.38	-	-
Food Services	3,949.70	2,099,636.63	-
Central Services	721,063.06	-	6,978.88
Student Transportation Services	2,681,130.82	-	11,020.76
Operation of Plant	3,800,964.22	-	-
Maintenance of Plant	1,021,624.23	-	-
Administrative Technology Services	129,906.89	-	-
Community Services	12,433.47	-	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	199,141.04	-	-
Other Capital Outlay	-	-	22,275.55
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>37,469,608.78</u>	<u>2,099,636.63</u>	<u>2,460,078.11</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>701,415.11</u>	<u>123,971.09</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers In	800,087.00	23,476.05	-
Sale of Capital Assets	4,265.95	-	-
Transfers Out	<u>(23,476.05)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>780,876.90</u>	<u>23,476.05</u>	<u>-</u>
Net Change in Fund Balances	1,482,292.01	147,447.14	-
Fund Balances, Beginning	3,792,607.50	144,503.99	-
Decrease in Nonspendable Inventory	<u>(170.16)</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,274,729.35</u>	<u>\$ 291,951.13</u>	<u>\$ 0.00</u>

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

Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 73,670.95
-	-	4,579,803.71
315,426.20	384,225.89	31,272,483.94
-	1,762,010.54	8,652,110.89
-	-	365,737.85
6,584.19	4,329.43	383,478.63
<u>6,584.19</u>	<u>1,766,339.97</u>	<u>9,401,327.37</u>
<u>322,010.39</u>	<u>2,150,565.86</u>	<u>45,327,285.97</u>
-	-	22,563,510.52
-	-	2,540,446.99
-	-	502,275.70
-	-	609,591.73
-	-	465,352.43
-	-	290,239.70
-	-	614,894.26
-	-	550,458.56
-	-	2,543,892.62
18,507.30	214,729.83	460,789.51
-	-	410,983.38
-	-	2,103,586.33
-	-	728,041.94
-	-	2,692,151.58
-	-	3,800,964.22
-	-	1,021,624.23
-	-	129,906.89
-	-	12,433.47
488,484.17	850,792.46	1,538,417.67
-	156,052.88	178,328.43
-	314,627.70	314,627.70
-	21,661.79	21,661.79
<u>506,991.47</u>	<u>1,557,864.66</u>	<u>44,094,179.65</u>
<u>(184,981.08)</u>	<u>592,701.20</u>	<u>1,233,106.32</u>
-	-	823,563.05
-	-	4,265.95
<u>(46,215.00)</u>	<u>(753,872.00)</u>	<u>(823,563.05)</u>
<u>(46,215.00)</u>	<u>(753,872.00)</u>	<u>4,265.95</u>
(231,196.08)	(161,170.80)	1,237,372.27
1,418,117.15	430,678.67	5,785,907.31
-	-	(170.16)
<u>\$ 1,186,921.07</u>	<u>\$ 269,507.87</u>	<u>\$ 7,023,109.42</u>

Wakulla County District School Board
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balances - Governmental Funds **\$ 1,237,372.27**

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current fiscal year. (537,054.25)

Donated capital assets are reported as revenue in the statement of activities but do not provide current financial resources and, therefore, are not reported in the governmental funds. 1,049.00

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

Bond Principal Payments	\$	105,000.00	
Installment-Purchase Principal Payments		209,627.70	314,627.70

Accrued interest expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. This is the decrease in accrued interest during the current fiscal year. 9,692.59

Certain funds due from other agencies were not available and, therefore, not recognized as revenue in the governmental fund statements in the prior year. However, these funds were recognized as revenue under the full accrual basis of accounting in the statement of activities in the prior year. This is the amount of revenues that became available in the current year. (1,307.11)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year. (149,692.63)

Other postemployment benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net increase in the other postemployment benefits liability for the current fiscal year. (119,864.00)

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

FRS Pension Contribution	\$	1,473,823.00	
HIS Pension Contribution		401,177.00	
FRS Pension Expense		(2,263,720.00)	
HIS Pension Expense		(764,954.00)	(1,153,674.00)

The purchases method of inventory accounting is used in the governmental funds for the transportation inventories, while the government-wide statement inventories are accounted for using the consumption method. (170.16)

Change in Net Position - Governmental Activities **\$ (399,020.59)**

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

**Wakulla County District School Board
Statement of Net Position – Proprietary Fund
June 30, 2017**

	Business-Type Activities - Nonmajor Enterprise Fund
	Small School District Council Consortium
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 18,370.02
LIABILITIES	
Current Liabilities:	
Accounts Payable	283.20
NET POSITION	
Unrestricted	\$ 18,086.82

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

**Wakulla County District School Board
Statement of Revenues, Expenses, and Changes in Fund
Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2017**

	Business-Type Activities - Nonmajor Enterprise Fund Small School District Council Consortium
OPERATING REVENUES	
Charges for Services	\$ 105,450.00
OPERATING EXPENSES	
Purchased Services	108,915.73
Operating Loss	(3,465.73)
NONOPERATING REVENUES	
Gifts and Grants	1,000.00
Change in Net Position	(2,465.73)
Total Net Position - Beginning	20,552.55
Total Net Position - Ending	\$ 18,086.82

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

**Wakulla County District School Board
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2017**

	Business-Type Activities - Nonmajor Enterprise Fund Small School District Council Consortium
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Services	\$ 105,450.00
Cash Payments to Suppliers for Goods and Services	(109,583.03)
Net Cash Used by Operating Activities	<u>(4,133.03)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts and Grants	1,000.00
Net Decrease in Cash and Cash Equivalents	<u>(3,133.03)</u>
Cash and Cash Equivalents, Beginning	21,503.05
Cash and Cash Equivalents, Ending	<u>\$ 18,370.02</u>

Reconciliation of Operating Loss to Net Cash Used by Operating Activities:

Operating Loss	\$ (3,465.73)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Accounts Payable	(667.30)
Net Cash Used by Operating Activities	<u>\$ (4,133.03)</u>

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

**Wakulla County District School Board
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds
June 30, 2017**

	Agency Funds
	<hr/>
ASSETS	
Cash and Cash Equivalents	\$ 669,452.00
	<hr/>
LIABILITIES	
Internal Accounts Payable	\$ 669,452.00
	<hr/>

The accompanying notes to 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 the primary government and its component unit. 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Wakulla County School District's (District) governmental activities and for each segment of the business-type 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 expense associated with the District's transportation department is allocated to the student transportation services function while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

B. Reporting Entity

The Wakulla County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Wakulla County.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading. Based on the application of these criteria, the following component unit is included within the District's reporting entity.

Discretely Presented Component Unit. The component unit columns in the government-wide financial statements include the financial data of the District's component unit. A separate column is used to emphasize that it is legally separate from the District.

Wakulla's Charter School of Arts, Science and Technology, Inc. is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter school operates under a charter approved by its sponsor, the Wakulla County District School Board. The charter school is considered to be a component unit of the District because the District is financially accountable for the charter school as the District established the charter school by approval of the charter, which is tantamount to the initial appointment of the charter school, and there is the potential for the charter school to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter school is a public school and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter school's audited financial statements for the fiscal year ended June 30, 2017. The audit report is filed in the District's administrative offices at 69 Arran Road, Crawfordville, Florida 32327.

C. Basis of Presentation: Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

D. Basis of Presentation: Fund Financial Statements

The fund financial statements provide information about the District's funds, including the fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Food Service Fund – to account for the District's food service program.
- Special Revenue – Other Fund – to account for certain Federal grant program resources.
- Capital Projects – Other Fund – to account for various financial resources generated by various State and local sources 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:

- Enterprise Fund – to account for the financing of the Small School District Council Consortium for which the District is the fiscal agent.

- 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 business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type 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. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and 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 as soon as all eligibility requirements imposed by the provider have been met.

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 as soon as they are both 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. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. 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 60 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, pension benefits, 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 fund is reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

The charter school is accounted for as a governmental organization and follows the same accounting model as the District's governmental activities.

F. 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 liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME.

Cash deposits are held by banks qualified as public depositories under Florida law. 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. Investments

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys and amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes. The investment pool operates 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.

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

3. Inventories

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 donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of food service inventories are recorded as expenditures when used rather than purchased, while the costs of transportation inventories are recorded as expenditures at the time of purchase. Inventories are equally offset

by a nonspendable fund balance which indicates they do not constitute “available spendable resources.”

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. However, for renovations to buildings, the threshold of capitalization is \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

Capital assets are depreciated using the weighted average composite method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	8 - 35 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	3 - 10 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	5 - 7 years

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

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 and the HIS 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 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 net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District only has one item that qualifies for reporting in this category. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. The deferred inflows of resources related to pensions are discussed in a subsequent note.

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. The District reported no committed fund balances at June 30, 2017.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by Board Resolution 11/12-01 authorized the Superintendent, or his designee, to assign fund balance. The Board may 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. 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 or business segment is self-financing or draws from the general revenues of the District.

2. 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.

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

3. District Property Taxes

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

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

The Board adopted the 2016 tax levy on September 12, 2016. 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 Wakulla County Tax Collector at fiscal year-end but not yet remitted to the District.

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

4. 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.

5. 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.

6. Proprietary Fund 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 fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for services relating to the Small School District Council Consortium. Operating expenses include purchased services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. 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.

Cash balances from all funds are combined and invested to extent available. Earnings are allocated monthly to each fund balance on average daily balances.

B. Investments

The District's investments at June 30, 2017, are reported as follows:

Investments	Maturities	Fair Value
SBA:		
Florida PRIME (1)	39 Day Average	\$ 6,017,851.42
Debt Service Accounts	6 Months	<u>3,817.34</u>
Total Investments, Primary Government		<u>\$ 6,021,668.76</u>

Note: (1) These investments are reported as cash equivalents for financial statement reporting purposes.

Fair Value Measurement

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

unobservable inputs. The District's investments in SBA debt service accounts are valued using Level 1 inputs.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 uses a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days." As of June 30, 2017, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA's Florida PRIME, or any other 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 does not have a formal investment policy that limits its investment choices.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account. Disclosures for the debt

service accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

The District's investment in Florida PRIME is rated AAAm by Standard & Poor's.

C. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 3,501,421.43	\$ -	\$ -	\$ 3,501,421.43
Land Improvements	6,752.00	-	-	6,752.00
Construction in Progress	368,361.07	10,747.50	348,861.07	30,247.50
Total Capital Assets Not Being Depreciated	3,876,534.50	10,747.50	348,861.07	3,538,420.93
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	4,978,002.93	40,870.47	2,467.30	5,016,406.10
Buildings and Fixed Equipment	95,445,788.88	1,636,519.73	707,883.78	96,374,424.83
Furniture, Fixtures, and Equipment	4,867,929.32	274,274.47	237,685.79	4,904,518.00
Motor Vehicles	6,028,473.35	104,244.00	-	6,132,717.35
Audio Visual Materials and Computer Software	259,462.20	-	37,328.95	222,133.25
Total Capital Assets Being Depreciated	111,579,656.68	2,055,908.67	985,365.82	112,650,199.53
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	2,613,009.87	144,592.46	2,467.30	2,755,135.03
Buildings and Fixed Equipment	25,578,118.62	1,601,693.86	707,883.78	26,471,928.70
Furniture, Fixtures, and Equipment	3,478,273.24	260,405.13	237,685.79	3,500,992.58
Motor Vehicles	3,867,123.87	243,098.18	-	4,110,222.05
Audio Visual Materials and Computer Software	239,305.99	4,010.72	37,328.95	205,987.76
Total Accumulated Depreciation	35,775,831.59	2,253,800.35	985,365.82	37,044,266.12
Total Capital Assets Being Depreciated, Net	75,803,825.09	(197,891.68)	-	75,605,933.41
Governmental Activities Capital Assets, Net	\$ 79,680,359.59	\$ (187,144.18)	\$ 348,861.07	\$ 79,144,354.34

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 243,098.18
Unallocated	2,010,702.17
Total Depreciation Expense - Governmental Activities	<u>\$ 2,253,800.35</u>

D. Retirement Plans

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

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

The District's FRS and HIS pension expense totaled \$3,028,674 for the fiscal year ended June 30, 2017.

FRS Pension Plan

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

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

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

retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class members initially enrolled before July 1, 2011	
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
Regular Class members initially enrolled on or after July 1, 2011	
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
Elected County Officers	3.00

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 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	7.52
FRS, Elected County Officers	3.00	42.47
DROP – Applicable to Members from All of the Above Classes	0.00	12.99
FRS, Reemployed Retiree	(2)	(2)

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

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

The District's contributions to the Plan totaled \$1,473,823 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a liability of \$14,856,982 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.058839349 percent, which was a decrease of 0.005246165 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized the Plan pension expense of \$2,263,720. 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	\$ 1,137,565	\$ 138,329
Change of assumptions	898,803	-
Net difference between projected and actual earnings on FRS pension plan investments	3,840,349	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	449,153	719,390
District FRS contributions subsequent to the measurement date	1,473,823	-
Total	<u><u>\$ 7,799,693</u></u>	<u><u>\$ 857,719</u></u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$1,473,823, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as

deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 788,780
2019	788,780
2020	2,285,986
2021	1,468,714
2022	108,132
Thereafter	27,759
Total	\$ 5,468,151

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

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

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

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
Total	100%			
Assumed Inflation - Mean		2.6%		1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.6 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2016 valuation was updated from 7.65 percent to 7.6 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.6 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 (6.6 percent) or 1 percentage point higher (8.6 percent) than the current rate:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
District's proportionate share of the net pension liability	\$ 27,352,709	\$ 14,856,982	\$ 4,455,939

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.

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 Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal 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, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the

event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$401,177 for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$9,080,356 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.077912301 percent, which was a decrease of 0.001688012 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized the HIS Plan pension expense of \$764,954. 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	\$ -	\$ 20,682
Change of assumptions	1,424,939	-
Net difference between projected and actual earnings on HIS pension plan investments	4,591	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	154,571	136,498
District contributions subsequent to the measurement date	401,177	-
Total	\$ 1,985,278	\$ 157,180

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$401,177, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 262,772
2019	262,772
2020	261,898
2021	261,477
2022	216,045
Thereafter	161,957
Total	\$ 1,426,921

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2016 valuation was updated from 3.8 percent to 2.85 percent.

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

	<u>1% Decrease (1.85%)</u>	<u>Current Discount Rate (2.85%)</u>	<u>1% Increase (3.85%)</u>
District's proportionate share of the net pension liability	\$ 10,417,231	\$ 9,080,356	\$ 7,970,822

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.

2. FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2016-17 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which 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 \$202,141 for the fiscal year ended June 30, 2017.

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, prescription drug, and life insurance 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 retiree healthcare costs are generally greater than active employee healthcare costs. 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 OPEB Plan members are established and may be amended through action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2016-17 fiscal year, 228 retirees received postemployment life and 32 retirees received postemployment healthcare benefits. The District provided required contributions of \$190,401 toward the annual OPEB cost, net of retiree contributions totaling \$270,573, which represents 0.8 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (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 fiscal year, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for 1 year)	\$ 114,397
Amortization of Unfunded Actuarial Accrued Liability	<u>413,464</u>
Annual Required Contribution	527,861
Interest on Net OPEB Obligation	93,923
Adjustment to Annual Required Contribution	<u>(311,519)</u>
Annual OPEB Cost (Expense)	310,265
Contribution Toward the OPEB Cost	<u>(190,401)</u>
Increase in Net OPEB Obligation	119,864
Net OPEB Obligation, Beginning of Year	<u>2,803,673</u>
Net OPEB Obligation, End of Year	<u>\$ 2,923,537</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2017, and the 2 preceding fiscal years, were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014-15	\$ 456,797	49.3%	\$ 2,577,007
2015-16	465,503	51.3%	2,803,673
2016-17	310,265	61.4%	2,923,537

Funded Status and Funding Progress. As of October 1, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$3,660,378, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$3,660,378 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$23,011,982, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.9 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, mortality, and the healthcare cost trend. 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 Schedule of Funding Progress immediately following the notes to financial statements as required supplementary information, 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 OPEB 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

calculations of the OPEB Plan reflect a long-term perspective. Consistent with this perspective, 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.

The District's OPEB actuarial valuation as of October 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2017, and to estimate the District's 2016-17 fiscal year ARC. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.35 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 3.35 percent per year, and an annual healthcare cost trend rate of 7.25 percent initially beginning October 1, 2016, reduced to an ultimate rate of 4.24 percent beginning October 1, 2040. The investment rate of return and projected salary increases include a general price inflation of 2.5 percent. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over a 9-year period. The remaining amortization period at June 30, 2017, was 9 years.

F. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2017:

Project	Contract Amount	Completed to Date	Balance Committed
Shadeville Elementary and Wakulla High Door Hardware and Replacement			
Architect	\$ 14,330.00	\$10,747.50	\$ 3,582.50
Contractor	385,274.00	-	385,274.00
Total	\$399,604.00	\$10,747.50	\$388,856.50

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 fiscal year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2017:

Major Funds			
General	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
<u>\$ 125,938</u>	<u>\$ 180,604</u>	<u>\$ 232,253</u>	<u>\$ 538,795</u>

G. 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 Wakulla County

District School Board is a member of the Panhandle Area Educational Consortium - Risk Management Consortium (Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, sabotage and terrorism, employee dishonesty, equipment breakdown, and other coverage deemed necessary by the members of the Consortium. Section 1001.42(12)(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.

Employee group life and health insurance coverage is being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past 3 fiscal years.

H. Installment-Purchase Payable

The class and amount of property being acquired under installment-purchase is as follows:

	<u>Asset Balances</u>
School Buses	<u>\$ 1,046,720</u>

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	<u>\$ 218,310.00</u>	<u>\$ 213,897.80</u>	<u>\$ 4,412.20</u>

The stated interest rate is 2.05 percent.

I. Long-Term Liabilities

1. Bonds Payable

Bonds payable at June 30, 2017, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2009A, Refunding	\$ 40,000	5	2019
Series 2014B, Refunding	<u>118,000</u>	2 - 5	2020
Total Bonds Payable	<u><u>\$ 158,000</u></u>		

The State School Bonds are issued by the SBE on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2017, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2018	\$ 122,540	\$ 115,000	\$ 7,540
2019	32,790	31,000	1,790
2020	12,240	12,000	240
Total State School Bonds	\$ 167,570	\$ 158,000	\$ 9,570

2. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 263,000.00	\$ -	\$ 105,000.00	\$ 158,000.00	\$ 115,000.00
Installment-Purchase Payable	423,525.50	-	209,627.70	213,897.80	213,897.80
Compensated Absences Payable	2,473,916.43	1,661,598.71	1,511,906.08	2,623,609.06	395,296.40
Net Pension Liability	16,395,485.00	12,457,322.00	4,915,469.00	23,937,338.00	261,783.77
Other Postemployment Benefits Payable	2,803,673.00	310,265.00	190,401.00	2,923,537.00	-
Total Governmental Activities	\$ 22,359,599.93	\$ 14,429,185.71	\$ 6,932,403.78	\$ 29,856,381.86	\$ 985,977.97

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

J. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in Note I.F.10., fund balances may be classified as follows:

- **Nonspendable Fund Balance**. Nonspendable fund balance is 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**. Restricted fund balance is 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.
- **Unassigned Fund Balance**. The unassigned fund balance is 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.

K. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 133,497.49	\$ -
Special Revenue:		
Other	-	133,497.49
Total	\$ 133,497.49	\$ 133,497.49

The purpose of these balances was to reimburse the General Fund for temporary advances made to the Special Revenue – Other Fund. These amounts are expected to be repaid within 1 year

L. Revenues

1. Schedule of State Revenue Sources

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

Source	Amount
Florida Education Finance Program	\$ 24,181,686.00
Categorical Educational Program - Class Size Reduction	5,372,796.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	204,572.85
Gross Receipts Tax (Public Education Capital Outlay)	182,672.00
Workforce Development Program	135,693.00
Voluntary Prekindergarten Program	114,843.79
Florida School Recognition Funds	106,666.00
Miscellaneous	973,554.30
Total	\$ 31,272,483.94

Accounting policies relating to certain State revenue sources are described in Note I.G.2.

2. Property Taxes

The following is a summary of millages and taxes levied on the 2016 tax roll for the 2016-17 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Nonvoted School Tax:		
Required Local Effort	4.618	\$ 5,627,103.84
Basic Discretionary Local Effort	0.748	911,449.48
Voted School Tax:		
Additional Operating	0.500	609,257.67
<u>Capital Projects - Local Capital Improvement Fund</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	1,827,773.01
Total	<u>7.366</u>	<u>\$8,975,584.00</u>

M. Interfund Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 800,087.00	\$ 23,476.05
Special Revenue:		
Food Service	23,476.05	-
Capital Projects:		
Other	-	46,215.00
Nonmajor Governmental	-	753,872.00
Total	<u>\$ 823,563.05</u>	<u>\$ 823,563.05</u>

The purpose of the interfund transfers were related to the transfer of charter school capital outlay funds and capital outlay taxes for maintenance, repair, and renovation expenses of the General Fund. Also, a transfer was made to the Special Revenue – Food Service Fund to satisfy minimum school lunch price requirements under the National School Lunch Program.

III. CONSORTIUMS

The District is a member of, and the fiscal agent for, the Small School District Council Consortium (Consortium). The Consortium is an association of small school districts organized to hire a consultant to collect, interpret, and disseminate information regarding educational matters affecting the member districts, as well as consult and communicate as directed to change, influence, and improve the conditions in the affected districts. The District is not the predominant participant in the consortium and, therefore, has established an enterprise fund to account for the Consortium's resources and operations.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule General and Major Special Revenue Funds For the Fiscal Year Ended June 30, 2017

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 75,000.00	\$ 75,000.00	\$ 73,670.95	\$ (1,329.05)
Federal Through State and Local	460,506.00	460,506.00	289,888.52	(170,617.48)
State	29,787,136.00	30,522,592.85	30,547,310.85	24,718.00
Local:				
Property Taxes	6,872,104.00	6,872,104.00	6,890,100.35	17,996.35
Charges for Services - Food Service				
Miscellaneous	309,645.00	325,292.95	370,053.22	44,760.27
Total Local Revenues	7,181,749.00	7,197,396.95	7,260,153.57	62,756.62
Total Revenues	37,504,391.00	38,255,495.80	38,171,023.89	(84,471.91)
Expenditures				
Current - Education:				
Instruction	21,512,930.49	21,854,177.68	20,833,397.37	1,020,780.31
Student Support Services	2,237,989.93	2,297,489.61	2,296,971.28	518.33
Instructional Media Services	559,277.37	556,356.54	501,776.70	54,579.84
Instruction and Curriculum Development Services	581,470.02	572,270.60	536,444.08	35,826.52
Instructional Staff Training Services	190,479.62	195,784.21	195,752.17	32.04
Instruction-Related Technology	276,901.93	290,431.24	290,239.70	191.54
Board	620,352.74	620,352.74	614,894.26	5,458.48
General Administration	414,372.54	461,911.35	447,508.07	14,403.28
School Administration	2,598,130.06	2,558,014.23	2,543,875.96	14,138.27
Facilities Acquisition and Construction	849,899.49	425,264.76	227,552.38	197,712.38
Fiscal Services	409,699.24	411,660.24	410,983.38	676.86
Food Services	3,250.00	8,250.00	3,949.70	4,300.30
Central Services	660,352.06	721,497.52	721,063.06	434.46
Student Transportation Services	3,003,733.07	2,851,881.56	2,681,130.82	170,750.74
Operation of Plant	3,959,245.13	3,977,686.28	3,800,964.22	176,722.06
Maintenance of Plant	1,155,406.49	1,150,980.78	1,021,624.23	129,356.55
Administrative Technology Services	168,032.84	168,949.80	129,906.89	39,042.91
Community Services	6,750.00	12,750.00	12,433.47	316.53
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	199,141.04	199,141.04	-
Other Capital Outlay	-	-	-	-
Total Expenditures	39,208,273.02	39,334,850.18	37,469,608.78	1,865,241.40
Excess (Deficiency) of Revenues Over Expenditures	(1,703,882.02)	(1,079,354.38)	701,415.11	1,780,769.49
Other Financing Sources (Uses)				
Transfers In	838,872.00	813,872.00	800,087.00	(13,785.00)
Sale of Capital Assets	-	-	4,265.95	4,265.95
Loss Recoveries	20,000.00	20,000.00	-	(20,000.00)
Transfers Out	(40,000.00)	(40,000.00)	(23,476.05)	16,523.95
Total Other Financing Sources (Uses)	818,872.00	793,872.00	780,876.90	(12,995.10)
Net Change in Fund Balances	(885,010.02)	(285,482.38)	1,482,292.01	1,767,774.39
Fund Balances, Beginning	3,792,607.50	3,792,607.50	3,792,607.50	-
Decrease in Nonspendable Inventory	-	-	(170.16)	(170.16)
Fund Balances, Ending	\$ 2,907,597.48	\$ 3,507,125.12	\$ 5,274,729.35	\$ 1,767,604.23

Special Revenue - Food Service Fund				Special Revenue - Other Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,901,354.65	1,901,354.65	1,829,837.08	(71,517.57)	2,731,338.87	2,858,981.13	2,460,078.11	(398,903.02)
25,000.00	25,000.00	25,521.00	521.00	-	-	-	-
-	-	-	-	-	-	-	-
363,607.17	363,607.17	368,020.26	4,413.09	-	-	-	-
-	-	229.38	229.38	-	-	-	-
363,607.17	363,607.17	368,249.64	4,642.47	-	-	-	-
2,289,961.82	2,289,961.82	2,223,607.72	(66,354.10)	2,731,338.87	2,858,981.13	2,460,078.11	(398,903.02)
-	-	-	-	1,800,956.12	1,901,881.69	1,730,113.15	171,768.54
-	-	-	-	321,377.00	320,631.00	243,475.71	77,155.29
-	-	-	-	-	500.00	499.00	1.00
-	-	-	-	101,350.00	103,350.00	73,147.65	30,202.35
-	-	-	-	354,143.00	352,134.72	269,600.26	82,534.46
-	-	-	-	-	-	-	-
-	-	-	-	116,740.99	118,560.41	102,950.49	15,609.92
-	-	-	-	-	500.00	16.66	483.34
-	-	-	-	-	-	-	-
2,289,962.00	2,289,962.00	2,099,636.63	190,325.37	-	-	-	-
-	-	-	-	17,325.00	17,325.00	6,978.88	10,346.12
-	-	-	-	19,446.76	21,822.76	11,020.76	10,802.00
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	22,275.55	22,275.55	-
2,289,962.00	2,289,962.00	2,099,636.63	190,325.37	2,731,338.87	2,858,981.13	2,460,078.11	398,903.02
(0.18)	(0.18)	123,971.09	123,971.27	-	-	-	-
40,000.00	40,000.00	23,476.05	(16,523.95)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,000.00	40,000.00	23,476.05	(16,523.95)	-	-	-	-
39,999.82	39,999.82	147,447.14	107,447.32	-	-	-	-
144,503.99	144,503.99	144,503.99	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 184,503.81	\$ 184,503.81	\$ 291,951.13	\$ 107,447.32	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**Schedule of Funding Progress –
Other Postemployment Benefits Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
10/01/12	\$ -	\$ 3,931,963	\$ 3,931,963	0.0%	\$ 24,311,735	16.2%
10/01/14	-	4,651,679	4,651,679	0.0%	23,705,183	19.6%
10/01/16	-	3,660,378	3,660,378	0.0%	23,011,982	15.9%

Note: (1) The District's OPEB actuarial valuation used the entry age normal cost actuarial method to estimate the actuarial accrued liability.

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Florida Retirement System Pension Plan (1)**

	2016	2015	2014	2013
District's proportion of the FRS net pension liability	0.058839349%	0.064085514%	0.064985936%	0.060004810%
District's proportionate share of the FRS net pension liability	\$ 14,856,982	\$ 8,277,505	\$ 3,965,096	\$ 10,329,498
District's covered-employee payroll	\$ 24,055,414	\$ 24,149,326	\$ 23,224,220	\$ 22,357,945
District's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	61.76%	34.28%	17.07%	46.20%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%	88.54%

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

**Schedule of District Contributions –
Florida Retirement System Pension Plan (1)**

	2017	2016	2015	2014
Contractually required FRS contribution	\$ 1,473,823	\$ 1,434,891	\$ 1,562,459	\$ 1,423,468
FRS contributions in relation to the contractually required contribution	(1,473,823)	(1,434,891)	(1,562,459)	(1,423,468)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 24,163,016	\$ 24,055,414	\$ 24,149,326	\$ 23,224,220
FRS contributions as a percentage of covered-employee payroll	6.10%	5.96%	6.47%	6.13%

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

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Health Insurance Subsidy Pension Plan (1)**

	2016	2015	2014	2013
District's proportion of the HIS net pension liability	0.077912301%	0.079600313%	0.078160280%	0.076962461%
District's proportionate share of the HIS net pension liability	\$ 9,080,356	\$ 8,117,980	\$ 7,308,177	\$ 6,700,594
District's covered-employee payroll	\$ 24,055,414	\$ 24,149,326	\$ 23,224,220	\$ 22,357,945
District's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	37.75%	33.62%	31.47%	29.97%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%	1.78%

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

**Schedule of District Contributions –
Health Insurance Subsidy Pension Plan (1)**

	2017	2016	2015	2014
Contractually required HIS contribution	\$ 401,177	\$ 399,350	\$ 304,282	\$ 267,751
HIS contributions in relation to the contractually required contribution	(401,177)	(399,350)	(304,282)	(267,751)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 24,163,016	\$ 24,055,414	\$ 24,149,326	\$ 23,224,220
HIS contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.26%	1.15%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Budgetary Basis of Accounting

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student 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.

2. Schedule of Funding Progress – Other Postemployment Benefits Plan

The October 1, 2016, unfunded actuarial accrued liability of \$3,660,678 was significantly lower than the October 1, 2014, liability of \$4,651,679 as a result of benefit changes and other changes in liabilities and costs as discussed below:

- *Population Changes:* The number of retirees currently receiving post-employment health benefits through the District core plan increased from 18 in the previous valuation to 32 this year. At the same time, the number of active employees eligible for future post-employment benefits decreased from 445 to 430. These combined population changes had an increasing effect on the costs and liabilities.
- *Initial Cost of Coverage:* The average cost of coverage provided to employees, retirees and their dependents increased from \$839 per subscriber per month (as expected for the year beginning October 1, 2014) to \$889 per subscriber per month for the year beginning October 1, 2016. This is lower than \$965 per employee per month projected for the current plan year at the time the prior valuation was performed. The slower-than-expected growth in the cost of coverage is partially attributable to the addition of a Minimum Value Plan option with lower premium rates. This change had a decreasing effect on the costs and liabilities.
- *Aging Factors:* The age grading factors used in the development of the Per Capita Costs to reflect rates at which medical costs increase with age of the member has been revised to be based on the results of the study published (June 2013) in *Health Care Costs – From Birth to Death* sponsored by the Society of Actuaries and authored by Mr. Dale H. Yamamoto. This change had a decreasing effect on the costs and liabilities
- *Medical Trend Assumptions:* We revised the assumed trend of medical/prescription cost and premium increases. It was assumed previously that costs and premiums would increase at a rate of 6.50 percent, 6.25 percent, 6.00 percent, and 5.84 percent for plan years beginning in 2017, 2018, 2019, and 2020, respectively. We are revising trend rates for costs and premiums charged to retirees for those years to be 7.25 percent, 7.00 percent, 6.75 percent, and 6.50 percent, respectively. Long term trend rates follow the same model as used before declining over a 20-year period from 6.25 percent assumed for the year 2021 to the ultimate level of 4.24 percent. This had a modest increasing effect on the costs and liabilities.
- *Discount Rate Assumptions:* Based on the District's discount rate selection, the discount rate used to calculate the present values and costs of the OPEB plan has been revised from 3.45 percent to 3.35 percent. According to GASB Statement No. 45, this rate must be the long-range expected return on such short-term fixed income instruments and is based on the recent trend in long term forecasts. This change had a modest increasing effect on the costs and liabilities.

3. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. The long-term expected rate of return was decreased from 7.65 percent to 7.60 percent, and the active member mortality assumption was updated.

4. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. The municipal bond rate used to determine total pension liability was decreased from 3.80 percent to 2.85 percent.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Wakulla County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal CFDA Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster:				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	17002	\$ -	\$ 437,903.72
National School Lunch Program	10.555	17001, 17003	-	1,391,933.36
Total Child Nutrition Cluster			-	1,829,837.08
Special Education Cluster:				
United States Department of Education:				
Special Education - Grants to States:	84.027			
Florida Department of Education		263	19,000.00	1,161,541.94
University of South Florida		None	-	91,500.00
Leon County District School Board		None	-	27,971.80
Total Special Education - Grants to States	84.027		19,000.00	1,281,013.74
Special Education - Preschool Grants	84.173	267	-	31,832.08
Total Special Education Cluster			19,000.00	1,312,845.82
Not Clustered				
United States Department of Agriculture:				
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.665	None	-	24,739.31
United States Department of Defense:				
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	73,670.95
United States Department of Education:				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	-	62,204.78
Title I Grants to Local Educational Agencies	84.010	212, 226	88,620.48	902,837.56
Career and Technical Education - Basic Grants to States	84.048	161	-	110,670.58
Improving Teacher Quality State Grants	84.367	224	3,137.70	190,991.17
Total United States Department of Education			91,758.18	1,266,704.09
United States Department of Health and Human Services:				
North Florida Child Development Inc.:				
Head Start	93.600	N/A	-	59,839.00
Total Expenditures of Federal Awards			\$ 110,758.18	\$ 4,567,636.25

The notes below are an integral part of this schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Wakulla County District School Board under programs of the Federal government for the fiscal year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance:
- (A) National School Lunch Program - Includes \$101,015.80 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Wakulla County District School Board, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2017, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the discretely presented component unit, as described in our report on the District's financial statements. For the discretely presented component unit, this report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the school internal funds were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
October 25, 2017



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

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

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

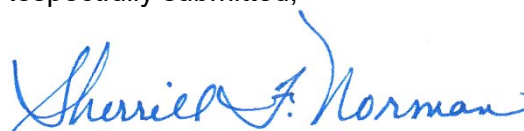
District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial 'S' and a distinct 'F'.

Sherrill F. Norman, CPA
Tallahassee, Florida
October 25, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major Federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major Federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major Federal program:

CFDA Numbers: Name of Federal Program or Cluster:
10.553 and 10.555 Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

PRIOR AUDIT FOLLOW-UP

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Attachment # 3

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

The title of the project is Wakulla Career Preparatory Academy (WCPA). It includes constructing a facility to allow students to receive their post-secondary credentials while receiving their high school diploma. The facility will adhere to the Southern Association of Colleges and Schools (SACS) requirements for students to receive a true college going experience while they are still in high school. There are currently buildings in Wakulla County that, in the past have offered dual enrollment courses, but this is no longer the case. Students must take 60 credit hours in order to attain their Associates of Arts (A.A.) degree, which is more than a few dual enrollment courses. A local facility would provide a collective impact to advance opportunity for economic relief in Wakulla County

In order for a student to earn their degree they need to be afforded all the same benefits of a college going campus, not just a location to take a few classes. Currently, in Wakulla County there is not a facility that can offer a full A.A. degree based on SACS requirements and what is best for the students, this is one of the reasons why the need for this project and school is so important.

WCPA and Wakulla County School Board (WCSB) will together employ an adequate number of full-time faculty members to support the mission and goals of this project, in addition, with support of Tallahassee Community College, this school will engage in ongoing, comprehensive, and integrated research-based planning that will focus on institutional quality and effectiveness for an A.A. degree. This school, if approved, will be a charter school for students in 11-12 grade during the school day and adult students in the evening. The location of the school will be close to the grounds of Wakulla High School, for a seamless transfer of students which is located at 3237 Coastal Highway, Crawfordville, Florida.

When students dual enroll for academic college credit courses while in high school the responsibility of payment rests on the school district the student is enrolled in. Wakulla County is a small rural area with a low median household income, several students who attend Wakulla schools are unable to provide transportation to a post-secondary institution or pay for the tuition of a post-secondary degree. "If you attend a public high school, your diploma will be free. An associate degree, however, requires enrollment at a college or university, where you'll have to pay tuition" (Thompson, V., 2017, Retrieved from <http://education.seattlepi.com/associate-degree-vs-diploma-1927.html>). For a family to avoid these costs gives an economic benefit to the student and the family as the cost of college tuition continues to increase. The cost annually to attend Tallahassee Community College is \$10,626, while it takes two years roughly to complete

an A.A. degree, this is a savings of \$15,252 per student who completes their A.A. through this charter for in state tuition (Retrieved from <http://www.collegesimply.com/colleges/florida/tallahassee-community-college/price/>).

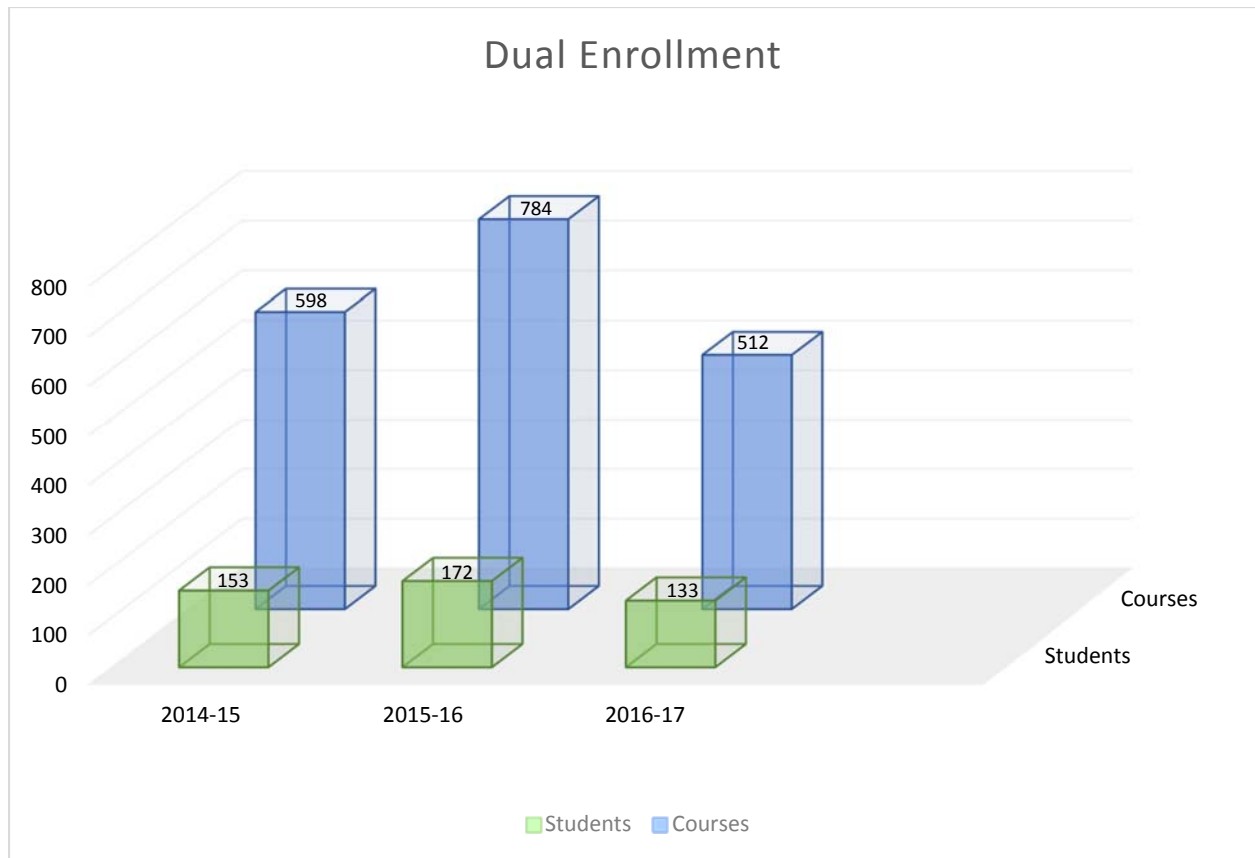
Through this specialized charter school, in partnership with Wakulla County School District (WCSB) and supported by Tallahassee Community College the community has the opportunity to bolster the availability for students to receive their A.A. degree with a substantial savings and a higher earning potential for the student. WCSB has a history of excellence with every educational initiative they began, this will be no different. WCSB has a proven reputation for dedication to their students, and would like to continue to add programs for diversification.

WCSB has been a leader in Northwest Florida for educational quality and has a clear track record. By partnering with Wakulla Career Preparatory Academy the economic benefits to the community can be maximized by providing a sustainable immediate economic impact enhancing the availability of education for all.

The number of courses and students who have dual enrolled in the past three years are below along with the median household and per capita income. The U.S. Census Bureau has data relating to Wakulla County from the census in 2010 and then again in 2015. As WCSB has incorporated a variety of dual enrollment courses for their students and community, graduation rate has increased along with household income. Quantitative evidence of economic recovery is demonstrated below:

Wakulla County Income

	2010	2015	2016
Median Income	\$37,149	\$50,340	No Data
Per Capita Income	\$17,680	\$20,823	No Data
WCSB Graduate	70%	78.1%	86.9%



Future evidence of economic impact will come from a continued effort to collect data on graduation rate, post-secondary enrollment and census data.

The timeline for movement and construction on the project will begin immediately upon approval and end 22 months from start.

The county most impacted by this proposed project is Wakulla. Students from surrounding counties may also attend Wakulla Schools through controlled open enrollment or TCC admissions.

Attachment # 4

3. Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.

Northwest Florida Forward is focused on economic vitality and growth in our Florida Panhandle. Their focus areas include enhancing talent, business vitality, infrastructure, entrepreneurship and innovation and quality of place. They incorporate a regional strategy to help transform their 13-county region, Wakulla County being one of them. Wakulla County School District (WCSB) in partnership with Wakulla Career Preparatory Academy (WCPA) mirrors each of these focus areas. The potential for a free education for an Associates of Arts (A.A.) degree while at the same time graduating from high school is establishing an employer-driven workforce and helping create a pipeline of well-prepared students. Over the next ten years, due in part to the approval of this project, we expect to see the median household income increase as well as connect students with an A.A the opportunity to continue on for a Bachelors of Arts/Science or potentially post-graduate work. The proposed project will be a stimulus for transformation in the following ways:

- Construction of a state of the art post-secondary building to provide a college going experience for all students receiving their A.A. This will be sustainable without further request for funds due to student enrollment and success in the program. The structure and program will be new to our region to provide a ripple effect for increase in median household income due to the families of the students incurring zero cost and an increase in students enrolling in post-secondary course work.
- Increase in pathways for students to access college.
- Increase county graduation rate for high school and A.A.
- Provide availability for residents beyond high school to receive degrees

4. Describe data or information available to demonstrate the viability of the proposed project or program.

WCSB and WCPA along with support from Tallahassee Community College (TCC) will partner on all aspects of the educational and maintenance components of the facility. WCSB is in the service are for TCC, dual enrollment and early admission to college programs in Wakulla County are in place and are ready to grow as demonstrated by community and student desire. The target is to increase the output of transferable skills and maximize economic benefits for community members. When the facility is constructed, it will generate a high local impact as well as a quantitatively measured return on investment in both human capital and results in increased educational opportunities. Data used to demonstrate the viability will include student enrollment, student completion, monetary savings for families, graduation rate for both high school and post-secondary and bachelor degree articulation after students receive their A.A. By creating the ability for students to receive a free college education including textbooks will maximize economic benefits and regional assets. Education works on the input and output sides

of the equation. The supply side of the equation will result in a more trained workforce and a better educational experience for young and adult learners in Wakulla County.

All utility expenses, personnel, and maintenance of the facility will be the responsibility of WCSB and WCPA.

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

Impacts to Wakulla County will be measured long term through the following:

- U.S. Census Bureau with regards to increase median household income
- Increase in students earning the A.A
- Increase in graduation rate
- Increase in number of students entering either 2-year, 4- year or post-secondary CTE programs

Each of the above impacts can be quantitatively defined and measured as this project moves forward.

Attachment # 5

6. Describe how the proposed project or program is sustainable. (Note: sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

Funding is requested to construct a facility for Wakulla County students to earn their A.A. The maintenance, staffing, utility resources and all other fees for future use will be assumed by WCSB and WCPA as part of the regional strategic initiative Northwest Florida Forward has put into place to increase output of citizens ready for the workforce in the targeted areas.

7. Describe how the deliverables for the proposed project or program will be measured.

- A. Students receive their Associates of Arts degree while in high school
 - Measured through students completing high school with A.A.
- B. Families of students in Wakulla Preparatory Academy will save apr \$15,000.00 per student for the attainment of an A.A. while in high school
- C. Student enrollment in programs
 - Number of students exposed to curriculum
- D. Increase in number of post-secondary degrees earned by Wakulla County residents
 - Measured by residents receiving post-secondary degrees.
 - Measure enrollment in 4-year and/or post graduate work; track data and analyze

Attachment # 6

Priorities

2. Please explain how the proposed project meets the priorities identified.

- *Increase household income in the disproportionately affected counties above national average household income.*

The U.S. Census Bureau reported that in September 2017 the national median household income was \$59,039 in 2016. In 2015 the median household income for the United States was \$55,775. Wakulla County had a median household income of \$50,340. Florida itself in 2014 and 2015 did not match the national average household income (U.S. Census Bureau, September 2016). It is important to note that while Wakulla County is increasing their median household income and this project will help stimulate this movement, it may be years before Wakulla County or Florida match that of the rest of the United States.

- *Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.*

Two entities are partnering on this project to invest in the residents of an underserved disproportionally affected area. Wakulla Career and Preparatory Academy and Wakulla County School Board (WCSB). Colloquially, education is described as an asset due to its power to increase cash flow. Education enhances the value of human capital and future income, relating directly to the first priority mentioned in attachment #6, education is the path for increasing income.

- *Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.*

Wakulla Career Preparatory Academy is partnering with Wakulla County School Board with support from Tallahassee Community College to submit this proposal on behalf of 5,500 students in Wakulla County.

- *Are recommended by the board of county commissioners of the country in which the project or program will be located.*

See attachment # 1, also shown below. This is project #2 on the recommendation list.



**BOARD OF
COUNTY COMMISSIONERS**

Ralph Thomas
Chairman, District 1

Mike Stewart
Vice-Chairman, District 3

Randy Merritt
District 2

Jerry Moore
District 4

Charles Hess, Ph.D.
District 5

J. David Edwards
County Administrator

Heather J. Encinosa
County Attorney
(850) 224-4070

Office of Intergovernmental Affairs
Post Office Box 1263
Crawfordville, FL 32326
(850) 926-0919 x 705
www.mywakulla.com

November 6, 2017

Mr. Alan Bense, Chairman
Triumph Gulf Coast, Inc.
Post Office Box 12007
Tallahassee, Florida 32317

Dear Chairman Bense,

The Wakulla County Board of County Commissioners (Board) held a workshop on October 30, 2017, for the purpose of discussing Triumph Gulf Coast, Inc. (Triumph) funds, project criteria, and to provide a venue for our boards of elected officials and citizens to present projects for Board consideration and recommendation to Triumph pursuant to statute.

We were very appreciative of Jason Shoaf and Scott Remington taking time to attend our Workshop. Their input and response to questions certainly exceeded expectations and contributed to the success of our Workshop.

The Board met on November 6, 2017, to finalize its initial list of recommended projects for Triumph funding and identified five priority projects that can be implemented quickly and provide optimum results for the funding being requested. The County's five priority projects below align with existing local strategic and planning documents and the Great Northwest Florida Forward strategic plan.

1. Wakulla Career and Technical Education Center
2. Wakulla County Learning Center
3. First Responder Communication System
4. New County Library
5. ADA Compliant Kayak/Canoe Launch – St. Marks City Park

Summary information on each project is provided in the enclosed list of Board recommended projects for Triumph funding as of November 6, 2017. The forthcoming Pre-Screening Application for each of the projects will provide further information.

It is anticipated that the Board will update its list of recommended projects from time to time as projects are funded or as priorities shift

Mr. Alan Bense
Page Two
November 6, 2017

to reflect current needs and conditions. Your consideration of each of our projects is greatly appreciated.

We look forward to hosting the November 8th Triumph Board meeting in Wakulla County. Please contact me if you have any questions or need additional information.

Sincerely,


Ralph Thomas
Chairman

RT/stk

Enclosure

Cc:

Mr. Bobby Pearce, Wakulla County School Board

Ms. Gail Gilman, City of St. Marks

Ms. Dana Peck, Wakulla Commercial Fishermen's Association

Mr. Bob Ballard, WEI



Attachment # 7

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

- Transformation for the future is in human capital. Education is the gateway to increase the earning potential for residents in the Northwest Florida region. This project promotes and encourages an increase in education and credentials for this area.
- This project will begin immediately after the application is approved.
- With individuals graduating with A.A. degrees a ripple effect will begin to appear, we will be able to measure through the help of the U.S. Census Bureau the effect on regional average household income.
- Alignment with Northwest Florida FORWARD regional strategic initiative will come into play with their "implementation Planning Phase" which follows an implementation matrix for carrying out strategies and actions to help implementation of projects and economic restoration (*Northwest Florida Forward, 2017, p 2*)
- Wakulla Career Preparatory Academy and Wakulla County School Board will focus on promoting talent and innovation to its community and students.
- Florida's Rural Areas of Opportunity (RAO's) in the Northwest region include Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Wakulla and Washington counties (Florida Department of Economic Opportunity, *Floridajobs.org/business-growth*, 2017).
- WCSB, in Wakulla County, is partnering with WCPA to help provide this opportunity. Any student who attends Wakulla Public Schools and qualifies for dual enrollment is allowed to move in this direction. Students are allowed to move across county lines for school choice, and therefore these programs have the ability to make a more regional. This data can be tracked through enrollment.
- The ability for a student to receive their A.A. on a high school campus, but in a different post-secondary building are rare across the regions. There are only a few in the State of Florida. Doral Academy Preparatory in Miami-Dade is one of them.
- If funded, Wakulla County will harbor a unique asset in the region that can leverage regional growth for residents planning to continue their education, not only students, but community members as well.
- The long-term financial sustainability after the initial funding from Triumph Gulf Coast will come from student enrollment in the program.
- WCSB is prepared and able to use \$375,000 to help fund this project as a local investment in the school system.
- The program is supported by the Wakulla County Board of County Commissioners.
- Metrics will be quantitative. Student enrollment, students graduating with their A.A., along with continued post-secondary enrollment or entry into another institution of higher education.

- A deliverable-based payment system will be created when funding is awarded. This will include draws for construction, renovation, and a clear time-line of follow-up with student achievement data.
- Due to the investment of the school district to its students and the permanent structure of the building on Wakulla High School's campus along with the partnership of WCPA and support of TCC, the capacity for regional economic growth is unlimited.
- All programs in Wakulla County are taught with safety and the environment in mind. Specific sections of curriculum are introduced throughout the standards to help ensure students understand implications in their chosen field to the environment.

GULF TRIUMPH PROPOSED PROJECTS
WAKULLA COUNTY SCHOOL BOARD
CASH FLOW ANALYSIS as of November 2017

**CASH FLOW
REQUIRED FROM
GULF TRIUMPH**

**CASH
OUTFLOW**

CASH INFLOW

TOTAL					
Month	Description of Services	Monthly	Cumulative	PROJECT Wakulla Career Prep Academy	DONATION BY SCHOOL BOARD
1	Design of all Planned Structures	\$ 32,010.00	\$ 32,010.00	50,760.00	(18,750.00)
2	Design of all Planned Structures	\$ 32,010.00	\$ 64,020.00	50,760.00	(18,750.00)
3	Design of all Planned Structures	\$ 32,010.00	\$ 96,030.00	50,760.00	(18,750.00)
4	Design of all Planned Structures	\$ 32,010.00	\$ 128,040.00	50,760.00	(18,750.00)
5	Design of all Planned Structures	\$ 32,010.00	\$ 160,050.00	50,760.00	(18,750.00)
6	Design of all Planned Structures	\$ 32,010.00	\$ 192,060.00	50,760.00	(18,750.00)
7	Design of all Planned Structures	\$ 32,010.00	\$ 224,070.00	50,760.00	(18,750.00)
8	Design of all Planned Structures	\$ 32,010.00	\$ 256,080.00	50,760.00	(18,750.00)
9		\$ -	\$ 256,080.00		
10		\$ -	\$ 256,080.00		
11		\$ -	\$ 256,080.00		
12		\$ -	\$ 256,080.00		
13		\$ -	\$ 256,080.00		
14		\$ -	\$ 256,080.00		
15		\$ -	\$ 256,080.00		
16		\$ -	\$ 256,080.00		
17		\$ -	\$ 256,080.00		
18		\$ -	\$ 256,080.00		
19		\$ -	\$ 256,080.00		
20		\$ -	\$ 256,080.00		
21	Construction of Career Prep	\$ 428,370.02	\$ 684,450.02	447,120.02	(18,750.00)
22	Construction of Career Prep	\$ 428,370.02	\$ 1,112,820.03	447,120.02	(18,750.00)
23	Construction of Career Prep	\$ 428,370.02	\$ 1,541,190.05	447,120.02	(18,750.00)
24	Construction of Career Prep	\$ 428,370.02	\$ 1,969,560.07	447,120.02	(18,750.00)
25	Construction of Career Prep	\$ 428,370.02	\$ 2,397,930.08	447,120.02	(18,750.00)
26	Construction of Career Prep	\$ 428,370.02	\$ 2,826,300.10	447,120.02	(18,750.00)
27	Construction of Career Prep	\$ 428,370.02	\$ 3,254,670.12	447,120.02	(18,750.00)
28	Construction of Career Prep	\$ 428,370.02	\$ 3,683,040.13	447,120.02	(18,750.00)
29	Construction of Career Prep	\$ 428,370.02	\$ 4,111,410.15	447,120.02	(18,750.00)
30	Construction of Career Prep	\$ 428,370.02	\$ 4,539,780.17	447,120.02	(18,750.00)
31	Construction of Career Prep	\$ 428,370.02	\$ 4,968,150.18	447,120.02	(18,750.00)
32	Construction of Career Prep	\$ 428,370.02	\$ 5,396,520.20	447,120.02	(18,750.00)

Attachment # 9

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

- Per Florida Statute 1001.42 Powers and duties of district school boards, the Wakulla County School Board is responsible for the execution of plans and operation of the school of the district. This includes Charter applications and schools.
- Also attached is a letter from Wakulla Career and Preparatory Academy.



Wakulla Career Preparatory Academy

1262 Arran Road

Crawfordville, Florida 32327

850.933.8195

December 5, 2017

To Triumph Gulf coast Board:

Wakulla Career Preparatory Academy is dedicated to the success of students in Wakulla County. A request for funding from Triumph is being made on behalf of Wakulla County residents to maximize economic benefits in the area. Children will influence the labor force and are our most productive assets. By partnering with Wakulla County School Board we have the ability to create and sustain new activity in the region with a high local component.

Education is the most transferrable skill a person can possess and something that cannot be removed once attained. This is an opportunity to work in tandem with the labor force and higher education to capitalize on student potential.

The intent of this facility is to offer the availability for students to receive their Associates of Arts degree at no cost to their family and increase the number of students that can have this opportunity without barriers that a rural community creates. This is an exciting endeavor and we hope the Triumph Gulf Coast Board agrees.

Sincerely,

Victoria Benton
Chief Executive Officer
Wakulla Career Preparatory Academy

Education

Opportunity

Success

Attachment # 10

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

According to the Economic Security Report released in March of 2017, the median first-year earnings of a student with an A.A degree is \$36,176 (see attachment 10.1). Types of jobs can range anywhere from technician to general business to a step towards medical and law degrees. With an A.A. degree students can then transition into Bachelor degree programs, Master and Doctoral degrees.

The difference in a student with a high school diploma and an A.A. in earning potential is exhibited throughout the Florida Database Warehouse. The Fall 2015 findings of 2014-2015 public high school graduates with a standard diploma show that only 15% make wages between \$8.05 and \$14.61 whereas students with an A.A. show 29% making those wages with the percent of earning less than \$8.05 per hours decrease by more than 30% for a student with a bachelor's degree only 23% make \$8.05 per hr. (2017, March Florida Education & Training Placement Information Program FETPIP <http://www.fldoe.org/core/fileparse.php/7592/urlt/AORPublicationForWeb1415.pdf>).

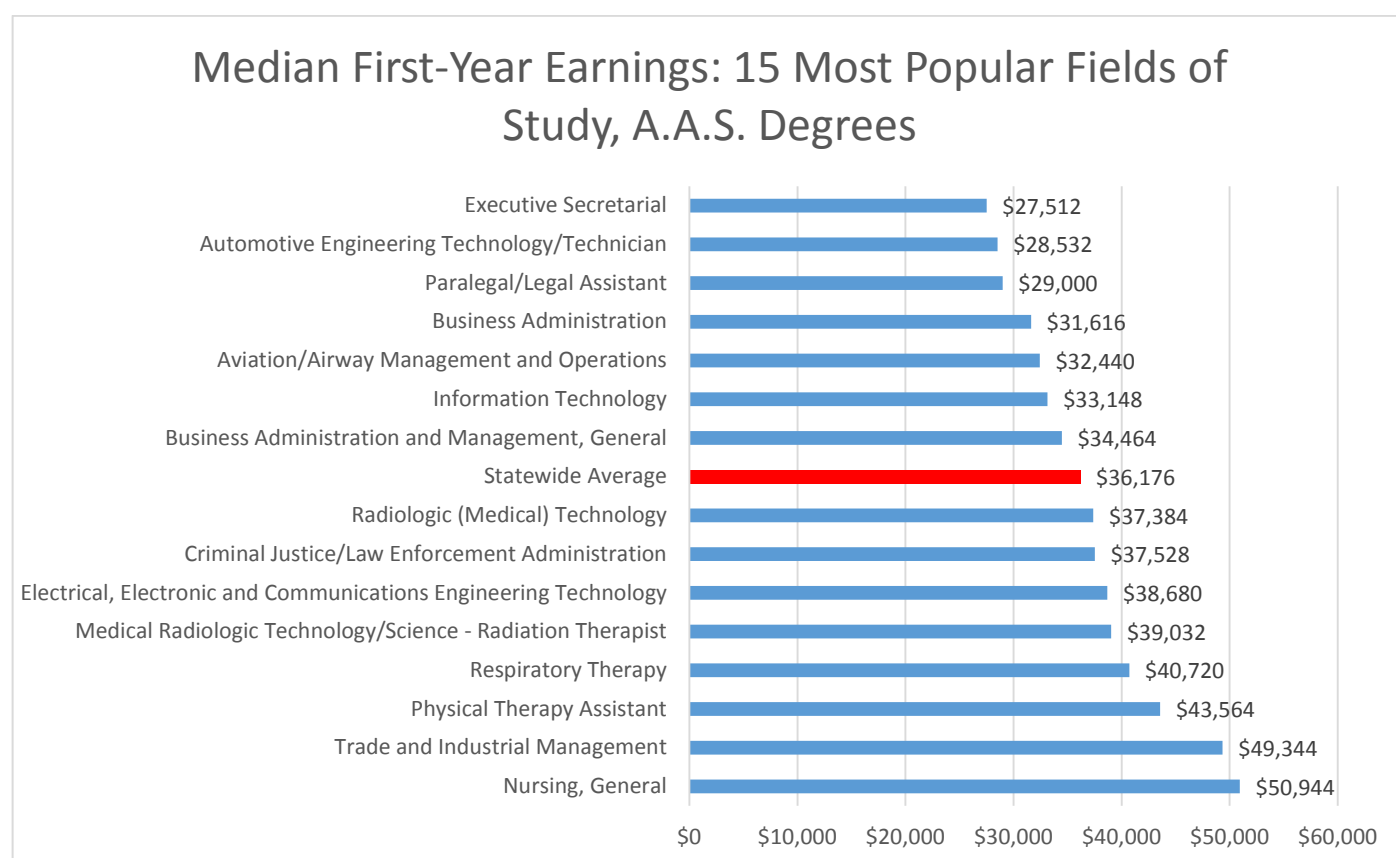
The ability for students to access a post-secondary degree while in high school maximizes economic benefits for the students, students' family and future family. If, given a change to influence productivity and increase productive assets for the community with skills that can transfer regionally and have a high return on investment, students will accept.

Measuring the Economic Success of Florida's Graduates

The Economic Security Report provides students, parents, and others with information on graduates of Florida's public institutions of higher education, including the State University System (SUS), Florida College System (FCS) and District Technical Centers (DIST).¹

Degrees and certifications matter – the more you learn, the more you earn. Increased levels of educational achievement provide a boost in earnings power.

Typically, the type of degree selected will be associated with earnings potential as well. The chart below shows earnings for various associate of applied science degrees at the FCS level.² As indicated in the chart, a student's career choice and field of study can greatly impact the student's long-term earnings potential.

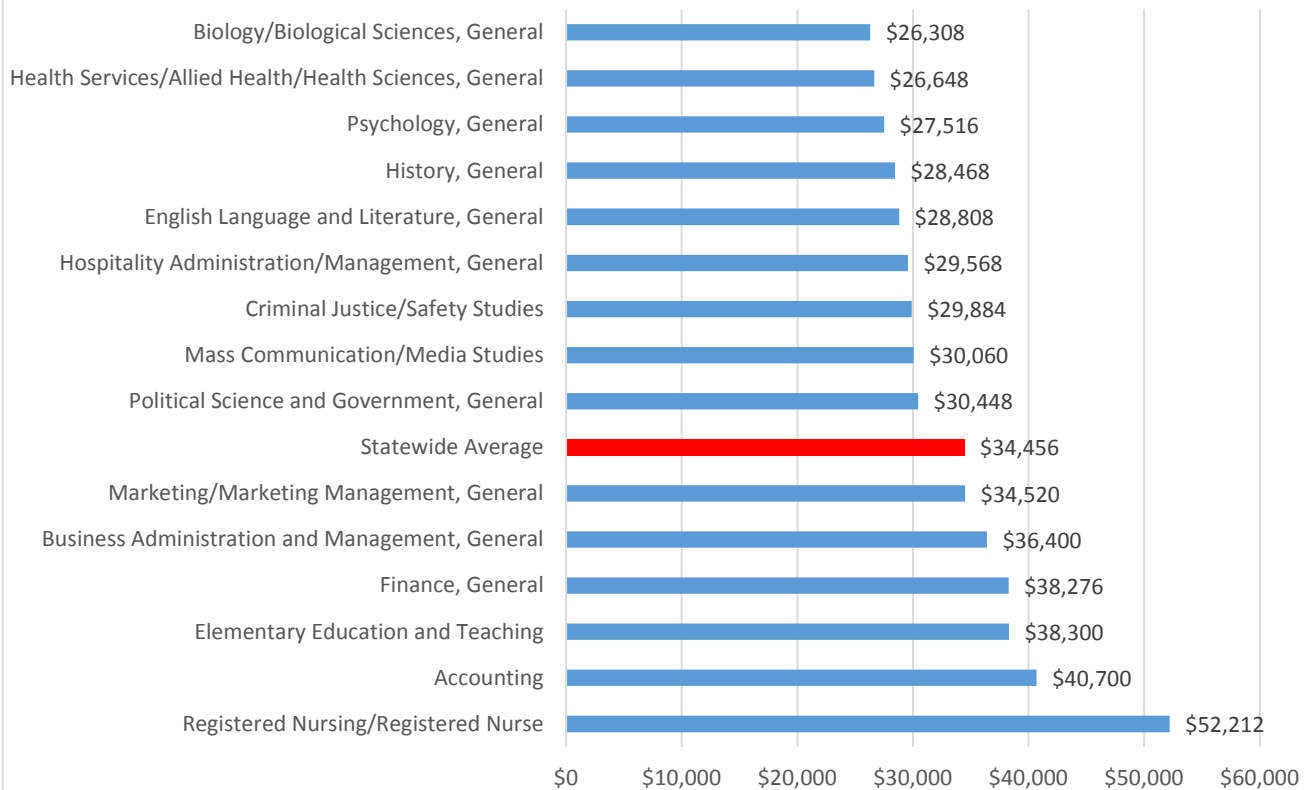


A wide variation in earnings is also true for graduates with a bachelor's degree. While personal interest and other factors should drive choice of institution and major, understanding the earnings of recent bachelor's graduates will aid students in choosing a program to meet their long-term career goals. The chart below shows the 15 most popular bachelor's programs in 2013-2014 by earnings.

¹ The data source for information in this summary report is the Florida Department of Education's Florida Education and Training Placement Information Program (FETPIP).

² Data represents the median initial earnings for 2013-2014 graduates the first year after graduation.

Median First-Year Earnings: 15 Most Popular Fields of Study, Bachelor's Degrees



Although each graduate's success reflects a variety of factors – such as their background, the local job market, and where they choose to live – www.beyondeducation.org and the Economic Security Report provide valuable information for students and parents to consider when exploring education and career choices.

Attachment #11

Wakulla Career Preparatory Academy			
Quantity	Space	NSF/Space	Total NSF
1	Communications Classroom	1,000	1,000
1	Humanities Classroom	1,000	1,000
1	Math Classroom	1,000	1,000
2	Science Classrooms	1,000	2,000
1	Science Lab	1,250	1,250
1	Chemical Storage	400	400
1	Social Science Classroom	1,000	1,000
2	Elective Classrooms	1,000	2,000
2	Computer Labs	800	1,600
1	Library	1,600	1,600
1	Bookstore	400	400
1	Student Lounge	650	650
1	Student Services Area	400	400
1	Advising/Retention/Counseling Area	400	400
12	Offices	120	1,440
3	Sub Waiting Areas	150	450
2	Admin Office	200	400
1	Conference Room	200	200
1	Storage Rooms	400	400
1	Student Records (Fireproof)	250	250
1	Main Reception Area	800	800
2	Restrooms	400	800
Subtotal			19,440
Net/Gross Conversion (35% - Includes MP&E & Circulation)			26,244

WAKULLA COUNTY SCHOOLS			
Wakulla Career Preparatory Academy			
COST ANALYSIS - 10-23-17			
NEW CONSTRUCTION - TOTAL GSF			26,244
COST PER GSF			\$180.00
TOTAL CONSTRUCTION PROJECT COST			\$ 4,723,920
Professional Fees (Architectural, Mechanical, Electrical, Plumbing, Structural, etc.)		\$	357,601
Reimbursables (Civil, Survey, Geotechnical, Environmental, etc.)		\$	100,000
Fixtures, Furniture & Equipment		\$	150,000
Low Voltage Wiring/Equip for Data, A/V, Security, etc.		\$	100,000
Electronics (Touchpanels, Overhead Projectors, smartboards, etc.)		\$	75,000
Permitting Fees (Environmental & Building)		\$	50,000
Extend Driveway & Parking (50 Parking Spaces)		\$	100,000
Fencing		\$	25,000
Utility Extension - Water		\$	30,000
Extend Sewer & Lift Station		\$	60,000
Total Project Cost Estimate		\$	5,771,521

Attachment # 12

- A. Will this proposal support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties? If yes, please identify where the campuses are located and provide details on how the proposed programs will prepare students for future occupations and at which K-20 institutions that programs will be provided.

Yes, this proposal will support programs that prepare students for future occupations and careers. Currently access to an A.A. degree requires a financial commitment from the family of the student along with transportation other expenses that occur while a student is in college. Wakulla County graduated nine students that received their A.A. concurrently with their high school diploma. This number is too low and the purpose of this funding request is to greatly increase that number. Teachers located in the facility will have credentials to teach courses students need to complete their post-secondary degree with no cost to themselves or their families, all books, tuition and fees will be covered. This benefits the student along with the family due to the cost alone of a post-secondary degree. In addition, with support of TCC the facility may be open in the evening to offer course to local community members for completion of their degree as well. The convenience, cost effectiveness and potential to

This facility will be located at 3237 Costal Highway, Crawfordville, Florida. This is the same campus as Wakulla High School, so students have easy access to the facility for transition into a new program.

- B. The proposed program will:

I. *Strengthen career readiness initiatives*

Based on the Northwest Florida's economic development strengths, weaknesses, opportunities, and threats (SWOT) analysis, Wakulla's opportunities include strengthening the regional economy beyond military and tourism to include the education system (*Northwest Florida Forward Strategic Plan, 2017, p. 6*). The funding associated with this legislation can pave the way for citizens to increase their diversification regarding enrollment and completion of post-secondary degrees. One of the goals for the region is to "increase employability skills training programs to reduce employment barriers for all students and adults, with a particular focus on underserved populations. (*Northwest Florida Forward Strategic Plan, 2017 p. 8*). Wakulla County has only 16.6% of its population that has earned a Bachelor's degree or higher with a civilian labor force of 56.5% (2016, July 1) United States Census Bureau. Retrieved from <https://www.census.gov/quickfacts/fact/table/wakullacountyflorida/PST04521> The intent of this funding is to provide a solid path for residents to move forward with education and job training and increase the civilian labor force.

II. *Fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors*

Each student will have the opportunity to enroll in a post-secondary program while in high school during their 11th/12 grade. The emphasis for completion of their A.A. relates directly to the overarching goal of continued education and economic stability to merge into a Bachelors and down the road a Master level program.

III. *Encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida college System institution within the disproportionately affected counties*

Students enrolled in the programs will meet their high school graduation requirements along with their A.A. requirements. Advisors will work with students to clearly map out an education plan regarding the students' primary interest. STEM disciplines along with other valued education goals will be charted to continued post-secondary work. This helps to cultivate not only the academic side of the student, but the skill development of the employee. Students who attend these courses will have a clear purpose and direction for their future and standards such as creativity and innovation are embedded into both programs.

C. Will this proposal provide participants in the disproportionately affected counties with transferable, sustainable workforce skills but not confined to a single employer?

Yes. The facility will contain a fully functioning post-secondary campus for students enrolled to experience a college going atmosphere separate from their high school. house two separate programs with plans to continue to add programs based on need and funding. Due to the number of standards and skills required for students to earn their certifications, they will be able to take pieces to other areas of interest. Such as careers in electricity, different areas of manufacturing, and securing environmental resources.

Attachment # 13

Provide a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote:

- Economic recovery
- Economic diversification
- Enhancement of the disproportionately affected counties
- Enhancement of a Targeted Industry

Economic recovery

Economic recovery is a phase in which an economy regains and/or exceeds peak employment and output levels achieved prior to downturn, specifically speaking, Wakulla County recovery (2018, February) Retrieved from <http://www.investinganswers.com/financial-dictionary/economics/economic-recovery-5765>. In 2014, Wakulla School District had 1222 students in its one high school; in 2018, it holds 1467. This 20% increase in student population can be attributed to a number of factors, one of which includes the number of dual-enrollment and career and technical course offerings made available in a public education setting in Wakulla County over the last four years. In 2014, approximately 75 students were dual-enrolled. In 2018, over 150 students take dual-enrollment courses through Tallahassee Community College (TCC). Over the last four years, Wakulla County has more than tripled its course offerings through dual-enrollment to meet student demand. Last year, eight students graduated from WHS with their Associates in Arts degree. These numbers indicate a unique and persistent interest among Wakulla residents for dual-enrollment opportunities, an interest largely resulting from the socioeconomic make-up of its Title 1 school district whose families financially depend on these opportunities.

As a high-performing “A” school district, Wakulla County is home to a number of motivated, capable students who consistently qualify for dual-enrollment, yet as a rural county, it lacks access for all its students to the resources and courses housed on TCC’s home campus. For this reason and with Triumph’s support, WCSB and WCPA will be able to best serve its student population by offering a full college going facility to replicate the college atmosphere and teach post-secondary curriculum while students are inspired and encouraged about life and school.

This proposal is interconnected with household income, Northwest Florida Forward Talent strategies and a continued drive to establish a strong base for Wakulla County. The primary goals for this project are to educate students without cost to their family, increase opportunity, while at the same time increasing their overall mean household income for generations.

Economic diversification

The range of economic outputs will be measured by the increase in the number of students graduating with an A.A. degree in Wakulla County. Potentially, if the facility can be open in the evenings with TCC support outputs could also be measured by the increase in number of non-traditional students from Wakulla County graduating with an A.A. In addition, the tracking of students who then enter the workforce or continue to a bachelor’s degree can be quantitatively measured to identify an increase in workforce potential. Ultimately, the goal is to increase the number of Wakulla residents, students and

non-traditional students alike that have the resources to complete post-graduate degrees. This facility located in Wakulla County will eliminate the need for travel, saving both money and time for residents who lack both.

HIGH SCHOOL/A.A. GRADUATES IN WAKULLA COUNTY

	A.A.
2015	1
2016	2
2017	8
2018	3
2020	25
2021	45

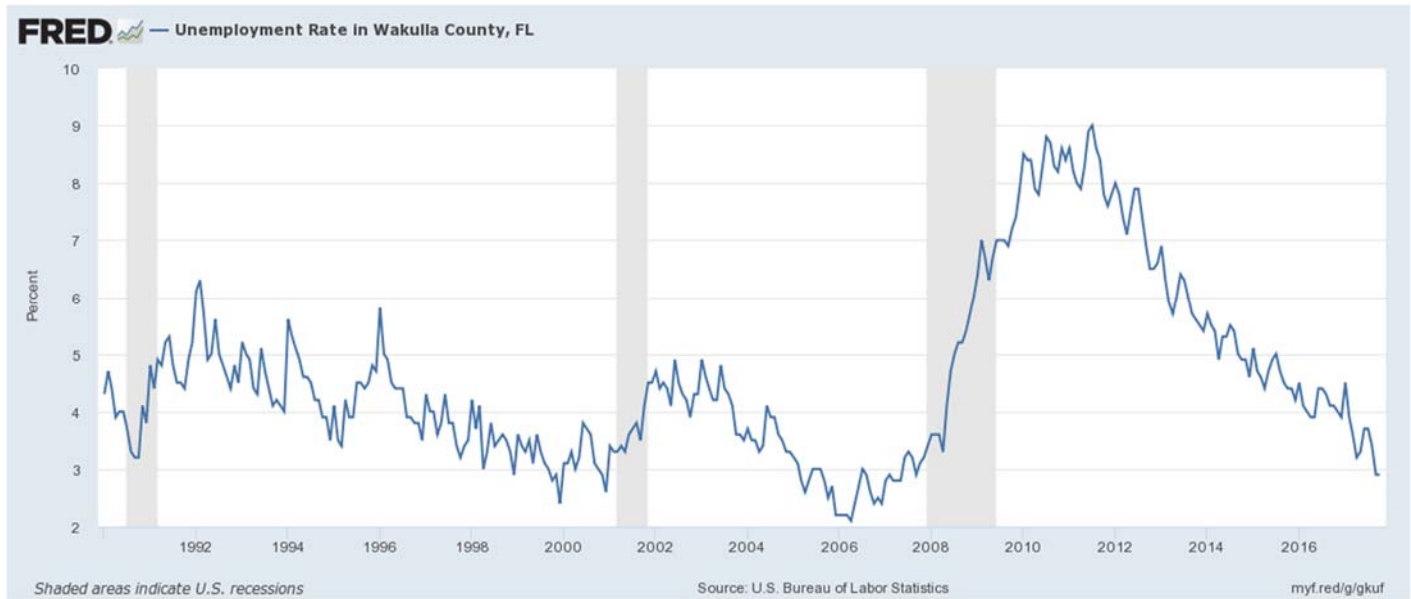
The highest number Wakulla County has graduated with their A.A. occurred in 2017. In 2018 there is only an anticipation of three students graduating with this same honor. There are barriers for students receiving this degree which include transportation, their requirement to work to help their family, child care and overall access. These are the barriers WCSB and WCPA need to eliminate. Economic diversification will be attained as students earn more and more post-secondary degrees.

Enhancement of the disproportionately affected counties

The main enhancement the affected counties will have is a highly trained workforce with transferable skills along with an increase in employment rate. The graph below depicts the unemployment rate in Wakulla County, Florida. Wakulla hit an all-time high in unemployment in 2011/2012 and slowly is recovering (*FRED Economic Research, 2017, <https://fred.stlouisfed.org/series/FLWAKU9URN>*). While unemployment rates are decreasing, now is the time to focus on an increase for median household income.

According to the Small Area Income and Poverty Estimates: 2016 (SAIPE) generated by the U.S. Census Bureau in November 2017 the median household income of Wakulla County in 2016 was between \$22,045 to \$38,958 with the national average being \$57,617 to \$67,967. The percent change in the median household income of Wakulla from 2015 to 2016 was -7.7 to -1.8. This helps create a 19.2 to 24.4% poverty rate for Wakulla while the rest of the nation is resting at a 14.0 to 19.1% poverty rate (*Gann, C., Bowers, L., Mouser, J, Taciak, J. Small Area Income and Poverty Estimates:2016, <https://www.census.gov/content/dam/Census/library/publications/2017/demo/p30-02.pdf>*)

WCSB is charged with the responsibility of educating its community and preparing their graduates for post-secondary education or the workforce. With additional educational programs in place not only will Wakulla see an increase in median household income, but may also move to a state of less poverty.



Enhancement of a Targeted Industry

Industries targeted in the Northwest Florida Forward strategic report all have one thing in common, they are STEM related fields. Science, Technology, Engineering and Math are the foundation of the future. Enhancement of these industries required a sound base of instruction regarding critical thinking and problem solving skills. To bolster the economy are target areas in need, programs can be created. The talent pipeline for areas such as aerospace, finance, cyber security and advanced manufacturing are all listed as targeted industries. (*Northwest Florida Forward Strategy Report, pg III*).