

STATE OF FLORIDA AUDITOR GENERAL

Financial and Federal Single Audit

Report No. 2025-143
March 2025

**ST. LUCIE COUNTY
DISTRICT SCHOOL BOARD**

For the Fiscal Year Ended
June 30, 2024



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2023-24 fiscal year, Dr. Jon R. Prince served as Superintendent of the St. Lucie County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Debbie Hawley, Chair from 11-14-23, Vice-Chair through 11-13-23	1
Jack Kelly, Vice-Chair from 11-14-23	2
Dr. Donna Mills	3
Jennifer Richardson	4
Troy Ingersoll, Chair through 11-13-23	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 Daria L. Ermakova, CPA, and the audit was supervised by Clare Waters, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the St. Lucie County District School Board (District) 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 the 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 obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. Our audit objectives were also to obtain reasonable assurance about whether material noncompliance with applicable Federal awards requirements occurred, whether due to fraud or error, and to express an opinion on the District's compliance based on our audit. In doing so, we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements and material noncompliance with Federal awards requirements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an understanding of internal control relevant to the audit 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 District's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and accompanying Schedule of Expenditures of Federal Awards.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

- 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.
- Determined whether corrective actions were taken for the finding included in the previous audit report.
- Assessed the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the District.

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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Lucie County District School Board, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Lucie County District School Board, as of June 30, 2024, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the school internal funds, which represent 4 percent, 1 percent, 5 percent, 7 percent, and 8 percent, respectively, of the assets, liabilities, net position and fund balance, additions and revenues, and deductions and expenditures of the aggregate remaining fund information as of June 30, 2024. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns as of June 30, 2024. The financial statements of the school internal funds and the aggregate discretely presented component units 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 financial statements of the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Changes in the District's Total OPEB Liability and Related Ratios**, **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** be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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. Such information 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. The 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 GAAS. 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 our report dated March 12, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 12, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the St. Lucie 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, 2024. 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 2023-24 fiscal year are as follows:

- In total, net position increased \$18,171,787 in comparison to an increase of \$55,021,895 in the 2022-23 fiscal year.
- General revenues total \$687,764,377, or 95.3 percent of all revenues, as compared to \$626,190,194, or 95 percent in the 2022-23 fiscal year. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$33,828,391, or 4.7 percent of all revenues, as compared to \$32,853,607, or 5 percent, in the 2022-23 fiscal year.
- Expenses total \$703,420,981 as compared to \$604,021,906 in the 2022-23 fiscal year. Only \$33,828,391 of these expenses was offset by program specific revenues, with the remainder paid from general revenues.
- The assigned fund balance for the General Fund was \$7,878,370 and the unassigned fund balance for the General Fund was \$22,139,861. The sum of the assigned and unassigned fund balances of the General Fund, representing the net current financial resources available for general appropriation by the School Board, totaled \$30,018,231 at June 30, 2024, or 6.3 percent of General Fund expenditures. The prior year sum of the assigned and unassigned fund balances in the General Fund was \$31,009,407, or 7 percent of total General Fund expenditures.

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 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 such as basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents the St. Lucie County Education Foundation, Inc., Renaissance Charter School of St. Lucie, Renaissance Charter School at Tradition, Somerset College Preparatory Academy, Somerset Academy St. Lucie, Somerset Academy Bethany, Tradition Preparatory High School, and Independence Classical Academy, Inc. as discretely presented component units. Although legally separate organizations, these component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

The St. Lucie School Board Leasing Corporation (Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of 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 entity-wide 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 – Other Federal Programs Fund, Special Revenue – Federal Education Stabilization 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.

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 custodial funds to account for school internal funds which are used to account for moneys collected at the schools in connection with school, student athletic, class, and club activities.

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 total other postemployment benefits (OPEB) and net pension liabilities.

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, 2024, compared to net position as of June 30, 2023:

Net Position, End of Year

	Governmental Activities	
	6-30-24	6-30-23
Current and other assets	\$ 491,745,360	\$ 313,229,413
Capital assets	607,131,560	552,251,244
Total Assets	1,098,876,920	865,480,657
Deferred Outflows of Resources	102,578,211	108,319,201
Long-term liabilities	658,142,227	457,350,865
Other liabilities	37,604,457	26,358,818
Total Liabilities	695,746,684	483,709,683
Deferred Inflows of Resources	15,286,303	17,839,818
Net Position:		
Net investment in capital assets	427,936,894	389,117,812
Restricted	289,094,059	251,421,127
Unrestricted (Deficit)	(226,608,809)	(168,288,582)
Total Net Position	\$ 490,422,144	\$ 472,250,357

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. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position was primarily the result of accruing \$319,262,628 in net pension liability.

Current and other assets increased primarily due to unspent proceeds from the issuance of certificates of participation (COPS), Series 2023A. The issuance of these COPS also increased long-term liabilities.

Capital assets increased due to ongoing construction projects.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2024, and June 30, 2023, are as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-24	6-30-23
Program Revenues:		
Charges for Services	\$ 6,058,534	\$ 5,334,525
Operating Grants and Contributions	25,850,950	25,856,974
Capital Grants and Contributions	1,918,907	1,662,108
General Revenues:		
Property Taxes, Levied for Operational Purposes	200,130,363	172,669,063
Property Taxes, Levied for Capital Projects	61,399,899	52,235,694
Local Sales Taxes	31,831,982	31,301,616
Impact Fees	21,066,909	22,274,570
Grants and Contributions Not Restricted to Specific Programs	326,180,534	314,490,868
Unrestricted Investment Earnings	22,614,645	10,645,814
Miscellaneous	24,540,045	22,572,569
Total Revenues	721,592,768	659,043,801
Functions/Program Expenses:		
Instruction	401,687,094	356,714,672
Student Support Services	32,511,273	26,472,873
Instructional Media Services	5,533,463	4,529,157
Instruction and Curriculum Development Services	13,567,580	11,032,434
Instructional Staff Training Services	12,538,355	12,093,313
Instruction-Related Technology	569,293	725,854
Board	3,762,950	875,445
General Administration	7,421,283	6,475,873
School Administration	35,266,045	29,616,011
Facilities Acquisition and Construction	33,087,041	27,861,574
Fiscal Services	3,093,754	2,713,561
Food Services	33,911,207	30,135,230
Central Services	8,811,052	7,224,019
Student Transportation Services	36,601,059	30,644,293
Operation of Plant	46,858,176	43,289,349
Maintenance of Plant	8,901,506	7,375,654
Administrative Technology Services	4,801,935	4,038,028
Community Services	929,907	913,249
Unallocated Interest on Long-Term Debt	13,568,008	1,291,317
Total Functions/Program Expenses	703,420,981	604,021,906
Change in Net Position	18,171,787	55,021,895
Net Position - Beginning	472,250,357	417,228,462
Net Position - Ending	\$ 490,422,144	\$ 472,250,357

Significant revenue sources included property and sales taxes, representing 40.7 percent of total revenues, and revenues for grants and contributions not restricted to specific programs, representing 45.2 percent of total government-wide revenues. Revenues from grants and contributions not restricted to specific programs are predominantly made up of State allocations such as Florida Education Finance

Program (FEFP) and class size reduction. The State funding allocation 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. Other State revenues are primarily for acquisition, construction, and maintenance of education facilities.

Property tax revenues increased by \$36,625,505, or 16.3 percent, due to increase in property values. Grants and contributions not restricted to specific programs revenues increased by \$11,689,666, or 3.7 percent, primarily due to \$13.1 million increase in FEFP funds received.

Instruction expense continued to be the major component of District outlays, representing 57.1 percent of total expenses. Total expenses increased \$99,399,075 for the 2023-24 fiscal year. This is primarily related to an increase in pension expense.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance decreased \$2,303,276 to \$22,139,861, while the total fund balance decreased \$1,887,568 to \$35,706,778. The decrease is the result of expenditure increases for salaries and benefits as a result of raises that were provided to staff. Also impacting the fund balance are increased ad valorem tax revenue and State funding allocations, offset by increases in salary and school safety expenditures.

The Special Revenue – Other Federal Programs Fund has total revenues and expenditures of \$37,679,648 each. This funding represents program revenues and expenditures targeted for specified grant purposes. These funds do not accumulate a fund balance because grant revenues are not recognized until expenditures are incurred.

The Special Revenue – Federal Education Stabilization Fund has total revenues and expenditures of \$48,132,099 each. This funding represents program revenues and expenditures targeted for specified grant purposes. These funds do not accumulate a fund balance because grant revenues are not recognized until expenditures are incurred. This funding is a result of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which established the Education Stabilization Fund (ESF).

The Capital Projects – Other Fund has a total restricted fund balance of \$345,899,671, of which \$83,920,387 has been encumbered for specific projects. The fund balance increased in the current fiscal year primarily due to the issuance of certificates of participation for the construction of Legacy High School and Westwood Academy – The West Prep, increases in Federal, State, and local revenues as well as preserving funds to build a new K-8 to open in 2026.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2023-24 fiscal year, the District amended its General Fund budget several times, which resulted in an increase in total budgeted revenues of \$7,945,860, or 1.7 percent. At the same time, final appropriations are less than the original budgeted amounts by \$1,341,533. Budget revisions occurred primarily from changes in estimated funding levels and corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2024, is \$607,131,560 (net of accumulated depreciation/amortization). This investment in capital assets includes land; land improvements; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; construction in progress; right-of-use assets; and audio visual materials and computer software. The total increase in capital assets for the current fiscal year was \$54,880,316.

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

Long-Term Debt

At June 30, 2024, the District had total long-term debt outstanding of \$315,972,882, an increase of \$148,414,207. The District's debt is composed of certificates of participation, bonds payable, lease liability, and SBITA liability and is secured by specific revenue sources or the underlying assets.

Additional information on the District's long-term debt can be found in Note III.I. to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

As previously noted, nearly 45.2 percent of the District's revenues came from grants and contributions not restricted to specific programs primarily from the State of Florida, and 40.7 percent came from property and sales taxes. The State's primary sources of revenue are sales taxes, which are dependent on consumer spending by residents and tourists, and property taxes, which are dependent on assessed property values and the arrival of new residents into Florida and into St. Lucie County. Changes in these factors can significantly impact our expected revenues in any given fiscal year.

On November 5, 2024, the voters in St. Lucie County voted to renew a referendum for the half cent sales surtax for 10 years. The current half cent sales surtax expires on December 31, 2026, and the renewal will commence on January 1, 2027, with an expiration date of December 31, 2036. The proceeds generated from the half cent sales surtax will be proportionately shared with eligible charter schools based on total district enrollment, and used to finance school and facility construction, reconstruction, and renovation, safety and security improvements, school technology improvements, procuring and maintaining school buses, land acquisition and improvement.

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, 9461 Brandywine Lane, Port St. Lucie, Florida 34986.

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BASIC FINANCIAL STATEMENTS

St. Lucie County District School Board Statement of Net Position June 30, 2024

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 293,876,086	\$ 6,916,766
Cash and Cash Equivalents with Fiscal Agent	153,542,515	-
Investments	-	2,199,000
Accounts Receivable	1,895,042	751,261
Due from Other Agencies	23,536,048	1,586,434
Deposits Receivable	-	78,122
Prepaid Items	58,491	776,116
Inventories	2,495,035	-
Restricted Cash and Cash Equivalents	-	2,884,033
Restricted Investments	-	1,999,301
Restricted Investments with Fiscal Agent	15,478,172	-
Restricted Cash and Cash Equivalents with Fiscal Agent	863,971	-
Capital Assets:		
Nondepreciable Capital Assets	128,517,642	62,231
Depreciable Capital Assets, Net	478,613,918	109,000,475
TOTAL ASSETS	1,098,876,920	126,253,739
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	97,812,104	-
OPEB	1,106,799	-
Net Carrying Amount of Debt Refundings	3,659,308	-
Deferred Amount on Renegotiation of Lease	-	563,074
TOTAL DEFERRED OUTFLOWS OF RESOURCES	102,578,211	563,074
LIABILITIES		
Accrued Salaries and Benefits	10,589,154	2,233,755
Payroll Deductions and Withholdings	3,033,866	-
Accounts Payable	9,783,626	637,038
Construction Contracts Payable	4,698,660	-
Construction Contracts Payable - Retained Percentage	1,928,009	-
Due to Other Agencies	24,597	1,385,468
Accrued Interest Payable	6,324,419	347,052
Deposits Payable	500	-
Unearned Revenue	1,221,626	-
Long-Term Liabilities:		
Portion Due Within 1 Year	23,453,812	2,862,973
Portion Due After 1 Year	634,688,415	121,367,063
TOTAL LIABILITIES	695,746,684	128,833,349
DEFERRED INFLOWS OF RESOURCES		
Pensions	11,315,153	-
OPEB	3,971,150	-
Net Carrying Amount of Debt Refundings	-	323,910
TOTAL DEFERRED INFLOWS OF RESOURCES	15,286,303	323,910
NET POSITION		
Net Investment in Capital Assets	427,936,894	(13,008,572)
Restricted for:		
State Required Carryover Programs	435,101	-
Debt Service	26,416,735	-
Capital Projects	252,557,962	-
Food Service	5,522,785	-
Grants and FAU Lab School	4,161,476	-
Other Purposes	-	3,433,518
Unrestricted (Deficit)	(226,608,809)	7,234,608
TOTAL NET POSITION	\$ 490,422,144	\$ (2,340,446)

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

**St. Lucie County District School Board
Statement of Activities
For the Fiscal Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 401,687,094	\$ 292,300	\$ -	\$ -
Student Support Services	32,511,273	-	-	-
Instructional Media Services	5,533,463	-	-	-
Instruction and Curriculum Development Services	13,567,580	-	-	-
Instructional Staff Training Services	12,538,355	-	-	-
Instruction-Related Technology	569,293	-	-	-
Board	3,762,950	-	-	-
General Administration	7,421,283	-	-	-
School Administration	35,266,045	-	-	-
Facilities Acquisition and Construction	33,087,041	-	-	1,918,907
Fiscal Services	3,093,754	-	-	-
Food Services	33,911,207	3,852,210	25,850,950	-
Central Services	8,811,052	1,126,906	-	-
Student Transportation Services	36,601,059	787,118	-	-
Operation of Plant	46,858,176	-	-	-
Maintenance of Plant	8,901,506	-	-	-
Administrative Technology Services	4,801,935	-	-	-
Community Services	929,907	-	-	-
Unallocated Interest on Long-Term Debt	13,568,008	-	-	-
Total Primary Government	\$ 703,420,981	\$ 6,058,534	\$ 25,850,950	\$ 1,918,907
Component Units				
Charter Schools/Educational Foundation	\$ 71,161,836	\$ 1,749,729	\$ 9,411,649	\$ 4,489,617
General Revenues:				
Taxes:				
Property Taxes, Levied for Operational Purposes				
Property Taxes, Levied for Capital Projects				
Local Sales Taxes				
Impact Fees				
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				

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	Component Units
\$ (401,394,794)	\$ -
(32,511,273)	-
(5,533,463)	-
(13,567,580)	-
(12,538,355)	-
(569,293)	-
(3,762,950)	-
(7,421,283)	-
(35,266,045)	-
(31,168,134)	-
(3,093,754)	-
(4,208,047)	-
(7,684,146)	-
(35,813,941)	-
(46,858,176)	-
(8,901,506)	-
(4,801,935)	-
(929,907)	-
(13,568,008)	-
<u>(669,592,590)</u>	<u>-</u>
-	(55,510,841)
200,130,363	-
61,399,899	-
31,831,982	-
21,066,909	-
326,180,534	56,557,625
22,614,645	352,883
24,540,045	1,416,156
<u>687,764,377</u>	<u>58,326,664</u>
18,171,787	2,815,823
<u>472,250,357</u>	<u>(5,156,269)</u>
<u>\$ 490,422,144</u>	<u>\$ (2,340,446)</u>

**St. Lucie County District School Board
Balance Sheet – Governmental Funds
June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue - Other Federal Programs Fund</u>	<u>Special Revenue - Federal Education Stabilization Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 38,439,164	\$ -	\$ -
Cash and Cash Equivalents with Fiscal Agent	-	-	-
Accounts Receivable	1,760,667	-	-
Due from Other Funds	6,890,127	-	-
Due from Other Agencies	2,537,277	5,393,917	7,996,506
Prepaid Items	1,778	1,713	-
Inventories	1,090,192	-	-
Restricted Investments with Fiscal Agent	-	-	-
Restricted Cash and Cash Equivalents with Fiscal Agent	-	-	-
TOTAL ASSETS	\$ 50,719,205	\$ 5,395,630	\$ 7,996,506
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	\$ 6,792,424	\$ 922,924	\$ 2,547,798
Payroll Deductions and Withholdings	2,235,273	187,426	513,711
Accounts Payable	3,757,084	400,969	1,150,467
Construction Contracts Payable	-	-	-
Construction Contracts Payable - Retained Percentage	-	-	242,674
Due to Other Funds	1,384,821	3,348,271	3,541,856
Due to Other Agencies	24,590	7	-
Deposits Payable	500	-	-
Unearned Revenue	-	536,033	-
Total Liabilities	14,194,692	5,395,630	7,996,506
Deferred Inflows of Resources:			
Unavailable Revenue	817,735	-	-
Fund Balances:			
Nonspendable:			
Prepaid Items	1,778	-	-
Inventories	1,090,192	-	-
Total Nonspendable Fund Balance	1,091,970	-	-
Restricted for:			
State Required Carryover Programs	435,101	-	-
Debt Service	-	-	-
Food Service	-	-	-
Capital Projects	-	-	-
Grants and FAU Lab School	4,161,476	-	-
Total Restricted Fund Balance	4,596,577	-	-
Assigned for:			
Voluntary Prekindergarten and Other Local Programs	6,997,146	-	-
Outstanding Purchase Orders	881,224	-	-
Total Assigned Fund Balance	7,878,370	-	-
Unassigned Fund Balance	22,139,861	-	-
Total Fund Balances	35,706,778	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 50,719,205	\$ 5,395,630	\$ 7,996,506

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

Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
\$ 203,625,601	\$ 51,811,321	\$ 293,876,086
143,296,342	10,246,173	153,542,515
-	134,375	1,895,042
1,384,821	-	8,274,948
6,947,944	660,404	23,536,048
-	55,000	58,491
-	1,404,843	2,495,035
-	15,478,172	15,478,172
-	863,971	863,971
\$ 355,254,708	\$ 80,654,259	\$ 500,020,308
\$ -	\$ 326,008	\$ 10,589,154
-	97,456	3,033,866
2,242,008	2,233,098	9,783,626
4,698,660	-	4,698,660
1,534,568	150,767	1,928,009
-	-	8,274,948
-	-	24,597
-	-	500
656,558	29,035	1,221,626
9,131,794	2,836,364	39,554,986
223,243	-	1,040,978
-	55,000	56,778
-	1,404,843	2,495,035
-	1,459,843	2,551,813
-	-	435,101
-	32,686,154	32,686,154
-	4,117,942	4,117,942
345,899,671	39,553,956	385,453,627
-	-	4,161,476
345,899,671	76,358,052	426,854,300
-	-	6,997,146
-	-	881,224
-	-	7,878,370
-	-	22,139,861
345,899,671	77,817,895	459,424,344
\$ 355,254,708	\$ 80,654,259	\$ 500,020,308

**St. Lucie County District School Board
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024**

Total Fund Balances - Governmental Funds \$ 459,424,344

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. 607,131,560

Revenues not available to pay for current period expenditures are reported as unavailable revenue in the governmental funds but are recognized as revenue in the government-wide financial statements. 1,040,978

The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements, but is not reported in the governmental funds. 3,659,308

Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds. (6,324,419)

The deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions	\$	97,812,104	
Deferred Outflows Related to OPEB		1,106,799	
Deferred Inflows Related to Pensions		(11,315,153)	
Deferred Inflows Related to OPEB		(3,971,150)	
		83,632,600	83,632,600

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	\$	(29,199,910)	
Certificates of Participation Payable		(284,306,555)	
Lease Liability		(874,250)	
Subscription Liability		(1,592,167)	
Compensated Absences Payable		(16,285,335)	
Net Pension Liability		(319,262,628)	
Total OPEB Liability		(6,621,382)	
		(658,142,227)	(658,142,227)

Net Position - Governmental Activities \$ 490,422,144

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

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**St. Lucie County District School Board
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2024**

	General Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Education Stabilization Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 344,197	\$ 272,446	\$ 83,545
Federal Through State and Local	989,779	37,277,212	48,048,554
State	233,499,277	129,990	-
Local:			
Property Taxes	200,130,363	-	-
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Charges for Services - Food Service	-	-	-
Miscellaneous	28,375,380	-	-
Total Local Revenues	228,505,743	-	-
Total Revenues	463,338,996	37,679,648	48,132,099
Expenditures			
Current - Education:			
Instruction	296,809,404	19,025,853	29,716,880
Student Support Services	23,926,015	2,532,258	2,283,998
Instructional Media Services	4,901,804	-	-
Instruction and Curriculum Development Services	5,875,019	5,273,494	678,425
Instructional Staff Training Services	2,063,317	8,343,703	1,020,720
Instruction-Related Technology	502,420	-	-
Board	3,588,727	-	-
General Administration	4,385,087	1,301,566	851,819
School Administration	30,380,849	61,446	539,141
Facilities Acquisition and Construction	5,108,831	-	-
Fiscal Services	2,579,149	-	116,209
Food Services	555	-	-
Central Services	7,981,797	42,984	25,720
Student Transportation Services	31,520,789	702,161	432,956
Operation of Plant	44,613,574	-	165,804
Maintenance of Plant	8,073,350	-	-
Administrative Technology Services	3,935,169	-	297,961
Community Services	684,260	69,675	80,814
Fixed Capital Outlay:			
Facilities Acquisition and Construction	362,592	-	10,017,288
Other Capital Outlay	628,772	326,508	1,904,364
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	2,500	-	-
Total Expenditures	477,923,980	37,679,648	48,132,099
Excess (Deficiency) of Revenues Over Expenditures	(14,584,984)	-	-
Other Financing Sources (Uses)			
Transfers In	13,874,345	-	-
Refunding Certificates of Participation Issued	-	-	-
Premium on Refunding Certificates of Participation	-	-	-
Payments to Refunding Escrow Agent	-	-	-
Certificates of Participation Issued	-	-	-
Premium on Certificates of Participation Issued	-	-	-
Inception of Lease and Subscription Liabilities	-	-	-
Sale of Capital Assets	92,989	-	-
Loss Recoveries	151,894	-	-
Transfers Out	(1,421,812)	-	-
Total Other Financing Sources (Uses)	12,697,416	-	-
Net Change in Fund Balances	(1,887,568)	-	-
Fund Balances, Beginning	37,594,346	-	-
Adjustment to Beginning Fund Balances	-	-	-
Fund Balances, Beginning, as Restated	37,594,346	-	-
Fund Balances, Ending	\$ 35,706,778	\$ -	\$ -

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

Capital Projects - Other Fund	Capital Projects - Nonvoted Capital Improvement Section 1011.71(2), F.S. Fund (Former Major Fund)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,001,747	\$ 1,701,935
55,271	-	25,604,203	111,975,019
435,384	-	6,208,786	240,273,437
-	-	61,399,899	261,530,262
31,831,982	-	-	31,831,982
21,066,909	-	-	21,066,909
-	-	3,852,210	3,852,210
15,503,926	-	5,522,292	49,401,598
68,402,817	-	70,774,401	367,682,961
68,893,472	-	103,589,137	721,633,352
-	-	-	345,552,137
-	-	-	28,742,271
-	-	-	4,901,804
-	-	-	11,826,938
-	-	-	11,427,740
-	-	-	502,420
-	-	-	3,588,727
-	-	-	6,538,472
-	-	-	30,981,436
2,391,984	-	25,494,615	32,995,430
-	-	-	2,695,358
-	-	31,973,364	31,973,919
-	-	-	8,050,501
-	-	-	32,655,906
-	-	-	44,779,378
-	-	-	8,073,350
-	-	-	4,233,130
-	-	-	834,749
53,570,824	-	5,469,488	69,420,192
2,434,495	-	4,590,117	9,884,256
617,437	-	19,062,351	19,679,788
110,289	-	11,640,933	11,753,722
59,125,029	-	98,230,868	721,091,624
9,768,443	-	5,358,269	541,728
-	-	33,172,937	47,047,282
-	-	63,610,000	63,610,000
-	-	5,421,254	5,421,254
-	-	(68,540,000)	(68,540,000)
153,275,000	-	-	153,275,000
14,317,248	-	-	14,317,248
1,427,714	-	606,557	2,034,271
-	-	-	92,989
-	-	-	151,894
(9,207,466)	-	(36,418,004)	(47,047,282)
159,812,496	-	(2,147,256)	170,362,656
169,580,939	-	3,211,013	170,904,384
176,318,732	32,347,054	42,259,828	288,519,960
-	(32,347,054)	32,347,054	-
176,318,732	-	74,606,882	288,519,960
\$ 345,899,671	\$ -	\$ 77,817,895	\$ 459,424,344

St. Lucie 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, 2024

Net Change in Fund Balances - Governmental Funds \$ 170,904,384

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 capital outlays in excess of depreciation expense in the current fiscal year.

Capital Outlay - Capitalized	\$ 79,304,449	
Less: Depreciation Expense	<u>(24,372,951)</u>	54,931,498

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (51,182)

Revenues not available to liquidate liabilities in the governmental funds are reported as deferred inflows until amounts are available, but are accrued in the government-wide statements when earned. This is the effect of the timing difference between the two methods of revenue recognition. 10,599

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of the repayment of debt principal in the current period. 19,679,788

Debt proceeds provided current financial resources to governmental funds. Debt refunding payments are expenditures in the governmental funds. This the amount by which debt proceeds and premiums (\$236,623,502) exceed refunded debt (\$68,540,000) in the current period. (168,083,502)

The inception of lease and subscription liabilities provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position. (2,034,271)

Premiums, discounts, and deferred losses on debt refundings are reported in the governmental funds in the year debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements. This is the net amount attributable to the amortization of premiums and discounts and deferred refunding in the current fiscal year.

Premium/discount amortization	\$ 2,023,778	
Change in deferred loss on refunding	<u>(438,274)</u>	1,585,504

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as an expense when interest accrues in the statement of activities. This is the amount of change in accrued interest at year end. (3,644,674)

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. (135,777)

Governmental funds report District OPEB contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions, as determined through an actuarial valuation, is reported as an OPEB expense.

OPEB Contributions	\$ 434,234	
OPEB Expense	<u>(131,825)</u>	302,409

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	\$ 28,625,702	
HIS Pension Contribution	5,980,405	
FRS Pension Expense	(46,729,718)	
HIS Pension Expense	<u>(43,169,378)</u>	(55,292,989)

Change in Net Position - Governmental Activities **\$ 18,171,787**

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

**St. Lucie County District School Board
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2024**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 3,646,092
Accounts Receivable	2,521
Inventory	65,936
TOTAL ASSETS	3,714,549
LIABILITIES	
Accounts Payable	26,435
NET POSITION	
Restricted for Student Groups	\$ 3,688,114

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

**St. Lucie County District School Board
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2024**

	Custodial Funds
ADDITIONS	
Student Group Collections	\$ 8,326,925
DEDUCTIONS	
Student Group Disbursements	7,988,794
Change in Net Position	338,131
Net Position - Beginning	3,349,983
Net Position - Ending	\$ 3,688,114

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 units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units 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 St. Lucie County School District's (District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is allocated to instruction function.

B. Reporting Entity

The St. Lucie 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 appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of St. Lucie 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 units are included within the District's reporting entity:

Blended Component Unit. Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The St. Lucie County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note III.I. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation

are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District.

The St. Lucie County Education Foundation, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The Renaissance Charter School of St. Lucie, Renaissance Charter School at Tradition, Somerset College Preparatory Academy, Somerset Academy St. Lucie, Somerset Academy Bethany, Tradition Preparatory High School, and Independence Classical Academy, Inc., are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the St. Lucie County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools 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 Foundation's and charter schools' audited financial statements for the fiscal year ended June 30, 2024. The audit reports are filed in the District's administrative offices at 9461 Brandywine Lane, Port St. Lucie, Florida 34986.

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. Separate financial statements are provided for governmental 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 and blended component unit. Separate statements for each fund category – governmental 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 – Other Federal Programs Fund – to account for certain Federal grant program resources.
- Special Revenue – Federal Education Stabilization Fund – to account for certain Federal grant program resources provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.
- Capital Projects – Other Fund – to account for various financial resources generated by certificates of participation, capital outlay sales tax, impact fees to be used for educational capital outlay needs, including new construction and renovation and remodeling projects, and repair and remediation of damage caused by hurricanes and tropical storms, along with associated insurance loss recoveries.

Additionally, the District reports the following fiduciary fund types:

- Custodial Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. 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). Property taxes and sales taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The Foundation and charter schools are accounted for as governmental organizations and follow 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, as well as those held by trustees for debt service payments.

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 with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, and those made locally. The

investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

The District's investment 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. This investment is reported at fair value, which is amortized cost.

Investments made locally consist of U.S. Treasury Securities, presented at fair value, and a money market fund, presented at amortized cost, which approximates fair value.

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

3. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Maintenance inventories are stated at cost on the weighted moving average basis. Transportation inventories are stated at last invoice cost, which approximates the first-in, first-out basis. United States Department of Agriculture donated foods are stated at their acquisition value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 \$1,000. 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. Right-of-use assets are assets for leased vehicles and subscription-based information technology arrangements (SBITA). They are capitalized at an amount equal to the initial measurement of the liability, adjusted for any payments made prior to the term, plus certain initial direct costs. Right-of-use assets are subsequently amortized over the life of the related lease or arrangement.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	8 - 40 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Right-of-Use Asset - Motor Vehicles	5 - 10 years
Right-of-Use Asset - SBITA	3 - 5 years
Audio Visual Materials and Computer Software	3 - 5 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. Bonds and certificates of participation premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds and certificates of participation payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued and premiums are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

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 future periods and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. The deferred outflows of resources related to pensions and

OPEB are discussed in subsequent notes. The deferred amount on debt refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. On the statement of net position, the District has two items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes. On the governmental funds balance sheet, the District has one item, unavailable revenue from grants, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Net Position Flow Assumption

The District occasionally funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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, 2024.

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 assigns fund balance based on actions of the Superintendent or his designee. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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 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 during specified time periods following the date of the original reporting. 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 District received an allocation from the State under the School Hardening Grant program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. Accordingly, the District recognizes the allocation of these funds as unearned revenue until such time as an encumbrance authorization is received.

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 St. Lucie County Property Appraiser, and property taxes are collected by the St. Lucie County Tax Collector.

The Board adopted the 2023 tax levy on September 12, 2023. 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 St. Lucie 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. Capital Outlay Surtax

In October 2005, the voters of St. Lucie County approved a one-half cent school capital outlay surtax on sales in the County for 20 years, effective January 1, 2006, to pay construction costs of certain school facilities and related costs in accordance with Section 212.055(6), Florida Statutes.

5. Educational Impact Fees

St. Lucie County imposes an educational impact fee based on an ordinance adopted by the County Commission. This ordinance was most recently amended on June 6, 2017, when Ordinance 17-013, in part, revised fees to be collected. The educational impact fee is collected for most new residential construction by the County and each municipality within the County

based on an interlocal agreement. The fees are to be used solely for the purpose of providing capital improvements to the public educational system necessitated by new residential development and are not to be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include, but are not limited to, land acquisition; facility design and construction costs; furniture and equipment; and payment of principal, interest, and related costs of indebtedness necessitated by new residential development.

6. Voted Additional Millage

In November 2022, the voters of St. Lucie County approved to continue a one mill ad valorem tax increase in the County for an additional 4 years, effective July 1, 2023, to pay for essential operating expenses in accordance with Section 1011.71(9), Florida Statutes. Revenues will be used to fund school safety and security for all schools, mental health programs, recruiting and retaining highly qualified teachers, and preserve important school programs.

7. 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. The FDOE may require adjustments to subsequent fiscal period expenditures and related revenues based upon an audit of the District's compliance with applicable Federal awards requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

8. 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.

II. ACCOUNTING CHANGES

A. Changes to or within the Financial Reporting Entity.

Change from Major to Nonmajor Fund. The Capital Projects – Nonvoted Capital Improvement Section 1011.71(2), F.S. Fund met the quantitative requirements for reporting as a major fund in the previous fiscal year. The fund did not meet those requirements for reporting as a major fund in the current fiscal year and, as such, is reported as a nonmajor fund. The effect of this change to the financial reporting entity is shown in the table below.

	Reporting Units Affected by Restatements of Beginning Balances	
	Funds	
	Capital Projects - Nonvoted Capital Improvement Section 1011.71(2), FS	Nonmajor Governmental
Beginning Balances, as previously reported	\$ 32,347,054	\$ 42,259,828
Change from major to nonmajor fund	(32,347,054)	32,347,054
Beginning Balances, as restated	\$ -	\$ 74,606,882

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk. In the case of deposits, this is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

The District's investments at June 30, 2024, are reported as follows:

Investments	Maturities	Fair Value	Cash and Cash Equivalents
SBA:			
Florida PRIME (1)	45 Days	\$ -	\$ 276,029,167
U.S. Treasury Securities (2)	123 - 152 Days	15,478,172	-
First American Government Obligations Fund Class Z (3)	39 Days	-	153,542,515
Total Investments, Primary Government		<u>\$ 15,478,172</u>	
Investments Reported as Cash and Cash Equivalents			429,571,682
Cash Deposits (4)			18,710,890
Total Cash and Cash Equivalents			<u>\$ 448,282,572</u>

- (1) Florida PRIME is a qualifying external investment pool presented at amortized cost. There are no restrictions or limitations on withdrawals; however, Florida PRIME may, on occurrence of an event that has material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.
- (2) Composed of funds held in trust in connection with Certificates of Participation, Series 2010B-QCSB and Series 2010C-QSCB, reported as restricted investments with fiscal agent.
- (3) Composed of funds held in trust in connection with Certificates of Participation, Series 2015A, Series 2017, Series 2023A, and Series 2023B, reported as cash and cash equivalents with fiscal agent.
- (4) Includes \$863,971 of funds held in trust in connection with Certificates of Participation Series 2010B-QSCB and 2010C-QSCB reported as restricted cash and cash equivalents with fiscal agent.

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 U.S. Treasury Securities are valued using Level 1 inputs.

Investments in Florida PRIME are measured at amortized cost, which approximates fair value. The District invests in Florida PRIME to obtain competitive market returns while ensuring the safety and liquidity of the portfolio. Investments in Florida PRIME may be redeemed without advance notice and there are no unfunded commitments for further investment. There are currently no limitation as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

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's investment policy limits investments to a maximum of 5 years, unless specifically matched with cash flow needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District's First American Government Obligations Fund Class Z money market investment had a weighted average days to maturity (WAM) ranging from daily liquidity to 39 days at June 30, 2024. Florida PRIME had a WAM of 45 days on average. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Credit Risk

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

As of June 30, 2024, the District's investment in Florida PRIME and First American Government Obligations Fund Class Z are rated AAAM by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy addresses custodial credit risk in that all securities, with the exception of certificates of deposit, are held with a third-party custodian; and all securities purchased by and all collateral obtained by the District should be properly

designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy limits the amounts that may be invested in any one issuer ranging from 25 percent to 100 percent, depending on investment type.

C. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 43,929,973	\$ -	\$ -	\$ 43,929,973
Land Improvements	9,862,616	2,076,797	-	11,939,413
Construction in Progress	6,411,243	66,237,013	-	72,648,256
Total Capital Assets Not Being Depreciated/Amortized	60,203,832	68,313,810	-	128,517,642
Capital Assets Being Depreciated/Amortized:				
Improvements Other Than Buildings	16,863,429	55,168	-	16,918,597
Buildings and Fixed Equipment	1,029,387,121	946,658	-	1,030,333,779
Furniture, Fixtures, and Equipment	58,015,717	4,889,866	2,299,308	60,606,275
Motor Vehicles	43,338,169	2,427,024	2,701,628	43,063,565
Right-of-Use Asset - Motor Vehicles	1,269,570	684,201	-	1,953,771
Right-of-Use Asset - SBITA	1,334,394	1,870,631	-	3,205,025
Audio Visual Materials and Computer Software	15,864,966	117,091	74,747	15,907,310
Total Capital Assets Being Depreciated/Amortized	1,166,073,366	10,990,639	5,075,683	1,171,988,322
Less Accumulated Depreciation/Amortization for:				
Improvements Other Than Buildings	12,430,925	343,201	-	12,774,126
Buildings and Fixed Equipment	565,826,882	16,028,900	-	581,855,782
Furniture, Fixtures, and Equipment	50,229,801	4,181,388	2,248,126	52,163,063
Motor Vehicles	30,443,766	2,288,179	2,701,628	30,030,317
Right-of-Use Asset - Motor Vehicles	533,248	469,450	-	1,002,698
Right-of-Use Asset - SBITA	384,145	918,731	-	1,302,876
Audio Visual Materials and Computer Software	14,177,187	143,102	74,747	14,245,542
Total Accumulated Depreciation/Amortization	674,025,954	24,372,951	5,024,501	693,374,404
Total Capital Assets Being Depreciated/Amortized, Net	492,047,412	(13,382,312)	51,182	478,613,918
Governmental Activities Capital Assets, Net	\$ 552,251,244	\$ 54,931,498	\$ 51,182	\$ 607,131,560

Depreciation/amortization expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 23,790,307
Student Transportation Services	582,644
Total Depreciation/Amortization Expense – Governmental Activities	\$ 24,372,951

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. An annual comprehensive 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 \$89,899,096 for the fiscal year ended June 30, 2024.

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.
- *Senior Management Service* – Members in senior management level positions.
- *Special Risk* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

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, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 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, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. 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.

The 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 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 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 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 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
Senior Management Service	2.00
Special Risk	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan 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 was 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 2023-24 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	13.57
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.67
DROP – Applicable to Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 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 \$28,625,702 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a liability of \$206,908,091 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District’s proportionate share of the net pension liability was based on the District’s 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the District’s proportionate share was 0.519258535 percent, which was a decrease of 0.001372065 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized a Plan pension expense of \$46,729,718. 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	\$ 19,845,489	\$ -
Change of Assumptions	13,487,986	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	8,641,042	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	11,107,848	689,599
District FRS Contributions Subsequent to the Measurement Date	28,625,702	-
Total	\$ 81,708,067	\$ 689,599

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$28,625,702, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. 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>
2025	\$ 9,572,794
2026	1,677,162
2027	36,643,624
2028	3,597,018
2029	902,168
Total	\$ 52,392,766

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100%			
Assumed inflation - Mean			2.4%	1.4%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.7 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 2023 valuation was unchanged from the previous valuation.

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 6.7 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 (5.7 percent) or 1 percentage point higher (7.7 percent) than the current rate:

	<u>1% Decrease (5.7%)</u>	<u>Current Discount Rate (6.7%)</u>	<u>1% Increase (7.7%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 353,441,152	\$ 206,908,091	\$ 84,315,654

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2024, the District reported a payable of \$3,601,755 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2024.

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, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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, 2024, the contribution rate was 2 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 \$5,980,405 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a net pension liability of \$112,354,537 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and update procedures were used to determine the net pension liability as of June 30, 2023. The District's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.707462854 percent, which was an increase of 0.015209249 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized the HIS Plan pension expense of \$43,169,378. 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	\$ 1,644,793	\$ 263,713
Change of Assumptions	2,953,767	9,735,899
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	58,022	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	5,467,050	625,942
District HIS Contributions Subsequent to the Measurement Date	5,980,405	-
Total	\$ 16,104,037	\$ 10,625,554

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$5,980,405, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. 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>
2025	\$ 196,208
2026	613,280
2027	287,090
2028	(1,068,463)
2029	(536,064)
Thereafter	6,027
Total	\$ (501,922)

Actuarial Assumptions. The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.65 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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 3.65 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 changed from 3.54 percent to 3.65 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 3.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
District's Proportionate Share of the Net Pension Liability	\$ 128,178,991	\$ 112,354,537	\$ 99,237,127

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2024, the District reported a payable of \$901,787 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2024.

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's Annual Comprehensive 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 2023-24 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Elected County Officers	16.34
FRS, Senior Management Service	12.67

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, 2024, 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 \$10,311,014 for the fiscal year ended June 30, 2024.

Payables to the Investment Plan. At June 30, 2024, the District reported a payable of \$1,588,029 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2024.

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 that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, prescription drug, dental, and vision coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. 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 OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare and life insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	341
Active Employees	<u>3,918</u>
Total	<u>4,259</u>

Total OPEB Liability. The District’s total OPEB liability of \$6,621,382 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, and update procedures were used to determine the total OPEB liability as of June 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Salary Increases	Salary increase rates used in the July 1, 2022, actuarial valuation of the FRS for Regular Class members, 3.4 percent – 7.8 percent, including inflation
Discount Rate	3.86 percent
Healthcare Cost Trend Rates	Starting at 11.47 percent for 2023 (to reflect actual premiums), followed by 6.5 percent for 2024, and then gradually decreasing according to Getzen model to an ultimate trend rate of 4 percent in 2050
Aging Factors	Based on the 2013 SOA Study “Health Care Costs – From Birth to Death.”
Expenses	Administrative expenses are included in the per capita health costs.

The discount rate was based on the daily rate of Fidelity’s 20-Year Municipal General Obligation AA Index closest to but not later than the measurement date.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2022, actuarial valuation of the FRS Defined Benefit Pension Plan. These demographic assumptions were developed by FRS from an actuarial experience study, and therefore are appropriate for use in the OPEB Plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2022, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2023	\$ 6,605,497
Changes for the year:	
Service Cost	336,807
Interest	247,532
Changes of Assumptions or Other Inputs	(100,221)
Benefit Payments	(468,233)
Net Changes	<u>15,885</u>
Balance at June 30, 2024	<u>\$ 6,621,382</u>

The changes of assumptions or other inputs was based on the following:

- The discount rate increased from 3.69 percent to 3.86 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86 percent) or 1 percentage point higher (4.86 percent) than the current rate:

	<u>1% Decrease (2.86%)</u>	<u>Current Discount Rate (3.86%)</u>	<u>1% Increase (4.86%)</u>
Total OPEB Liability	\$ 7,248,763	\$ 6,621,382	\$ 6,070,784

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 5,986,676	\$ 6,621,382	\$ 7,381,944

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$131,825. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB 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	\$ 274,889	\$ 796,533
Changes of Assumptions or Other Inputs	397,675	3,174,617
Benefits Paid Subsequent to the Measurement Date	434,235	-
Total	<u>\$ 1,106,799</u>	<u>\$ 3,971,150</u>

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling \$434,235, will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	\$ (452,515)
2026	(452,515)
2027	(452,515)
2028	(436,631)
2029	(361,831)
Thereafter	<u>(1,142,578)</u>
Total	<u>\$ (3,298,585)</u>

F. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2024:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Legacy High School New School Construction	\$ 103,300,255	\$ 35,314,803	\$ 67,985,452
Fort Pierce Westwood - The WEST Prep Academy Rebuild Construction	111,054,118	16,034,138	95,019,980
Mariposa Elementary HVAC Retrofit	6,194,719	2,118,838	4,075,881
Forest Grove Middle School HVAC Retrofit	7,436,180	3,754,847	3,681,333
Manatee Elementary HVAC Retrofit	7,097,737	2,817,932	4,279,805
Dale Cassens Educational HVAC Retrofit	3,200,800	1,450,167	1,750,633
St. Lucie West Centennial Reroofing	6,361,950	5,654,985	706,965
CAST Cafeteria	4,605,926	1,724,160	2,881,766
Total	<u>\$ 249,251,685</u>	<u>\$ 68,869,870</u>	<u>\$ 180,381,815</u>

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, 2024:

<u>Major Funds</u>					
<u>General</u>	<u>Special Revenue - Other Federal Program</u>	<u>Special Revenue - Federal Education Stabilization</u>	<u>Capital Projects - Other</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 881,224	\$ 191,192	\$ 5,988,526	\$ 83,920,387	\$ 14,625,530	\$ 105,606,859

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; third party injuries and/or property damage and natural disasters. The St. Lucie County District School Board is a member of the South Central

Educational Risk Management Program (SCERMP) a consortium under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members of the Consortium. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The interlocal agreement and bylaws of SCERMP provide that risk of loss is transferred to the consortium. SCERMP is self-sustaining through member contributions (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency, except to the extent the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board.

The Board of Directors for SCERMP is composed of superintendents, finance directors, or an authorized representative of all participating districts. Employers Mutual, Inc. d/b/a Relation Insurance Inc. serves as the third-party administrator, insurance broker, and fiscal agent for SCERMP.

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except wind, hail, and flood). The named wind/hail/hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence and a maximum of \$25 million per occurrence. The deductibles for all other wind events are \$100,000. Special hazard flood area deductibles are \$500,000 per building and \$500,000 contents plus \$100,000 time element per occurrence. The flood deductible outside a special flood hazard area is \$100,000. SCERMP's purchased excess property loss limit during the 2023-24 fiscal year was \$75 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2023-24 fiscal year was \$1 million. SCERMP purchases excess liability coverage through a commercial insurance carrier, which covers workers' compensation losses in excess of the self-insurance retention. Employers' liability is included, subject to \$2 million per occurrence.

The District is protected by Section 768.28, Florida Statutes, under the Doctrine of Sovereign Immunity, as it is now written, as it may be amended by the Legislature at future dates, which effectively limits the amount of liability of governmental entities for tort claims to \$200,000 per claim and \$300,000 per occurrence.

The District's health insurance, life insurance, dental insurance, and vision care plan are being provided through purchased commercial insurance.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years.

H. Changes in Short-Term Debt

The following is a schedule of changes in short-term debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Revenue Anticipation Note	\$ 3,190,000	\$ -	\$ 3,190,000	\$ -

During fiscal year 2019, the District entered into a financing arrangement under the provisions of Section 1011.14, Florida Statutes, which authorizes district school boards to create obligations for a period of one year, in anticipation of budgeted revenues accruing on a current basis, without pledging the credit of the District or requiring future levy of taxes for certain purposes. These obligations may be extended from year to year, with the consent of the lender, for a period not to exceed four years, for a total of five years, including the initial year of the loan. The Revenue Anticipation Note (RAN), in the amount of \$15,000,000 with a final maturity date of December 1, 2023, was used for capital improvements to educational and related facilities.

I. Long-Term Liabilities

1. Certificates of Participation

Certificates of participation at June 30, 2024, are as follows:

<u>Series</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Lease Term Maturity</u>	<u>Original Amount</u>
COPs from Direct Borrowings:				
2010B-QSCB	\$ 12,232,000	0.47(1)	2027	\$ 12,232,000
2010C-QSCB	<u>8,000,000</u>	0.39(1)	2028	8,000,000
Total COPs from Direct Borrowings	<u>20,232,000</u>			
Other COP Issuances				
2015A, Refunding	14,430,000	3.00 - 5.00	2031	26,080,000
2017A, Refunding	10,765,000	3.00 - 5.00	2033	16,660,000
2023A	153,275,000	4.00 -5.25	2054	153,275,000
2023B, Refunding	<u>63,610,000</u>	5.00	2031	63,610,000
Total Other COP Issuances	<u>242,080,000</u>			
Total Certificates of Participation	<u>\$ 262,312,000</u>			

- (1) Series 2010B and Series 2010C are designated as “qualified school construction bonds” as defined in Section 54F of the Internal Revenue Code (IRC), and pursuant to Section 6431 of the IRC, the Board has elected to receive Federal subsidy payments on each interest payment date for the certificates in an amount equal to the lesser of the amount of interest payable with respect to the certificates on such date or the amount of interest which would have been payable with respect to the certificates if the interest were determined at the applicable tax credit rate for the certificates pursuant to Section 54A(3)(b) of the IRC. The interest rate for Series 2010B Certificates is 5.87 percent, with an allowed Federal subsidy of 5.4 percent. The interest rate for Series 2010C Certificates is 5.24 percent, with allowed Federal subsidy of 4.85 percent. For the Series 2010B and Series 2010C Certificates, payments of \$719,529 and \$470,588, respectively, are deposited into a sinking fund annually. The accumulated amount in this fund is to be used to repay the principal amount of these Certificates upon maturity.

Series 2010B-QSCB Certificates – The District entered into a financing arrangement with the Leasing Corporation on June 29, 2010, which was characterized as a finance-purchase agreement, whereby the District secured financing of \$12,232,000 for various educational facilities. The Series 2010B Certificates were to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The initial term of the lease is 17 years commencing on June 29, 2010. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term and a resulting event of termination takes place, the trustee, upon the written request of a majority of the owners of the certificates, may accelerate the outstanding principal to be due and payable immediately, take title to and sell or otherwise dispose of the financed projects, or make any other remedy available by law, for the benefit of the owners of the certificates.

Series 2010C-QSCB Certificates – The District entered into a financing arrangement on September 30, 2010, which was characterized as a lease purchase agreement, with the Leasing Corporation whereby the District secured financing of \$8,000,000 for various education facilities. The Series 2010C Certificates were to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The initial term of the lease is 17 years, commencing on October 1, 2010. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term and a resulting event of termination takes place, the trustee, upon the written request of a majority of the owners of the certificates, may accelerate the outstanding principal to be due and payable immediately, take title to and sell or otherwise dispose of the financed projects, or make any other remedy available by law, for the benefit of the owners of the certificates.

Series 2015A Refunding Certificates – The District entered into a financing arrangement on December 3, 2014, which was characterized as a lease purchase agreement, with the Leasing Corporation whereby the District secured financing of \$26,080,000 to refund Certificates of participation, Series 2005A. The Series 2015A Refunding Certificates are to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The initial term of the lease is 15 years commencing on December 3, 2014. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term and a resulting event of termination takes place, the trustee, upon the written request of a majority of the owners of the certificates, may accelerate the outstanding principal to be due and payable immediately, take title to and sell or otherwise dispose of the financed projects, or make any other remedy available by law, for the benefit of the owners of the certificates.

Series 2017A Refunding Certificates – The District entered into a financing arrangement on January 11, 2017, which was characterized as a lease purchase agreement, with the Leasing Corporation whereby the District secured financing of \$16,660,000 to refund Certificates of Participation, Series 2007, which was used for the planning and construction of the Treasure Coast University Charter School (now called Palm Pointe Educational Research School at Tradition). Series 2017 Certificates were to be repaid from the proceeds of rents paid to the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The initial term of the lease is 25 years commencing on January 11, 2017. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term and a resulting event of termination takes place, the trustee, upon the written request of a majority of the owners of the certificates, may accelerate the outstanding principal to be due and payable immediately, take title to and sell or otherwise dispose of the financed projects, or make any other remedy available by law, for the benefit of the owners of the certificates. In connection with this financing arrangement, the District entered into an Education Facilities Lease Purchase Agreement with the FAU-Treasure Coast University Schools, Inc. (TCUS), a Florida not-for-profit corporation authorized and created by Florida Atlantic University, for the purpose of facilitating the acquisition, construction, and operation of TCUS, as sub-lessee. The term of the sublease commenced on January 11, 2017, and will terminate on June 30, 2024. Beginning on July 1, 2024, Palm Pointe K-8 will fall under the St. Lucie County School District as a District-owned school.

Series 2023A – The District entered into a financing arrangement on August 3, 2023, which was characterized as a lease purchase agreement, with the Leasing Corporation whereby the District secured financing of \$153,275,000 for the construction of Legacy High School and Fort Pierce Westwood Academy - The West Prep. The Series 2023A Certificates are to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The initial term of the lease is 30 years commencing on August 3, 2023. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term and a resulting event of termination takes place, the trustee, upon the written request of a majority of the owners of the certificates, may accelerate the outstanding principal to be due and payable immediately, take title to and sell or otherwise dispose of the financed projects, or make any other remedy available by law, for the benefit of the owners of the certificates.

Series 2023B Refunding Certificates – The District entered into a financing arrangement on August 3, 2023, which was characterized as a lease purchase agreement, with the Leasing Corporation whereby the District secured financing of \$63,610,000 to refund Certificates of participation, Series 2013A. The Series 2023B Refunding Certificates are to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The initial term of the lease is 7 years commencing on August 3, 2023. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term and a resulting event of termination takes place, the trustee, upon the written request of a majority of the owners of the certificates, may accelerate the outstanding principal to be due and payable immediately, take title to and sell or otherwise dispose of the financed projects, or make any other remedy available by law, for the benefit of the owners of the certificates.

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

<u>Certificates</u>	<u>Description of Properties</u>
Series 2010B-QSCB	Lincoln Park Academy Additions and Renovations
Series 2010C-QSCB	Lincoln Park Academy Additions and Renovations
Series 2015A-Refunding	Westgate K-8 School Treasure Coast High School Improvements
Series 2017A-Refunding	Palm Pointe Educational Research School at Tradition
Series 2023A	Legacy High School Fort Pierce Westwood Academy-The West Prep Rebuild
Series 2023B-Refunding	Rivers Edge Elementary School Savanna Ridge Elementary School Southern Oaks Middle School Dan McCarty Middle School Addition St. Lucie Elementary School Addition Lincoln Park Academy Additions and Renovations Oak Hammock K-8 School Treasure Coast High School

The lease payments are payable by the District semiannually.

The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Other Certificates of Participation</u>		<u>Certificates of Participation from Direct Placements</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 21,967,590	\$ 9,355,000	\$ 11,478,600	\$ -	\$ 1,133,990
2026	23,035,465	10,930,000	10,971,475	-	1,133,990
2027	35,278,165	11,490,000	10,422,175	12,232,000	1,133,990
2028	30,102,650	12,015,000	9,878,050	8,000,000	209,600
2029	22,509,881	13,210,000	9,299,881	-	-
2030-2034	80,804,256	42,170,000	38,634,256	-	-
2035-2039	60,494,125	28,840,000	31,654,125	-	-
2040-2044	45,267,875	21,000,000	24,267,875	-	-
2045-2049	60,146,000	42,605,000	17,541,000	-	-
2050-2054	56,694,875	50,465,000	6,229,875	-	-
Total Minimum Lease Payments	436,300,882	242,080,000	170,377,312	20,232,000	3,611,570
Plus: Unamortized Premium	21,994,555	21,994,555	-	-	-
Total Minimum Payments, Net	\$ 458,295,437	\$ 264,074,555	\$ 170,377,312	\$ 20,232,000	\$ 3,611,570

2. Bonds Payable

Bonds payable at June 30, 2024, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
District Revenue Bonds:			
Sales Tax Revenue Bonds, Series 2001	\$ 1,275,000	5	2031
Sales Tax Revenue Bonds, Series 2015, Refunding	25,380,000	5	2027
Total Bonds Payable	\$26,655,000		

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

District Revenue Bonds

Series 2001 – These bonds are authorized by Chapters 67-1996 and 76-480, Laws of Florida, Section 212.20, Florida Statutes, Chapters 230, 235, 236, and 550, and a resolution adopted by the St. Lucie County District School Board on June 12, 2001. These bonds are secured by pari-mutuel replacement revenues distributed annually to St. Lucie County from the State pursuant to Section 212.20(6)(d)7a., Florida Statutes, as a replacement for moneys distributed under Section 550.135, Florida Statutes, prior to July 1, 2000.

Series 2015, Refunding – The School Board issued Sales Tax Refunding Revenue Bonds, Series 2015, in the amount of \$79,880,000 on May 15, 2015. These bonds are authorized by Chapters 1001 and 212, Florida Statutes, and a resolution of the Board adopted on March 24, 2015. Proceeds from the bonds were used to refund Sales Tax Revenue Bonds, Series 2006. These bonds are secured by a pledge of proceeds received by the District from the levy and collection of a one-half cent discretionary sales surtax (sales tax revenues) pursuant to Section 212.055(6), Florida Statutes.

The pledged sales tax revenues, amounting to \$27,324,750 as of June 30, 2024, are committed until final maturity of the debt, or October 1, 2026. During the 2023-24 fiscal year, the District recognized sales tax revenues totaling \$31,831,982 and expended \$9,130,750 (29 percent) of these revenues for debt service directly collateralized by these revenues. Assuming a nominal growth rate in the collection of sales tax revenue, which are levied, unless extended, through December 31, 2026, approximately 48 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
District Revenue Bonds:			
2025	\$ 9,336,500	\$ 8,205,000	\$ 1,131,500
2026	9,331,125	8,620,000	711,125
2027	9,319,625	9,050,000	269,625
2028	219,000	180,000	39,000
2029	220,000	190,000	30,000
2030-2031	441,000	410,000	31,000
Total District Revenue Bonds	<u>\$28,867,250</u>	<u>\$26,655,000</u>	<u>\$ 2,212,250</u>
Plus Net Unamortized Premium	2,544,910	2,544,910	-
Total	<u><u>\$31,412,160</u></u>	<u><u>\$29,199,910</u></u>	<u><u>\$ 2,212,250</u></u>

3. Defeased Debt

On August 3, 2023, the Board issued \$63,610,000 in Certificates of Participation, Series 2023B, Refunding, with an average interest rate of 5 percent, to advance-refund the remaining \$68,540,000 of the District's Certificates of Participation, Series 2013A which mature after July 1, 2030. The net proceeds of \$69,031,255 (including a premium at issuance of \$5,421,255 and after payment of \$506,961 in underwriting fees, insurance, and other issuance costs) was placed in an irrevocable trust to provide for the future debt service payments on the Certificates of Participation, Series 2013A. As a result, the Certificates of Participation, Series 2013A are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements. The Certificates of Participation Series 2013A were refunded to reduce total debt service payments over the next 6 years by approximately \$2,664,374 and to obtain an economic gain (difference between the present value of the debt service payments) on the old and new debt of \$2,630,469.

4. Lease Payable

The class and amount of the lease asset is as follows:

	<u>Asset Balance</u>
Vehicles	<u>\$ 1,953,771</u>

The District has discounted the future minimum payments using its incremental borrowing rate of 4.73 percent. Future minimum 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>
2025	\$ 387,777	\$ 296,149	\$ 91,628
2026	269,379	205,728	63,651
2027	265,463	202,737	62,726
2028	159,577	121,871	37,706
2029	59,051	47,765	11,286
Total Minimum Lease Payments	<u><u>\$1,141,247</u></u>	<u><u>\$ 874,250</u></u>	<u><u>\$ 266,997</u></u>

5. Subscription Arrangement Liability

The District has entered into SBITAs for finance, reporting, and learning software for a period of 3 to 11 years and an incremental borrowing rate of 4.7-5 percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022. The value of the right-of-use assets as of June 30, 2024, was \$3,205,025 with accumulated amortization of \$1,302,876. Future minimum payments under the SBITA and the present value of the minimum payments as of June 30, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 786,933	\$ 707,017	\$ 79,916
2026	473,592	428,855	44,737
2027	341,875	319,021	22,854
2028	26,875	20,282	6,593
2029	26,875	21,256	5,619
2030-2033	107,500	95,736	11,764
Total	\$ 1,763,650	\$ 1,592,167	\$ 171,483

For the fiscal year ended June 30, 2024, the District had SBITAs with variable payments that were based on user seats which were expensed as incurred in the amount of \$44,212.

For the fiscal year ended June 30, 2024, the District had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the fiscal year ended June 30, 2024, the District had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

6. 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					
Bonds	\$ 34,475,000	\$ -	\$ 7,820,000	\$ 26,655,000	\$ 8,205,000
Unamortized Premium on Bonds	3,684,198	-	1,139,288	2,544,910	1,139,288
Total Bonds Payable	<u>38,159,198</u>	<u>-</u>	<u>8,959,288</u>	<u>29,199,910</u>	<u>9,344,288</u>
Certificates of Participation Payable					
Certificates of Participation	124,787,000	216,885,000	79,360,000	262,312,000	9,355,000
Unamortized Premium/Discounts on COPs	3,140,543	19,738,502	884,490	21,994,555	884,490
Total Certificates of Participation Payable	<u>127,927,543</u>	<u>236,623,502</u>	<u>80,244,490</u>	<u>284,306,555</u>	<u>10,239,490</u>
Lease Liability	690,044	606,557	422,351	874,250	296,149
Subscription Liability	781,890	1,427,714	617,437	1,592,167	707,017
Compensated Absences Payable	16,149,558	2,432,633	2,296,856	16,285,335	2,432,633
Net Pension Liability	267,037,135	164,351,772	112,126,279	319,262,628	-
Total OPEB Liability	<u>6,605,497</u>	<u>584,339</u>	<u>568,454</u>	<u>6,621,382</u>	<u>434,235</u>
Total Governmental Activities	\$ 457,350,865	\$ 406,026,517	\$ 205,235,155	\$ 658,142,227	\$ 23,453,812

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:

<u>Funds</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Major:		
General	\$ 6,890,127	\$ 1,384,821
Special Revenue:		
Other Federal Programs	-	3,348,271
Federal Education Stabilization	-	3,541,856
Capital Projects:		
Other	1,384,821	-
Total	\$ 8,274,948	\$ 8,274,948

The interfund receivables and payables represent temporary loans between funds to cover expenditures incurred prior to reimbursement from outside parties. All balances 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 2023-24 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 186,409,021
Categorical Educational Program - Class Size Reduction	43,818,595
Charter School Capital Outlay	3,847,901
CO&DS Distributed	1,840,103
School Recognition	1,447,861
Voluntary Prekindergarten Program	908,877
Food Service Supplement	246,747
Sales Tax Distribution	223,250
Motor Vehicle License Tax (Capital Outlay and Debt Service)	217,281
Interest on Undistributed CO&DS	50,785
CO&DS Withheld for Administrative Expenditures	28,019
Miscellaneous	1,234,997
Total	\$ 240,273,437

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 2023 tax roll for the 2023-24 fiscal year:

General Fund	Millages	Taxes Levied
Nonvoted School Tax:		
Required Local Effort	3.164	\$ 133,706,102
Basic Discretionary Local Effort	0.748	31,609,407
Voted School Tax:		
Additional Operating	1.000	42,258,566
Capital Projects - Local Capital Improvement Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	63,387,849
Total	6.412	\$270,961,924

M. Interfund Transfers

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 13,874,345	\$ 1,421,812
Capital Projects:		
Other	-	9,207,466
Nonmajor Governmental	33,172,937	36,418,004
Total	\$ 47,047,282	\$ 47,047,282

Interfund transfers are generally intended to cover property and casualty insurance and maintenance expenditures, to provide payments to charter schools for capital outlay, and debt service obligations as permitted by law.

IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule General and Major Special Revenue Funds For the Fiscal Year Ended June 30, 2024

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 367,273	\$ 344,197	\$ 344,197	\$ -
Federal Through State and Local	1,216,417	989,779	989,779	-
State	233,007,633	233,499,277	233,499,277	-
Local:				
Property Taxes	200,895,559	200,130,363	200,130,363	-
Miscellaneous	21,171,409	29,640,535	28,375,380	(1,265,155)
Total Local Revenues	<u>222,066,968</u>	<u>229,770,898</u>	<u>228,505,743</u>	<u>(1,265,155)</u>
Total Revenues	<u>456,658,291</u>	<u>464,604,151</u>	<u>463,338,996</u>	<u>(1,265,155)</u>
Expenditures				
Current - Education:				
Instruction	312,670,972	296,809,404	296,809,404	-
Student Support Services	19,051,355	23,926,015	23,926,015	-
Instructional Media Services	4,503,476	4,901,804	4,901,804	-
Instruction and Curriculum Development Services	4,337,445	5,875,019	5,875,019	-
Instructional Staff Training Services	1,082,015	2,063,317	2,063,317	-
Instruction-Related Technology	487,218	502,420	502,420	-
Board	799,749	3,588,727	3,588,727	-
General Administration	3,786,678	4,385,087	4,385,087	-
School Administration	26,837,371	30,380,849	30,380,849	-
Facilities Acquisition and Construction	5,679,920	5,108,831	5,108,831	-
Fiscal Services	5,034,857	2,579,149	2,579,149	-
Food Services	555	555	555	-
Central Services	8,404,414	7,981,797	7,981,797	-
Student Transportation Services	28,191,930	31,520,789	31,520,789	-
Operation of Plant	46,937,529	44,613,574	44,613,574	-
Maintenance of Plant	7,189,065	8,073,350	8,073,350	-
Administrative Technology Services	3,662,283	3,935,169	3,935,169	-
Community Services	306,181	684,260	684,260	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	362,592	362,592	-
Other Capital Outlay	-	628,772	628,772	-
Debt Service:				
Interest and Fiscal Charges	302,500	2,500	2,500	-
Total Expenditures	<u>479,265,513</u>	<u>477,923,980</u>	<u>477,923,980</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	<u>(22,607,222)</u>	<u>(13,319,829)</u>	<u>(14,584,984)</u>	<u>(1,265,155)</u>
Other Financing Sources (Uses)				
Transfers In	13,024,099	13,874,345	13,874,345	-
Sale of Capital Assets	-	92,989	92,989	-
Loss Recoveries	8,925	151,894	151,894	-
Transfers Out	(1,421,812)	(1,421,812)	(1,421,812)	-
Total Other Financing Sources	<u>11,611,212</u>	<u>12,697,416</u>	<u>12,697,416</u>	<u>-</u>
Net Change in Fund Balances	(10,996,010)	(622,413)	(1,887,568)	(1,265,155)
Fund Balances, Beginning	37,594,346	37,594,346	37,594,346	-
Fund Balances, Ending	<u>\$ 26,598,336</u>	<u>\$ 36,971,933</u>	<u>\$ 35,706,778</u>	<u>\$ (1,265,155)</u>

Special Revenue - Other Federal Programs Fund				Special Revenue - Federal Education Stabilization Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 1,159,479	\$ 272,446	\$ 272,446	\$ -	\$ -	\$ 83,545	\$ 83,545	\$ -
47,107,408	37,277,212	37,277,212	-	61,217,926	48,048,554	48,048,554	-
278,802	129,990	129,990	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>48,545,689</u>	<u>37,679,648</u>	<u>37,679,648</u>	<u>-</u>	<u>61,217,926</u>	<u>48,132,099</u>	<u>48,132,099</u>	<u>-</u>
26,400,804	19,025,853	19,025,853	-	32,037,990	29,716,880	29,716,880	-
3,343,289	2,532,258	2,532,258	-	4,326,720	2,283,998	2,283,998	-
-	-	-	-	-	-	-	-
5,809,501	5,273,494	5,273,494	-	1,294,550	678,425	678,425	-
10,211,769	8,343,703	8,343,703	-	2,609,178	1,020,720	1,020,720	-
-	-	-	-	250,200	-	-	-
-	-	-	-	-	-	-	-
1,351,722	1,301,566	1,301,566	-	1,860,793	851,819	851,819	-
95,602	61,446	61,446	-	473,909	539,141	539,141	-
-	-	-	-	14,255,754	-	-	-
-	-	-	-	276,891	116,209	116,209	-
-	-	-	-	-	-	-	-
45,264	42,984	42,984	-	35,369	25,720	25,720	-
1,131,491	702,161	702,161	-	1,658,819	432,956	432,956	-
88,827	-	-	-	1,650,395	165,804	165,804	-
-	-	-	-	-	-	-	-
-	-	-	-	298,258	297,961	297,961	-
67,420	69,675	69,675	-	189,100	80,814	80,814	-
-	-	-	-	-	10,017,288	10,017,288	-
-	326,508	326,508	-	-	1,904,364	1,904,364	-
-	-	-	-	-	-	-	-
<u>48,545,689</u>	<u>37,679,648</u>	<u>37,679,648</u>	<u>-</u>	<u>61,217,926</u>	<u>48,132,099</u>	<u>48,132,099</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Schedule of Changes in the District's
Total OPEB Liability and Related Ratios**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability					
Service Cost	\$ 336,807	\$ 551,001	\$ 481,462	\$ 478,086	\$ 436,389
Interest	247,532	174,117	204,211	292,236	325,443
Differences Between Expected and Actual Experience	-	(481,625)	-	(609,097)	-
Changes of Assumptions or Other Inputs	(100,221)	(1,938,209)	444,366	(635,071)	126,245
Benefit Payments	(468,233)	(434,765)	(497,481)	(564,535)	(602,066)
Net Change in Total OPEB Liability	<u>15,885</u>	<u>(2,129,481)</u>	<u>632,558</u>	<u>(1,038,381)</u>	<u>286,011</u>
Total OPEB Liability - Beginning	<u>6,605,497</u>	<u>8,734,978</u>	<u>8,102,420</u>	<u>9,140,801</u>	<u>8,854,790</u>
Total OPEB Liability - Ending	<u>\$ 6,621,382</u>	<u>\$ 6,605,497</u>	<u>\$ 8,734,978</u>	<u>\$ 8,102,420</u>	<u>\$ 9,140,801</u>
Covered-Employee Payroll	\$ 168,658,403	\$ 163,746,022	\$ 175,045,285	\$ 169,946,879	\$ 165,950,822
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.93%	4.03%	4.99%	4.77%	5.51%

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 617,119	\$ 596,250
Interest	359,791	300,912
Differences Between Expected and Actual Experience	625,804	-
Changes of Assumptions or Other Inputs	(1,971,463)	(566,590)
Benefit Payments	(531,685)	(568,605)
Net Change in Total OPEB Liability	<u>(900,434)</u>	<u>(238,033)</u>
Total OPEB Liability - Beginning	<u>9,755,224</u>	<u>9,993,257</u>
Total OPEB Liability - Ending	<u>\$ 8,854,790</u>	<u>\$ 9,755,224</u>
Covered-Employee Payroll	\$ 160,338,958	\$ 154,322,202
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.52%	6.32%

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

Fiscal Year Ending June 30	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.474089874%	\$ 28,926,454	\$ 188,719,016	15.33%	96.09%
2015	0.471616682%	60,915,620	193,145,356	31.54%	92.00%
2016	0.448501208%	113,246,907	201,141,768	56.30%	84.88%
2017	0.442315535%	130,833,967	202,544,149	64.60%	83.89%
2018	0.443917904%	133,710,374	207,335,443	64.49%	84.26%
2019	0.435444406%	149,960,991	211,113,431	71.03%	82.61%
2020	0.465645629%	201,817,678	234,720,782	85.98%	78.85%
2021	0.502899915%	37,988,373	236,782,474	16.04%	96.40%
2022	0.520630600%	193,716,421	252,315,138	76.78%	82.89%
2023	0.519258535%	206,908,091	280,444,933	73.78%	82.38%

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

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

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2015	\$ 11,498,415	\$ (11,498,415)	\$ -	\$ 193,145,356	5.95%
2016	10,937,417	(10,937,417)	-	201,141,768	5.44%
2017	11,514,562	(11,514,562)	-	202,544,149	5.68%
2018	12,651,304	(12,651,304)	-	207,355,443	6.10%
2019	13,501,919	(13,501,919)	-	211,113,431	6.40%
2020	15,471,341	(15,471,341)	-	234,720,782	6.59%
2021	19,158,314	(19,158,314)	-	236,782,474	8.09%
2022	22,635,145	(22,635,145)	-	252,315,138	8.97%
2023	24,979,675	(24,979,675)	-	280,444,933	8.91%
2024	28,625,702	(28,625,702)	-	298,998,991	9.57%

(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)**

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.635162690%	\$ 59,389,261	\$ 188,719,016	31.47%	0.99%
2015	0.636159430%	64,878,255	193,145,356	33.59%	0.50%
2016	0.651252749%	75,900,810	201,141,768	37.73%	0.97%
2017	0.635172458%	67,915,570	202,544,149	33.53%	1.64%
2018	0.634679891%	67,175,232	207,335,443	32.40%	2.15%
2019	0.630503560%	70,547,039	211,113,431	33.42%	2.63%
2020	0.676018072%	82,540,706	234,720,782	35.17%	3.00%
2021	0.668540230%	82,006,511	236,782,474	34.63%	3.56%
2022	0.692253605%	73,320,714	252,315,138	29.06%	4.81%
2023	0.707462854%	112,354,537	280,444,933	40.06%	4.12%

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

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

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2015	\$ 2,431,797	\$ (2,431,797)	\$ -	\$ 193,145,356	1.26%
2016	3,338,085	(3,338,085)	-	201,141,768	1.66%
2017	3,361,516	(3,361,516)	-	202,544,149	1.66%
2018	3,441,885	(3,441,885)	-	207,355,443	1.66%
2019	3,501,125	(3,501,125)	-	211,113,431	1.66%
2020	3,895,575	(3,895,575)	-	234,720,782	1.66%
2021	3,929,685	(3,929,685)	-	236,782,474	1.66%
2022	4,188,431	(4,188,431)	-	252,315,138	1.66%
2023	4,653,816	(4,653,816)	-	280,444,933	1.66%
2024	5,980,405	(5,980,405)	-	298,998,991	2.00%

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

1. Budgetary Basis of Accounting

The Board follows procedures established by State law 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 State 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 Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Assumptions. In 2024, the discount rate changed from 3.69 percent as of the beginning of the measurement period to 3.86 percent as of June 30, 2023.

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

Changes of Assumptions. In 2023, the municipal bond rate used to determine total pension liability was increased from 3.54 percent to 3.65 percent and the level of monthly benefits increased from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

St. Lucie County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing 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	24002	\$ -	\$ 4,924,584
National School Lunch Program	10.555	24001, 24003	-	18,822,109
Summer Food Service Program for Children	10.559	23006, 23007, 24006, 24007	-	468,701
Fresh Fruit and Vegetable Program	10.582	24004	-	242,695
Total Child Nutrition Cluster			-	24,458,089
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	2,500	11,995,775
COVID-19 Special Education - Grants to States	COVID-19, 84.027	262, 263	-	1,380,225
Total Special Education - Grants to States	84.027		2,500	13,376,000
Special Education - Preschool Grants	84.173	266, 267	-	284,106
COVID-19 Special Education - Preschool Grants	COVID-19, 84.173	266, 267	-	40,209
Total Special Education - Preschool Grants	84.173		-	324,315
Total Special Education Cluster			2,500	13,700,315
Not Clustered				
United States Department of Agriculture				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	None	-	1,022,283
United States Department of Defense				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	344,197
United States Department of Justice				
STOP School Violence	16.839	N/A	-	81,981
United States Department of Education				
Magnet Schools Assistance	84.165	N/A	-	2,711
School Safety National Activities	84.184	N/A	-	187,755
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	14,520	19,102,714
Migrant Education - State Grant Program	84.011	217	-	185,660
Career and Technical Education - Basic Grants to States	84.048	161	-	594,566
Education for Homeless Children and Youth	84.196	127	-	143,779
Twenty-First Century Community Learning Centers	84.287	244	-	693,045
English Language Acquisition State Grants	84.365	102	-	930,468
Supporting Effective Instruction State Grants	84.367	224	-	1,783,440
Student Support and Academic Enrichment Program	84.424	241	-	1,181,659
Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124	-	792,734
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	-	45,433,207
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	-	149,128
Total Education Stabilization Fund	84.425		-	46,375,069
Total United States Department of Education			14,520	71,180,866
Total Expenditures of Federal Awards			\$ 17,020	\$ 110,787,731

The accompanying notes 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 St. Lucie County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2024. 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 – National School Lunch Program. Includes \$1,337,436 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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Lucie County District School Board as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 12, 2025, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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
March 12, 2025



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the St. Lucie County District School Board's compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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**.

In our opinion, the District complied, in all material respects, with the 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, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the **Auditor's Responsibilities for the Audit of Compliance** section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the

major Federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The District's basic financial statements include the operations of Renaissance Charter School of St. Lucie, Renaissance Charter School at Tradition, Somerset College Preparatory Academy, and Somerset Academy St. Lucie (Charter Schools) as part of the reported aggregate discretely presented component units on the accompanying basic financial statements. The Charter Schools expended Federal awards, which are not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2024. Our compliance audit, described in the ***Opinion on the Major Federal Program*** section of our report, does not include the operations of these Charter Schools because the Charter Schools engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 ***Auditor's Responsibilities for the Audit of Compliance*** section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 12, 2025

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:	
Assistance Listing Numbers: 10.553, 10.555, 10.559, and 10.582	Name of Federal Program or Cluster: Child Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

BOARD MEMBERS

Dr. Donna Mills, *Chairman*
DISTRICT #3
Troy Ingersoll, *Vice Chairman*
DISTRICT #5
Debbie Hawley
DISTRICT #1
Terissa Aronson
DISTRICT #2
Jennifer Richardson
DISTRICT #4



Each Child, Every Day

SUPERINTENDENT

Dr. Jon R. Prince
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Port St. Lucie, FL 34986
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Audit Report No.

(Finding No.)	Program/Area	Brief Description	Status	Comments
Cherry Bekaert (2022-001) (2023-001)	Financial Reporting	District procedures need improvement to ensure that financial information is properly recorded in the accounting records and reported in the Annual Financial Report.	Fully Corrected	Improvement to the procedures is fully corrected. We have made several changes to our procedures such as changing the way we record receivables in order to more accurately report and clear balances. This also allows us to run aging reports showing what is owed in a transparent and clear format. We implemented Quarter Balance sheet review meetings with accounting staff and these have been very successful in keeping the accounts reconciled. We also have improved processes in our risk management department for benefits reconciliations which is linked to balance sheet accounts. We feel that these changes will allow us to ensure that financial information is reported correctly.