



**PERSONAL | PASSIONATE
PROGRESSIVE**



Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

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www.leeschools.net



Vision: To be a world-class school system

The School District of Lee County
Fort Myers, Florida

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**FOR
FISCAL YEAR ENDED
JUNE 30, 2023**

Prepared by:
Financial Accounting Department

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION



THE SCHOOL DISTRICT OF LEE COUNTY

December 21, 2023

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

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

After the close of each fiscal year, State law requires that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited by the Florida Auditor General, or a firm of licensed certified public accountants, in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the School District of Lee County (the District) for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, District management has established a system of internal controls designed to protect the District's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's system of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Florida Auditor General conducted the audit for the fiscal year ended June 30, 2023. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement

presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the District's basic financial statements for the fiscal year ended June 30, 2023. The auditor's report is presented as the first component in the Financial Section of this report.

The independent audit of the District's financial statements included the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1996; and the United States Office of Management and Budget Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements and on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this Single Audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, summary schedule of prior audit findings, and the independent auditor's reports on internal control and on compliance with applicable requirements, are included in the Other Independent Auditor's Reports, Schedules and Other Information section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Auditor's Report.

Profile of the Government

The District and its governing board were created pursuant to Section 4, Article IX, of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by District officials in accordance with Chapter 1001.42, Florida Statutes. The District School Board of Lee County (the Board) consists of seven elected officials responsible for the adoption of policies that govern the operation of the District's public schools. The appointed Superintendent of Schools (the Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education rules, and School Board policies. State Board of Education, Rule 6A-1.001, Florida Administration Code, designates specific responsibility to the Superintendent for maintaining a uniform system of records and accounts.

The geographic boundaries of the District are the same as those of Lee County, (the County), which was founded in 1887 and named in honor of General Robert

E. Lee. The County is located on the Gulf Coast of Florida, encompasses approximately 811 square miles, including several small islands in the Gulf of Mexico, and is bordered by Charlotte County to the north, Hendry County to the east, and Collier County to the south. Lee County's estimated population in 2022 is 822,453 people.

The report includes all funds of the District, the Lee County School Board Leasing Corporation, the Foundation for Lee County Public Schools (the Foundation), and 18 charter schools, all of which comprise the reporting entity. The Lee County School Board Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. The Foundation is a separate, not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Lee County. Charter schools are public schools operating under performance contracts with the Board. The Foundation and applicable charter schools are included as aggregate discretely presented component units.

The District provides a full range of educational programs. These include pre-kindergarten, kindergarten through 12th grade, basic and enrichment programs, and exceptional student education. The District also provides vocational and adult programs.

During the 2022-23 fiscal year, the District operated 97 schools and programs comprised of 49 elementary schools, 16 middle schools, 15 high schools, 17 specialized schools and programs, and reported student enrollment of 101,777. The District plans to open one new elementary school and one new middle school in the 2023-24 fiscal year. To better serve schools and students, the District is divided into three geographic learning communities. In addition, the District sponsored 18 charter schools that are component units of the District and does not plan to sponsor any new charter schools during the 2023-24 fiscal year. The charter schools are separate not-for-profit corporations organized and operated under Section 1002.33, Florida Statutes. The charter schools are funded by the state based on their weighted full-time equivalent student count and receive this funding through the District. The projected enrollment for fiscal year 2023-24 is 105,102. The District owns and maintains nearly 13.4 million square feet of buildings with an average age of 42.1 years.

The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all governmental fund types are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function level.

Budgetary information is integrated into the accounting system and, to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teacher positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

The District's vision is to be a world class district and its mission is to ensure each student achieves his/her highest personal potential.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Lee County is part of the Fort Myers–Cape Coral Metropolitan Statistical Area with an annual increase of 4.38 percent. The County's population has increased from 645,293 in 2013 to 822,453 in 2023, an increase of 27.5 percent. This compares to a 19.8 percent increase for Florida overall and a 6.0 percent increase for the nation.

Growth is projected to continue the trend above the state and nation for the next five years, increasing the population in the County to over 924,500 by 2030, and to more than 1,600,000 in the Southwest Florida area in general. Lee County has emerged in recent years as a dynamic destination for businesses. In 2014, Florida was voted the second best state for business by *Chief Executive Magazine*, and Cape Coral ranked as one of the Best Cities for Future Job Growth in 2014 by *Forbes*. Businesses have a ready workforce to draw from as 89.3% of the population over age 25 has at least a high school diploma with 28.5% having a bachelor's degree or higher.

Our county led the country in foreclosures during 2009, and unemployment was amongst the highest in the nation. The trend was changing as the unemployment rate was 3 percent in February, 2020. Due to COVID-19, the unemployment rate skyrocketed to its peak in April 2020 at 14.6 percent and is currently, as of June 2022, at 2.9 percent. However, our student population continues to grow as we estimate an almost additional 3,300 students in the next fiscal year, bringing our student population to over 105,000. This makes the District one of the most consistent and fastest growing District's in the state in terms of student growth, which keeps us in the top 10 largest districts in the state, and top 40 in the country.

This growth is projected to increase the student population up to 1.9 percent each year bringing the estimated student population to approximately 112,100, 116,100 and 126,800 over the next 5, 10 and 20 years, respectively. The mainstay of the County's economy are tourism and retirement, and their associated services, such as health, trade, and other service-oriented industries. The County also has real estate development, agribusiness, high-tech manufacturing, corporate and regional headquarters, warehousing and distribution, and financial services industries. Currently, over 85 percent of employment is concentrated in the services, wholesale and retail, and government sectors. Industries expected to gain the most new jobs in the near future include local government, health services, business services, food services, and special trade contractors.

While the District is heavily reliant upon state funding for the core of the educational programs within the District, and while the economic conditions of the nation and state interact with state funding adequacy and availability, the economic outlook for the District is consistent with the national situation. The State of Florida is heavily dependent upon sales tax collections and tourism. In addition, the community within the District is wholly supportive of the educational program, as evidenced by the contribution of money, time and effort. Any funding fluctuations will mean that new programs, innovative initiatives and educational enhancements may not be available within the desired time frames, but the positive improvements will continue to occur. In addition, the Board, Superintendent and staff are acutely aware of the perils of interrupted revenue receipts. Prudent business practices, accompanied by statutes mandating balanced budgets, result in a continual review of the financial condition of the District.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County, and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District is the area's second largest employer, employing 11,003 full and part-time employees, including 5,695 instructional personnel.

Ranked in the top 10 in student population in the state and in the top 40 in the nation, the District is challenged not only by growth but also the 2002 State Constitutional Amendment legislating reductions in class size. These challenges require the construction of an additional 17 schools in the next 10 years. In order to meet this demand, the District will continue to seek additional revenue sources. There are 87 public schools in Lee County and providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size and equity. An ambitious construction program that produced 40 new or additions to schools over the past 10 years is winding down. This program was supported in part by the issuance of several Certificates of Participation. The District will not be able to sustain this building program going forward. In recent years, the Florida Legislature has reduced school districts taxing authority for capital outlay from 2.000 mills to 1.500 mills. With the dramatic reduction in property values, the District's revenue stream

for school construction is extremely limited. On November 6, 2018 the voters of Lee County approved a ten-year half cent referendum. This sales tax surcharge will be used for the construction and renovation of school, safety initiatives, maintenance at schools and technology projects. In addition, with half of the school facilities more than 30 years old, a major construction and renovations program was initiated. Concurrently, the District adopted a 5 year plan to bring schools up to the newly adopted District standard in technology equipment and student accessibility. The District has also adopted a 20 year maintenance and replacement program to ensure school facilities are properly preserved.

Financial Information. A detailed explanation of the financial position and operating results of the District is provided in the Annual Comprehensive Financial Report. Presented below is a brief description of financial information, management of financial resources and obligations, and control techniques applicable to financial resources, obligations, and information.

The accounting policies of the District conform to GAAP applicable to governmental units. The statements and schedules included in the financial section of this report demonstrate the District's continued commitment to sound financial management.

Long-Term Financial Planning. The District continues to maintain adequate fund balances and top debt ratings by careful management of its financial resources. The District continues to implement budget saving initiatives to maintain fund balances without making cuts to the classrooms or necessitating layoffs of employees.

Major Initiatives

Capital Outlay Program

During the fiscal year 2024, the District is planning to start the construction of one middle school and one high school, start the remodel of two elementary schools, one middle school and one technical center, to complete the remodel of three elementary schools and one technical center and to continue the construction of one elementary school and to continue the remodel of one elementary school and one high school. For fiscal year 2025, the District is planning to start the construction of two elementary schools and one high school, start the remodel of one middle school, and to complete the remodel of three elementary schools, one high school and one technical center and to continue the construction of one middle school and one high school.

Awards and Acknowledgements

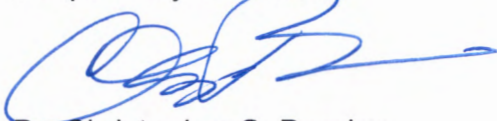
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the twenty first year the District has received these prestigious awards. In order to be awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting and ASBO's Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement and Certificate of Excellence program requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

The preparation and completion of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Financial Accounting Department. Each member of the Financial Accounting Department has our sincere appreciation for the contributions made in the completion of this report.

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

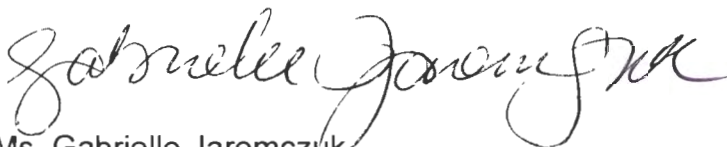
Respectfully submitted,



Dr. Christopher S. Bernier
Superintendent



Dr. Ami Desamours
Chief Financial Officer



Ms. Gabrielle Jaremczuk
Director of Financial Accounting & Property Records

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



Armor Persons
Chairman, District 5



Samuel Fisher
Vice Chairman, District 1



Melisa W. Giovannelli
District 2



Chris N. Patricca
District 3



Debbie Jordan
District 4



Jada Langford-Fleming
District 6



**Cathleen O'Daniel
Morgan** District 7



Christopher Bernier, Ed.D.
Superintendent

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

Dr. Christopher S. Bernier	Superintendent
Dr. Jennifer Cupid-McCoy	Deputy Superintendent
Dr. Michael Ramirez	Chief of Staff
Dr. Ami Desamours	Chief Financial Officer
Dr. Jeffrey Spiro	Chief Academic Officer
Mr. Dwayne Alton	Chief Information Officer
Mr. Larry Stephens	Chief Operations Officer
Dr. Kenneth Savage	Chief Strategy Officer
Mr. Angel Gomez	Chief Communications & Government Relations Officer
Dr. Robert Dodig	Executive Director Human Resources
Ms. Susan Malay	Executive Director Financial Services
Mr. Michael Gatewood	Director Internal Audit
Ms. Kelleen Letcher	Director Budget Services
Ms. Tracey Adams	Director Procurement Services
Mr. Kevin Calfee	Director Payroll
Ms. Gabrielle Jaremczuk	Director Financial Accounting & Property Records



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

School District of Lee County

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**School District of Lee County
Florida**

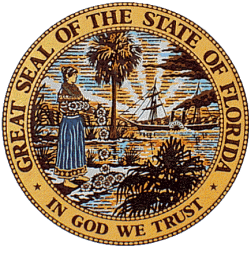
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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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 Lee County District School Board, as of and for the fiscal year ended June 30, 2023, 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 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 Lee County District School Board, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general and major special revenue funds 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 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, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the financial statements of the aggregate discretely presented component units, is 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, Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios, Schedule of District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of District Contributions – Health Insurance Subsidy Pension Plan, and Notes to the Required Supplementary Information** 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 combining and individual fund statements and schedules and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 combining and individual fund statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the

basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, 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
December 21, 2023
Audit Report No. 2024-101

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the School District of Lee County's Annual Comprehensive Financial Report presents management's discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$1,335,914,149 at fiscal year ending June 30, 2023.
- Net position of the District increased by \$223,357,853 in comparison to the 2021-22 fiscal year.
- The District's Government-wide revenues totaled \$1,545,418,366, comprised of general revenues of \$1,436,100,895 or 92.9 percent of the total revenues. Program specific revenues from charges for services, operating grants and contributions, and capital grants and contributions, totaled \$109,317,471 or 7.1 percent of the total revenues.
- Expenses incurred by the District totaled \$1,322,060,513 for governmental related activities. Program specific revenues offset these expenses by \$109,317,471, and general revenues funded the difference.
- The District's governmental funds reported combined ending fund balances of \$910,397,615 or an increase of \$291,509,717 or 47.1 percent in 2022-23 fiscal year in comparison with the 2021-22 fiscal year.
- The unassigned fund balance of the General Fund representing the net current financial resources available for general appropriation by the Board, totaled \$136,220,296, at June 30, 2023, or 14.5 percent of total General Fund expenditures.
- The General Fund total fund balance as of June 30, 2023, totaled \$189,769,170, a 10.6 percent increase in comparison to the 2021-22 fiscal year total of \$171,622,886. The increase in total fund balance of the General Fund is mainly attributed to the increase in property tax revenue and the collection of Hurricane Ian loss recoveries and actual expenditures were less than projected due to conservative spending at the schools.

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Overview of the Financial Statements

The Financial Section of this Annual Comprehensive Financial Report consists of three parts: Management's Discussion and Analysis, the Basic Financial Statements, and other supplementary section that presents combining statements for Nonmajor Governmental Funds, Internal Service Funds, and Component Units. The Basic Financial Statements include several statements that present different views of the District:

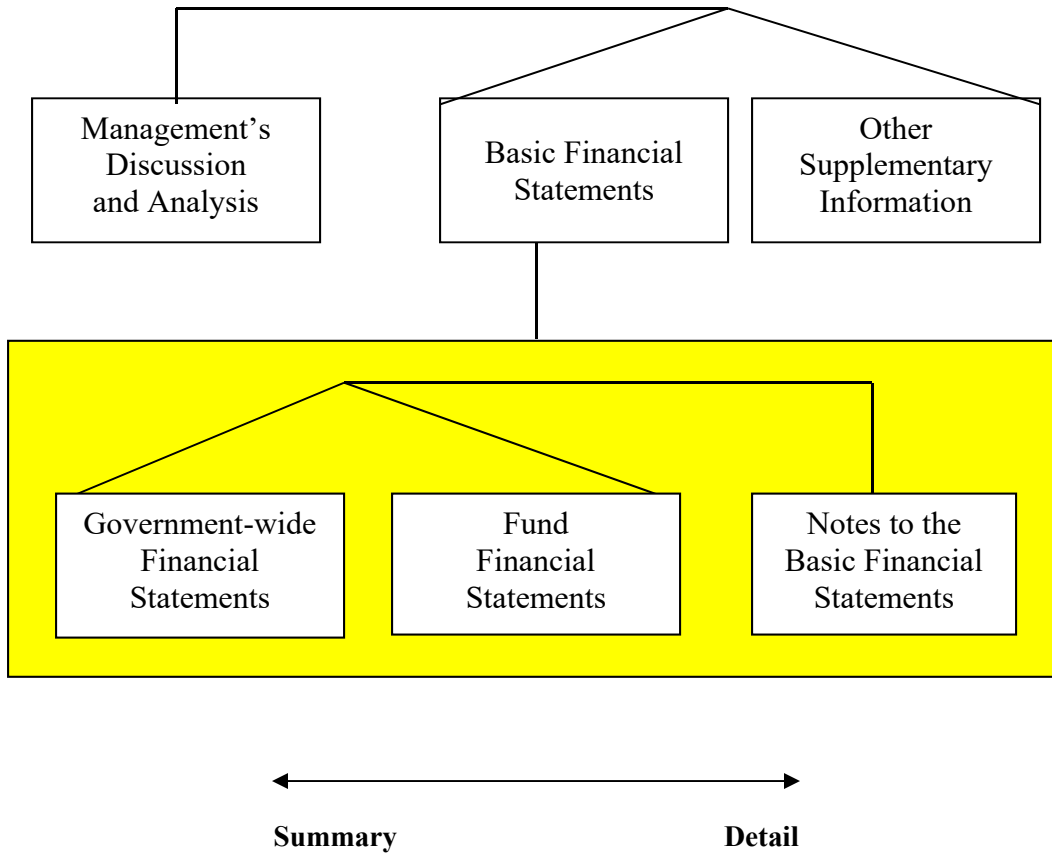
- The first two statements are *Government-wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.
- The *Governmental Funds Statements* tell how basic services, such as regular and special education, were financed in the *short-term* as well as what remains for future spending.
- The *General Fund's Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual* is presented for the primary operating fund of the District.
- The *Proprietary Funds Statements* offer *short-term* and *long-term* financial information about the activities the District operates as Internal Service Funds, for self-insurance.

The Basic Financial Statements also include notes that explain information in the statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the Basic Financial Statements with combining and individual fund statements that provide details about the Nonmajor Governmental Funds. Combining statements for the District's discretely presented component units are also included. Also, the other supplemental section includes schedules of budget to actual for each governmental fund. Figure A-1 on the following page shows how the various parts of this report are arranged and related to one another.

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Figure A-1

Organization of the District's Annual Comprehensive Financial Report



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Figure A-2 summarizes the major features of the District’s Basic Financial Statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary such as delivery of student instruction and building maintenance	Activities the District operates similar to private businesses
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenditures, and Changes in Net Position Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The two Government-wide statements report the District's *net position* and *how they have changed*. Net position (the difference between the District's assets and deferred outflows less liabilities and deferred inflows) are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional nonfinancial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities, must be considered.

In the Government-wide statements, the District's activities are divided into two categories:

Governmental Activities: Most of the District's basic services are included here, such as student instruction, transportation, maintenance and operations, and administration. Property taxes and State aid finance most of these activities. The Lee County School Board Leasing Corporation (Leasing Corporation) although legally separate, was formed December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Due to a substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. Separate financial statements for the Leasing Corporation are not published.

Component Units: The District includes 19 other entities in its report – The Foundation for Lee County Public Schools, Inc., Athenian Academy Charter School, Bonita Springs Charter School, City of Palms Charter High School, Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, The Heights Charter School, Heritage Charter School, Inc., Island Park Charter High School, Inc., The Island School, Inc., Mid Cape Global Academy, Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., and Six Mile Charter Academy. Although legally separate, these “component units” are important because the District is financially accountable.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices used to track specific sources of funding and spending on particular programs.

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts), or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

Governmental Funds

Most of the District's basic services, such as instruction and facilities services, are included in governmental funds. These funds generally focus on 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statement provides a detailed, short-term view that assists the reader in determining whether there are more or fewer financial resources that can

be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance which explains the relationships and/or differences between the funds.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide statements. The District uses two *Internal Service Funds* (a type of proprietary fund) to report activities that provide self-insurance services for its other programs and activities.

Financial Analysis of the District (Primary Government) as a Whole

Net Position. The District's *combined* net position was larger on June 30, 2023, than the previous fiscal year; increasing \$223.3 million to \$1,335.9 million (see Figure A-3) primarily due to the increase in property tax revenue of \$100.4 million. By far, the largest portion of the District's net position, \$938.4 million (70.2 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, software and audio visual materials). The District uses these capital assets to house and educate the students of Lee County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position, \$667.2 million (49.9 percent), represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, a deficit amount of \$269.7 million (20.2 percent), was the result of accruing \$533.8 million in net pension liability.

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Figure A-3

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Total Percentage Change
	2022	2023	
Current and Other Assets	\$ 863.2	\$ 1,184.0	37.2%
Capital Assets	1,322.3	1,335.1	1.0%
Total Assets	2,185.5	2,519.1	15.3%
Deferred Outflows of Resources	171.2	196.5	14.8%
Long-Term Liabilities	796.7	1,164.5	46.2%
Other Liabilities	150.0	160.8	7.2%
Total Liabilities	946.7	1,325.3	40.0%
Deferred Inflows of Resources	297.4	54.4	(81.7)%
Net Position			
Net Investment in Capital Assets	939.2	938.4	(0.1)%
Restricted	468.4	667.2	42.4%
Unrestricted (Deficit)	(295.0)	(269.7)	(8.6)%
Total Net Position	\$ 1,112.6	\$ 1,335.9	20.1%

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

- Other Federal Sources increased \$39.5 million as a result new federal stimulus grant programs.
- Property Tax revenue increased \$100.4 million due to an increase in the tax roll.

Changes in Net Position. The District's total revenue increased 11.8 percent to \$1,545.4 million (see Figure A-4). Property taxes, local sales tax, FEFP funding, and Federal and state sources, accounted for most of the District's revenue, contributing about 88 cents of every dollar raised (see Figure A-5). The remainder came from capital grants and contributions, operating grants and contributions, fees charged for services, investment earnings and other sources.

The total cost of all programs and services increased 13.1 percent to \$1,322.1 million. Approximately 90 percent of the District's expenses are related to student instruction, student services, facilities services, food service, transportation, operation of plant and maintenance of schools (see Figure A-6). The District's administrative activities, including school administration, accounted for 10 percent of total costs. The \$96.0 million increase in instruction costs was derived largely from salary increases.

Total revenues surpassed expenses, increasing net position \$223.3 million and contributing to the District's improved financial condition.

Figure A-4

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

	Governmental Activities		Total Percentage Change
	2022	2023	
<i>Revenues</i>			
Program Revenues			
Charges for Services	\$ 13.3	\$ 14.1	6.0%
Operating Grants and Contributions	63.5	58.7	(7.6)%
Capital Grants and Contributions	39.7	36.5	(8.1)%
General Revenues			
Property Taxes	591.2	691.6	17.0%
Local Sales Tax	115.8	116.3	0.4%
Florida Education Finance Program	223.1	204.1	(8.5)%
Other Federal Sources	174.7	214.2	22.6%
Other State Sources	121.1	127.6	5.4%
Other Local Sources	43.3	53.0	22.4%
Investment Earnings	(3.4)	29.3	961.8%
Total Revenues	<u>1,382.3</u>	<u>1,545.4</u>	11.8%
<i>Expenses</i>			
Instruction	590.3	686.3	16.3%
Student Support Services	46.3	54.6	17.9%
Instructional Media Services	3.6	4.0	11.1%
Instruction & Curriculum Development Services	28.7	33.7	17.4%
Instructional Staff Training Services	17.5	20.5	17.1%
Instruction Related Technology	7.7	8.4	9.1%
Board	1.6	2.4	50.0%
General Administration	12.0	14.7	22.5%
School Administration	53.8	64.2	19.3%
Facilities Services	149.2	140.9	(5.6)%
Fiscal Services	4.2	5.1	21.4%
Food Services	57.5	66.4	15.5%
Central Services	23.0	20.2	(12.2)%
Student Transportation Services	52.6	56.5	7.4%
Operation of Plant	76.3	90.2	18.2%
Maintenance of Plant	17.7	21.5	21.5%
Administrative Technology Services	8.6	9.1	5.8%
Community Services	5.8	11.7	101.7%
Unallocated Interest on Long-Term Debt	12.5	11.7	(6.4)%
Total Expenses	<u>1,168.9</u>	<u>1,322.1</u>	13.1%
Increase in Net Position	213.4	223.3	4.6%
Net Position, Beginning	899.2	1,112.6	23.7%
Net Position, Ending	<u>\$ 1,112.6</u>	<u>\$ 1,335.9</u>	20.1%

Figure A-5

Sources of Revenues for Fiscal Year 2023

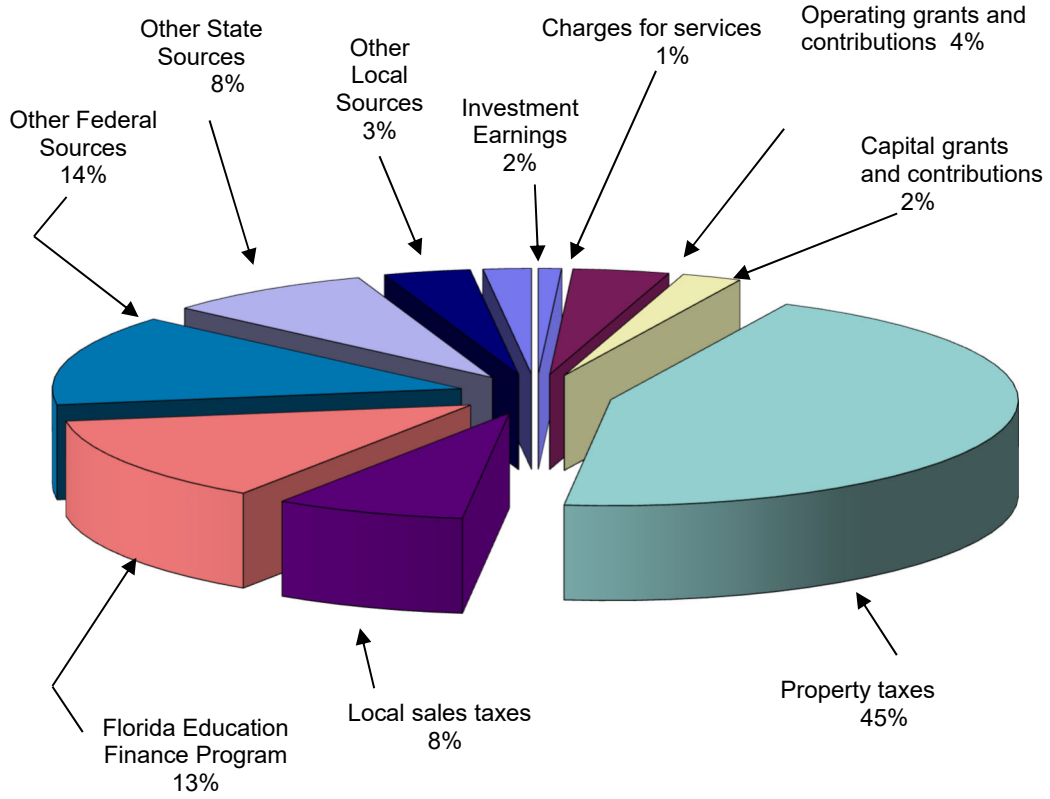
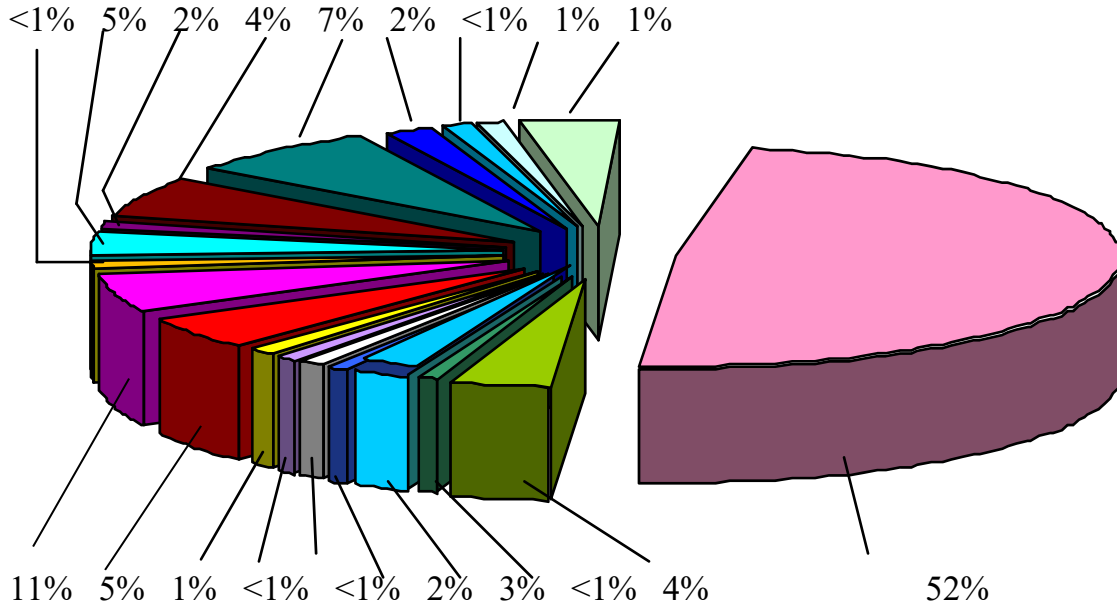





















Figure A-6

Expenses for Fiscal Year 2023



- | | | | |
|---|--|---|--|
|  | Instruction - 52% |  | Fiscal Services - <1% |
|  | Student Support Services - 4% |  | Food Services - 5% |
|  | Instructional Media Services - <1% |  | Central Services - 2% |
|  | Instruction and Curriculum Development Services - 3% |  | Student Transportation Services - 4% |
|  | Instructional Staff Training Services - 2% |  | Operation of Plant - 7% |
|  | Instruction Related Technology - <1% |  | Maintenance of Plant - 2% |
|  | Board - <1% |  | Administrative Technology Services - <1% |
|  | General Administration - 1% |  | Community Services - 1% |
|  | School Administration - 5% |  | Unallocated Interest and Fiscal Charges on Long-Term Debt - 1% |
|  | Facilities Services - 11% | | |

Governmental Activities

Revenues for the District’s governmental activities increased 11.8 percent, while expenses increased 13.1 percent. The increase in net position for governmental activities was \$223.3 million in 2023. The major impact to revenue was the increase collection of property taxes of \$100.4 million.

Figure A-7 presents the cost of the District’s activities. The table also shows each activity’s *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the taxpayers by each of these functions.

Figure A-7

Net Cost of Governmental Activities, Primary Government (in millions of dollars)

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2022	2023	Change	2022	2023	Change
Instruction	\$ 590.3	686.3	16.3%	\$ (578.2)	\$ (673.1)	16.4%
Student Support Services	46.3	54.6	17.9%	(46.3)	(54.6)	17.9%
Instructional Media Services	3.6	4.0	11.1%	(3.6)	(4.0)	11.1%
Instruction & Curriculum Development Services	28.7	33.7	17.4%	(28.7)	(33.7)	17.4%
Instructional Staff Training Services	17.5	20.5	17.1%	(17.5)	(20.5)	17.1%
Instruction Related Technology Board	7.7	8.4	9.1%	(7.7)	(8.4)	9.1%
General Administration	1.6	2.4	50.0%	(1.6)	(2.4)	50.0%
School Administration	12.0	14.7	22.5%	(12.0)	(14.7)	22.5%
Facilities Services	53.8	64.2	19.3%	(53.8)	(64.2)	19.3%
Fiscal Services	149.2	140.9	(5.6)%	(109.8)	(104.6)	(4.7)%
Food Services	4.2	5.1	21.4%	(4.2)	(5.1)	21.4%
Central Services	57.5	66.4	15.5%	6.5	(7.2)	(210.8)%
Student Transportation Services	23.0	20.2	(12.2)%	(23.0)	(20.2)	(12.2)%
Operation of Plant	52.6	56.5	7.4%	(51.9)	(56.0)	7.9%
Maintenance of Plant	76.3	90.2	18.2%	(76.3)	(90.2)	18.2%
Administrative Technology Services	17.7	21.5	21.5%	(17.7)	(21.5)	21.5%
Community Services	8.6	9.1	5.8%	(8.6)	(9.1)	5.8%
Unallocated Interest and Fiscal Charges on Long-Term Debt	5.8	11.7	101.7%	(5.8)	(11.7)	101.7%
	12.5	11.7	(6.4)%	(12.2)	(11.5)	(5.7)%
Total	\$ 1,168.9	\$ 1,322.1	13.1%	\$ (1,052.4)	\$ (1,212.7)	15.2%

The cost of all governmental activities this year was \$1,322.1 million.

Part of the cost was financed by the users of the District’s programs (\$14.1 million).

The Federal and State governments subsidized certain programs with grants and contributions (\$95.2 million).

However, most of the District’s costs (\$1,212.7 million) were financed by District and State taxpayers and other Federal sources. This portion of governmental activities was financed with \$691.6 million from property taxes, \$214.2 million of other federal sources, \$116.3 million of local sales tax and \$384.7 million of unrestricted Florida Education Finance Program funds based on the statewide education aid formula, and other state and local sources.

Financial Analysis of the District's Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the fiscal year, its governmental funds reported combined fund balances of \$910.4 million, which is higher than last fiscal year's ending fund balances of \$618.9 million. Unassigned fund balance of \$136.2 million represents 15.0 percent of the ending fund balances and is available to meet the District's short-term spending needs. The remainder of fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending, because it is: 1) to liquidate inventory and prepaid items of \$9.1 million; 2) restricted by Federal law, State statute and local ordinance of \$761.7 million; and 3) assigned for State and Local programs of \$3.4 million.

Seven of the eleven Governmental Funds had more revenues and other financing sources than expenditures and other financing uses in 2023, thereby contributing to the increase in total fund balance. The Capital Projects Fund Local Capital Improvement Tax increased \$136.9 million because current year resources were not expended in the current year due to conservative spending. One fund reflected a decrease (\$5.5 million) in fund balance.

The *General Fund* is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$136.2 million, while total fund balance reached \$189.8 million. During the current fiscal year, the fund balance of the General Fund increased by \$18.1 million. A key factor in this increase was the collection of \$64.3 million in Property Tax funds as a result of an increased in the tax roll and the collection of \$43 million in Hurricane Ian loss recoveries.

The *Special Revenue Fund Federal Education Stabilization* is used to account for certain Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided as emergency relief to school districts to address the impact of the COVID-19 on elementary and secondary schools. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The *Debt Service Fund Certificates of Participation* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation. The restricted fund balance at the end of fiscal year 2023 was \$4.9 million, an increase of \$4.9 million from the prior year. The increase is related to one new Certificate of Participation.

The *Debt Service Fund ARRA Economic Stimulus* is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Qualified School Construction Bond (QSCB). The restricted fund balance at the end of fiscal year 2023 was \$22.1 million, an increase of \$2.0 million from the prior fiscal year due to the accumulated principal payments required to be deposited into a sinking fund until fiscal year 2026 when the debt will be paid.

The *Capital Projects Fund Local Capital Improvement Tax* is used to account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs. At June 30, 2023, the total fund balance was \$364.6 million, an increase of \$136.9 million from the prior fiscal year due to conservative spending.

The *Capital Projects Fund Certificates of Participation/Impact Fees/State Grants* is used to account for the resources generated by various sources for educational capital outlay needs, including new construction and renovation and remodeling projects as specified in statute, ordinance, or contract. The total fund balance for this fund at the end of the current fiscal year was \$280.2 million, an increase of \$130.9 million from the prior fiscal year. The primary reason for this change was because of the issuance of \$143.0 million in Certificates of Participation.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual budget several times. These budget amendments generally fall into two categories:

Amendments Related to Changes in Revenue Estimates.

Throughout the school year, the District received revised calculations in the FEFP (Florida Education Finance Program – the funding formula for Florida school districts), based on changes in student counts, State revenue estimates, and local tax roll estimates. With each calculation, the budget is amended to reflect the current revenue estimates provided in the FEFP. The District will also amend revenues in the General Fund for new State grants and changes in local revenue sources, such as interest and indirect cost revenue. During the year, revenue increased \$20.2 million from original to final budget related to the collection of Hurricane Ian claims. The District budgets 96 percent of projected property tax revenues at the onset of each budget year, as required by law, and collections are generally higher. Revenue from property taxes was less than the final amended budget by \$16.6 million due to a smaller collection rate.

Amendments to Modify Appropriations.

Throughout the fiscal year, the District may increase appropriations for new grants and unanticipated expenditures, such as hurricane damage.

Each school and department is allowed to modify its existing budget to meet its operational needs throughout the school year. An example of this type of amendment would be to move appropriations from purchased supplies to textbooks in order to acquire new textbooks for the start of class.

Budgeted expenditures were increased \$106.3 million from the original budget to the final amended budget primarily due to Hurricane Ian expenditures.

- Although the District's final budget for the General Fund anticipated that expenditures and other financing uses would exceed revenues and other financing sources by approximately \$134.8 million, the actual results for the fiscal year show that revenues and other financing sources exceeded expenditures and financing uses by \$18.1 million.
- The actual expenditures were \$189 million below budgeted levels. Actual expenditures for instruction were more than \$77.5 million below budgeted levels due to conservative spending at the schools.
- Actual expenditures for operation of plant were \$12.3 million below budgeted levels due to conservative spending.

Capital Assets and Debt Administration

Capital Assets

By the end of the 2022-23 fiscal year, the District had an investment of \$1,335.1 million, net of accumulated depreciation, in a broad range of assets, including land, construction in progress, improvements other than buildings, buildings, furniture, fixtures and equipment, motor vehicles, audio visual material and software (see Figure A-8). This amount represents a net decrease of \$12.8 million, or 1.0 percent, from the 2021-22 fiscal year. Additions to land, construction in progress, improvements other than buildings, buildings, furniture, fixtures and equipment and motor vehicles, amounted to \$77.2 million for the fiscal year. Total depreciation expense for the year was \$52.4 million. (More detailed information about capital assets can be found in Note 5 to the Basic Financial Statements.)

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities		Total Percentage Change
	<u>2022</u>	<u>2023</u>	
Land	\$ 196.0	\$ 195.9	(0.1)%
Construction in Progress	9.5	70.3	640.0%
Improvements Other Than Buildings	27.1	27.1	0.0%
Buildings	1,007.8	962.6	(4.5)%
Furniture, Fixtures and Equipment	39.2	39.1	(0.3)%
Motor Vehicles	34.9	33.4	(4.3)%
Audio Visual Materials and Software	7.8	6.7	(14.1)%
Total	<u>\$ 1,322.3</u>	<u>\$ 1,335.1</u>	(1.0)%

The District's approved five-year Capital Outlay Plan includes the construction of one new technical center, three new high schools, three new middle schools, six new elementary schools and the remodel of two technical centers, two high schools, one middle school and six elementary schools over the next five years. The District's student enrollment has grown over the last several years, 8.0 percent since 2019 for a present enrollment of 101,777 students.

The District's capital projects budget shows spending another \$688.1 million in the 2023-24 fiscal year for capital projects, principally in four areas:

- 1) \$10.0 million to purchase new school buses.
- 2) \$18.4 million to continue the upgrade of technology equipment.
- 3) \$176.5 million to continue the maintenance of existing schools.
- 4) \$345.3 million to remodel six elementary schools, one high schools, 2 technical centers, and begin the construction of one new middle school and one new high school and to complete the construction of one new elementary school.

Long-Term Debt

At fiscal year-end, the District had \$493 million in SBE bonds, Certificates of Participation, Leases and Notes outstanding, an increase of 22.7 percent from last fiscal year, as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements.)

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)

	Total School District		Total Percentage Change
	<u>2022</u>	<u>2023</u>	
Certificates of Participation, Lease and Note Payables (financed with property taxes)	\$ 401.5	\$ 492.9	22.8%
State School Bonds (financed with specific taxes & fee revenues)	0.4	0.1	(75.0)%
Total	<u>\$ 401.9</u>	<u>\$ 493.0</u>	22.7%

The District issued a Series 2023A Certificates of Participation in the amount of 143,853,256 during the 2022-23 fiscal year and continues to retire its outstanding debt as it becomes due, retiring \$52.7 million of outstanding Certificates of Participation, notes, leases, and bonds during the 2022-23 fiscal year.

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Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of four existing circumstances that could significantly affect its financial health in the future:

- Education is dependent on people to produce results for students, a labor-intensive profession where qualified people are absolutely essential for success. Recruitment and retention of employees is of paramount importance to provide a world class education to every child. Both recruitment and retention have been challenging in the current economic environment, and the difficulties of many employers have been well documented. The District continues to work on improving salary, compensation, and working conditions to create and maintain a high-quality workforce. The negotiation of salary schedules that will be palatable for all employees will be a challenge, as the current availability of funding is limited, and employee expectations may be high. Significant resources will be needed to invest in employee salary schedules.
- The state enacted a new law creating family empowerment scholarships that provide public funding for those attending private institutions. The impact it may have on current and future enrollment is unknown, but the law does have the potential of reducing funding for education for traditional public students in our county.
- The District's current growth projections call for capital needs of multiple new schools and maintenance of existing aging facilities over the next ten years. Projected capital revenue will not sustain the project need, and alternatives must be explored related to additional funding sources and expense reduction.

Contacting the District's Financial Management

This Annual Comprehensive Financial Report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Financial Accounting, the School District of Lee County, 2855 Colonial Blvd., Fort Myers, Florida 33966-1012.

BASIC FINANCIAL STATEMENTS

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		Component
	Governmental		Units
ASSETS	Activities		Units
Cash	\$ 66,357,604	\$	19,632,843
Investments	1,016,635,291		2,930,172
Accounts Receivable	1,206,974		2,836,920
Lease Receivable	4,526,534		-
Taxes Receivable	5,151,979		-
Deposits Receivable	-		162,468
Due from Other Agencies	72,111,274		2,042,242
Inventory	7,524,343		-
Prepaid Expenses	1,540,838		2,895,198
Capital Credits Receivable	8,583,205		-
Restricted assets:			
Cash with Fiscal Agent	375,790		-
Capital assets:			
Non-depreciable	266,205,774		-
Depreciable, net	1,068,936,639		110,293,851
Total Assets	2,519,156,245		140,793,694
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	1,185,956		572,513
Deferred amount on OPEB	5,703,166		-
Deferred amount on pension	189,602,520		274,051
Total Deferred Outflow of Resources	196,491,642		846,564
LIABILITIES			
Salaries and Wages Payable	37,182,422		2,989,326
Payroll Deductions and Withholdings	6,294,049		-
Accounts Payable	29,683,330		8,524,234
Construction Contracts Payable	870,391		-
Construction Contracts Payable - Retainage	2,327,275		-
Matured Principal and Interest Payable	55,962,264		-
Accrued Interest Payable	15,326		-
Deposits Payable	5,635		-
Unearned Revenue	12,559,235		154,424
Due to Other Agencies	15,959,932		291,517
Noncurrent liabilities:			
Portion due within one year:			
Notes Payable	-		113,531
Bonds Payable	139,000		585,000
Lease Payable	49,214		3,718,768
Liability for Compensated Absences	5,606,133		159,333
Certificates of Participation Payable	49,733,000		-
Estimated Early Retirement Payable	32,000		-
Estimated Insurance Claims Payable	13,204,133		-
Portion due after one year:			
Notes Payable	-		224,894
Bonds Payable	-		35,471,424
Lease Payable	17,964		77,784,758
Liability for Compensated Absences	65,106,190		47,852
Certificates of Participation Payable	443,105,518		-
Estimated Early Retirement Payable	1,042,000		-
Estimated Insurance Claims Payable	10,376,954		-
Postemployment Benefits Payable	42,285,147		-
Net Pension Liability	533,756,065		310,336
Total Liabilities	1,325,313,177		130,375,397
DEFERRED INFLOWS OF RESOURCES			
Lease Revenue	4,311,300		-
Deferred amount on refunding	2,796,965		-
Deferred amount on OPEB	12,544,832		-
Deferred amount on pension	34,767,464		13,559
Total Deferred Inflow of Resources	54,420,561		13,559
NET POSITION			
Net Investment in Capital Assets	938,354,233		(4,006,988)
Restricted for:			
State Required Carryover Programs	21,800,210		-
Debt Service	75,704,287		1,201,925
Capital Projects	519,090,769		452,349
Food Service: Expendable	16,265,908		-
Food Service: Nonexpendable	1,368,946		-
Other Purposes	32,996,442		7,737,696
Unrestricted	(269,666,646)		5,866,320
Total Net Position	\$ 1,335,914,149		\$ 11,251,302

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
Instruction	\$ 686,274,420	\$ 13,157,177	\$ -	\$ -	\$ (673,117,243)	\$ -
Student Support Services	54,549,436	-	-	-	(54,549,436)	-
Instructional Media Services	4,070,741	-	-	-	(4,070,741)	-
Instruction and Curriculum Development Services	33,713,001	-	-	-	(33,713,001)	-
Instructional Staff Training Services	20,478,003	-	-	-	(20,478,003)	-
Instruction Related Technology	8,379,108	-	-	-	(8,379,108)	-
Board	2,366,474	-	-	-	(2,366,474)	-
General Administration	14,707,675	-	-	-	(14,707,675)	-
School Administration	64,238,055	-	-	-	(64,238,055)	-
Facilities Services	140,860,775	-	-	36,230,280	(104,630,495)	-
Fiscal Services	5,132,853	-	-	-	(5,132,853)	-
Food Services	66,355,244	410,012	58,717,114	-	(7,228,118)	-
Central Services	20,162,641	-	-	-	(20,162,641)	-
Student Transportation Services	56,508,064	551,210	-	-	(55,956,854)	-
Operation of Plant	90,182,209	-	-	-	(90,182,209)	-
Maintenance of Plant	21,547,143	-	-	-	(21,547,143)	-
Administrative Technology Services	9,098,067	-	-	-	(9,098,067)	-
Community Services	11,734,943	-	-	-	(11,734,943)	-
Unallocated Interest and Fiscal Charges on Long-term Debt	11,701,661	-	-	251,678	(11,449,983)	-
Total Governmental Activities	<u>1,322,060,513</u>	<u>14,118,399</u>	<u>58,717,114</u>	<u>36,481,958</u>	<u>(1,212,743,042)</u>	
Total Primary Government	<u>\$ 1,322,060,513</u>	<u>\$ 14,118,399</u>	<u>\$ 58,717,114</u>	<u>\$ 36,481,958</u>	<u>(1,212,743,042)</u>	
Component Units:						
Charter Schools/Foundation	<u>\$ 91,723,399</u>	<u>\$ 2,030,552</u>	<u>\$ 19,350,949</u>	<u>\$ 4,576,351</u>		<u>(65,765,547)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes				504,928,133	-	
Property Taxes, Levied for Capital Projects				186,687,750	-	
Local Sales Taxes				116,257,039	-	
Florida Education Finance Program				204,129,859	-	
Other Federal Sources Not Restricted to Specific Programs				214,156,628	315,660	
Other State Sources Not Restricted to Specific Programs				127,598,460	68,176,304	
Other Miscellaneous Sources Not Restricted to Specific Programs				53,013,446	3,685,727	
Unrestricted Investment Earnings				29,329,580	257,068	
Total General Revenues				<u>1,436,100,895</u>	<u>72,434,759</u>	
Change in Net Position				<u>223,357,853</u>	<u>6,669,212</u>	
Net Position - July 1, 2022				<u>1,112,556,296</u>	<u>4,582,090</u>	
Net Position - June 30, 2023				<u>\$ 1,335,914,149</u>	<u>\$ 11,251,302</u>	

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

**THE SCHOOL DISTRICT OF LEE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023**

	General Fund	Special Revenue Fund Federal Education Stabilization	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash	\$ 8,925,485	\$ -	\$ 258,823	\$ -	\$ 10,438,119	\$ 26,935,274	\$ 16,663,465	\$ 63,221,166
Investments	236,112,475	-	60,718,214	20,808,081	308,980,006	296,384,781	24,068,489	947,072,046
Accounts Receivable	802,527	-	-	-	-	-	404,447	1,206,974
Lease Receivable	4,526,534	-	-	-	-	-	-	4,526,534
Taxes Receivable	3,761,306	-	-	-	1,390,673	-	-	5,151,979
Due from Other Funds	28,627,885	1,838,192	-	-	52,190,823	195,772	531,885	83,384,557
Due from Other Agencies	14,864,990	20,381,304	-	1,293,116	-	16,936,177	18,635,687	72,111,274
Restricted Cash with Fiscal Agent	75,790	-	-	-	-	-	-	75,790
Inventory	5,926,704	-	-	-	-	-	1,597,639	7,524,343
Prepaid Items	-	-	-	-	-	1,540,838	-	1,540,838
Total Assets	\$ 303,623,696	\$ 22,219,496	\$ 60,977,037	\$ 22,101,197	\$ 372,999,621	\$ 341,992,842	\$ 61,901,612	\$ 1,185,815,501
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Salaries and Wages Payable	\$ 37,182,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,182,422
Payroll Deductions and Withholdings	6,294,049	-	-	-	-	-	-	6,294,049
Accounts Payable	13,315,211	722,874	85,000	-	5,328,899	8,746,566	1,451,056	29,649,606
Matured Principal Payable	-	-	48,669,000	-	-	-	-	48,669,000
Matured Interest Payable	-	-	7,293,264	-	-	-	-	7,293,264
Construction Contracts Payable	-	-	-	-	870,391	-	-	870,391
Construction Contracts Payable - Retainage	-	-	-	-	2,122,780	204,495	-	2,327,275
Deposits Payable	5,635	-	-	-	-	-	-	5,635
Due to Other Agencies	15,959,932	-	-	-	-	-	-	15,959,932
Due to Other Funds	36,044,951	21,496,622	-	-	113,069	52,843,541	11,615,803	122,113,986
Unearned Revenue	741,026	-	-	-	-	-	-	741,026
Total Liabilities	109,543,226	22,219,496	56,047,264	-	8,435,139	61,794,602	13,066,859	271,106,586
Deferred Inflows of Resources								
Lease Revenue	4,311,300	-	-	-	-	-	-	4,311,300
Total Deferred Inflows of Resources	4,311,300	-	-	-	-	-	-	4,311,300
Fund Balance								
Nonspendable								
Inventory	5,926,704	-	-	-	-	-	1,597,639	7,524,343
Prepaid Items	-	-	-	-	-	1,540,838	-	1,540,838
Restricted for:								
State Required Carryover Programs	21,800,210	-	-	-	-	-	-	21,800,210
Other Purposes	22,365,432	-	-	-	-	-	10,102,317	32,467,749
Debt Service	-	-	4,929,773	22,101,197	-	-	4,317	27,035,287
Capital Projects	-	-	-	-	364,564,482	278,657,402	20,864,572	664,086,456
Food Service	-	-	-	-	-	-	16,265,908	16,265,908
Assigned to:								
Purchase Order Obligations for								
School Operations	3,456,528	-	-	-	-	-	-	3,456,528
Unassigned	136,220,296	-	-	-	-	-	-	136,220,296
Total Fund Balances	189,769,170	-	4,929,773	22,101,197	364,564,482	280,198,240	48,834,753	910,397,615
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 303,623,696	\$ 22,219,496	\$ 60,977,037	\$ 22,101,197	\$ 372,999,621	\$ 341,992,842	\$ 61,901,612	\$ 1,185,815,501

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

**THE SCHOOL DISTRICT OF LEE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2023**

Total Fund Balance - Governmental Funds \$ 910,397,615

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

Capital Assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Original cost of capital assets	\$ 2,249,985,396	
Accumulated depreciation	<u>(914,842,983)</u>	
		1,335,142,413

Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on pensions, postemployment health benefits, and refundings in the statement of net position. 196,491,642

Capital credits to be received in future years are not available to liquidate liabilities in governmental funds, but are accrued in the government-wide financial statements. 8,583,205

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Balances at June 30, were:

Accrued Interest payable	(15,326)	
Bonds payable	(139,000)	
Certificates of participation payable	(492,838,518)	
Lease payable	(67,178)	
Estimated early retirement payable	(1,074,000)	
Net pension liability	(533,756,065)	
Estimated insurance claims payable	(23,581,087)	
Postemployment benefits payable	(42,285,147)	
Liability for compensated absences	<u>(70,712,323)</u>	
Subtotal, long-term liabilities		(1,164,468,644)

Deferred inflow of resources are reported as a result of changes in fair value of deferred amounts on pensions, postemployment health benefits, and refundings in the statement of net position. (50,109,261)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The assets and liabilities of the internal service funds, which are reported in the proprietary funds rather than the governmental funds, are included in governmental activities in the statement of net position. The internal service funds net position is \$76,265,797. This includes \$697 in capital assets, \$30,990 in compensated absences and \$23,581,087 in estimated unpaid claims included above. The net amount is as follows:

99,877,179

Total net position - governmental activities \$ 1,335,914,149

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023**

	General Fund	Special Revenue Fund Federal Education Stabilization	Debt Service Fund Certificates of Participation	Debt Service Fund ARRA Economic Stimulus	Capital Projects Fund Local Capital Improvement Tax	Capital Projects Fund Certificates of Participation/Impact Fees/State Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Federal Direct Sources	\$ 2,653,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,021,145	\$ 19,674,936
Federal Through State Sources	14,102,597	120,044,363	-	-	-	-	118,360,138	252,507,098
State Sources	325,052,071	-	-	-	-	6,959,426	4,696,226	336,707,723
Local Sources								
Taxes	504,928,133	-	-	-	186,687,750	-	-	691,615,883
Local Sales Taxes	-	-	-	-	-	116,257,039	-	116,257,039
Food Service Sales	-	-	-	-	-	-	410,012	410,012
Impact Fees	-	-	-	-	-	32,194,262	-	32,194,262
Miscellaneous	48,072,831	-	239,695	812,548	10,694,812	3,755,075	30,652,904	94,227,865
Total Revenues	<u>894,809,423</u>	<u>120,044,363</u>	<u>239,695</u>	<u>812,548</u>	<u>197,382,562</u>	<u>159,165,802</u>	<u>171,140,425</u>	<u>1,543,594,818</u>
EXPENDITURES								
Current								
Instruction	548,470,432	75,180,665	-	-	-	-	66,254,136	689,905,233
Student Support Services	38,254,403	9,777,578	-	-	-	-	6,986,982	55,018,963
Instructional Media Services	3,737,302	197,884	-	-	-	-	224,581	4,159,767
Instruction and Curriculum Development Services	10,244,188	5,902,292	-	-	-	-	17,987,670	34,134,150
Instructional Staff Training Services	7,747,351	7,614,535	-	-	-	-	5,171,142	20,533,028
Instruction Related Technology	8,134,367	229,706	-	-	-	-	66,559	8,430,632
Board	2,322,035	19,179	-	-	-	-	-	2,341,214
General Administration	5,008,461	5,657,028	-	-	-	-	4,008,216	14,673,705
School Administration	59,552,023	2,328,467	-	-	-	-	2,302,139	64,182,629
Facilities Services	53,665,105	1,022,911	-	-	15,451,356	48,260,800	717,374	119,117,546
Fiscal Services	4,992,369	126,841	-	-	-	-	-	5,119,210
Food Service	-	1,708,703	-	-	-	-	64,230,032	65,938,735
Central Services	15,865,743	4,116,999	-	-	-	-	236,230	20,218,972
Student Transportation Services	54,630,213	1,853,872	-	-	-	-	547,009	57,031,094
Operation of Plant	88,668,172	1,624,178	-	-	-	-	281,716	90,574,066
Maintenance of Plant	20,912,008	505,532	-	-	-	-	-	21,417,540
Administrative Technology Services	7,776,101	1,508,831	-	-	-	-	-	9,284,932
Community Services	10,949,605	104,007	-	-	-	-	496,742	11,550,354
Capital Outlay								
Facilities Acquisition and Construction	240,264	-	-	-	4,673,011	59,122,415	875,622	64,911,312
Other Capital Outlay	947,387	565,155	-	-	6,757,327	5,380,957	1,886,387	15,537,213
Debt Service								
Principal	101,780	-	48,711,074	-	-	-	239,000	49,051,854
Interest and Fiscal Charges	202,105	-	15,467,375	190,198	-	-	21,624	15,881,302
Total Expenditures	<u>942,421,414</u>	<u>120,044,363</u>	<u>64,178,449</u>	<u>190,198</u>	<u>26,881,694</u>	<u>112,764,172</u>	<u>172,533,161</u>	<u>1,439,013,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(47,611,991)</u>	<u>-</u>	<u>(63,938,754)</u>	<u>622,350</u>	<u>170,500,868</u>	<u>46,401,630</u>	<u>(1,392,736)</u>	<u>104,581,367</u>
OTHER FINANCING SOURCES (USES)								
Certificates of Participation Issued	-	-	853,256	-	-	135,556,744	-	136,410,000
Premium on Certificates of Participation Issued	-	-	-	-	-	7,443,256	-	7,443,256
Lease Agreements	32,589	-	-	-	-	-	-	32,589
Loss Recoveries	43,010,905	-	-	-	-	-	-	43,010,905
Sale of Capital Assets	-	-	-	-	-	31,600	-	31,600
Transfer In	22,714,781	-	68,012,189	1,380,342	-	-	-	92,107,312
Transfer Out	-	-	-	-	(33,623,833)	(58,483,479)	-	(92,107,312)
Total Other Financing Sources (Uses)	<u>65,758,275</u>	<u>-</u>	<u>68,865,445</u>	<u>1,380,342</u>	<u>(33,623,833)</u>	<u>84,548,121</u>	<u>-</u>	<u>186,928,350</u>
Net Change in Fund Balance	<u>18,146,284</u>	<u>-</u>	<u>4,926,691</u>	<u>2,002,692</u>	<u>136,877,035</u>	<u>130,949,751</u>	<u>(1,392,736)</u>	<u>291,509,717</u>
Fund Balance, Beginning	<u>171,622,886</u>	<u>-</u>	<u>3,082</u>	<u>20,098,505</u>	<u>227,687,447</u>	<u>149,248,489</u>	<u>50,227,489</u>	<u>618,887,898</u>
Fund Balance, Ending	<u>\$ 189,769,170</u>	<u>\$ -</u>	<u>\$ 4,929,773</u>	<u>\$ 22,101,197</u>	<u>\$ 364,564,482</u>	<u>\$ 280,198,240</u>	<u>\$ 48,834,753</u>	<u>\$ 910,397,615</u>

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

**THE SCHOOL DISTRICT OF LEE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023**

Net change in fund balances- governmental funds \$ 291,509,717

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays net of noncapitalized outlays, and other additions exceed depreciation expense in the current period.

Capital outlays	\$ 77,181,099	
Depreciation expense	<u>(52,369,809)</u>	24,811,290

In the governmental funds, the cost of capital assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (12,017,111)

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not effect the statement of net position. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt proceeds	(143,885,845)	
Amortization-net	510,607	
Amortization-net	3,667,841	
Repayments	<u>49,051,854</u>	(90,655,543)

The District has recorded vested utility interest revenue in the government-wide statements that does not meet the earned criterion for recognition in the fund financial statements. 257,129

The net change in the early retirement benefit program liability is reported in the government-wide statements, but not in the governmental fund statements. 71,000

In the governmental funds, interest on long-term debt is recorded as an expenditure when due and payable. In the statement of activities, interest is recorded as it accrues. This is the decrease in accrued interest payable. 1,192

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period. (77,459)

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

OPEB contribution	(2,446,667)	
OPEB expense	<u>3,019,644</u>	572,977

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	46,647,372	
HIS Pension contribution	9,190,255	
FRS Pension expense	(57,670,496)	
HIS Pension expense	<u>(8,323,337)</u>	(10,156,206)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds of the District. The change in net position of the internal service funds, of \$19,040,947 is reported with governmental activities. This includes \$773 in depreciation, \$534 in loss on sale of asset, and \$1,389 in compensated absences included above. The net amount is as follows:

19,040,867

Change in net position of governmental activities \$ 223,357,853

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources	\$ 2,613,000	\$ 2,613,000	\$ 2,653,791	\$ (40,791)
Federal Through State Sources	2,000,000	12,924,521	14,102,597	(1,178,076)
State Sources	320,274,327	324,648,867	325,052,071	(403,204)
Local Sources				
Taxes	521,574,983	521,574,983	504,928,133	16,646,850
Miscellaneous	25,336,138	30,206,715	48,072,831	(17,866,116)
Total Revenues	<u>871,798,448</u>	<u>891,968,086</u>	<u>894,809,423</u>	<u>(2,841,337)</u>
EXPENDITURES				
Current				
Instruction	618,456,270	625,946,069	548,470,432	77,475,637
Student Support Services	44,326,570	44,613,859	38,254,403	6,359,456
Instructional Media Services	4,927,058	4,780,213	3,737,302	1,042,911
Instruction and Curriculum Development Services	11,527,732	11,867,411	10,244,188	1,623,223
Instructional Staff Training Services	8,682,127	9,804,673	7,747,351	2,057,322
Instruction Related Technology	8,143,158	8,377,770	8,134,367	243,403
Board	2,518,666	2,714,876	2,322,035	392,841
General Administration	7,522,744	6,847,353	5,008,461	1,838,892
School Administration	62,780,231	63,675,869	59,552,023	4,123,846
Facilities Services	13,664,000	90,896,911	53,665,105	37,231,806
Fiscal Services	5,418,126	5,447,857	4,992,369	455,488
Central Services	24,167,311	27,444,535	15,865,743	11,578,792
Student Transportation Services	65,544,589	65,629,558	54,630,213	10,999,345
Operation of Plant	99,944,522	100,934,039	88,668,172	12,265,867
Maintenance of Plant	21,575,343	24,339,556	20,912,008	3,427,548
Administrative Technology Services	9,265,459	9,582,974	7,776,101	1,806,873
Community Services	16,737,409	13,835,014	10,949,605	2,885,409
Capital Outlay				
Facilities Acquisition and Construction	-	7,134,996	240,264	6,894,732
Other Capital Outlay	-	7,293,787	947,387	6,346,400
Debt Service				
Principal	-	101,811	101,780	31
Interest and Fiscal Charges	-	202,105	202,105	-
Total Expenditures	<u>1,025,201,315</u>	<u>1,131,471,236</u>	<u>942,421,414</u>	<u>189,049,822</u>
Deficiency of Revenues Under Expenditures	<u>(153,402,867)</u>	<u>(239,503,150)</u>	<u>(47,611,991)</u>	<u>(191,891,159)</u>
OTHER FINANCING SOURCES				
Lease Agreements	-	32,589	32,589	-
Loss Recoveries	11,657	39,267,284	43,010,905	(3,743,621)
Sale of Capital Assets	-	-	-	-
Transfer In	22,975,000	65,425,584	22,714,781	42,710,803
Total Other Financing Sources	<u>22,986,657</u>	<u>104,725,457</u>	<u>65,758,275</u>	<u>38,967,182</u>
Net Change in Fund Balance	<u>(130,416,210)</u>	<u>(134,777,693)</u>	<u>18,146,284</u>	<u>(152,923,977)</u>
Fund Balance, Beginning	<u>171,729,466</u>	<u>171,622,886</u>	<u>171,622,886</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 41,313,256</u>	<u>\$ 36,845,193</u>	<u>\$ 189,769,170</u>	<u>\$ (152,923,977)</u>

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Federal Education Stabilization			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Through State Sources:				
Other Federal Through State Grants	\$ 189,680,925	\$ 211,551,607	\$ 120,044,363	\$ 91,507,244
Total Federal Through State Sources	<u>189,680,925</u>	<u>211,551,607</u>	<u>120,044,363</u>	<u>91,507,244</u>
 Total Revenues	<u>189,680,925</u>	<u>211,551,607</u>	<u>120,044,363</u>	<u>91,507,244</u>
EXPENDITURES				
Current				
Instruction	139,238,818	157,451,781	75,180,665	82,271,116
Student Support Services	16,593,251	10,575,861	9,777,578	798,283
Instructional Media Services	73,332	245,054	197,884	47,170
Instruction and Curriculum Development Services	8,942,299	6,462,918	5,902,292	560,626
Instructional Staff Training Services	10,652,203	8,627,653	7,614,535	1,013,118
Instruction Related Technology	-	229,706	229,706	-
Board	266,839	19,179	19,179	-
General Administration	7,883,366	9,259,955	5,657,028	3,602,927
School Administration	536,015	2,372,471	2,328,467	44,004
Facilities Services	-	1,022,911	1,022,911	-
Fiscal Services	-	126,841	126,841	-
Food Service	-	1,708,703	1,708,703	-
Central Services	1,647,934	4,233,999	4,116,999	117,000
Student Transportation Services	60,027	3,130,301	1,853,872	1,276,429
Operation of Plant	219,314	1,626,914	1,624,178	2,736
Maintenance of Plant	875,982	505,532	505,532	-
Administrative Technology Services	2,392,831	1,508,831	1,508,831	-
Community Services	298,714	302,746	104,007	198,739
Capital Outlay				
Facilities Acquisition and Construction	-	268,700	-	268,700
Other Capital Outlay	-	1,871,551	565,155	1,306,396
 Total Expenditures	<u>189,680,925</u>	<u>211,551,607</u>	<u>120,044,363</u>	<u>91,507,244</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balance				-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 June 30, 2023

	Governmental Activities- Internal Service Funds
ASSETS	
Current Assets	
Cash	\$ 3,136,438
Investments	69,563,245
Due from Governmental Funds	38,729,429
Total Current Assets	111,429,112
Noncurrent Assets	
Restricted Cash with Fiscal Agent	300,000
Furniture, Fixtures and Equipment	4,633
Less Accumulated Depreciation	(3,936)
Total Noncurrent Assets	300,697
Total Assets	111,729,809
LIABILITIES	
Current Liabilities	
Accounts Payable	33,726
Unearned Revenue	11,818,209
Estimated Insurance Claims Payable	13,204,133
Liability for Compensated Absences	30,990
Total Current Liabilities	25,087,058
Noncurrent Liabilities	
Estimated Insurance Claims Payable	10,376,954
Total Liabilities	35,464,012
NET POSITION	
Invested in Capital Assets	697
Restricted for Claims	300,000
Unrestricted	75,965,100
Total Net Position	\$ 76,265,797

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023**

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Premium Revenue	\$ 132,538,676
Other Operating Revenues	69,444
	132,608,120
OPERATING EXPENSE	
Salaries	317,309
Employee Benefits	110,020
Purchased Services	17,968,260
Materials and Supplies	236
Insurance Claims	96,567,954
Depreciation	773
	114,964,552
Operating Income	17,643,568
NONOPERATING REVENUES	
Interest Income	1,397,913
Loss on Disposition of Assets	(534)
	1,397,379
Changes in Net Position	19,040,947
Net Position - July 1, 2022	57,224,850
Net Position - June 30, 2023	\$ 76,265,797

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

**THE SCHOOL DISTRICT OF LEE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023**

		Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers, Users and Participants	\$	107,970,642
Cash Payments to Suppliers for Goods and Services		(17,966,772)
Cash Payments to Employees for Services		(428,718)
Cash Payments for Insurance Claims		(97,163,735)
		(7,588,583)
Net Cash used by Operating Activities		(7,588,583)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Pooled Investments		8,626,470
Interest on Investments		1,397,913
		10,024,383
Net Cash provided by Investing Activities		10,024,383
Net Increase in Cash		2,435,800
Cash, Beginning		1,000,638
Cash, Ending	\$	3,436,438

**Reconciliation of Operating Income to
Net Cash used by Operating Activities**

Operating Income	\$	17,643,568
Adjustments to Reconcile Operating Income to Net Cash used by Operating Activities:		
Depreciation		773
Change in Assets and Liabilities:		
Increase in Due from Governmental Funds		(22,896,066)
Increase in Accounts Payable		1,723
Decrease in Unearned Revenue		(1,741,412)
Decrease in Estimated Insurance Claims Payable		(595,780)
Decrease in Liability for Compensated Absences		(1,389)
Total Adjustments		(25,232,151)
Net Cash used by Operating Activities	\$	(7,588,583)

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Reporting Entity

The District School Board of Lee County (Board) has direct responsibility for operation, control, and supervision of the School District of Lee County (District) and is considered a primary government for financial reporting. The District is part of the Florida system of public education under the general direction of the State Board of Education. The governing body of the District is the Board, which is composed of seven elected members. The appointed Superintendent of Schools (Superintendent) is the executive officer of the District. The general operating authority of the Board and the Superintendent is contained in Chapters 1000-1013, Florida Statutes. Geographic boundaries of the District correspond with those of Lee County, Florida.

Pursuant to Section 1010.51, Florida Statutes, the Superintendent is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units" and GASB 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements Nos. 14 and No. 34", the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body and is either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Based on the application of these criteria, District management has determined that the following five charter schools are not component units: Florida Southwestern Collegiate High School, Oasis Elementary School South, Oasis Middle School, Oasis Elementary School North, and Oasis High School.

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

Blended Component Unit – Leasing Corporation

The Lee County School Board Leasing Corporation (Leasing Corporation) was formed on December 17, 2003, to facilitate financing for the acquisition of facilities and equipment. Additionally, the Corporation is legally separate from the District and the governing board of the Leasing Corporation is the District School Board. Therefore, the financial activities of the Leasing Corporation have been blended (reported as if it were part of the District) with those of the District. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Unit – Foundation

The Foundation for Lee County Public Schools, Inc., (Foundation) was formed for the purpose of improving the quality of education by increasing community involvement with and support for Lee County schools. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources (or incomes thereon) that the Foundation holds and invests are restricted to the activities of the District by the donors.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Because these restricted resources held by the Foundation can only be used for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. An annual audit of the Foundation's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

Discretely Presented Component Units – Charter Schools

At fiscal year-end there were eighteen charter schools operating within the District that met the criteria for presentation as a discretely presented component unit. All charter schools are separate, not-for-profit corporations organized and operated as charter schools under Section 1002.33, Florida Statutes, to enhance the education of the Lee County students attending these schools. Charter Schools do not have the constitutional authority to levy taxes, making charter schools fiscally dependent on the District. Pursuant to Florida Statutes section 1002.33(17) students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the District. The charter schools' full-time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. The financing of charter schools imposes a financial burden on the District. Because charter schools are fiscally dependent and create a financial burden on the District, charter schools are considered component units of the District. Audits were performed for each Charter School for the year ended, by independent certified public accountants and are on file at the District's administrative office.

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

Athenian Academy Charter School - The school's charter was granted January 9, 2018, for a grade K-8 school. As of June 30, 2023, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Bonita Springs Charter School – The school's charter was granted December 18, 2001, for a grade K-8 school. As of June 30, 2023, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

City of Palms Charter High School, Inc. – The school's charter was granted October 25, 2005, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Coronado High School – The school's charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

DJB Technical Academy, Inc. - The school's charter was granted March 12, 2013, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

Gateway Charter School – The school's charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2023, the school was a grade K-4 school. The school is located in Fort Myers, Florida.

Gateway Intermediate Charter School – The school's charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2023, the school was a grade 5-8 school. The school is located in Fort Myers, Florida.

Gateway Charter High School – The school's charter was granted October 21, 2003, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

The Heights Charter School – The school’s charter was granted December 08, 2015, for a grade K-3 school. As of June 30, 2023, the school was a grade K-3 school. The school is located in Fort Myers, Florida.

Heritage Charter School, Inc. – The school’s charter was granted May 3, 2011, for a grade K-8 school. As of June 30, 2023, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

Island Park Charter High School, Inc. – The school’s charter was granted April 01, 2014, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in Fort Myers, Florida.

The Island School, Inc. - The school’s charter was granted May 2, 2000, for a grade K-8 school. As of June 30, 2023, the school was a grade K-5 school. The school is located in Boca Grande, Florida.

Mid Cape Global Academy – The school’s charter was granted August 20, 2002, for a grade K-8 school. As of June 30, 2023, the school was a grade K-8 school. The school is located in Cape Coral, Florida.

Northern Palms Charter High School - The school’s charter was granted April 28, 2015, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in North Fort Myers, Florida.

North Nicholas High School - The school’s charter was granted October 23, 2007, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in Cape Coral, Florida.

Oak Creek Charter School of Bonita Springs, Inc. – The school’s charter was granted September 23, 2008, for a grade K-8 school. As of June 30, 2023, the school was a grade K-8 school. The school is located in Bonita Springs, Florida.

Palm Acres Charter High School, Inc. – The school’s charter was granted March 11, 2014, for a grade 9-12 school. As of June 30, 2023, the school was a grade 9-12 school. The school is located in Lehigh Acres, Florida.

Six Mile Charter Academy – The school’s charter was granted August 10, 2004, for a grade K-8 school. As of June 30, 2023, the school was a grade K-8 school. The school is located in Fort Myers, Florida.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* that rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function (i.e., food service fees, student fees, print fees, and transportation fees), and 2) grants and contributions that are restricted to meeting operational or capital

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

requirements of a particular function (e.g., Federal food service, transportation, and Public Education Capital Outlay [PECO] grants). Taxes and other items not properly included among program revenues are reported instead as *general revenue*.

The effects of interfund activities have been eliminated from the government-wide financial statements except for interfund services provided and used. Interfund transactions include transactions involving the internal service funds. These transactions were eliminated by allocating the change in net position of internal services funds in direct proportion as they were charged as expenses to the various functions/programs.

Fund financial statements report detailed information about the District in the governmental and proprietary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- *Special Revenue Fund – Federal Education Stabilization* accounts for certain Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided as emergency relief to school districts to address the impact of the COVID-19 on elementary and secondary schools.
- *Debt Service Fund – Certificates of Participation* accounts for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation.
- *Debt Service Fund – ARRA Economic Stimulus* accounts for the accumulation of resources for the payment of debt principal, interest and related costs on the Qualified School Construction Bonds.
- *Capital Projects Fund – Local Capital Improvement Tax* accounts for the resources used for the acquisition or construction of major capital facilities financed through tax levies pursuant to Section 1011.71(2), Florida Statutes.
- *Capital Projects Fund – Certificates of Participation/Impact Fees/State Grants* accounts for the resources used for the acquisition or construction of major capital facilities financed through certificates of participation, impact fees, and state capital grant proceeds.

Additionally, the District reports the following proprietary fund type:

- *Internal Service Funds* account for the self-insurance programs.

Separate financial statements are provided for governmental funds, and proprietary funds.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Measurement Focus, Basis of Accounting, and Financial Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility or expenditure requirements imposed by the provider have been met.

Governmental fund financial statements, which include the General, Special Revenue, Debt Service, and Capital Projects funds, are prepared using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (a) principal and interest on general long-term debt is recognized as expenditures when due; and (b) claims and judgments and compensated absences are recognized when due. 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.

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value and (b) nonexchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. Revenues resulting from nonexchange transactions are further classified into (a) derived tax revenues, (b) imposed nonexchange revenues, (c) government-mandated nonexchange transactions, and (d) voluntary nonexchange transactions. Derived tax revenues (i.e., sales tax) are recorded when the exchange transaction occurs. The District currently does not have any derived tax revenues. Imposed nonexchange transactions (i.e., property taxes) are recorded when use of the resource is required or first permitted by time requirement (for example, for property taxes, the period for which they are levied). Government-mandated and voluntary nonexchange transactions (i.e., Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met.

When applying the susceptible to accrual concept under the modified accrual basis, resources also should be available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The District considers property taxes to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Each of the charter schools, included as discretely presented component units, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Foundation for Lee County Public Schools, Inc., shown as a discretely presented component unit, is accounted for using the accrual basis of accounting, whereby revenues are recognized when earned and expenditures are recognized when incurred.

Budgetary Basis Accounting

The following procedures, established by State Statutes and State Board of Education rules, are used by the Board in setting up final budget balances reported on the financial statements:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the function level (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the Annual Financial Report. This function level is the legal level of budgetary control.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.

Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations. During the fiscal year ended June 30, 2023, budgets for all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, and other events.

Cash

Banks qualified as public depositories under Florida law hold cash deposits. All deposits are insured by Federal depository insurance, up to specified limits, and/or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. The Statement of Cash Flows considers cash as those accounts used as demand deposit accounts.

Cash balances from all funds are combined and invested to the extent available. Earnings are allocated monthly to each fund based on a rolling monthly average balance of cash and investments.

Restricted Cash with Fiscal Agent

Self-insurance funds are required to establish and maintain prescribed amounts of resources (consisting of cash) that can be used only to pay insurance claims.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Investments

Investments are stated at fair value, based on quoted market prices or recognized pricing sources. The investment earnings are allocated to each fund based on a rolling monthly average investment balance in that fund. Investments consist of direct obligations of the United States Treasury, corporate notes, money market funds, municipal obligations, amounts placed with the State Board of Administration (SBA) debt service accounts for investment of debt service moneys, and amounts placed for participation in the Florida PRIME, Florida Cooperative Liquid Asset Security System (FLCLASS), Florida Public Assets for Liquidity Management (FLPALM) and Florida Fixed Income Trust (FL-FIT) investment pools created by Sections 218.405 and 218.417, Florida Statutes. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME and FLPALM which are Securities and Exchange Commission Rule 2a7-like external investment pools, as of June 30, 2023, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

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

Fair Value Measurement

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

Inventory

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost using the average cost method for the central stores, maintenance, transportation, and food service inventories and at last invoice price, which approximates the first-in, first-out basis, for the print shop and media/textbook inventories. United States Department of Agriculture donated foods are recorded at the value established by the Bureau of Food Distribution, Florida Department of Agriculture and Consumer Services using the average cost method. The costs of inventories are recorded as expenditures when used (the consumption method) rather than purchased. The inventories at year-end are reported as non-spendable fund balance.

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental funds that financed the acquisition or construction. The capital assets so acquired are reported at cost in the governmental activities column on the government-wide financial statements but are not reported in the governmental fund financial statement. The District defines capital assets as assets with an initial individual cost of \$1,000 or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest

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

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

<u>Assets</u>	<u>Years</u>
Improvements Other than Buildings	10-40
Buildings	10-50
Motor Vehicles	5-10
Furniture, Fixtures and Equipment	3-15
Audio Visual Materials	3-5
Software	5

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

Leases

Leases are defined by the District as the right to use an underlying asset. As lessee, the District recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The District calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the District recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For lease contracts that are short term, the District recognizes short term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

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Unearned Revenues

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered.

Pensions

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

Noncurrent Liabilities and Compensated Absences

In the government-wide financial statements and proprietary fund types in the fund financial statements, noncurrent obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable and Certificates of Participation are reported net of the applicable premiums or discounts.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances and payments to refunded bond escrow agents are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave, including applicable salary-related amounts for Social Security, Medicare, and retirement contributions. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to receive termination payment and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements.

Changes in noncurrent liabilities for the current year are reported in a subsequent note.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets

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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 first is the deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment benefit (OPEB). A deferred amount on OPEB results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the OPEB plan except earnings which are amortized over 11 years.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first is the deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred amount on pension. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over 5 years. The third is the deferred amount on other postemployment benefit (OPEB). A deferred amount on OPEB results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with benefits through the OPEB plan except earnings which are amortized over 11 years. The fourth is the deferred amount on lease receivables. In governmental funds, revenues not received within sixty days of the year-end are deferred until collected as they do not meet the availability criteria. The District currently has unavailable revenue for lease receivables.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of restricted, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's procedure to consider restricted fund balance to have been depleted before using any of the components of

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unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, assigned fund balance is depleted first followed by unassigned fund balance.

Fund Balance/Net Position

In the fund financial statements, governmental funds report constraints on the use of fund balance for amounts that are not spendable, are legally restricted by outside parties for use for a specific purpose, or have self-imposed constraints for use for a specific purpose.

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, law and regulations of other governments, or imposed by law through State statute.

Estimates

The preparation of the financial statement in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain amounts in the discretely presented component units financial statements have been reclassified in order to be consistent with the District's presentation.

State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program, administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE students and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a specified time following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE students and related data. Normally, such adjustments are treated as reductions or additions to revenue in the year when the adjustments are made.

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

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The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the District recognizes the allocation of Public Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received. The District also received a Charter School Capital Outlay appropriation.

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

Property Taxes – Revenue Recognition

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

Property taxes consist of ad valorem taxes on real and personal property within the District. The Lee County Property Appraiser determines property values and the Lee County Tax Collector’s office collects the property taxes.

The Board adopted the 2022 tax levy on September 07, 2022. Taxes become an enforceable lien on property as of January 1. Tax bills are mailed in October, and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements in the fiscal year for which the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when the taxes are received by the District, except that revenue is accrued for taxes collected by the Lee County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

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

Capital Outlay Surtax

In November 2018, the voters of Lee County approved a one-half cent school capital outlay surtax on sales in the County for 10 years, effective January 1, 2019, to pay for the construction and renovation of school facilities, safety initiatives, maintenance at schools and technology projects in accordance with Section 212.055(6), Florida Statutes.

Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Board of County Commissioners of Lee County (County) on November 27, 2001. The fee is collected by the County for new

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residential construction, and can only be used to provide for the acquisition of capital assets or additions to capital assets and expenditures for site acquisition, construction design, site development, necessary off-site improvements, and equipment. Educational impact fee revenues are recognized in the government-wide and governmental fund financial statements when the fees are collected by the County.

Federal Revenue Sources

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

NOTE 2: CASH AND INVESTMENTS

2-A. Cash Deposits

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50 percent to 125 percent depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories if the same type as the depository in default. All bank balances of the District are fully insured or collateralized. As of June 30, 2023, the carrying amount of the District's bank deposits was \$66,733,394 and the respective bank balances totaled \$74,716,777.

2-B. Investments

The District's investment policy permits investments in the Florida PRIME, FL CLASS, FLPALM, FL-FIT, securities of the United States Government, U.S. Government Agencies, Federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state and/or local government debt, and money market mutual funds. The District's investment advisor used the effective duration method to calculate effective duration measures for the securities held by the District. Besides measuring the sensitivity of the securities fair value to changes in interest rates, the effective duration method accounts for any call (early redemption) features which a security may have.

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

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All of the District’s recurring fair value measurements as of June 30, 2023, are valued using a matrix pricing model (Level 2 inputs).

As of June 30, 2023, the District had the following investments:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
External Investment Pool:				
Florida Fixed Income Trust	\$ 170,571,148	\$ -	\$ 170,571,148	\$ -
Florida Cooperative Liquid Assets Security System	292,084,494	-	292,084,494	-
United States Treasury Securities	42,909,559	-	42,909,559	-
Obligations of United States Government				
Agencies and Instrumentalities	33,129,128	-	33,129,128	-
Municipal Obligations	4,475,572	-	4,475,572	-
Notes	20,290,121	-	20,290,121	-
Total investments by fair value level	\$ 563,460,022	\$ -	\$ 563,460,022	\$ -
Investments measured at amortized cost				
External Investment Pool:				
Florida PRIME ¹	\$ 243,703,240			
Florida Public Assets for Liquidity Management	141,399,300			
Money Market Funds	68,072,729			
Total investments measured at amortized cost	453,175,269			
Total District Investments, Governmental Activities	<u>\$1,016,635,291</u>			

Note (1) At June 30, 2023, investments totaling \$232,517,876 were held under trust agreements in connection with Certificates of Participation, Series 2011A-QSCB, 2012B, 2013A, 2014A/B, 2016A, 2017A/B, 2019A, 2020A and 2023A financing agreements. (See Note 7).

Section 218.415, Florida Statutes, limits the types of investments that a District can invest in unless specifically authorized in District policy.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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2-C. Investments – Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit exposure to fair value losses resulting from increases in interest rates, the District's Investment Policy limits operating funds to maturities of one year or less. Investments of reserves, project funds, debt proceeds and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The maturity of Florida PRIME, FLCLASS, FLPALM, and FL-FIT investment pools are based on the weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. As of June 30, 2023, the WAM for Florida PRIME is 37 days, FLCLASS is 83 days, FLPALM is 28 days, FL-FIT Cash Pool is 86 days, and FL-FIT Enhanced Cash is 214 days.

2-D. Investments – Credit Risk

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

- a. Florida Local Government Surplus Funds Trust Funds. As of June 30, 2023, the District had investments totaling \$243,703,240 in Florida PRIME which had an AAAM rating by Standard and Poor's and are reported at amortized cost; \$292,084,494 in FLCLASS which had an AAAM rating by Standard and Poor's and are reported at fair value; \$141,399,300 in FLPALM which had an AAAM rating by Standard and Poor's and are reported at amortized cost; and \$170,571,148 in FL-FIT which had an AA Af rating by Standard and Poor's and are reported at fair value.
- b. Direct Obligations of U.S. Treasury which are unconditionally guaranteed by the United States Government. The maximum length to maturity for direct obligations of US Treasuries shall be five (5) years from the date of purchase. As of June 30, 2023, the District held \$42,909,559 of US Treasuries which had an S&P rating of AA+ and a Moody's rating of Aaa.
- c. Obligations of U.S. Government agencies and instrumentalities are guaranteed by the United States Government. The maximum length to maturity for obligations of U.S. Government agencies and instrumentalities shall be five (5) years from the date of the purchase. As of June 30, 2023, the District held \$33,129,128 of obligations of U.S. Government agencies and instrumentalities which had an S&P rating of AA+ and a Moody's rating of Aaa.
- d. Corporate notes purchased for investment must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for corporate notes shall be five (5) years from the date of purchase. As of June 30, 2023, the District held \$20,290,121 of corporate notes of which had an S&P rating between A and AA+ and a Moody's rating between A2 and Aaa.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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- e. Municipal Obligations purchased for investment is a general obligation or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any such governmental entities, that have a long-term rating, at the time of purchase, at a minimum single A category by any two nationally recognized rating agencies. The maximum length to maturity for municipal obligations shall be five (5) years from the date of purchase. As of June 30, 2023, the District held \$4,475,572 of municipal obligations of which had an S&P rating of between A and AAA and a Moody's rating of between A1 and Aaa.
- f. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. As of June 30, 2023, the District had investments in US Bank First American Government Obligation Class Y Money Market Funds with a fair value of \$60,724,406, which were rated AAAM by S&P, and Aaa-mf by Moody's and Fidelity Institutional Government Class I Money Market Fund with a fair value of \$7,348,323, which were rated AAAM by S&P and Aaa by Moody's.

2-E. Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in § 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of June 30, 2023, the District's investment portfolio was held with a third-party custodian.

Funds held by US Bank First American Government Obligation Class Y Money Market Fund are held pursuant to a trust agreement in connection with the issuance of various Certificates of Participation.

2-F. Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's Investment Policy specifies the maximum percentage allocation to any single investment type as well as the maximum percentage holding per issuer. Up to 100 percent of the portfolio may be invested in U.S. Government securities, 75 percent may be invested in Federal Instrumentalities (US government sponsored agencies) with no more than 25 percent with a single issuer and 50 percent may be invested in US government agencies with no more than 10 percent with a single issuer. Corporate Notes are limited to 20 percent of the portfolio with no more than 5 percent with a single issuer. Commercial Paper is limited to 25 percent of the portfolio with no more than 5 percent with a single issuer.

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As of June 30, 2023, all District investments were in compliance with the District’s Investment Policy and did not exceed portfolio allocation or issuer maximums.

NOTE 3: DUE FROM OTHER AGENCIES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectable. As such, no allowance for uncollectible accounts receivable is recorded. At June 30, 2023, the District has recorded due from other agencies as follows:

	Capital Projects Fund					Total
	General Fund	Debt Service Fund ARRA Economic Stimulus	Participation/ Certificates of Impact Fees/ State Grants	Special Revenue Fund Federal Education Stabilization	Nonmajor Governmental Funds	
Federal and State Sources						
Fuel Tax	\$ -	\$ -	\$ 173,329	\$ -	\$ -	\$ 173,329
Grants and Entitlements	1,163,820	-	-	20,381,304	11,344,583	32,889,707
Internal Revenue Service	-	1,293,116	-	-	-	1,293,116
Motor Vehicle License Tax	-	-	-	-	6,025	6,025
Public Education Capital Outlay	-	-	1,006,785	-	-	1,006,785
ROTC	134,015	-	-	-	-	134,015
State License Tax	76,129	-	-	-	-	76,129
Meal Claims	-	-	-	-	7,285,079	7,285,079
Local Sources						
Sales Tax	-	-	8,719,009	-	-	8,719,009
Impact fees	-	-	7,037,054	-	-	7,037,054
Other	13,491,026	-	-	-	-	13,491,026
Total	\$ 14,864,990	\$ 1,293,116	\$ 16,936,177	\$ 20,381,304	\$ 18,635,687	\$ 72,111,274

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NOTE 4: CONSTRUCTION AND OTHER CONTRACT COMMITMENTS
Construction Commitments

The following is a summary of major construction commitments as of June 30, 2023.

PROJECTS	Original Contract	Completed to date 6/30/2023	Balance Committed 6/30/2023
Franklin Park Elem #7068			
Contractor	\$ 73,260,964	\$ 10,060,048	\$ 63,200,916
Other	10,939,937	3,437,458	7,502,479
RHS Remodel #7255			
Contractor	58,564,333	2,288,771	56,275,562
Other	5,342,022	-	5,342,022
New Elementary J #7257			
Contractor	45,636,647	33,402,721	12,233,926
Other	27,335,179	8,910,051	18,425,128
Lehigh Middle Addition #7258			
Contractor	5,496,429	4,257,263	1,239,166
Other	1,556,994	923,541	633,453
CCTC Remodel #7259			
Other	1,243,577	51,756	1,191,821
Other Projects			
Other	4,462,399	4,462,399	-
Land Purchases	1,074,953	957,508	117,445
Fences	69,421	41,599	27,822
School Security Upgrades	1,610,642	1,465,881	144,761
Total	\$ 236,593,497	\$ 70,258,996	\$ 166,334,501

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JUNE 30, 2023

Encumbrances

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments for goods and services. At June 30, 2023, the District has recorded encumbrances as follows:

Funds	Encumbrances
Major Funds:	
General	\$ 38,644,358
Capital Projects:	
Local Capital Improvement Tax	56,788,401
Certificates of Participation/Impact	
Fees/State Grants	167,744,022
Non-major Governmental Funds	1,507,752
 Total	 \$ 264,684,533

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5: CAPITAL ASSETS

Capital asset balances and activities for the fiscal year ended June 30, 2023, were as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Governmental activities:				
<i>Capital Assets not being depreciated</i>				
Land	\$ 195,986,027	\$ -	\$ (39,249)	\$ 195,946,778
Construction in Progress	9,454,183	63,207,924	(2,403,111)	70,258,996
Total Capital Assets not being depreciated	<u>205,440,210</u>	<u>63,207,924</u>	<u>(2,442,360)</u>	<u>266,205,774</u>
<i>Capital Assets being depreciated/amortized</i>				
Improvements other than Buildings	55,544,069	1,636,543	(775,745)	56,404,867
Buildings	1,700,010,067	387,143	(19,366,946)	1,681,030,264
Furniture, Fixtures and Equipment	101,713,926	8,996,220	(5,088,858)	105,621,288
Intangible right to use, Furniture, Fixtures and Equipment	352,214	32,589	(123,977)	260,826
Motor Vehicles	112,723,845	5,299,132	(4,061,688)	113,961,289
Audio Visual Materials	84,726	24,659	(13,498)	95,887
Software	27,828,855	-	(1,423,654)	26,405,201
Total Capital Assets being depreciated/amortized	<u>1,998,257,702</u>	<u>16,376,286</u>	<u>(30,854,366)</u>	<u>1,983,779,622</u>
<i>Less accumulated depreciation/amortization for:</i>				
Improvements other than Buildings	28,479,091	1,431,357	(634,450)	29,275,998
Buildings	692,224,934	34,732,232	(8,538,358)	718,418,808
Furniture, Fixtures and Equipment	62,581,204	8,118,946	(4,147,476)	66,552,674
Intangible right to use, Furniture, Fixtures and Equipment	216,390	101,489	(123,977)	193,902
Motor Vehicles	77,775,546	6,846,497	(4,005,840)	80,616,203
Audio Visual Materials	83,683	1,872	(13,498)	72,057
Software	19,988,830	1,137,416	(1,412,905)	19,713,341
Total accumulated depreciation/amortization	<u>881,349,678</u>	<u>52,369,809</u>	<u>(18,876,504)</u>	<u>914,842,983</u>
Capital Assets being depreciated/amortized, Net	<u>1,116,908,024</u>	<u>(35,993,523)</u>	<u>(11,977,862)</u>	<u>1,068,936,639</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,322,348,234</u>	<u>\$ 27,214,401</u>	<u>\$ (14,420,222)</u>	<u>\$ 1,335,142,413</u>

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
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Depreciation expense was charged to Governmental Functions as follows:

Governmental Function	Amount
Instruction	\$ 1,286,232
Student Support Services	36,840
Instructional Media Services	8,095
Instruction and Curriculum Development Services	13,419
Instructional Staff Training Services	3,039
Instruction Related Technology	15,418
Board	-
General Administration	286
School Administration	44,153
Facilities Services	49,283,539
Fiscal Services	2,100
Food Services	1,063,760
Central Services	68,754
Student Transportation Services	167,228
Operation of Plant	33,282
Maintenance of Plant	268,245
Administrative Technology Services	29,639
Community Services	45,780
Total Depreciation Expense- Governmental Functions	\$ 52,369,809

NOTE 6: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Funds	Interfund Receivable	Interfund Payable
Major Funds		
General	\$ 28,627,885	\$ 36,044,951
Special Revenue:		
Federal Education Stabilization	1,838,192	21,496,622
Capital Projects:		
Local Capital Improvement Tax	52,190,823	113,069
Certificates of Participation/Impact		
Fees/State Grants	195,772	52,843,541
Non-major Governmental Funds	531,885	11,615,803
Proprietary Funds	38,729,429	-
Total	<u>\$ 122,113,986</u>	<u>\$ 122,113,986</u>

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months.

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Funds	Transfers In	Transfers Out
Major Funds		
General	\$ 22,714,781	\$ -
Debt Service Fund:		
Certificates of Participation	68,012,189	-
ARRA Economic Stimulus	1,380,342	-
Capital Projects:		
Local Capital Improvement Tax	-	33,623,833
Certificates of Participation/Impact Fees/State Grants	-	58,483,479
	<u> </u>	<u> </u>
Total	<u>\$ 92,107,312</u>	<u>\$ 92,107,312</u>

The majority of the transfers out of the Capital Projects funds were to provide debt service principal and interest payments and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

NOTE 7: NONCURRENT LIABILITIES

7-A. Certificates of Participation Payable

The District entered into several financing arrangements, characterized as lease-purchase agreements, with the Florida School Boards Association, Inc. and the Lee County School Board Leasing Corporation (lessors) whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance and refunding of several series of Certificates of Participation. Issues with remaining outstanding balances include 2011A-QSCB (original issue: \$27,009,000); Series 2012B (original issue: \$149,015,000); Series 2013A (original issue: \$25,287,000); Series 2014A (original issue: \$72,340,000); Series 2014B (original issue: \$60,220,000); Series 2016A (original issue: \$61,080,000); Series 2017A (original issue: \$60,177,000); Series 2017B (original issue: \$46,155,000); Series 2019A (original issue: \$90,375,000); Series 2020A (original issue: \$45,760,000) and Series 2023A (original issue: \$136,410,000) be repaid from the proceeds of rents paid by the District.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for school districts. The Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs or the BABs represent incremental Federal Funding, both must be repaid by the District. In June 2011, the Corporation issued Certificate Series 2011A-QSCB in the amount of \$27,009,000. The Series 2011A-QSCB was issued to finance the cost of construction, installation and equipping educational facilities. The Series 2011A-QSCB Certificates are structured as taxable bonds and the District will receive a direct rebate/subsidy payment from the U.S. Treasury to offset a portion of the interest expense. The interest rate bondholders will receive is 5.48 percent and the federal subsidy is 5.02 percent, therefore the net interest cost to the District is 0.46 percent. Interest earnings on the proceeds will further offset this expense.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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As a condition of the financing arrangement, the District has given a ground lease on District property to the lessors with a rental fee of \$1 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the certificates for a period of time specified by the arrangement which may be up to 2048.

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

Series 2011A-QSCB

One Elementary School
One Middle School

Series 2012B

Five Elementary Schools
Three Middle Schools
Two High Schools
One Specialty School
Two Transportation Facilities
Two Building Conversions
New Administration Building
Vocational School Addition

Series 2013A

Four Elementary Schools
One Middle School
Two High Schools
One Specialty School
Two Building Conversions
New Administration Building
Vocational School Addition
Seven Additions to Existing Schools

Series 2014A

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

Series 2014B

Two Elementary Schools
Seven Additions to Existing Schools

Series 2016A

One High School

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Series 2017A

Six Elementary Schools
One Middle School
One High School

Series 2017B

Five Elementary Schools
Three Middle Schools
Three High Schools
One Specialty School
Two Transportation Facilities
Two Building Conversions
New Administration Building
Vocational School Addition

Series 2019A

One High School
One School Addition

Series 2020A

One Middle School

Series 2023A

One Elementary School
One School Addition
One School Rebuild

The lease payments are payable by the District semi-annually on December 31 and June 30 at interest rates ranging from 1.91 to 5.00 percent. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Fiscal Year Ending June 30	Total	Certificates of Participation		Certificates of Participation from Direct Borrowings of Debt	
		Principal	Interest	Principal	Interest
2024	\$ 70,041,332	\$ 25,455,000	\$ 18,094,828	\$ 24,278,000	\$ 2,213,504
2025	69,190,541	26,880,000	15,591,513	25,132,000	1,587,028
2026	96,164,504	31,615,000	14,286,313	49,325,000	938,191
2027	61,174,319	40,460,000	12,830,563	7,705,000	178,756
2028	62,190,037	51,355,000	10,835,037	-	-
2029-2033	70,007,250	31,100,000	38,907,250	-	-
2034-2038	70,004,598	39,410,000	30,594,598	-	-
2039-2043	70,001,250	49,820,000	20,181,250	-	-
2044-2048	69,999,400	62,325,000	7,674,400	-	-
Total Minimum Lease Payments	638,773,231	358,420,000	168,995,752	106,440,000	4,917,479
Add: Unamortized Premium/Discount, net	27,978,518	27,978,518		-	
Total Certificates of Participation Payable	\$ 666,751,749	\$386,398,518	\$ 168,995,752	\$ 106,440,000	\$ 4,917,479

The District does not have any outstanding or unused lines of credit. The District’s certificates of participation from direct borrowings contain a provision that in an event of default or upon the termination of the lease agreement prior to the payment of all scheduled lease payments, the District shall immediately surrender and deliver possession of all facilities financed under the Master Lease. All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2023, there was no arbitrage rebate liability.

7-B. Bonds Payable

The following is a description of bonded debt issues:

State School Bonds: The SBE issued these bonds on behalf of the District. The bonds mature serially and are secured by a pledge of the District’s portion of the State-assessed motor vehicle license tax. The State’s full faith and credit is pledged for all of these SBE Bonds. The original amount of SBE bonds issued was \$998,000. The State Board of Education and the SBA administer principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements.

Bonds payable at June 30, 2023, are as follows:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Bond Type	Amount Outstanding	Interest Rate (Percent)	Annual Maturity to
State School Bonds			
Series 2014A	<u>\$ 139,000</u>	5.00	2024
Sub-total	139,000		
Add: Unamortized Premium/Discount, net	<u>-</u>		
Total Bonds Payable	<u>\$ 139,000</u>		

State school bonds are not considered direct borrowings or direct placements of debt.

The annual requirements to amortize all bonded debt outstanding as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds			
2024	<u>\$ 145,950</u>	<u>\$ 139,000</u>	<u>\$ 6,950</u>
Total Bonds Payable	<u>\$ 145,950</u>	<u>\$ 139,000</u>	<u>\$ 6,950</u>

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Changes in NonCurrent Liabilities

Noncurrent liability balances and activity for the year ended June 30, 2023, were as follows:

	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023 *	Amounts Due Within One Year
Governmental Activities					
<i>Long-Term Debt</i>					
Bonds Payable	\$ 378,000	\$ -	\$ 239,000	\$ 139,000	\$ 139,000
Bond Premium	5,529	-	5,529	-	-
Certificates of Participation Payable	377,119,000	136,410,000	48,669,000	464,860,000	49,733,000
Certificates of Participation Premium	24,197,575	7,443,256	3,662,313	27,978,518	-
Leases Payable	136,369	32,589	101,780	67,178	49,214
Notes Payable	42,074	-	42,074	-	-
Total Long-Term Debt	401,878,547	143,885,845	52,719,696	493,044,696	49,921,214
<i>Other Noncurrent Liabilities</i>					
Estimated Early Retirement Payable	1,145,000	-	71,000	1,074,000	32,000
Net Pension Liability	246,395,024	472,655,702	185,294,661	533,756,065	-
Estimated Insurance Claims Payable	24,176,867	96,567,954	97,163,734	23,581,087	13,204,133
Postemployment Benefits Payable	52,461,989	3,630,478	13,807,320	42,285,147	-
Liability for Compensated Absences	70,634,864	29,712,994	29,635,535	70,712,323	5,606,133
Total Other Liabilities	394,813,744	602,567,128	325,972,250	671,408,622	18,842,266
Total Noncurrent Liabilities	\$ 796,692,291	\$ 746,452,973	\$ 378,691,946	\$ 1,164,453,318	\$ 68,763,480

* Payments on the bonds and notes payable are made by the debt service fund. Payments on the estimated insurance claims payable are made by the Internal Service Fund. The early retirement payable, net pension liability and compensated absences liabilities are generally liquidated with the resources of the General and Special Revenue funds. Other postemployment benefits payable represents an implicit subsidy under GASB Statement No. 75 and will be included in future health insurance premiums charged to the General and Special Revenue funds.

Internal service funds predominantly serve the governmental funds. Accordingly, noncurrent liabilities are included as part of the above totals for governmental activities. At fiscal year-end, a \$30,990 liability for compensated absences in the Internal Service Fund is included in the above amounts.

NOTE 8: DEFEASED DEBT

In prior years, the District defeased a portion of the Certificates of Participation, Series 2012B by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. Government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the District's long-term debt. As of June 30, 2023, the amount of defeased debt outstanding is \$29,030,000.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: LEASES

9-A Lease Payable

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The District has entered into various 36-month leases as Lessee for the use of equipment. An initial liability was recorded in the amount of \$248,166. As of June 30, 2023, the value of the lease liability is \$67,178. The District is required to make monthly fixed payments of various amounts. The interest ranges from zero percent to 9.19 percent and mature through 2026. The value of the right to use asset as of June 30, 2023, of \$260,826 with accumulated amortization of \$193,902 is included with buildings and capital assets on Note 5. The District has no extension options or termination periods.

Principal and interest requirements for the lease liability at June 30, 2023 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 49,263	\$ 49,214	\$ 49
2025	16,486	16,474	12
2026	1,492	1,490	2
Total Lease Payable	<u>\$ 67,241</u>	<u>\$ 67,178</u>	<u>\$ 63</u>

9-B Lease Receivables

The District leases land space to various vendors for cell towers. The agreements are non-cancellable and terminate no earlier than May 2037. These are five-year lease agreements with five five-year renewal options. Rental payments may increase due to a change in the Consumer Price Index (CPI) rate or other economic indicators.

The District implemented GASB No. 87 for the year ended June 30, 2022 and recorded \$4,837,162 balance for lease receivable and deferred inflows of resources as of July 1, 2021. The lease receivable balance was reduced and interest income recognized for \$160,620 and \$97,025 respectively.

Principal and interest requirements to maturity for the lease receivable at June 30, 2023 are as follows:

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 265,373	\$ 171,673	\$ 93,700
2025	273,335	183,190	90,145
2026	281,535	195,183	86,352
2027	289,981	207,667	82,314
2028	298,681	220,667	78,014
2029-2033	1,633,307	1,317,527	315,780
2034-2038	1,729,310	1,566,325	162,985
2039-2043	289,046	229,855	59,191
2044-2048	270,123	234,334	35,789
2049-2052	209,628	200,113	9,515
 Total Lease Receivable	 <u>\$ 5,540,319</u>	 <u>\$ 4,526,534</u>	 <u>\$ 1,013,785</u>

NOTE 10: NET POSITION-NET INVESTMENT IN CAPITAL ASSETS

In the government-wide statement of net position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capital assets, restricted net position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2023, is shown in the table below:

Description		
Total Capital Assets, Net of Accumulated Depreciation		\$ 1,335,142,413
Less Related Debt, Net of Unspent Proceeds:		
Certificates of Participation Payable	\$ 492,838,518	
Bonds Payable	139,000	
Leases Payable	67,178	
Matured Certificates of Participation Payable	48,669,000	
Construction Contracts Payable (net of non capitalized assets)	870,391	
Retainage Payable (net of non capitalized assets)	2,327,275	
Deferred Amount on Refunding	(1,611,009)	
Unspent Proceeds	149,734,191	
Total Related Debt, Net of Unspent Proceeds		<u>(396,788,180)</u>
Net Investment in Capital Assets		<u>\$ 938,354,233</u>

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11: FUND BALANCE REPORTING

The District has adopted GASB Statement No. 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered nonspendable. The District does not have any nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of fund balances, based on a hierarchy of spending constraints.

- **Restricted:** Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** Fund balances that contain self imposed constraints of the government from its highest level of decision making authority.
- **Assigned:** Fund balances that contain self imposed constraints of the government to be used for a particular purpose. Florida Statute 1001.51, Duties and Responsibilities of District School Superintendent, delegates certain financial authority to the Superintendent.
- **Unassigned:** Fund balance of the General Fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has inventories and prepaid expenses totaling \$9,065,181 that are classified as nonspendable.

The District has classified the remaining fund balances as *Restricted*, *Assigned*, and *Unassigned* and considers each to have been spent when expenditures are incurred. The District does not have a policy regarding the commitment or assignment of fund balances. As such, the District does not report any committed fund balance. However, certain actions taken by the District qualify as an assignment of fund balance in accordance with GASB Statement No. 54. Included in assigned fund balance is an amount for purchase order obligations outstanding that have not been already included as restricted fund balance.

• Restricted for State Required Carryover Programs, Other Purposes, Food Services, Debt Service, and Capital Projects:

Federal laws, Florida Statutes, and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, food service, debt service, and capital projects. These funds have been included in the *Restricted* category of fund balance. The restricted fund balances totaled \$761,655,610 and represented \$21,800,210 in State required carryover programs, \$22,365,432 in other externally restricted grants and donations, \$10,102,317 in other school restricted donations, \$16,265,908 in food service, \$27,035,287 in debt service and \$664,086,456 in capital projects.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2023

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

The assigned fund balances total \$3,456,528. In accordance with GASB Statement No. 54, the District reports outstanding encumbrances, of \$3,456,528, that have not been previously reported as restricted or assigned. Encumbrances are supported by outstanding purchase orders issued through the established Board approved budget process.

• **Unassigned:**

The unassigned fund balance in the General Fund is \$136,220,296.

NOTE 12: SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District’s State revenue for the 2022-23 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 204,129,859
Categorical Educational Programs:	
Class Size Reduction	101,934,394
Florida School Recognition Funds	3,647,793
Voluntary Prekindergarten Program	1,816,724
Workforce Development Program	10,742,677
Charter School Capital Outlay Funding	6,649,751
Motor Vehicle License Tax (Capital Outlay and Debt Service)	4,064,446
Food Service Supplement	691,708
State License Tax	429,662
Sales Tax Distribution	223,250
Miscellaneous	2,377,459
 Total	 \$ 336,707,723

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THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 13: PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2022 tax roll in fiscal year 2022-2023:

	Mills	Amount
<u>General Fund:</u>		
Nonvoted School Tax		
Required Local Effort	3.309	\$ 443,136,251
Basic Discretionary Local Effort	0.748	100,171,023
 <u>Capital Projects Funds:</u>		
Nonvoted School Tax		
Local Improvements	1.500	200,877,720
Total	5.557	\$ 744,184,994

NOTE 14: RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS

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

General Information about the FRS

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost- sharing, multiple-employer retirement plans and other nonintegrated programs. 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 \$65,993,833 for the fiscal year ended June 30, 2023.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

FRS Defined Benefit Pension Plan

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

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

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

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

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

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2022-23 fiscal year were as follows:

Class	Employee Contribution (Percent of Gross Salary)	Employer Contribution (Percent of Gross Salary)
FRS, Regular	3.00	11.91
FRS, Elected County Officers	3.00	57.00
FRS, Senior Management Service	3.00	31.57
Deferred Retirement Option Program (Applicable to member from all of the above classes)	0.00	18.60
FRS, Re-employed Retiree	(A)	(A)

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

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

The District's contributions to the Plan totaled \$46,647,372 for the fiscal year ended June 30, 2023. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the District reported a net pension liability of \$382,461,367 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions relative to the total 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the District's proportion was 1.027899900 percent, which was an increase of 0.028418932 from its proportion measured as of June 30, 2021.

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For the year ended June 30, 2023, the District recognized the Plan pension expense of \$57,670,496. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,164,706	\$ -
Change of assumptions	47,101,718	-
Net difference between projected and actual earnings on pension plan investments	25,253,873	-
Changes in proportion and differences between District contributions and proportionate share of contributions	24,749,836	6,818,609
District contributions subsequent to the measurement date	46,647,372	-
Total	\$ 161,917,505	\$ 6,818,609

The deferred outflows of resources related to pensions, resulting from District contributions subsequent to the measurement date, totaling \$46,647,372, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2024	\$ 26,390,252
2025	12,119,189
2026	(3,145,657)
2027	68,939,160
2028	4,148,580
Thereafter	-
Total	\$ 108,451,524

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
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018. As a result of the 2018 actuarial experience study, the

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inflation rate assumption was unchanged at 2.40 percent, and the overall payroll growth rate assumption was unchanged at 3.25 percent. The long-term expected rate of return was changed from 6.80 percent to 6.70 percent.

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

<u>Asset Class</u>	<u>Target Allocation¹</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100%</u>			
Assumed inflation - Mean			2.4%	1.3%

¹ As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was changed from 6.80 percent to 6.70 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.70 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 (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's proportionate share of the net pension liability	<u>\$ 661,440,636</u>	<u>\$ 382,461,367</u>	<u>\$ 149,201,502</u>

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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, 2023, the District reported a payable of \$8,981,175 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2023.

HIS Defined Benefit Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$9,190,255 for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the District reported a net pension liability of \$151,294,698 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions relative to the total 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the District's proportion was 1.428440819 percent, which was an increase of 0.035251663 from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized the HIS Plan pension expense of \$8,323,337. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,592,151	\$ 665,710
Change of assumptions	8,672,309	23,405,193
Net difference between projected and actual earnings on HIS pension plan investments	219,042	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	5,011,258	3,877,952
District contributions subsequent to the measurement date	9,190,255	-
Total	\$ 27,685,015	\$ 27,948,855

The deferred outflows of resources relating to pensions, resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$9,190,255, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2024	\$ (2,167,207)
2025	(1,074,621)
2026	(898,987)
2027	(1,393,235)
2028	(2,707,219)
Thereafter	(1,212,826)
Total	\$ (9,454,095)

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	3.54 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 3.54 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

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single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability increased from 2.16 percent from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.54 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
District's proportionate share of the net pension liability	\$ 173,093,556	\$ 151,294,698	\$ 133,256,592

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, 2023, the District reported a payable of \$1,573,785 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2023.

The aggregate amount of net pension liabilities, related deferred outflows of resources and deferred inflows of resources and pension expense for the District's defined benefit pension plans are summarized below:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Total Expense
FRS	\$ 382,461,367	\$ 161,917,504	\$ 6,818,609	\$ 57,670,496
HIS	151,294,698	27,685,016	27,948,855	8,323,337
Total	\$ 533,756,065	\$ 189,602,520	\$ 34,767,464	\$ 65,993,833

NOTE 15: RETIREMENT PLANS – DEFINED CONTRIBUTION PENSION PLANS

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

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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 member’s accounts during the 2022-23 fiscal year were as follows:

Class	(Percent of Gross Compensation)
FRS, Regular	9.30
FRS, Elected County Officers	14.34
FRS, Senior Management Service	10.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District’s Investment Plan pension expense totaled \$5,430,985 for the fiscal year ended June 30, 2023.

Payables to the Investment Plan. At June 30, 2023, the District reported a payable of \$1,003,489 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2023.

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NOTE 16: EARLY RETIREMENT INCENTIVE PROGRAM

As authorized by Section 1012.685, Part VII, Florida Statutes, the Board implemented Early Retirement Plans (Plans) effective July 1, 1995, July 1, 1997, and July 1, 1999. The plans were offered to eligible employees on a one-time basis until May 15, 1995, May 15, 1997, and May 15, 1999, respectively. The purpose of the Plans was to provide eligible employees, who elect to retire under the retirement provisions of the FRS described in Note 14, with one of several incentive options which supplement the employee's (participant's) retirement benefits. A summary of the plan eligibility, benefits, and contribution obligations for the 1995 Plan follows. There is no remaining liability reported by the District for the 1997 and 1999 plans as of June 30, 2023.

Eligibility

Participants must be 57 years of age with a minimum of five years of service with the District or 62 years of age with at least ten years of FRS service and a minimum of five years of service with the District or any age with at least thirty years of FRS service and a minimum of five years of service with the District.

Benefits

Incentive option one includes a bonus equal to twenty-five percent of the employee's final annual salary, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

Incentive option two includes lifetime monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service and a life insurance benefit of \$10,000.

Incentive option three includes monthly payments for five years to offset the FRS early retirement penalty of five percent per year when an employee retires prior to age 62 with less than thirty years FRS service, a health insurance contribution by the District for eight continuous years, and a life insurance benefit of \$10,000.

The amount of the bonuses (if applicable) and accumulated leave pay are paid in five annual installments into an Internal Revenue Code 457F deferred compensation plan and directed into an investment fund selected by the participant. Alternatively, the participant may elect to receive twenty-five percent of the annual installments directly with the balance going into the deferred compensation plan.

Contributions

No contributions shall be required or permitted from any participant. The annual amounts contributed by the District are the actual amounts payable to participants or on their behalf for contributions to the 457F deferred compensation plan, retirement benefits, and premiums for health and life insurance coverage.

The District reported a liability in its Statement of Net Position of \$1,074,000 to recognize the present value of its obligation to pay death benefits to, or on behalf of, those retired employees. The Board has purchased life insurance on the participants, with itself as the beneficiary, to recover costs of the 1995 Plan over time.

The District has retained an administrator to handle the receipt of contributions and the disbursements of benefits to Plan participants.

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NOTE 17: OTHER POSTEMPLOYMENT BENEFITS

Other Postemployment Benefits Payable. The District follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain other postemployment benefits administered by the District and life insurance benefits through purchased commercial insurance.

General Information about the OPEB Plan

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District’s health plan for medical and prescription. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended by 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 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,831
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	10,173
Total	12,004

Total OPEB Liability

The District’s total OPEB liability of \$42,285,147 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021 and update procedures used to determine the total OPEB liability as of June 30, 2022.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Inflation	2.25 percent.
Salary increases	3.4-7.8 percent, average, including inflation.
Discount rate	3.69 percent.
Healthcare cost trend rates	6 percent for 2022, and gradually decreasing to an ultimate rate of 3.75 percent in 2040.
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.
Retirees’ share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Fidelity 20 year Municipal General Obligation AA Bond Index.

Mortality rates were based on the PUB MP-2018 with Projected Scale.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2021, 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, 2021, 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

	Amount
Balance at 6/30/22	<u>\$ 52,461,989</u>
Changes for the year:	
Service Cost	2,607,637
Interest	1,022,841
Changes in Assumptions or Other Inputs	(10,213,990)
Benefit Payments	<u>(3,593,330)</u>
Net Changes	<u>(10,176,842)</u>
Balance at 6/30/23	<u>\$ 42,285,147</u>

There were no changes of benefit terms during the year.

Changes in assumptions. The discount rate was changed from 1.92 percent in 2021 to 3.69 percent in 2022.

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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 (2.69 percent) or 1 percentage point higher (4.69 percent) than the current rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB liability	\$47,673,529	\$42,285,147	\$37,716,171

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 (5 percent decreasing to 2.75 percent) or 1 percentage point higher (7 percent decreasing 4.75 percent) than the current healthcare cost trend rates:

	1% Decrease (5% decreasing to 2.75%)	Healthcare Cost Trend Rates (6. % decreasing to 3.75%)	1% Increase (7% decreasing to 4.75%)
Total OPEB liability	\$37,454,530	\$42,285,147	\$48,371,257

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$2,446,667. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,030,092	\$ -
Change of assumptions or other inputs	1,653,430	12,544,832
Transactions subsequent to the measurement date	3,019,644	-
Total	\$ 5,703,166	\$ 12,544,832

Of the total amount reported as deferred outflows of resources related to OPEB, \$3,019,644 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Fiscal Year Ending June 30	Amount
2024	\$ (1,183,811)
2025	(1,183,811)
2026	(1,183,811)
2027	(1,183,811)
2028	(794,535)
Thereafter	(4,331,531)
Total	\$ (9,861,310)

NOTE 18: VESTED INTERESTS IN UTILITY COOPERATIVES

The District has purchased electricity since 1969 from the Lee County Electric Cooperative, Inc. The District’s estimated vested interest in this Cooperative is \$8,583,205 at June 30, 2023, which is recorded as a capital credit receivable on the statement of net position. Such interest, also referred to as capital credits, would be payable to the District over a thirty-year period should the District terminate its business relationship with the Cooperative. During the fiscal year, the District recorded the earned capital credits as other local sources revenue in the government-wide statement and recorded general revenues on the governmental fund statements as the District received capital credits. The District would receive capital credits from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc. only in the unlikely event that they were to permanently cease operations. During the fiscal year, the District did not record any general revenue for capital credits earned from Bonita Springs Water System, Inc. or Greater Pine Island Water Association, Inc.

NOTE 19: RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property, workers’ compensation, automobile liability, and general liability coverage are self-insured up to specified limits. The District purchases policies with various insurance companies to provide coverage in excess of claims amounts above the stated self-insured retention deductible on any individual/aggregate claim. The District has contracted with a third-party administrator to administer the property/casualty program, including the processing, investigation, and payment of claims.

The District provides health coverage through a self-insurance program administered by an outside provider. The District reports the self-insurance programs in the Internal Service Funds. Amounts are transferred from various funds to the Internal Service Funds to provide sufficient resources to cover claims incurred, and to pay the insurance services agent’s administrative fees.

There have been no significant reductions in insurance coverage. Settled claims resulting from risks described above have not exceeded commercial insurance coverage for the past three fiscal years.

A liability in the amount of \$15,298,753 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Casualty, Liability and Workers’ Compensation Fund, at June 30, 2023. A liability in the amount of \$8,282,334 was actuarially determined to cover outstanding claims and estimated incurred but not reported insurance claims payable for the Self-Insurance-Health Insurance Fund, at June 30, 2023.

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2023

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

Casualty, Liability, Workers' Compensation Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2021-2022	\$ 16,096,333	\$ 5,898,184	\$ (6,830,875)	\$ 15,163,642
2022-2023	15,163,642	6,301,922	(6,166,811)	15,298,753

Health Insurance Self Insurance Fund:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2021-2022	\$ 9,143,068	\$ 85,278,929	\$ (85,408,772)	\$ 9,013,225
2022-2023	9,013,225	90,266,032	(90,996,923)	8,282,334

NOTE 20: LITIGATION

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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REQUIRED SUPPLEMENTARY
INFORMATION

THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS ¹

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	\$ 2,685,667	\$ 2,461,752	\$ 2,323,472	\$ 2,404,392	\$ 2,733,872	\$ 2,607,637
Interest	1,586,448	1,827,266	1,857,397	1,579,789	1,301,046	1,022,841
Differences between expected and actual experience	-	-	1,473,558	-	177,348	-
Changes of assumptions or other inputs	(3,892,800)	(358,774)	(1,575,972)	2,251,057	(671,490)	(10,213,990)
Benefit payments	(3,718,992)	(2,597,226)	(5,023,511)	(4,968,847)	(2,897,706)	(3,593,330)
Net changes in total OPEB liability	(3,339,677)	1,333,018	(945,056)	1,266,391	643,070	(10,176,842)
Total OPEB Liability-beginning, as restated	53,504,243	\$ 50,164,566	\$ 51,497,584	\$ 50,552,528	\$ 51,818,919	\$ 52,461,989
Total OPEB liability- ending	\$ 50,164,566	\$ 51,497,584	\$ 50,552,528	\$ 51,818,919	\$ 52,461,989	\$ 42,285,147
Covered employee payroll	\$ 522,477,873	\$ 535,169,541	\$ 545,004,178	\$ 553,081,335	\$ 493,312,820	\$ 520,692,665
Total OPEB Liability as a percentage of covered employee payroll	9.60%	9.62%	9.28%	9.37%	10.63%	7.09%

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

¹ 2018 was the first year of reporting net OPEB liability (GASB 75).

Additional years will be displayed as they become available.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the FRS net pension liability	1.000061253%	1.002008482%	1.010277504%	0.944803387%	0.947570220%	0.984289781%	0.949750579%	0.916137214%	0.999480968%	1.027899900%
District's proportionate share of the FRS net pension liability	\$ 172,155,051	\$ 61,137,253	\$ 130,490,889	\$ 238,563,597	\$ 280,284,913	\$ 296,473,184	\$ 327,071,943	\$ 397,067,370	\$ 75,499,428	\$ 382,461,367
District's covered payroll	\$ 402,982,342	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	42.72%	14.85%	30.70%	54.76%	62.16%	62.00%	68.44%	81.84%	15.30%	73.45%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	88.54%	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required FRS contribution	\$ 21,948,238	\$ 24,631,424	\$ 23,040,537	\$ 24,667,586	\$ 28,051,468	\$ 29,449,121	\$ 30,439,180	\$ 38,075,907	\$ 43,862,359	\$ 46,647,372
FRS contributions in relation to the contractually required FRS contribution	21,948,238	24,631,424	23,040,537	24,667,586	28,051,468	29,449,121	30,439,180	38,075,907	43,862,359	46,647,372
FRS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665	\$ 553,660,848
FRS contributions as a percentage of covered-employee payroll	5.33%	5.79%	5.29%	5.47%	5.87%	6.16%	6.27%	7.72%	8.42%	8.43%

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the HIS net pension liability	1.386820766%	1.385582848%	1.400910797%	1.409500592%	1.414366908%	1.463511500%	1.428583350%	1.376335040%	1.393189156%	1.428440819%
District's proportionate share of the HIS net pension liability	\$ 120,740,982	\$ 129,555,377	\$ 142,870,865	\$ 164,271,455	\$ 151,230,635	\$ 154,899,700	\$ 159,844,181	\$ 170,648,775	\$ 170,895,596	\$ 151,294,698
District's covered payroll	\$ 402,982,342	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	29.96%	31.47%	33.61%	37.71%	33.54%	32.40%	33.45%	35.17%	34.64%	29.06%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.78%	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required HIS contribution	\$ 4,746,541	\$ 5,355,153	\$ 7,224,589	\$ 7,485,238	\$ 7,936,660	\$ 7,932,785	\$ 8,053,907	\$ 8,189,178	\$ 8,643,270	\$ 9,190,255
HIS contributions in relation to the contractually required HIS contribution	4,746,541	5,355,153	7,224,589	7,485,238	7,936,660	7,932,785	8,053,907	8,189,178	8,643,270	9,190,255
HIS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 411,699,254	\$ 425,054,736	\$ 435,635,339	\$ 450,935,762	\$ 478,145,637	\$ 477,911,471	\$ 485,160,456	\$ 493,312,820	\$ 520,692,665	\$ 553,660,848
HIS contributions as a percentage of covered-employee payroll	1.15%	1.26%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

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

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

NOTE 1: 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. The June 30, 2023, total OPEB liability decreased from the prior fiscal year as a result of changes to benefits and assumptions as discussed below:

Changes of Benefit Terms. There were no benefit changes during the year.

Changes of Assumptions. The discount rate was changed from 1.92 percent as of the beginning of the measurement period to 3.69 percent as of June 30, 2022 (based on the Long-term Municipal Bond rate).

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

Changes of Assumptions. The long-term expected rate of return changed from 6.8 percent to 6.70 percent.

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

Changes of Assumptions. The municipal bond rate used to determine total pension liability increased from 2.16 percent to 3.54 percent and the election assumption for vested terminated members was updated from 20 percent to 50 percent to reflect recent experience.

OTHER SUPPLEMENTARY
INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Three special revenue funds account for certain revenues derived from the State of Florida, the Federal Government, and other local and private sources which are required to finance restricted activities. Activities included within these funds are as follows:

Contracted Programs Fund: To account for and report on activities of various programs of different funding sources according to the specifications and requirements of each funding source.

Food Service Fund: To account for and report on activities of the Food Service Program in serving breakfast and lunch at the schools.

Other Program Fund: To account for and report on activities of school internal funds that are not fiduciary funds.

Debt Service Fund

One debt service fund is used to account for the payment of interest and principal of the current portion on long-term debt.

State Board of Education Bonds Fund (SBE/COBI): To account for and report on payment of principal, interest, and related costs on the State School Bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed Motor Vehicles License Tax.

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NONMAJOR GOVERNMENTAL FUNDS (continued)

Capital Projects Fund

One capital projects fund is used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources are:

Capital Outlay and Debt Service Fund: To account for and report on the excess dollars from the debt service funds, used for construction and maintenance of schools.

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2023

	<u>Special Revenue Funds</u>				<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	<u>Total Nonmajor Governmental Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Contracted Programs</u>	<u>Food Service</u>	<u>Other Programs</u>	<u>SBE/COBI Bonds</u>	<u>Capital Outlay and Debt Service</u>
ASSETS							
Cash	\$ 16,663,465	\$ 6,039,222	\$ -	\$ 3,796,516	\$ 2,242,706	\$ -	\$ 10,624,243
Investments	24,068,489	13,829,868	-	5,692,686	8,137,182	4,317	10,234,304
Accounts Receivable	404,447	404,447	3,600	2,793	398,054	-	-
Due from Other Funds	531,885	531,885	520,846	11,039	-	-	-
Due from Other Agencies	18,635,687	18,629,662	11,344,583	7,285,079	-	-	6,025
Inventory	1,597,639	1,597,639	-	1,368,946	228,693	-	-
Total Assets	<u>\$ 61,901,612</u>	<u>\$ 41,032,723</u>	<u>\$ 11,869,029</u>	<u>\$ 18,157,059</u>	<u>\$ 11,006,635</u>	<u>\$ 4,317</u>	<u>\$ 20,864,572</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 1,451,056	\$ 1,451,056	\$ 553,895	\$ 221,536	\$ 675,625	\$ -	\$ -
Due to Other Funds	11,615,803	11,615,803	11,315,134	300,669	-	-	-
Total Liabilities	<u>13,066,859</u>	<u>13,066,859</u>	<u>11,869,029</u>	<u>522,205</u>	<u>675,625</u>	<u>-</u>	<u>-</u>
Fund Balance							
Nonspendable							
Inventory	1,597,639	1,597,639	-	1,368,946	228,693	-	-
Restricted for:							
Other Purpose	10,102,317	10,102,317	-	-	10,102,317	-	-
Debt Service	4,317	-	-	-	-	4,317	-
Capital Projects	20,864,572	-	-	-	-	-	20,864,572
Food Service	16,265,908	16,265,908	-	16,265,908	-	-	-
Total Fund Balances	<u>48,834,753</u>	<u>27,965,864</u>	<u>-</u>	<u>17,634,854</u>	<u>10,331,010</u>	<u>4,317</u>	<u>20,864,572</u>
Total Liabilities and Fund Balances	<u>\$ 61,901,612</u>	<u>\$ 41,032,723</u>	<u>\$ 11,869,029</u>	<u>\$ 18,157,059</u>	<u>\$ 11,006,635</u>	<u>\$ 4,317</u>	<u>\$ 20,864,572</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023**

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	Total Nonmajor Governmental Funds	Total Nonmajor Special Revenue Funds	Contracted Programs	Food Service	Other Programs	SBE/COBI Bonds	Capital Outlay and Debt Service
Revenues							
Federal Direct Sources	\$ 17,021,145	\$ 17,021,145	\$ 17,021,145	\$ -	\$ -	\$ -	\$ -
Federal Through State Sources	118,360,138	118,360,138	60,334,732	58,025,406	-	-	-
State Sources	4,696,226	691,708	-	691,708	-	251,678	3,752,840
Local Sources							
Food Service Sales	410,012	410,012	-	410,012	-	-	-
Miscellaneous	30,652,904	30,414,595	101,593	264,359	30,048,643	-	238,309
Total Revenues	171,140,425	166,897,598	77,457,470	59,391,485	30,048,643	251,678	3,991,149
EXPENDITURES							
Current							
Instruction	66,254,136	66,254,136	37,864,357	-	28,389,779	-	-
Student Support Services	6,986,982	6,986,982	6,986,982	-	-	-	-
Instructional Media Services	224,581	224,581	224,581	-	-	-	-
Instruction and Curriculum							
Development Services	17,987,670	17,987,670	17,987,670	-	-	-	-
Instructional Staff Training Services	5,171,142	5,171,142	5,171,142	-	-	-	-
Instruction Related Technology	66,559	66,559	66,559	-	-	-	-
General Administration	4,008,216	4,008,216	4,008,216	-	-	-	-
School Administration	2,302,139	2,302,139	732,737	-	1,569,402	-	-
Facilities Services	717,374	717,374	717,374	-	-	-	-
Food Service	64,230,032	64,230,032	-	64,230,032	-	-	-
Central Services	236,230	236,230	236,230	-	-	-	-
Student Transportation Services	547,009	547,009	547,009	-	-	-	-
Operation of Plant	281,716	281,716	281,716	-	-	-	-
Community Services	496,742	496,742	496,742	-	-	-	-
Capital Outlay							
Facilities Acquisition and Construction	875,622	875,622	875,622	-	-	-	-
Other Capital Outlay	1,886,387	1,886,387	1,260,533	625,854	-	-	-
Debt Service							
Principal	239,000	-	-	-	-	239,000	-
Interest and Fiscal Charges	21,624	-	-	-	-	16,783	4,841
Total Expenditures	172,533,161	172,272,537	77,457,470	64,855,886	29,959,181	255,783	4,841
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,392,736)	(5,374,939)	-	(5,464,401)	89,462	(4,105)	3,986,308
Net Change in Fund Balance	(1,392,736)	(5,374,939)	-	(5,464,401)	89,462	(4,105)	3,986,308
Fund Balance, Beginning	50,227,489	33,340,803	-	23,099,255	10,241,548	8,422	16,878,264
Fund Balance, Ending	\$ 48,834,753	\$ 27,965,864	\$ -	\$ 17,634,854	\$ 10,331,010	\$ 4,317	\$ 20,864,572

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - CERTIFICATES OF PARTICIPATION (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Certificates of Participation			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ -	\$ 239,695	\$ (239,695)
Total Local Sources	-	-	239,695	(239,695)
Total Revenues	-	-	239,695	(239,695)
EXPENDITURES				
Debt Service				
Principal	48,711,075	48,711,075	48,711,074	1
Interest and Fiscal Charges	14,631,646	15,484,902	15,467,375	17,527
Total Expenditures	63,342,721	64,195,977	64,178,449	17,528
Deficiency of Revenues Under Expenditures	(63,342,721)	(64,195,977)	(63,938,754)	(257,223)
OTHER FINANCING SOURCES				
Certificates of Participation Issued	-	853,256	853,256	-
Transfer In	63,342,721	66,203,207	68,012,189	(1,808,982)
Total Other Financing Sources	63,342,721	67,056,463	68,865,445	(1,808,982)
Net Change in Fund Balance	-	2,860,486	4,926,691	(2,066,205)
Fund Balance, Beginning	3,082	3,082	3,082	-
Fund Balance, Ending	<u>\$ 3,082</u>	<u>\$ 2,863,568</u>	<u>\$ 4,929,773</u>	<u>\$ (2,066,205)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - ARRA ECONOMIC STIMULUS (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ARRA Economic Stimulus			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ -	\$ 812,548	\$ (812,548)
Total Local Sources	-	-	812,548	(812,548)
Total Revenues	-	-	812,548	(812,548)
EXPENDITURES				
Debt Service				
Principal	1,800,600	1,800,600	-	1,800,600
Interest and Fiscal Charges	228,219	228,219	190,198	38,021
Total Expenditures	2,028,819	2,028,819	190,198	1,838,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,028,819)	(2,028,819)	622,350	(2,651,169)
OTHER FINANCING SOURCES				
Transfer In	2,028,819	2,028,819	1,380,342	648,477
Total Other Financing Sources	2,028,819	2,028,819	1,380,342	648,477
Net Change in Fund Balance	-	-	2,002,692	(2,002,692)
Fund Balance, Beginning	20,098,505	20,098,505	20,098,505	-
Fund Balance, Ending	\$ 20,098,505	\$ 20,098,505	\$ 22,101,197	\$ (2,002,692)

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT TAX (MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Local Capital Improvement Tax			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Ad Valorem Taxes	\$ 192,842,612	\$ 192,842,612	\$ 186,687,750	\$ 6,154,862
Interest Income	401,000	405,407	6,579,521	(6,174,114)
Local Grants and Other Local Sources	-	4,115,291	4,115,291	-
Total Local Sources	<u>193,243,612</u>	<u>197,363,310</u>	<u>197,382,562</u>	<u>(19,252)</u>
 Total Revenues	 <u>193,243,612</u>	 <u>197,363,310</u>	 <u>197,382,562</u>	 <u>(19,252)</u>
 EXPENDITURES				
Current				
Facilities Services	-	38,999,088	15,451,356	23,547,732
Capital Outlay				
Facilities Acquisition and Construction	99,597,402	58,048,606	4,673,011	53,375,595
Other Capital Outlay	-	20,787,077	6,757,327	14,029,750
Total Expenditures	<u>99,597,402</u>	<u>117,834,771</u>	<u>26,881,694</u>	<u>90,953,077</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>93,646,210</u>	 <u>79,528,539</u>	 <u>170,500,868</u>	 <u>(90,972,329)</u>
 OTHER FINANCING USES				
Transfer Out	<u>(33,629,768)</u>	<u>(76,129,768)</u>	<u>(33,623,833)</u>	<u>(42,505,935)</u>
Total Other Financing Uses	<u>(33,629,768)</u>	<u>(76,129,768)</u>	<u>(33,623,833)</u>	<u>(42,505,935)</u>
 Net Change in Fund Balance	 60,016,442	 3,398,771	 136,877,035	 (133,478,264)
Fund Balance, Beginning	<u>227,687,447</u>	<u>227,687,447</u>	<u>227,687,447</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 287,703,889</u>	<u>\$ 231,086,218</u>	<u>\$ 364,564,482</u>	<u>\$ (133,478,264)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CERTIFICATES OF PARTICIPATION/IMPACT FEES/STATE GRANTS
(MAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Certificates of Participation/Impact Fees/State Grants			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources				
Charter School Capital Outlay	\$ 6,975,000	\$ 6,975,000	\$ 6,649,751	\$ 325,249
State Grants and Other State Sources	466,000	416,584	309,675	106,909
Total State Sources	<u>7,441,000</u>	<u>7,391,584</u>	<u>6,959,426</u>	<u>432,158</u>
Local Sources				
Local Sales Taxes	108,631,948	108,631,948	116,257,039	(7,625,091)
Impact Fees	34,605,000	34,605,000	32,194,262	2,410,738
Interest Income	420,000	882,461	3,567,305	(2,684,844)
Local Grants and Other Local Sources	-	-	187,770	(187,770)
Total Local Sources	<u>143,656,948</u>	<u>144,119,409</u>	<u>152,206,376</u>	<u>(8,086,967)</u>
Total Revenues	<u>151,097,948</u>	<u>151,510,993</u>	<u>159,165,802</u>	<u>(7,654,809)</u>
EXPENDITURES				
Current				
Facilities Services	-	130,973,440	48,260,800	82,712,640
Capital Outlay				
Facilities Acquisition and Construction	173,809,737	176,535,827	59,122,415	117,413,412
Other Capital Outlay	-	16,408,985	5,380,957	11,028,028
Total Expenditures	<u>173,809,737</u>	<u>323,918,252</u>	<u>112,764,172</u>	<u>211,154,080</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,711,789)</u>	<u>(172,407,259)</u>	<u>46,401,630</u>	<u>(218,808,889)</u>
OTHER FINANCING SOURCES (USES)				
Certificates of Participation Issued	-	135,556,744	135,556,744	-
Premium on Certificates of Participation Issued	-	7,443,256	7,443,256	-
Sale of Capital Assets	-	-	31,600	(31,600)
Transfer Out	(54,716,772)	(59,702,647)	(58,483,479)	(1,219,168)
Premium on Certificates of Participation Issued	-	-	-	-
Total Other Financing Sources (Uses)	<u>(54,716,772)</u>	<u>83,297,353</u>	<u>84,548,121</u>	<u>(1,250,768)</u>
Net Change in Fund Balance	<u>(77,428,561)</u>	<u>(89,109,906)</u>	<u>130,949,751</u>	<u>(220,059,657)</u>
Fund Balance, Beginning	<u>149,248,489</u>	<u>149,248,489</u>	<u>149,248,489</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 71,819,928</u>	<u>\$ 60,138,583</u>	<u>\$ 280,198,240</u>	<u>\$ (220,059,657)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - CONTRACTED PROGRAMS (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Contracted Programs			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct Sources				
Miscellaneous Federal Direct	\$ 22,661,985	\$ 23,209,450	\$ 17,021,145	\$ 6,188,305
Total Federal Direct Sources	<u>22,661,985</u>	<u>23,209,450</u>	<u>17,021,145</u>	<u>6,188,305</u>
Federal Through State Sources				
Other Federal Through State Grants	55,445,892	81,796,207	60,334,732	21,461,475
Total Federal Through State Sources	<u>55,445,892</u>	<u>81,796,207</u>	<u>60,334,732</u>	<u>21,461,475</u>
Local Sources				
Child Care and Adult Course Fees	-	101,593	101,593	-
Total Local Sources	<u>-</u>	<u>101,593</u>	<u>101,593</u>	<u>-</u>
 Total Revenues	 <u>78,107,877</u>	 <u>105,107,250</u>	 <u>77,457,470</u>	 <u>27,649,780</u>
EXPENDITURES				
Current				
Instruction	52,637,811	52,268,746	37,864,357	14,404,389
Student Support Services	4,706,260	9,166,109	6,986,982	2,179,127
Instructional Media Services	209,205	371,594	224,581	147,013
Instruction and Curriculum Development Services	4,340,564	22,165,193	17,987,670	4,177,523
Instructional Staff Training Services	8,247,609	9,018,695	5,171,142	3,847,553
Instruction Related Technology	63,776	66,559	66,559	-
General Administration	3,778,202	4,881,089	4,008,216	872,873
School Administration	172,062	820,295	732,737	87,558
Facilities Services	1,528,138	1,005,955	717,374	288,581
Fiscal Services	2,531	5,261	-	5,261
Central Services	291,657	404,141	236,230	167,911
Student Transportation Services	825,861	1,119,044	547,009	572,035
Operation of Plant	425,794	503,764	281,716	222,048
Maintenance of Plant	500	-	-	-
Community Services	877,907	730,635	496,742	233,893
Capital Outlay				
Facilities Acquisition and Construction	-	1,080,845	875,622	205,223
Other Capital Outlay	-	1,499,325	1,260,533	238,792
 Total Expenditures	 <u>78,107,877</u>	 <u>105,107,250</u>	 <u>77,457,470</u>	 <u>27,649,780</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balance	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Food Service			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Through State Sources				
Food Service	\$ 54,772,887	\$ 54,772,887	\$ 51,895,778	\$ 2,877,109
Donated Foods and Cash in Lieu of	200,000	200,000	6,129,628	(5,929,628)
Total Federal Through State Sources	<u>54,972,887</u>	<u>54,972,887</u>	<u>58,025,406</u>	<u>(3,052,519)</u>
State Sources				
Food Services	677,007	677,007	691,708	(14,701)
Total State Sources	<u>677,007</u>	<u>677,007</u>	<u>691,708</u>	<u>(14,701)</u>
Local Sources				
Food Service Sales	839,942	839,942	410,012	429,930
Interest Income	30,000	30,000	190,926	(160,926)
Local Grants and Other Local Sources	-	-	73,433	(73,433)
Total Local Sources	<u>869,942</u>	<u>869,942</u>	<u>674,371</u>	<u>195,571</u>
Total Revenues	<u>56,519,836</u>	<u>56,519,836</u>	<u>59,391,485</u>	<u>(2,871,649)</u>
EXPENDITURES				
Current				
Food Service	71,389,421	72,731,032	64,230,032	8,501,000
Capital Outlay				
Other Capital Outlay	-	1,539,524	625,854	913,670
Total Expenditures	<u>71,389,421</u>	<u>74,270,556</u>	<u>64,855,886</u>	<u>9,414,670</u>
Deficiency of Revenues Under Expenditures	<u>(14,869,585)</u>	<u>(17,750,720)</u>	<u>(5,464,401)</u>	<u>(12,286,319)</u>
Net Change in Fund Balance	<u>(14,869,585)</u>	<u>(17,750,720)</u>	<u>(5,464,401)</u>	<u>(12,286,319)</u>
Fund Balance, Beginning	<u>23,099,255</u>	<u>23,099,255</u>	<u>23,099,255</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,229,670</u>	<u>\$ 5,348,535</u>	<u>\$ 17,634,854</u>	<u>\$ (12,286,319)</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER PROGRAMS (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Other Programs			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local Sources				
Interest Income	\$ -	\$ -	\$ 164,572	\$ (164,572)
Local Grants and Other Local Sources	-	29,959,181	29,884,071	75,110
Total Local Sources	-	29,959,181	30,048,643	(89,462)
Total Revenues	-	29,959,181	30,048,643	(89,462)
EXPENDITURES				
Current				
Instruction	-	28,389,779	28,389,779	-
School Administration	-	1,569,402	1,569,402	-
Total Expenditures	-	29,959,181	29,959,181	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	89,462	(89,462)
Net Change in Fund Balance	-	-	89,462	89,462
Fund Balance, Beginning	-	10,241,548	10,241,548	-
Fund Balance, Ending	\$ -	\$ 10,241,548	\$ 10,331,010	\$ 89,462

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
DEBT SERVICE FUND - SBE/COBI BONDS (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	SBE/COBI Bonds			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources				
CO & DS withheld for SBE/COBI Bonds	\$ 255,700	\$ 255,700	\$ 250,898	\$ 4,802
SBE/COBI Bond Interest	1,000	1,000	780	220
Total State Sources	<u>256,700</u>	<u>256,700</u>	<u>251,678</u>	<u>5,022</u>
 Total Revenues	 <u>256,700</u>	 <u>256,700</u>	 <u>251,678</u>	 <u>5,022</u>
EXPENDITURES				
Debt Service				
Principal	239,000	239,000	239,000	-
Interest and Fiscal Charges	17,700	17,700	16,783	917
Total Expenditures	<u>256,700</u>	<u>256,700</u>	<u>255,783</u>	<u>917</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(4,105)</u>	<u>4,105</u>
Net Change in Fund Balance	-	-	(4,105)	4,105
Fund Balance, Beginning	<u>8,422</u>	<u>8,422</u>	<u>8,422</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 8,422</u>	<u>\$ 8,422</u>	<u>\$ 4,317</u>	<u>\$ 4,105</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE (NONMAJOR GOVERNMENTAL FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Capital Outlay & Debt Service (CO and DS)			Variance with Final Budget - Under (Over)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State Sources				
CO and DS Distributed to Districts	\$ 1,600,000	\$ 1,600,000	\$ 3,684,387	\$ (2,084,387)
Interest on Undistributed CO and DS	-	-	68,453	(68,453)
Total State Sources	<u>1,600,000</u>	<u>1,600,000</u>	<u>3,752,840</u>	<u>(2,152,840)</u>
Local Sources				
Interest Income	30,000	30,000	238,309	(208,309)
Total Local Sources	<u>30,000</u>	<u>30,000</u>	<u>238,309</u>	<u>(208,309)</u>
Total Revenues	<u>1,630,000</u>	<u>1,630,000</u>	<u>3,991,149</u>	<u>(2,361,149)</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	-	4,850	4,841	9
Total Expenditures	<u>-</u>	<u>4,850</u>	<u>4,841</u>	<u>9</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,630,000</u>	<u>1,625,150</u>	<u>3,986,308</u>	<u>(2,361,158)</u>
Net Change in Fund Balance	1,630,000	1,625,150	3,986,308	(2,361,158)
Fund Balance, Beginning	<u>16,878,264</u>	<u>16,878,264</u>	<u>16,878,264</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 18,508,264</u>	<u>\$ 18,503,414</u>	<u>\$ 20,864,572</u>	<u>\$ (2,361,158)</u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the District on a cost reimbursement basis. The following funds are included in the Internal Service Funds:

Health: To account for and report on funds received for and used to pay for medical benefits issued under the District's self-insured health program.

Other (Casualty, Liability, and Workers' Compensation): To account for and report on funds received for and used by the District's self-insured property, casualty, liability, and workers' compensation program.

THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
ASSETS			
Current Assets			
Cash	\$ 3,136,438	\$ 3,136,438	\$ -
Investments	69,563,245	69,563,245	-
Due from Governmental Funds	38,729,429	23,430,676	15,298,753
Total Current Assets	<u>111,429,112</u>	<u>96,130,359</u>	<u>15,298,753</u>
Noncurrent Assets			
Restricted Cash With Fiscal Agent	300,000	-	300,000
Furniture, Fixtures and Equipment	4,633	4,633	-
Less Accumulated Depreciation	(3,936)	(3,936)	-
Total Noncurrent Assets	<u>300,697</u>	<u>697</u>	<u>300,000</u>
Total Assets	<u>111,729,809</u>	<u>96,131,056</u>	<u>15,598,753</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	33,726	33,726	-
Unearned Revenue	11,818,209	11,818,209	-
Estimated Insurance Claims Payable	13,204,133	8,203,106	5,001,027
Liability for Compensated Absences	30,990	30,990	-
Total Current Liabilities	<u>25,087,058</u>	<u>20,086,031</u>	<u>5,001,027</u>
Noncurrent Liabilities			
Estimated Insurance Claims Payable	<u>10,376,954</u>	<u>79,228</u>	<u>10,297,726</u>
Total Liabilities	<u>35,464,012</u>	<u>20,165,259</u>	<u>15,298,753</u>
NET POSITION			
Investment in Capital Assets	697	697	-
Restricted for Claims	300,000	-	300,000
Unrestricted	<u>75,965,100</u>	<u>75,965,100</u>	<u>-</u>
Total Net Position	<u>\$ 76,265,797</u>	<u>\$ 75,965,797</u>	<u>\$ 300,000</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
OPERATING REVENUES			
Premium Revenue	\$ 132,538,676	\$ 113,837,498	\$ 18,701,178
Other Operating Revenues	69,444	69,444	-
Total Operating Revenues	<u>132,608,120</u>	<u>113,906,942</u>	<u>18,701,178</u>
OPERATING EXPENSE			
Salaries	317,309	277,387	39,922
Employee Benefits	110,020	93,899	16,121
Purchased Services	17,968,260	5,625,047	12,343,213
Materials and Supplies	236	236	-
Insurance Claims	96,567,954	90,266,032	6,301,922
Depreciation	773	773	-
Total Operating Expenses	<u>114,964,552</u>	<u>96,263,374</u>	<u>18,701,178</u>
Operating Income	<u>17,643,568</u>	<u>17,643,568</u>	<u>-</u>
NONOPERATING REVENUES			
Interest Income	1,397,913	1,397,913	-
Loss on Disposition of Assets	(534)	(534)	-
Total Nonoperating Revenues	<u>1,397,379</u>	<u>1,397,379</u>	<u>-</u>
Changes in Net Position	<u>19,040,947</u>	<u>19,040,947</u>	<u>-</u>
Net Position - July 1, 2022	<u>57,224,850</u>	<u>56,924,850</u>	<u>300,000</u>
Net Position - June 30, 2023	<u>\$ 76,265,797</u>	<u>\$ 75,965,797</u>	<u>\$ 300,000</u>

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023**

	Internal Service Funds		
	Total	Self Insurance	
		Health	Other
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers, Users and Participants	\$ 107,970,642	\$ 89,404,325	\$ 18,566,317
Cash Payments to Suppliers for Goods and Services	(17,966,772)	(5,623,308)	(12,343,464)
Cash Payments to Employees for Services	(428,718)	(372,676)	(56,042)
Cash Payments for Insurance Claims	(97,163,735)	(90,996,924)	(6,166,811)
Net Cash used by Operating Activities	<u>(7,588,583)</u>	<u>(7,588,583)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Pooled Investments	8,626,470	8,626,470	-
Interest on Investments	1,397,913	1,397,913	-
Net Cash provided by Investing Activities	<u>10,024,383</u>	<u>10,024,383</u>	<u>-</u>
Net increase in Cash	2,435,800	2,435,800	-
Cash, Beginning	1,000,638	700,638	300,000
Cash, Ending	<u>\$ 3,436,438</u>	<u>\$ 3,136,438</u>	<u>\$ 300,000</u>
Reconciliation of Operating Income to Net Cash used by Operating Activities			
Operating Income	\$ 17,643,568	\$ 17,643,568	\$ -
Adjustments to Reconcile Operating Income to Net Cash used by Operating Activities:			
Depreciation	773	773	-
Change in Assets and Liabilities:			
Increase in Due from Governmental Funds	(22,896,066)	(22,761,205)	(134,861)
Increase (decrease) in Accounts Payable	1,723	1,973	(250)
Decrease in Advanced Revenue	(1,741,412)	(1,741,412)	-
Increase (decrease) in Estimated Insurance Claims Payable	(595,780)	(730,891)	135,111
Decrease in Liability for Compensated Absences	(1,389)	(1,389)	-
Total Adjustments	<u>(25,232,151)</u>	<u>(25,232,151)</u>	<u>-</u>
Net Cash used by Operating Activities	<u>\$ (7,588,583)</u>	<u>\$ (7,588,583)</u>	<u>\$ -</u>

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Discretely Presented Component Units

The component units' columns in the basic financial statements, pages 33 through 34, include the financial data of the District's discretely presented component units. The District's discretely presented component units consist of the following entities:

Charter Schools: Pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes, the following charter schools are considered discretely presented component units: Athenian Academy Charter School, Bonita Springs Charter School, City of Palms Charter High School Inc., Coronado High School, DJB Technical Academy, Inc., Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, The Heights Charter School, Heritage Charter School, Inc., Island Park Charter High School, Inc., The Island School, Inc., Mid Cape Global Academy, Northern Palms Charter High School, North Nicholas High School, Oak Creek Charter School of Bonita Springs, Inc., Palm Acres Charter High School, Inc., and Six Mile Charter Academy.

The Foundation for Lee County Public Schools, Inc: The Foundation is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District.

THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2023

	Charter Schools				
	The Athenian Academy Charter School	Bonita Springs Charter School	City of Palms Charter High School, Inc.	Coronado High School	DJB Technical Academy, Inc.
ASSETS					
Cash	\$ 205,148	\$ 1,161,910	\$ 793,136	\$ 259,575	\$ 775,449
Investments	-	1,754,258	-	-	-
Accounts Receivable	-	19,815	1,900	-	-
Deposits Receivable	-	22,571	-	-	-
Due from Other Agencies	16,446	213,267	-	272,862	-
Prepaid Expenses	-	203,697	30,390	-	44,303
Capital assets:					
Improvements other than Buildings	52,259	2,513,009	18,680	-	43,109
Less Accumulated Depreciation	(15,850)	(1,086,512)	(6,417)	-	(37,925)
Buildings	-	18,237,000	-	-	-
Less Accumulated Depreciation	-	(2,803,094)	-	-	-
Furniture, Fixtures and Equipment	182,519	4,357,200	90,476	523,869	283,752
Less Accumulated Depreciation	(102,694)	(3,681,677)	(70,369)	(437,486)	(86,598)
Intangible right to use	20,225,332	2,451,904	235,406	-	236,128
Less Accumulated Amortization	(410,734)	(175,833)	(76,348)	-	(5,415)
Software	-	-	6,880	-	-
Less Accumulated Amortization	-	-	(5,730)	-	-
Total Assets	20,152,426	23,187,515	1,018,004	618,820	1,252,803
DEFERRED OUTFLOW OF RESOURCES					
Deferred Amount on Refundings	-	-	-	-	-
Deferred amount on pension	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-
LIABILITIES					
Salaries and Wages Payable	182,155	578,667	-	-	78,579
Accounts Payable	186,548	672,274	575,194	290,611	18,568
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-
Noncurrent liabilities:					
Portion due within one year:					
Notes Payable	17,836	-	-	-	23,426
Bonds Payable	-	340,000	-	-	-
Lease Payable	229,456	185,292	78,317	-	54,690
Liability for Compensated Absences	-	41,462	-	-	-
Portion due after one year:					
Notes Payable	-	-	-	-	111,760
Bonds Payable	-	18,121,424	-	-	-
Lease Payable	19,585,142	2,904,702	87,130	-	176,023
Net Pension Liability	-	-	-	-	-
Liability for Compensated Absences	-	13,821	-	-	-
Total Liabilities	20,201,137	22,857,642	740,641	290,611	463,046
DEFERRED INFLOW OF RESOURCES					
Deferred Amount on Pension	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
NET POSITION					
Net Investment in Capital Assets	116,234	(286,649)	33,520	86,383	67,152
Restricted for:					
Debt Service	-	-	-	-	-
Capital Projects	-	-	-	-	-
Other Purposes	-	483,509	-	-	-
Unrestricted	(164,945)	133,013	243,843	241,826	722,605
Total Net Position - Component Units	\$ (48,711)	\$ 329,873	\$ 277,363	\$ 328,209	\$ 789,757

Charter Schools

	Gateway Charter School	Gateway Intermediate Charter School	Gateway Charter High School	The Heights Charter School	Heritage Charter School, Inc.	Island Park Charter High School, Inc.	The Island School, Inc.
\$	1,393,680	\$ 4,296,073	\$ 682,036	\$ 212,815	\$ 127,773	\$ 372,143	\$ 530,169
	-	-	-	-	-	-	1,056,048
	448,536	135,868	643,044	-	-	-	9,709
	30,928	-	95,627	-	-	-	-
	197,075	144,769	129,120	-	13,577	295,120	-
	239,912	138,365	3,042	-	21,534	-	3,798
	1,859,272	4,625	1,649,733	-	20,690	-	-
	(370,485)	(4,625)	(760,774)	-	(7,487)	-	-
	-	-	-	-	-	-	2,997,623
	-	-	-	-	-	-	(1,221,027)
	2,596,159	1,828,695	2,449,528	128,242	46,834	403,980	391,785
	(2,331,083)	(1,480,546)	(2,209,249)	(60,124)	(28,637)	(313,315)	(159,587)
	27,951,373	20,580	13,338,119	537,243	1,005,088	-	-
	(10,478,843)	(17,150)	(5,418,611)	(115,041)	(359,124)	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>21,536,524</u>	<u>5,066,654</u>	<u>10,601,615</u>	<u>703,135</u>	<u>840,248</u>	<u>757,928</u>	<u>3,608,518</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	274,051
	-	-	-	-	-	-	274,051
	458,729	320,281	237,982	63,071	84,238	-	14,404
	1,442,056	1,530,081	1,183,657	9,625	3,197	318,913	36,285
	-	-	-	-	-	-	-
	-	17,633	-	-	273,884	-	-
	-	-	-	-	30,384	-	-
	-	-	-	-	-	-	-
	956,411	-	523,387	108,844	195,718	-	-
	30,740	15,092	18,539	15,774	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	19,641,039	-	8,995,059	324,640	450,246	-	-
	-	-	-	-	-	-	310,336
	10,246	5,031	6,179	-	-	-	-
	<u>22,539,221</u>	<u>1,888,118</u>	<u>10,964,803</u>	<u>521,954</u>	<u>1,037,667</u>	<u>318,913</u>	<u>361,025</u>
	-	-	-	-	-	-	13,559
	-	-	-	-	-	-	13,559
	(1,371,057)	351,579	(469,700)	56,836	31,400	90,665	2,008,794
	-	-	-	-	-	-	-
	-	-	-	-	-	138,161	-
	66,459	-	96,539	-	-	-	1,159,207
	301,901	2,826,957	9,973	124,345	(228,819)	210,189	339,984
\$	<u>(1,002,697)</u>	<u>\$ 3,178,536</u>	<u>\$ (363,188)</u>	<u>\$ 181,181</u>	<u>\$ (197,419)</u>	<u>\$ 439,015</u>	<u>\$ 3,507,985</u>

THE SCHOOL DISTRICT OF LEE COUNTY
 COMBINING STATEMENT OF NET POSITION
 COMPONENT UNITS
 June 30, 2023

	Charter Schools			
	Mid Cape Global Academy	Northern Palms Charter High School	North Nicholas High School	Oak Creek Charter School of Bonita Springs, Inc.
ASSETS				
Cash and cash equivalents	\$ 677,736	\$ 295,583	\$ 263,907	\$ 2,490,709
Investments	-	-	-	-
Accounts Receivable	324,117	52,977	-	-
Deposits Receivable	4,501	-	-	-
Due from Other Agencies	138,862	-	265,855	191,504
Prepaid Expenses	100,929	38,030	-	10,000
Capital assets:				
Improvements other than Buildings	523,443	4,810	-	-
Less Accumulated Depreciation	(212,042)	(2,280)	-	-
Buildings	-	-	-	15,568,011
Less Accumulated Depreciation	-	-	-	(1,322,972)
Furniture, Fixtures and Equipment	1,866,194	150,334	384,212	1,157,516
Less Accumulated Depreciation	(1,543,989)	(145,226)	(202,376)	(449,917)
Intangible right to use	17,923,743	273,741	-	51,670
Less Accumulated Amortization	(7,295,409)	(159,682)	-	(16,495)
Software	-	8,862	-	-
Less Accumulated Amortization	-	(8,862)	-	-
Total Assets	12,508,085	508,287	711,598	17,680,026
DEFERRED OUTFLOW OF RESOURCES				
Deferred Amount on Refundings	-	-	-	572,513
Deferred amount on pension	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	572,513
LIABILITIES				
Salaries and Wages Payable	293,255	43,232	-	220,893
Accounts Payable	615,288	4,537	313,448	271,486
Unearned Revenue	154,424	-	-	-
Due to Other Agencies	-	-	-	-
Noncurrent liabilities:				
Portion due within one year:				
Notes Payable	-	-	-	41,885
Bonds Payable	-	-	-	245,000
Lease Payable	574,792	55,758	-	10,987
Liability for Compensated Absences	14,189	-	-	-
Portion due after one year:				
Notes Payable	-	-	-	113,134
Bonds Payable	-	-	-	17,350,000
Lease Payable	12,978,162	60,991	-	5,092
Net Pension Liability	-	-	-	-
Liability for Compensated Absences	4,729	-	-	-
Total Liabilities	14,634,839	164,518	313,448	18,258,477
DEFERRED INFLOW OF RESOURCES				
Deferred Amount on Pension	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
NET POSITION				
Net Investment in Capital Assets	(2,291,014)	7,638	181,836	(689,659)
Restricted for:				
Debt Service	-	-	-	1,201,925
Capital Projects	-	-	-	314,188
Other Purposes	72,183	-	-	-
Unrestricted	92,077	336,131	216,314	(832,392)
Total Net Position - Component Units	\$ (2,126,754)	\$ 343,769	\$ 398,150	\$ (5,938)

Charter Schools				
Palm Acres Charter High School, Inc	Six Mile Charter Academy	Total Charter Schools	The Foundation for Lee County Public Schools, Inc.	Total Component Units
\$ 725,771	\$ 511,795	\$ 15,775,408	\$ 3,857,435	\$ 19,632,843
-	-	2,810,306	119,866	2,930,172
656,330	513,795	2,806,091	30,829	2,836,920
-	8,841	162,468	-	162,468
-	163,785	2,042,242	-	2,042,242
32,832	92,129	958,961	1,936,237	2,895,198
63,519	685,921	7,439,070	-	7,439,070
(44,522)	(334,323)	(2,883,242)	-	(2,883,242)
-	-	36,802,634	-	36,802,634
-	-	(5,347,093)	-	(5,347,093)
257,607	1,937,576	19,036,478	94,196	19,130,674
(241,368)	(1,786,048)	(15,330,289)	(90,383)	(15,420,672)
388,174	18,145,699	102,784,200	-	102,784,200
(297,601)	(7,386,584)	(32,212,870)	-	(32,212,870)
-	-	15,742	-	15,742
-	-	(14,592)	-	(14,592)
1,540,742	12,552,586	134,845,514	5,948,180	140,793,694
-	-	572,513	-	572,513
-	-	274,051	-	274,051
-	-	846,564	-	846,564
104,070	309,770	2,989,326	-	2,989,326
-	992,559	8,464,327	59,907	8,524,234
-	-	154,424	-	154,424
-	-	291,517	-	291,517
-	-	113,531	-	113,531
-	-	585,000	-	585,000
77,084	668,032	3,718,768	-	3,718,768
-	23,537	159,333	-	159,333
-	-	224,894	-	224,894
-	-	35,471,424	-	35,471,424
12,328	12,564,204	77,784,758	-	77,784,758
-	-	310,336	-	310,336
-	7,846	47,852	-	47,852
193,482	14,565,948	130,315,490	59,907	130,375,397
-	-	13,559	-	13,559
-	-	13,559	-	13,559
35,236	(1,969,995)	(4,010,801)	3,813	(4,006,988)
-	-	1,201,925	-	1,201,925
-	-	452,349	-	452,349
-	12,666	1,890,563	5,847,133	7,737,696
1,312,024	(56,033)	5,828,993	37,327	5,866,320
\$ 1,347,260	\$ (2,013,362)	\$ 5,363,029	\$ 5,888,273	\$ 11,251,302

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2023**

	Charter Schools			
	The Athenian Academy Charter School	Bonita Springs Charter School	City of Palms Charter High School, Inc.	Coronado High School
Governmental activities				
Expenses				
Instruction	\$ 1,937,346	\$ 6,424,019	\$ 301,905	\$ 742,077
Student Support Services	16,508	754,829	95,361	499,821
Instructional Media Services	-	-	-	-
Instruction and Curriculum Development Services	-	16,366	-	-
Instructional Staff Training Services	758	54,989	-	-
Instruction Related Technology	62,367	308,355	-	-
Board	374,890	127,945	20,141	43,997
General Administration	-	-	-	-
School Administration	216,976	894,567	401,356	673,229
Facilities Services	1,389	-	-	-
Fiscal Services	6,651	20,916	-	464,257
Food Services	115,379	362,244	-	529
Central Services	-	281,096	37,032	-
Student Transportation Services	101,674	740,293	3,265	-
Operation of Plant	314,395	1,825,160	244,631	468,056
Maintenance of Plant	25,608	443,967	2,442	-
Community Services	16,929	58,445	-	-
Unallocated Interest and Fiscal Charges on Long-term Debt	688,814	1,296,761	7,168	-
Unallocated Depreciation Expense *	252,759	-	-	-
Total Expenses	\$ 4,132,443	\$ 13,609,952	\$ 1,113,301	\$ 2,891,966
Program Revenues				
Charges for Services	\$ 68,785	\$ 242,155	\$ -	\$ -
Operating Grants and Contributions	303,604	2,449,277	33,211	383,005
Capital Grants and Contributions	216,251	703,308	69,586	183,928
Total Program Revenues	588,640	3,394,740	102,797	566,933
Net Program Revenues	(3,543,803)	(10,215,212)	(1,010,504)	(2,325,033)
General Revenues				
Other Federal Sources not restricted to specific programs		-	87,620	-
Other State Sources Not Restricted to Specific Programs	3,211,488	10,070,380	771,385	2,341,912
Other Miscellaneous Sources Not Restricted to Specific Programs	138,531	532,931	131,358	-
Unrestricted Investment Earnings	-	82,754	-	-
Total General Revenues	3,350,019	10,686,065	990,363	2,341,912
Changes in Net Position	(193,784)	470,853	(20,141)	16,879
Net Position - July 1, 2022	145,073	(140,980)	297,504	311,330
Net Position-June 30, 2023	\$ (48,711)	\$ 329,873	\$ 277,363	\$ 328,209

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

Charter Schools				
DJB Technical Academy, Inc.	Gateway Charter School	Gateway Intermediate Charter School	Gateway Charter High School	The Heights Charter School
\$ 635,460	\$ 5,696,592	\$ 3,602,704	\$ 2,528,421	\$ 1,389,565
106,373	552,784	370,660	353,098	-
-	-	-	-	-
-	19,191	206	-	-
5,299	36,450	6,700	81,061	-
67,723	161,286	111,829	63,893	102,522
286,513	47,403	29,873	34,090	25,448
-	-	-	-	-
306,057	759,950	428,895	559,810	297,445
37,633	-	-	-	17,639
60,572	444,048	1,259,913	10,092	-
-	593,235	-	300,344	194,595
-	101,634	103,873	123,997	-
224,392	457,102	458,234	432,246	-
147,736	1,343,795	451,036	1,183,147	101,575
806	552,172	84,569	471,940	-
520	73,867	-	14,473	-
18,125	1,247,647	223	1,050,976	-
69,513	-	-	-	-
<u>\$ 1,966,722</u>	<u>\$ 12,087,156</u>	<u>\$ 6,908,715</u>	<u>\$ 7,207,588</u>	<u>\$ 2,128,789</u>
\$ -	\$ 862,302	\$ 29,114	\$ 23,609	\$ 50,062
188,048	1,942,608	2,067,767	1,984,354	394,218
-	602,373	556,311	314,780	-
<u>188,048</u>	<u>3,407,283</u>	<u>2,653,192</u>	<u>2,322,743</u>	<u>444,280</u>
<u>(1,778,674)</u>	<u>(8,679,873)</u>	<u>(4,255,523)</u>	<u>(4,884,845)</u>	<u>(1,684,509)</u>
-	-	-	-	-
1,929,892	9,580,272	6,159,518	4,966,914	1,699,898
31,238	28,007	-	807,462	424
-	63,216	65,757	6,912	-
<u>1,961,130</u>	<u>9,671,495</u>	<u>6,225,275</u>	<u>5,781,288</u>	<u>1,700,322</u>
<u>182,456</u>	<u>991,622</u>	<u>1,969,752</u>	<u>896,443</u>	<u>15,813</u>
607,301	(1,994,319)	1,208,784	(1,259,631)	165,368
<u>\$ 789,757</u>	<u>\$ (1,002,697)</u>	<u>\$ 3,178,536</u>	<u>\$ (363,188)</u>	<u>\$ 181,181</u>

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2023**

	Charter Schools		
	Island Park		
	Heritage Charter School, Inc.	Charter High School, Inc.	The Island School, Inc.
Governmental activities			
Expenses			
Instruction	\$ 956,384	\$ 656,338	\$ 1,121,585
Student Support Services	111,062	426,215	-
Instructional Media Services	-	-	-
Instruction and Curriculum Development Services	-	-	-
Instructional Staff Training Services	-	-	-
Instruction Related Technology	28,685	-	-
Board	216,562	44,717	-
General Administration	-	-	276,970
School Administration	178,358	615,317	-
Facilities Services	-	2,023	-
Fiscal Services	6,165	796,164	260,416
Food Services	84,354	553	-
Central Services	-	-	-
Student Transportation Services	78,425	-	-
Operation of Plant	197,758	459,801	167,303
Maintenance of Plant	35,763	-	-
Community Services	6,181	-	3,464
Unallocated Interest and Fiscal Charges on Long-term Debt	44,803	-	-
Unallocated Depreciation Expense *	198,103	-	-
Total Expenses	\$ 2,142,603	\$ 3,001,128	\$ 1,829,738
Program Revenues			
Charges for Services	\$ 35,731	\$ -	\$ 20,920
Operating Grants and Contributions	363,703	354,632	-
Capital Grants and Contributions	97,962	173,374	-
Total Program Revenues	497,396	528,006	20,920
Net Program Revenues	(1,645,207)	(2,473,122)	(1,808,818)
General Revenues			
Other Federal Sources not restricted to specific programs	-	-	-
Other State Sources Not Restricted to Specific Programs	1,578,868	2,488,980	743,065
Other Miscellaneous Sources Not Restricted to Specific Programs	80,906	-	803,615
Unrestricted Investment Earnings	-	-	7,731
Total General Revenues	1,659,774	2,488,980	1,554,411
Changes in Net Position	14,567	15,858	(254,407)
Net Position - July 1, 2022	(211,986)	423,157	3,762,392
Net Position-June 30, 2023	\$ (197,419)	\$ 439,015	\$ 3,507,985

Charter Schools

Mid Cape Global Academy	Northern Palms Charter High School	North Nicholas High School	Oak Creek Charter School of Bonita Springs, Inc.	Palm Acres Charter High School, Inc	Six Mile Charter Academy
\$ 3,611,651	\$ 239,695	\$ 769,598	\$ 2,497,533	\$ 715,106	\$ 3,776,650
491,766	73,204	413,188	-	145,708	410,132
-	-	-	-	-	888
4,900	-	-	-	-	120
17,245	-	-	-	-	40,398
124,880	-	-	16,929	-	109,205
27,481	23,186	54,963	20,327	25,088	31,020
-	-	-	1,000,644	-	-
625,759	436,323	619,192	370,907	949,988	668,190
-	-	-	-	-	-
5,700	-	660,188	154,668	-	8,895
287,915	-	-	305,619	-	251,971
124,651	38,413	-	58,982	90,703	135,001
207,621	1,588	-	296,814	3,858	134,751
1,536,512	204,377	512,756	1,230,670	299,487	1,483,957
324,738	2,340	-	485	6,127	260,752
98,741	-	-	61,704	-	39,140
440,032	8,843	-	1,136,097	12,540	781,864
-	-	-	-	-	-
<u>\$ 7,929,592</u>	<u>\$ 1,027,969</u>	<u>\$ 3,029,885</u>	<u>\$ 7,151,379</u>	<u>\$ 2,248,605</u>	<u>\$ 8,132,934</u>
\$ 384,484	\$ -	\$ -	\$ 82,736	\$ -	\$ 230,654
1,195,364	32,667	423,102	1,105,576	95,257	1,172,147
501,250	58,053	202,193	312,083	160,804	424,095
<u>2,081,098</u>	<u>90,720</u>	<u>625,295</u>	<u>1,500,395</u>	<u>256,061</u>	<u>1,826,896</u>
<u>(5,848,494)</u>	<u>(937,249)</u>	<u>(2,404,590)</u>	<u>(5,650,984)</u>	<u>(1,992,544)</u>	<u>(6,306,038)</u>
-	75,757	-	-	152,283	-
5,826,053	809,374	2,498,520	4,818,136	2,236,944	6,444,705
217,130	51,889	-	851,878	-	10,358
10,756	-	-	-	-	5,864
<u>6,053,939</u>	<u>937,020</u>	<u>2,498,520</u>	<u>5,670,014</u>	<u>2,389,227</u>	<u>6,460,927</u>
205,445	(229)	93,930	19,030	396,683	154,889
(2,332,199)	343,998	304,220	(24,968)	950,577	(2,168,251)
<u>\$ (2,126,754)</u>	<u>\$ 343,769</u>	<u>\$ 398,150</u>	<u>\$ (5,938)</u>	<u>\$ 1,347,260</u>	<u>\$ (2,013,362)</u>

(Continued)

**THE SCHOOL DISTRICT OF LEE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Charter Schools</u>		<u>The Foundation for Lee County Public Schools, Inc.</u>		<u>Total Component Units</u>
	Total Charter Schools		The Foundation for Lee County Public Schools, Inc.		Total Component Units
Governmental activities					
Expenses					
Instruction	\$ 37,602,629		\$ -		\$ 37,602,629
Student Support Services	4,820,709		-		4,820,709
Instructional Media Services	888		-		888
Instruction and Curriculum Development Services	40,783		-		40,783
Instructional Staff Training Services	242,900		-		242,900
Instruction Related Technology	1,157,674		-		1,157,674
Board	1,433,644		-		1,433,644
General Administration	1,277,614		-		1,277,614
School Administration	9,002,319		-		9,002,319
Facilities Services	58,684		-		58,684
Fiscal Services	4,158,645		-		4,158,645
Food Services	2,496,738		-		2,496,738
Central Services	1,095,382		-		1,095,382
Pupil Transportation Services	3,140,263		-		3,140,263
Operation of Plant	12,172,152		-		12,172,152
Maintenance of Plant	2,211,709		-		2,211,709
Community Services	373,464		3,182,934		3,556,398
Unallocated Interest and Fiscal Charges on Long-term Debt	6,733,893		-		6,733,893
Unallocated Depreciation Expense *	520,375		-		520,375
Total Expenses	\$ 88,540,465		\$ 3,182,934		\$ 91,723,399
Program Revenues					
Charges for Services	\$ 2,030,552		\$ -		\$ 2,030,552
Operating Grants and Contributions	14,488,540		4,862,409		19,350,949
Capital Grants and Contributions	4,576,351		-		4,576,351
Total Program Revenues	21,095,443		4,862,409		25,957,852
Net Program Revenues	(67,445,022)		1,679,475		(65,765,547)
General Revenues					
Other Federal Sources not restricted to specific programs	315,660		-		315,660
Other State Sources Not Restricted to Specific Programs	68,176,304		-		68,176,304
Other Miscellaneous Sources Not Restricted to Specific Programs	3,685,727		-		3,685,727
Unrestricted Investment Earnings	242,990		14,078		257,068
Total General Revenues	72,420,681		14,078		72,434,759
Changes in Net Position	4,975,659		1,693,553		6,669,212
Net Position - July 1, 2022	387,370		4,194,720		4,582,090
Net Position-June 30, 2023	\$ 5,363,029		\$ 5,888,273		\$ 11,251,302

STATISTICAL SECTION

This part of the School District of Lee County, Florida's annual comprehensive financial report presents detail information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the School District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenues sources, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

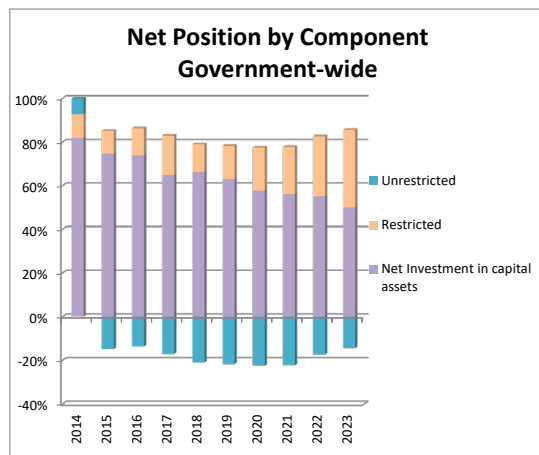
Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**THE SCHOOL DISTRICT OF LEE COUNTY
NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)**

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Primary Government:										
Net Investment in capital assets	\$ 892,757,501	\$ 866,637,441	\$ 851,527,173	\$ 793,900,590	\$ 854,209,907	\$ 851,439,963	\$ 859,952,115	\$ 907,393,716	\$ 939,252,246	\$ 938,354,233
Restricted	118,642,826	120,085,063	143,874,783	220,817,390	163,129,824	204,723,404	296,061,844	351,637,775	468,354,711	667,226,562
Unrestricted	78,560,813	(172,351,864)	(157,404,251)	(208,685,715)	(270,111,963)	(292,854,489)	(334,427,174)	(359,853,957)	(295,050,661)	(269,666,646)
Total Primary Government net position	\$ 1,089,961,140	\$ 814,370,640	\$ 837,997,705	\$ 806,032,265	\$ 747,227,768	\$ 763,308,878	\$ 821,586,785	\$ 899,177,534	\$ 1,112,556,296	\$ 1,335,914,149

Source: District Records



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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Expenses										
Primary Government Activities										
Instruction	\$ 452,139,428	\$ 463,560,816	\$ 477,957,931	\$ 508,830,499	\$ 538,744,228	\$ 544,623,856	\$ 584,978,346	\$ 581,545,886	\$ 590,254,952	\$ 686,274,420
Student Support Services	27,234,115	27,780,981	29,628,657	32,730,160	34,960,215	34,949,239	36,979,628	50,701,384	46,255,036	54,549,436
Instructional Media Services	4,101,178	3,938,948	4,170,590	4,229,828	3,719,122	3,694,853	3,700,329	3,657,111	3,585,460	4,070,741
Instruction and Curriculum Development Services	15,671,169	16,966,982	20,256,522	24,935,745	28,000,315	26,477,911	27,789,682	28,849,823	28,745,237	33,713,001
Instructional Staff Training Services	10,992,855	10,936,643	10,877,081	10,571,419	10,643,654	11,377,196	11,137,301	12,795,464	17,500,724	20,478,003
Instruction Related Technology	6,635,241	6,473,494	7,361,597	8,159,250	8,425,222	8,441,971	8,892,232	10,041,643	7,710,693	8,379,108
Board	895,721	881,699	927,293	1,133,922	1,353,424	1,223,697	1,655,508	1,506,602	1,557,756	2,366,474
General Administration	5,266,987	5,254,912	5,868,836	6,658,948	7,069,119	7,649,280	8,600,066	9,244,112	11,952,386	14,707,675
School Administration	43,152,176	43,733,268	44,847,942	50,889,724	52,382,426	51,090,499	56,588,900	58,130,724	53,814,074	64,238,055
Facilities Services	104,076,826	105,714,698	90,933,729	108,581,681	99,796,725	131,149,649	139,475,748	134,520,224	149,207,221	140,860,775
Fiscal Services	3,375,399	3,499,445	3,738,706	4,121,395	3,887,675	4,017,936	4,707,057	4,594,121	4,244,500	5,132,853
Food Services	37,849,286	36,079,447	39,628,416	44,410,500	49,193,898	49,157,928	49,851,474	51,748,761	57,514,575	66,355,244
Central Services	8,215,908	9,169,918	8,807,231	10,630,643	11,457,838	11,320,489	13,328,452	14,193,236	22,976,491	20,162,641
Student Transportation Services	51,962,891	51,464,810	51,487,889	57,211,045	55,303,442	56,464,391	55,295,306	52,482,755	52,599,746	56,508,064
Operation of Plant	63,425,409	65,998,561	64,678,201	68,390,472	77,601,080	75,203,370	75,322,877	74,539,882	76,345,700	90,182,209
Maintenance of Plant	14,992,123	15,054,885	15,577,105	17,083,172	17,488,441	16,683,760	18,591,807	18,262,533	17,670,887	21,547,143
Administrative Technology Services	5,951,380	5,813,682	5,537,292	6,047,231	6,938,292	6,874,439	8,000,352	7,483,458	8,638,166	9,098,067
Community Services	4,177,873	4,387,938	6,098,631	6,098,631	6,939,725	6,556,045	5,361,438	5,049,511	5,785,689	11,734,943
Unallocated Interest and Fiscal Charges on Long-term Debt	14,923,957	13,560,901	13,580,969	16,384,698	15,196,488	14,149,284	16,208,431	14,869,509	12,541,242	11,701,661
Total Primary Government Expenses	875,039,922	890,272,028	900,955,339	987,098,963	1,029,101,329	1,061,105,793	1,126,464,934	1,134,216,279	1,168,900,535	1,322,060,513
Program Revenues										
Primary Government Activities										
Charges for Services										
Student Fees	9,041,924	9,450,322	9,875,087	10,822,584	11,130,248	12,069,353	10,095,114	8,706,328	12,050,710	13,157,177
Food Service	6,357,981	5,853,663	2,830,891	2,528,141	2,149,694	2,079,444	1,441,498	524,627	556,455	410,012
Bus Trips	614,533	452,662	517,086	583,876	716,391	695,064	659,795	392,716	726,712	551,210
Operating Grants & Contributions	31,100,325	32,719,648	38,758,768	42,282,889	43,501,187	49,374,595	42,640,661	44,886,913	63,464,714	58,717,114
Capital Grants & Contributions	5,476,977	8,151,917	11,335,181	12,471,936	13,510,779	24,012,381	20,922,985	22,037,912	39,704,938	36,481,958
Total Primary Government Program Revenues	52,591,740	56,628,212	63,317,013	68,689,426	71,008,299	88,230,837	75,760,053	76,548,496	116,503,529	109,317,471
Net Expense										
Total Primary Government Net Expense	(822,448,182)	(833,643,816)	(837,638,326)	(918,409,537)	(958,093,030)	(972,874,956)	(1,050,704,881)	(1,057,667,783)	(1,052,397,006)	(1,212,743,042)
General Revenues and Other Changes in Net Position										
Primary Government Activities										
Taxes										
Property Taxes:										
Levied for Operational Purposes	349,879,204	366,770,645	385,303,457	399,499,006	405,722,410	404,419,550	406,036,488	423,316,395	440,634,741	504,928,133
Levied for Capital Projects	86,208,685	92,989,838	99,905,824	110,255,520	117,509,870	123,776,642	131,064,070	139,309,916	150,524,279	186,687,750
Local Sales Taxes	-	-	-	-	-	36,453,161	79,534,198	88,730,152	115,800,155	116,257,039
Florida Education Finance Program	156,318,022	157,108,682	165,767,538	163,848,436	172,938,376	188,658,769	217,412,698	228,543,024	223,139,821	204,129,859
Other Federal Sources	71,540,533	73,829,346	74,666,159	76,935,631	82,171,199	80,389,250	84,517,221	94,773,302	174,731,150	214,156,628
Other State Sources	120,560,479	121,137,837	120,690,788	122,024,361	125,430,747	130,778,585	130,141,429	128,201,266	121,043,663	127,598,460
Other Miscellaneous Sources	7,784,746	10,833,883	11,582,589	10,815,979	12,192,287	12,671,915	39,664,076	30,426,950	43,334,453	53,013,446
Unrestricted Investment Earnings	1,158,238	1,584,339	3,349,036	3,065,164	5,384,868	11,808,194	11,108,467	1,957,527	(3,432,494)	29,329,580
Total Primary Government	793,449,907	824,254,570	861,265,391	886,444,097	921,349,757	988,956,066	1,099,478,647	1,135,258,532	1,265,775,768	1,436,100,895
Changes in Net Position										
Total Primary Government	\$ (28,998,275)	\$ (9,389,246)	\$ 23,627,065	\$ (31,965,440)	\$ (36,743,273)	\$ 16,081,110	\$ 48,773,766	\$ 77,590,749	\$ 213,378,762	\$ 223,357,853

Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)**

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
General Fund										
Nonspendable	\$ 2,349,033	\$ 2,472,299	\$ 2,528,087	\$ 2,088,384	\$ 2,281,672	\$ 3,021,425	\$ 3,685,480	\$ 3,727,443	\$ 3,907,006	\$ 5,926,704
Restricted	12,775,113	15,167,227	19,736,496	32,206,280	32,410,350	29,689,423	38,151,177	43,504,562	41,651,801	44,165,642
Assigned	1,553,091	2,193,111	1,685,017	4,748,142	4,899,053	3,732,402	468,968	5,385,855	1,852,326	3,456,528
Unassigned	111,046,656	109,451,484	116,229,361	97,908,901	87,142,825	84,037,049	98,376,858	111,704,335	124,211,753	136,220,296
Total General Fund	<u>\$ 127,723,893</u>	<u>\$ 129,284,121</u>	<u>\$ 140,178,961</u>	<u>\$ 136,951,707</u>	<u>\$ 126,733,900</u>	<u>\$ 120,480,299</u>	<u>\$ 140,682,483</u>	<u>\$ 164,322,195</u>	<u>\$ 171,622,886</u>	<u>\$ 189,769,170</u>
All Other Governmental Funds										
Nonspendable	\$ 306,965	\$ 546,974	\$ 691,172	\$ 922,314	\$ 757,515	\$ 869,008	\$ 4,740,107	\$ 4,412,971	\$ 5,591,074	\$ 3,138,477
Restricted	105,260,748	104,070,862	123,147,115	187,388,796	150,621,132	179,944,416	373,897,728	344,511,528	441,673,938	717,489,968
Assigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 105,567,713</u>	<u>\$ 104,617,836</u>	<u>\$ 123,838,287</u>	<u>\$ 188,311,110</u>	<u>\$ 151,378,647</u>	<u>\$ 180,813,424</u>	<u>\$ 378,637,835</u>	<u>\$ 348,924,499</u>	<u>\$ 447,265,012</u>	<u>\$ 720,628,445</u>

Source: District Records

Table 4

THE SCHOOL DISTRICT OF LEE COUNTY
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	\$ 1,487,186	\$ 1,550,039	\$ 1,693,731	\$ 1,678,367	\$ 1,873,725	\$ 2,162,154	\$ 2,390,050	\$ 2,574,150	\$ 2,542,021	\$ 2,639,088
Impact Aid	33,670	35,649	33,010	23,965	26,332	39,709	7,120	12,455	4,957	14,703
Miscellaneous Federal Direct	15,205,945	19,506,514	19,619,329	19,272,370	21,233,227	13,583,639	12,734,878	12,443,667	14,891,351	17,021,145
Total Federal Direct	<u>18,814,328</u>	<u>21,092,202</u>	<u>21,346,070</u>	<u>20,974,702</u>	<u>23,133,284</u>	<u>15,785,502</u>	<u>15,132,048</u>	<u>15,030,272</u>	<u>17,438,329</u>	<u>19,674,936</u>
Federal Through State Sources:										
Medicaid	2,771,182	2,559,473	2,408,004	2,247,950	2,515,308	2,566,775	1,541,360	1,058,068	3,462,812	3,055,379
Food Service	30,251,849	31,694,451	37,899,971	41,517,823	42,761,243	48,659,396	41,925,977	48,082,351	59,381,066	51,895,778
Donated Foods and Cash in Lieu of	278,967	460,867	295,922	201,443	168,449	101,554	80,620	71,482	3,547,902	6,129,628
Other Federal Through State Grants	49,955,023	50,177,671	50,912,085	53,712,979	56,482,107	62,036,973	67,843,813	74,734,894	153,674,444	191,426,313
Total Federal Through State Sources	<u>83,257,021</u>	<u>84,892,462</u>	<u>91,515,982</u>	<u>97,680,195</u>	<u>101,927,107</u>	<u>113,364,698</u>	<u>111,391,770</u>	<u>123,946,795</u>	<u>220,066,224</u>	<u>252,507,098</u>
State Sources:										
Florida Education Finance Program (FEFP)	156,318,022	157,108,682	165,767,538	163,848,436	172,938,376	188,658,769	217,412,698	228,543,024	223,139,821	204,129,859
Workforce Development Program	9,890,385	9,889,670	10,026,007	10,064,226	9,697,421	10,148,157	10,397,178	10,517,091	10,515,091	10,742,677
Discretionary Lottery Funds	876,119	323,400	-	1,544,033	165,672	323,010	97,775	-	-	-
CO & DS Distributed to Districts	1,141,731	1,167,484	1,629,782	1,540,677	1,612,677	3,073,832	3,224,110	3,267,309	3,526,566	3,684,387
Interest on Undistributed CO & DS	16,436	22,936	10,635	59,174	44,958	68,370	109,922	59,931	27,839	68,453
CO & DS withheld for SBE/COBI Bonds	2,288,003	2,253,621	2,031,334	2,067,209	2,067,577	615,182	523,152	342,417	336,064	310,826
State License Tax	487,284	505,704	493,900	532,402	473,064	521,604	472,649	509,013	515,605	429,662
Food Services	569,509	564,330	562,875	563,623	621,995	643,645	634,064	683,148	691,311	691,708
SBE/COBI Bond Interest	97	1,851	376	549	12,060	1,206	652	19	23	780
Sales Tax Distribution	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250	223,250
Class Size Reduction Program	97,026,663	98,655,320	99,525,290	100,383,530	100,819,469	102,671,067	104,284,591	106,848,891	99,009,277	101,934,394
Charter School Capital Outlay	5,551,748	4,157,950	2,477,285	3,489,966	2,106,665	5,336,743	5,624,174	5,943,691	6,450,051	6,649,751
State Grants and Other State Sources	6,728,280	7,605,793	8,168,306	6,010,204	12,158,456	11,748,004	9,265,062	4,382,580	4,553,639	7,841,976
Total State Sources	<u>281,117,527</u>	<u>284,007,581</u>	<u>292,194,550</u>	<u>292,253,741</u>	<u>304,235,130</u>	<u>328,671,312</u>	<u>352,269,277</u>	<u>361,320,364</u>	<u>348,988,537</u>	<u>336,707,723</u>
Taxes and Miscellaneous Sources:										
Ad Valorem Taxes	436,087,889	459,760,483	485,209,281	509,754,526	523,232,280	528,196,192	537,100,558	562,626,311	591,159,020	691,615,883
Local Sales Taxes	-	-	-	-	-	36,453,161	79,534,198	88,730,152	115,800,155	116,257,039
Food Service Sales	6,357,981	5,853,663	2,830,891	2,528,141	2,149,694	2,079,444	1,441,498	524,627	556,455	410,012
Impact Fees	1,807,460	2,767,510	6,137,978	6,654,615	8,256,767	15,392,068	16,841,899	18,144,986	35,591,196	32,194,262
Rent	519,193	504,692	563,164	563,078	559,349	547,088	502,723	387,812	519,032	560,246
Child Care and Adult Course Fees	9,041,924	9,450,322	9,875,087	10,822,584	11,130,248	12,069,353	10,095,114	8,706,328	12,050,710	13,157,177
Interest Income	1,075,646	1,516,346	3,168,228	2,640,876	4,819,811	11,291,497	10,680,286	1,896,417	(3,554,862)	27,931,667
Gifts, Grants and Bequests	890,387	944,180	987,130	1,313,789	503,297	994,217	1,362,094	1,111,692	1,362,839	2,141,143
Local Grants and Other Local Sources	6,474,001	9,229,924	10,209,424	9,104,887	11,265,366	10,243,526	40,703,305	24,986,680	41,393,632	50,437,632
Total Taxes and Miscellaneous Sources	<u>462,254,481</u>	<u>490,027,120</u>	<u>518,981,183</u>	<u>543,382,496</u>	<u>561,916,812</u>	<u>617,266,546</u>	<u>698,261,675</u>	<u>707,115,005</u>	<u>794,878,177</u>	<u>934,705,061</u>
Total Revenues	<u>845,443,357</u>	<u>880,019,365</u>	<u>924,037,785</u>	<u>954,291,134</u>	<u>991,212,333</u>	<u>1,075,088,058</u>	<u>1,177,054,770</u>	<u>1,207,412,436</u>	<u>1,381,371,267</u>	<u>1,543,594,818</u>

Expenditures										
Instruction	455,149,280	471,369,228	478,381,855	488,006,506	519,559,871	529,660,052	551,987,584	554,332,610	621,654,492	689,905,233
Student Support Services	27,269,545	28,489,369	29,975,388	31,253,938	33,329,072	33,921,124	34,572,275	48,381,624	49,241,385	55,018,963
Instructional Media Services	4,076,432	3,979,897	4,112,761	3,976,544	3,560,456	3,598,687	3,428,461	3,444,696	3,929,688	4,159,767
Instruction & Curriculum Development Services	15,812,284	17,545,476	20,384,407	23,742,954	26,810,786	25,403,022	25,513,195	27,031,686	30,860,105	34,134,150
Instructional Staff Training Services	11,075,716	11,095,452	10,880,377	10,285,951	10,308,963	11,197,163	10,629,040	12,443,296	18,338,670	20,533,028
Instruction Related Technology	6,634,614	6,570,043	7,295,095	7,791,033	7,937,786	8,082,843	8,275,561	9,359,613	8,289,891	8,430,632
Board	899,374	929,472	954,337	1,048,033	1,234,220	1,210,011	1,476,485	1,371,528	1,731,582	2,341,214
General Administration	5,303,008	5,288,097	5,804,461	6,462,157	6,828,492	7,505,940	8,244,179	8,871,978	12,569,112	14,673,705
School Administration	43,276,063	44,813,725	45,148,863	47,934,075	49,440,261	49,085,984	51,612,757	53,934,288	57,379,493	64,182,629
Facilities Services	56,932,333	36,550,257	45,450,241	61,930,947	53,678,568	88,321,819	97,082,093	98,574,068	99,949,961	119,117,546
Fiscal Services	3,377,986	3,539,350	3,783,553	3,951,176	3,708,277	3,864,134	4,392,779	4,245,905	4,557,507	5,119,210
Food Service	37,477,013	35,900,193	38,726,448	42,253,373	47,500,974	47,656,364	47,347,780	49,374,137	58,467,125	65,938,735
Central Services	8,217,089	9,273,731	8,718,831	10,098,243	10,873,976	10,922,853	12,713,026	13,521,858	23,685,165	20,218,972
Student Transportation Services	51,612,381	51,883,896	51,134,340	54,860,905	53,462,444	55,081,985	52,506,285	49,789,330	55,571,734	57,031,094
Operation of Plant	63,491,054	66,354,947	64,170,207	67,051,631	76,048,846	74,364,324	73,477,188	72,897,077	78,856,512	90,574,066
Maintenance of Plant	15,017,778	15,117,700	15,401,562	16,192,001	16,580,188	15,927,123	17,155,263	17,053,065	18,526,949	21,417,540
Administrative Technology Services	5,966,705	5,811,533	5,493,704	5,690,703	6,526,645	6,507,664	7,538,615	6,958,950	9,111,937	9,284,932
Community Services	4,126,238	4,454,444	5,125,124	5,923,833	6,716,042	6,367,007	5,011,335	4,698,345	6,015,764	11,550,354
Capital Outlay										
Facilities Acquisition & Construction	20,295,567	4,506,531	1,116,341	21,100,943	51,417,463	9,813,949	54,356,604	78,814,371	27,597,220	64,911,312
Other Capital Outlay	8,594,674	13,465,816	9,961,398	29,600,365	18,171,760	14,482,875	17,765,613	14,955,740	20,063,793	15,537,213
Debt Service										
Principal	25,656,399	26,291,709	26,823,872	28,342,021	34,668,643	34,274,598	30,883,124	65,230,877	53,044,382	49,051,854
Interest and Fiscal Charges	17,756,347	16,113,573	15,343,234	17,689,077	16,775,044	15,515,465	18,995,899	19,356,264	17,025,211	15,881,302
Total Expenditures	888,017,880	879,344,439	894,186,399	985,186,409	1,055,138,777	1,052,764,986	1,134,965,141	1,214,641,306	1,276,467,678	1,439,013,451
Excess of Revenues										
Over (under) Expenditures	(42,574,523)	674,926	29,851,386	(30,895,275)	(63,926,444)	22,323,072	42,089,629	(7,228,870)	104,903,589	104,581,367
Other Financing Sources (Uses)										
Issuance of Refunding Bonds	998,000	4,893,000	-	60,177,000	32,085,000	-	81,000	-	-	-
Premium on Refunding Bonds	161,543	465,287	-	-	-	-	4,372	-	-	-
Certificates of Participation Issued	25,287,000	132,560,000	-	61,080,000	14,070,000	-	136,135,000	-	-	136,410,000
Premium on Certificates of Participation Issued	-	19,921,890	-	10,557,060	-	-	24,456,449	-	-	7,443,256
Issuance of Loans	-	-	-	20,000,000	-	-	-	-	-	-
Lease Agreements	-	-	-	-	-	-	-	-	248,166	32,589
Loss Recoveries	572,687	222,938	263,905	326,784	1,825,743	858,104	5,519,053	1,154,796	489,449	43,010,905
Sale of Capital Assets	-	-	-	-	700,000	-	322,150	450	-	31,600
Transfer In	70,288,506	66,008,781	54,315,049	56,064,515	78,004,697	71,066,435	103,163,607	92,937,487	92,683,259	92,107,312
Payments to Refunded COPS/Bond Escrow Agent	(26,360,187)	(158,127,690)	-	(60,000,000)	(31,904,569)	-	(85,199)	-	-	-
Transfer Out	(70,288,506)	(66,008,781)	(54,315,049)	(56,064,515)	(78,004,697)	(71,066,435)	(103,163,607)	(92,937,487)	(92,683,259)	(92,107,312)
Total Other Financing Sources (Uses)	659,043	(64,575)	263,905	92,140,844	16,776,174	858,104	166,432,825	1,155,246	737,615	186,928,350
Net Change in Fund Balances	\$ (41,915,480)	\$ 610,351	\$ 30,115,291	\$ 61,245,569	\$ (47,150,270)	\$ 23,181,176	\$ 208,522,454	\$ (6,073,624)	\$ 105,641,204	\$ 291,509,717
Debt Service as a percentage of noncapital expenditures	5.0%	4.9%	4.8%	4.9%	5.2%	4.8%	4.7%	7.6%	5.7%	4.8%

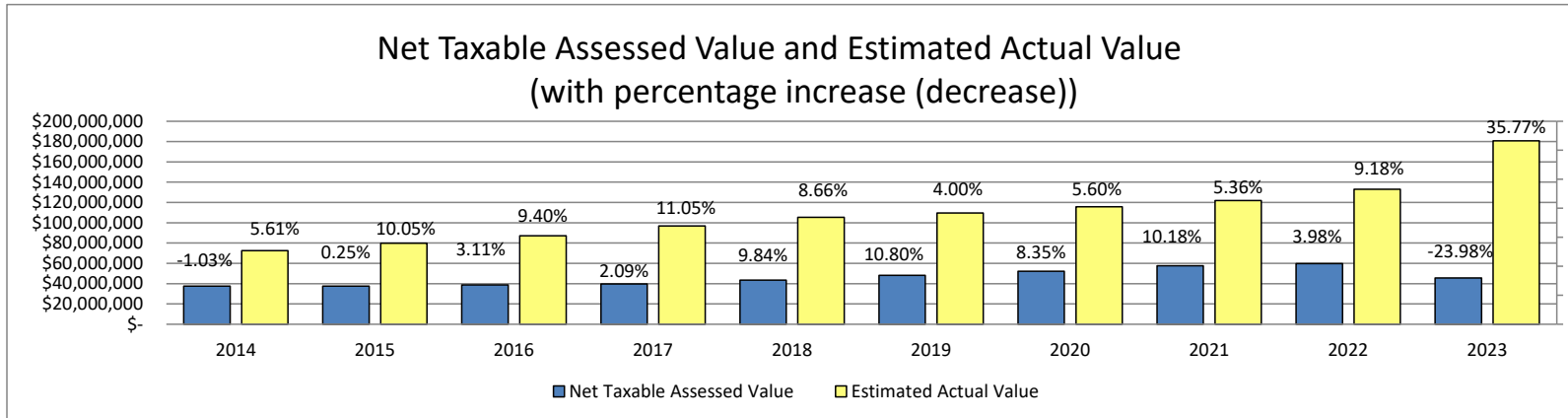
Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST 10 FISCAL YEARS
 (UNAUDITED)
 (amounts expressed in thousands)**

Fiscal Year	Real Property			Personal Property	Less Tax Exempt Property	Net Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a percentage of Actual Value ¹
	Residential	Commercial	Other						
2014	\$ 43,666,928	\$ 7,270,867	\$ 534,598	\$ 3,147,804	\$17,060,361	\$ 37,559,836	4.22	\$ 72,497,286	75.34%
2015	46,907,208	7,663,877	642,067	3,103,287	20,663,672	37,652,767	4.22	79,782,598	73.09%
2016	50,840,606	7,999,476	679,028	3,125,423	23,821,441	38,823,092	4.22	87,278,538	71.78%
2017	55,237,868	8,633,141	662,497	3,353,903	28,254,650	39,632,759	4.12	96,920,144	70.04%
2018	60,444,365	8,946,505	911,374	3,736,874	30,507,410	43,531,708	4.12	105,312,246	70.30%
2019	64,184,558	9,586,367	739,366	3,961,568	30,240,763	48,231,096	4.12	109,528,126	71.65%
2020	68,285,180	10,239,337	882,712	4,123,166	31,272,044	52,258,351	4.12	115,661,449	72.22%
2021	72,340,337	11,050,968	923,434	4,993,153	31,728,500	57,579,392	4.12	121,857,665	73.29%
2022	77,944,138	12,125,985	983,748	4,960,229	36,143,998	59,870,102	3.93	133,042,573	72.17%
2023	92,412,538	13,838,844	1,077,641	5,275,483	67,089,736	45,514,770	3.83	180,629,898	62.34%

Source: Lee County Tax Collector

¹ Includes tax-exempt property



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Lee County	General Revenue	4.220	4.220	4.220	4.120	4.120	4.120	4.120	3.932	3.832	
	Capital Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	Total Lee County Millage	4.220	4.220	4.220	4.120	4.120	4.120	4.120	3.932	3.832	
	School District	7.598	7.416	7.285	6.989	6.679	6.401	6.147	6.058	5.891	5.557
Municipalities	Cape Coral	7.707	7.707	6.957	6.750	6.750	6.750	6.490	6.375	6.250	5.369
	Sanibel	2.531	2.415	2.311	2.301	2.280	2.219	2.186	2.182	2.158	2.152
	Fort Myers	8.776	8.776	8.776	8.750	8.650	8.450	8.250	7.964	7.588	7.000
	Fort Myers Beach	0.753	0.753	0.800	0.800	0.870	0.870	0.950	0.950	0.950	0.990
	Bonita Springs	0.817	0.817	0.817	0.817	0.817	0.817	0.817	0.817	0.817	0.800
	Total Municipalities Millage	20.584	20.468	19.661	19.418	19.367	19.106	18.693	18.288	17.763	16.311
Lee County Special Districts	Lee County Hyacinth Control	0.029	0.028	0.026	0.026	0.025	0.024	0.023	0.022	0.024	0.023
	Lee County Mosquito Control	0.252	0.240	0.240	0.240	0.280	0.264	0.254	0.244	0.244	0.230
	South Fl. Water Management Dist.	0.411	0.384	0.355	0.331	0.310	0.294	0.280	0.268	0.257	0.230
	West Coast Inland Waterway	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039
	MSTU (Unincorporated)	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840	0.840
	Lee County Library	1.428	1.404	1.318	1.318	1.355	1.266	1.233	1.215	1.186	1.122
	Total Special Districts Millage	2.999	2.935	2.818	2.794	2.849	2.727	2.669	2.628	2.591	2.484
Other Special Districts ¹	.0076-4.500	.0585-4.500	.0549-4.000	.0650-4.000	.0572-3.900	.0575-3.750	0661-3.800	.0471-3.600	0520-3.200	.0478-4.100	
Total Direct and Overlapping Rates ²	35.401	35.039	33.984	33.321	33.015	32.353	31.629	31.094	30.176	28.184	

¹ Includes fire protection districts and lighting and improvement districts located throughout the unincorporated sections of Lee County.

² Does not include Other Special Districts since reported as a range. Overlapping rates are those of Lee County that apply to property owners within Lee County. Not all overlapping rates apply to all Lee County property owners (e.g. special assessments only apply to the property owners located in that district).

Source: Lee County Property Appraiser

**THE SCHOOL DISTRICT OF LEE COUNTY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
FL Power & Light	\$ 1,901,737,447	1	1.689%	\$ 866,339,393	1	1.586%
Christian & Missionary Alliance Inc.	450,525,314	2	0.400%	187,878,622	5	0.344%
Lee County Electric Coop	439,101,119	3	0.390%	390,728,499	2	0.715%
Legacy Gateway 60 LLC	133,827,320	4	0.119%	-	-	
Coconut Point Developers LLC	121,698,943	6	0.108%	160,408,842	4	0.294%
LNX 1 Properties LLC	121,297,389	5	0.108%	-		
Embarq Florida Inc	118,309,695	7	0.105%	165,510,434	3	0.303%
Comcast of CO FL	105,367,999	8	0.094%			
Jamaica Bay Venture III LLC	99,150,525	9	0.088%			
Murano Cobblestone DE LLC	95,400,018	10	0.085%			
Miromar Outlet west LLC				112,129,375	6	0.205%
Gulf Coast Town Center CMBS				92,892,062	7	0.170%
Federal National Mortgage				71,522,748	10	0.131%
Edison Mall Business Trust				76,961,298	8	0.141%
Bell Tower Shops LLC				53,659,898	9	0.098%
	<u>\$ 3,586,415,769</u>		<u>3.186%</u>	<u>\$ 2,178,031,171</u>		<u>3.987%</u>

Source: Lee County Property Appraiser

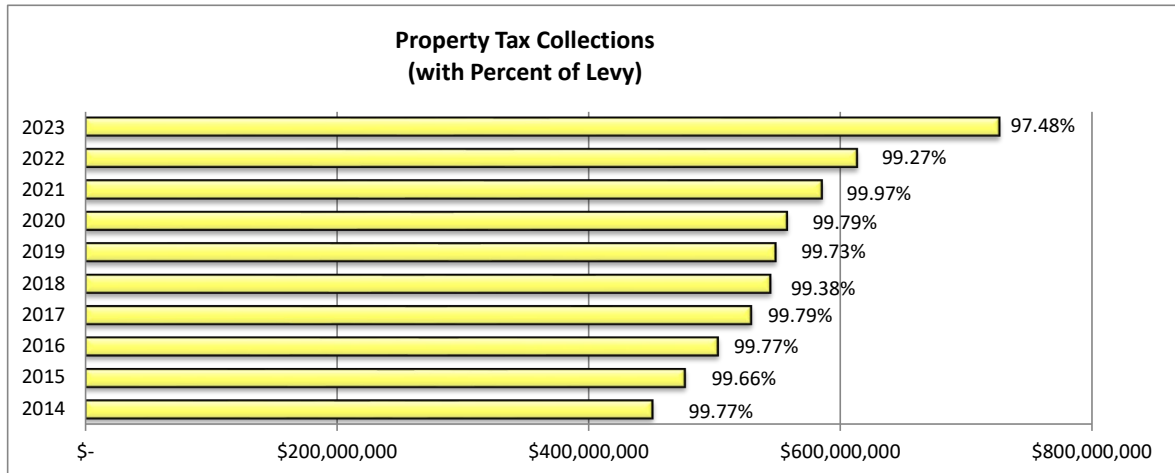
Table 8

**THE SCHOOL DISTRICT OF LEE COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 451,539,308	\$ 449,874,457	99.63%	\$ 639,535	\$ 450,513,992	99.77%
2015	477,812,166	475,572,585	99.53%	634,865	476,207,450	99.66%
2016	503,609,120	501,939,146	99.67%	531,466	502,470,612	99.77%
2017	529,936,514	528,409,682	99.71%	389,267	528,798,949	99.79%
2018	547,501,768	543,773,247	99.32%	309,733	544,082,980	99.38%
2019	549,691,837	547,876,237	99.67%	311,211	548,187,448	99.73%
2020	558,443,610	556,913,143	99.73%	330,506	557,243,649	99.79%
2021	585,124,671	583,983,094	99.80%	971,077	584,954,171	99.97%
2022	617,277,787	612,177,523	99.17%	606,951	612,784,475	99.27%
2023	744,184,994	725,445,908	97.48%	-	725,445,908	97.48%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year.

Source: Lee County Tax Collector



**THE SCHOOL DISTRICT OF LEE COUNTY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS
(UNAUDITED)**

Other Governmental Activities Debt								
Fiscal Year	State Board of Education Bonds ¹	Certificates of Participation ¹	Leases	Notes Payable	Total Primary Government	Percentage of Net Taxable Assessed Value of Property ²	Percentage of Personal Income ³	Per Capita ³
2014	\$ 9,793,078	\$ 441,584,903	-	\$ 6,335,504	\$ 457,713,485	1.22%	1.64%	\$ 692.34
2015	7,522,931	405,938,966	-	5,165,795	418,627,692	1.11%	1.48%	616.07
2016	5,782,782	381,212,806	-	3,933,922	390,929,510	1.01%	1.36%	556.89
2017	3,800,530	427,136,137	-	22,636,901	453,573,568	1.14%	1.45%	627.93
2018	1,888,985	415,514,802	-	17,867,258	435,271,045	1.00%	1.32%	588.82
2019	1,359,440	385,903,467	-	12,974,659	400,237,566	0.83%	1.09%	530.39
2020	923,563	518,201,963	-	8,611,535	527,737,061	1.01%	1.36%	684.86
2021	653,499	453,587,676	-	4,365,658	458,606,833	0.80%	1.14%	579.95
2022	383,529	401,316,575	136,369	42,074	401,878,547	0.67%	0.93%	510.01
2023	139,000	492,838,518	67,178	-	493,044,696	1.08%	0.99%	599.48

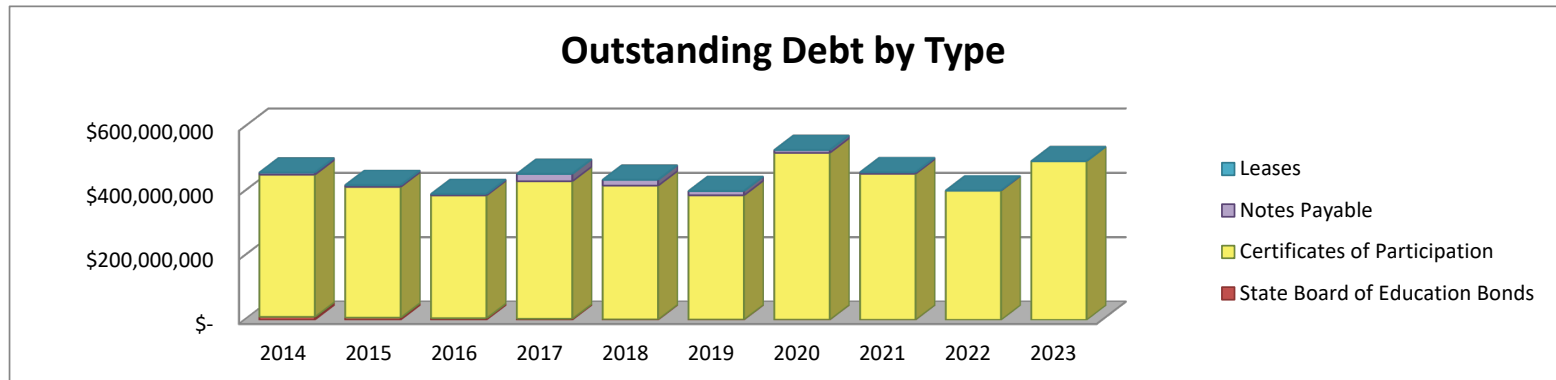
Note: Details regarding the district's outstanding debt can be found in the notes to the basic financial statements.

¹ The District issued \$136,410,000 in Certificates of Participation during 2023

² See Table 5 for property value data.

³ Population and personal income data can be found in Table 13.

Source: District Records



**THE SCHOOL DISTRICT OF LEE COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$3,755,983,600	\$3,765,276,700	\$3,882,309,200	\$3,963,275,900	\$4,353,170,800	\$4,823,109,600	\$5,225,835,100	\$5,757,939,200	\$5,987,010,200	\$4,551,477,000
Total bonded debt	9,373,000	7,169,000	5,495,000	3,701,000	1,816,000	1,313,000	889,000	634,000	378,000	139,000
Less amount available in Debt Service Funds	233,871	194,248	132,577	88,102	51,534	29,033	20,618	13,777	8,422	4,317
Total amount applicable to debt limit	<u>9,139,129</u>	<u>6,974,752</u>	<u>5,362,423</u>	<u>3,612,898</u>	<u>1,764,466</u>	<u>1,283,967</u>	<u>868,382</u>	<u>620,223</u>	<u>369,578</u>	<u>134,683</u>
Legal debt margin on bonded debt	<u>\$3,746,844,471</u>	<u>\$3,758,301,948</u>	<u>\$3,876,946,777</u>	<u>\$3,959,663,002</u>	<u>\$4,351,406,334</u>	<u>\$4,821,825,633</u>	<u>\$5,224,966,718</u>	<u>\$5,757,318,977</u>	<u>\$5,986,640,622</u>	<u>\$4,551,342,317</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.76%</u>	<u>99.81%</u>	<u>99.86%</u>	<u>99.91%</u>	<u>99.96%</u>	<u>99.97%</u>	<u>99.98%</u>	<u>99.99%</u>	<u>99.99%</u>	<u>100.00%</u>

Note: The State of Florida does not have a limit on the amount of voter approved (General Obligation) debt.

Source: District Records

THE SCHOOL DISTRICT OF LEE COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2023
(UNAUDITED)

FINANCIAL PARAMETERS

Direct debt:	
State Board of Education Bonds ⁽¹⁾	\$ 139,000
Lease	67,178
Certificates of Participation	<u>492,838,518</u>
Total Direct Debt	493,044,696
Overlapping debt ⁽²⁾	
Lee County ⁽³⁾	<u>249,525,000</u>
Total Direct and Overlapping debt	<u><u>\$ 742,569,696</u></u>
Population	822,453
Assessed property valuation (in thousands)	\$ 180,629,898
Net Assessed taxable property valuation (in thousands)	\$ 45,514,770

DEBT RATIOS

Percent of assessed property valuation	
Direct debt	0.27%
Overlapping debt	0.14%
Direct and overlapping debt	0.41%
Percent of net assessed taxable property valuation	
Direct debt	1.08%
Overlapping debt	0.55%
Direct and overlapping debt	1.63%
Per Capita	
Direct debt	\$ 599
Overlapping debt	\$ 303
Direct and overlapping debt	\$ 903

(1) State Board of Education debt is payable from motor vehicle and gross receipt taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of June 30, 2023.

(3) Because the county and the school district coincide, the percentage of overlap is 100%.

Sources: District Records; Table 5; and Table 13
Lee County Clerk of Court

**THE SCHOOL DISTRICT OF LEE COUNTY
 PLEDGED-REVENUE COVERAGE
 LAST 10 FISCAL YEARS
 (UNAUDITED)**

Fiscal Year	State Board of Education Bonds				Coverage
	Motor Vehicle Tax ¹	Principal	Interest		
2014	\$ 2,236,557	\$ 1,730,000	\$ 548,498	0.98	
2015	2,201,187	1,822,000	309,730	1.03	
2016	1,977,534	1,674,000	364,967	0.97	
2017	2,013,091	1,794,000	263,480	0.98	
2018	2,012,373	1,885,000	174,550	0.98	
2019	559,847	503,000	80,300	0.96	
2020	466,943	420,000	55,500	0.98	
2021	288,271	255,000	40,003	0.98	
2022	278,125	256,000	27,400	0.98	
2023	250,898	239,000	16,700	0.98	

Note 1: The above revenues do not include interest earnings which are also available for debt service.

Note 2: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

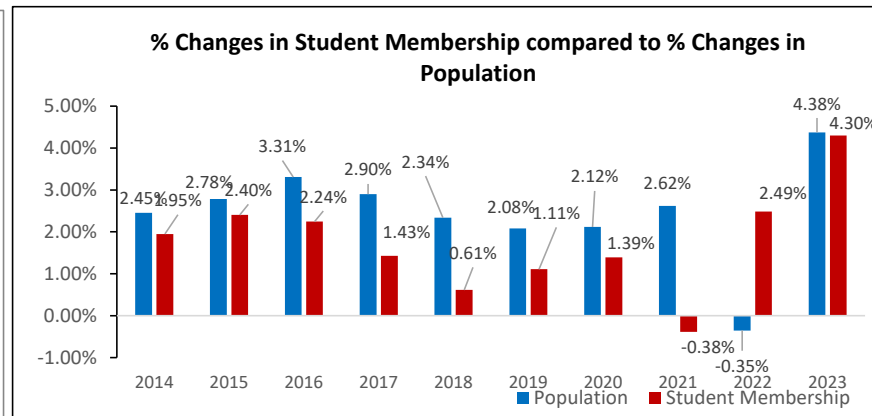
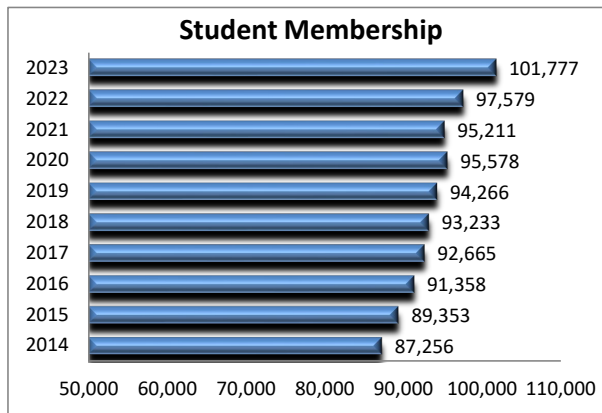
Source: District Records

**THE SCHOOL DISTRICT OF LEE COUNTY
DEMOGRAPHIC STATISTICS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Estimated Population ⁴	Personal Income (thousands of dollars) ¹	Per Capita Personal Income ¹	Median Age ⁴	Average Daily School Membership (K through Grade 12) ³	Unemployment Rate % ²
2014	661,115	\$ 27,856,374	\$ 43,169	45.5	87,256	6.1%
2015	679,513	28,292,424	42,795	46.0	89,353	5.2%
2016	701,982	28,704,773	42,243	46.4	91,358	4.6%
2017	722,336	31,296,442	44,583	46.9	92,665	4.2%
2018	739,224	33,060,033	45,768	47.3	93,233	3.8%
2019	754,610	36,786,500	49,764	47.8	94,266	3.5%
2020	770,577	38,685,758	51,266	48.8	95,578	9.6%
2021	790,767	40,119,053	52,064	49.3	95,211	5.3%
2022	787,976	43,260,834	54,707	48.8	97,579	2.9%
2023	822,453	49,552,254	62,885	49.5	101,777	3.1%

Sources:

- ¹ Federal Bureau of Economic Analysis
- ² Florida Research and Economic Database
- ³ District records
- ⁴ Factfinder.census.gov



**THE SCHOOL DISTRICT OF LEE COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	2023			2014 ¹		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	14,028	1	3.71%	10,779	1	3.64%
Lee County School Board	11,003	2	2.91%	10,684	2	3.61%
Publix Super Markets	4,624	3	1.22%	4,554	3	1.54%
Wal-Mart Stores, Inc.	3,467	4	0.92%	2,034	5	0.69%
Lee County Government	2,696	5	0.71%	2,438	4	0.82%
City of Cape Coral	1,858	6	0.49%	1,238	10	0.42%
Gartner, Inc	1,819	7	0.48%	-	-	0.00%
Lee County Sheriff's Office	1,564	8	0.41%	1,587	7	0.54%
Chico's FAS, Inc	1,532	9	0.41%	1,761	6	0.59%
McDonalds	1,522	10	0.40%	-	-	0.00%
U.S Postal Service	-	-	0.00%	1,527	8	0.52%
FGCU, Office of the President	-	-	0.00%	1,368	9	0.46%
Total	44,113		11.66%	37,970		12.83%

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

Note: 2023 Information of the employer ranking and employee total are as of 2021 due to the 2022 information not being available until a later date.

**THE SCHOOL DISTRICT OF LEE COUNTY
NUMBER OF FULL-TIME PERSONNEL
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	(A) Full-time Instructional	(B) Full-time Administrative	(C) Full-time Support Services	Total
2014	5,169	341	3,597	9,107
2015	5,385	345	3,777	9,507
2016	5,476	343	3,525	9,344
2017	5,604	360	3,757	9,721
2018	5,278	370	3,784	9,432
2019	5,770	371	3,762	9,903
2020	5,700	397	3,863	9,960
2021	5,724	397	3,820	9,941
2022	5,783	412	3,942	10,137
2023	5,695	433	3,989	10,117

- (A) Full-Time Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialist, Other Professional Instructional Staff
- (B) Full-Time Principals, Assistant Principals, Superintendent, Chief Academic Officer, Chief Business Officer, Administrators on Assignment, Directors, Coordinators
- (C) Full-Time Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, Etc.

Source: District Records

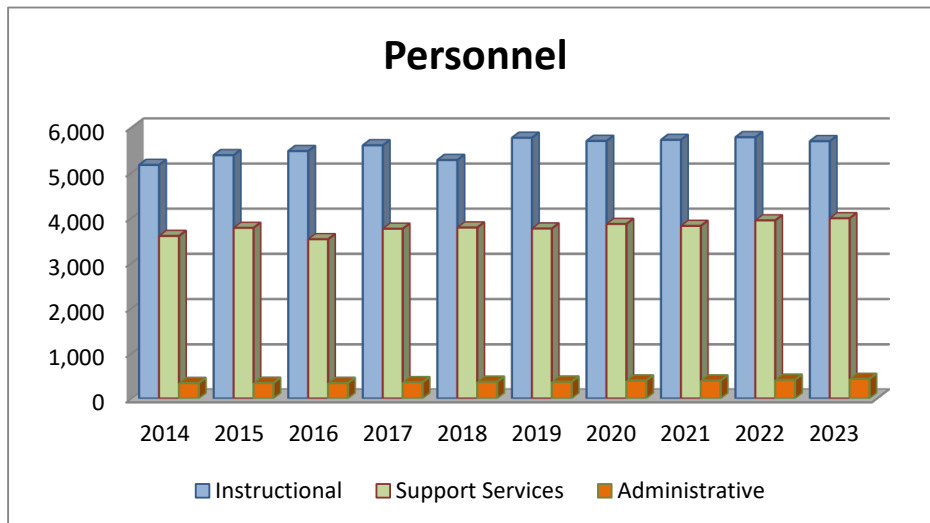
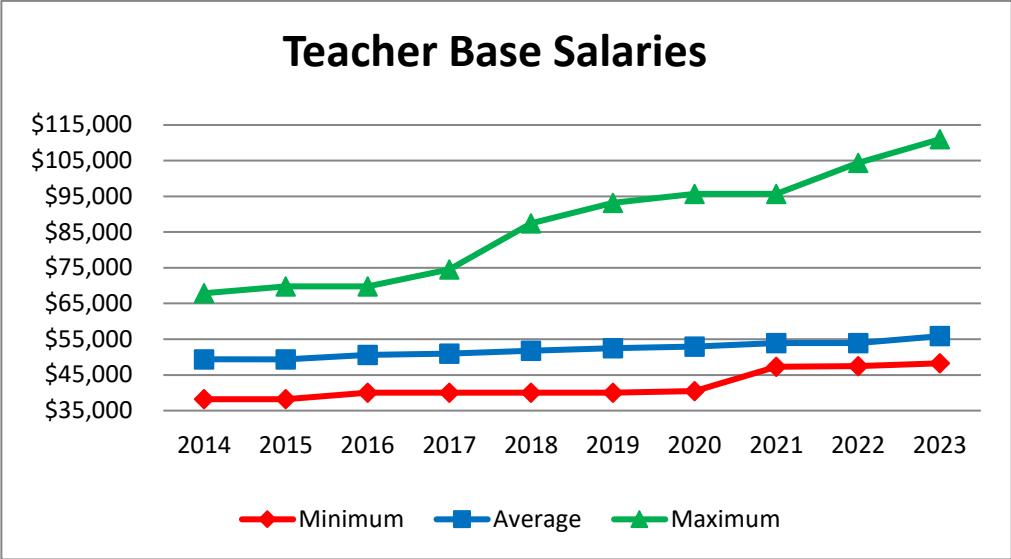


Table 16

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

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary
2014	\$ 38,192	\$ 67,869	\$ 49,377
2015	38,192	69,819	49,392
2016	40,000	69,819	50,568
2017	40,000	74,565	50,960
2018	40,000	87,500	51,744
2019	40,000	93,200	52,528
2020	40,500	95,750	52,920
2021	47,300	95,750	53,900
2022	47,500	104,446	53,900
2023	48,250	111,014	55,860

Source: District Records



**THE SCHOOL DISTRICT OF LEE COUNTY
OPERATING STATISTICS
LAST 10 FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Expenditures	Enrollment	Cost per Student	Percentage Change	Instructional Personnel	Ratio of Students to Instructional Personnel	School Attendance Percentage
2014	\$ 888,017,880	87,256	\$ 10,177	1.92%	5,169	16.88	93.82%
2015	879,344,439	89,353	9,841	-3.30%	5,385	16.59	93.84%
2016	894,186,399	91,358	9,788	-0.54%	5,476	16.68	93.54%
2017	985,186,409	92,665	10,632	8.62%	5,604	16.54	93.30%
2018	1,055,138,777	93,233	11,317	6.45%	5,278	17.66	93.19%
2019	1,052,764,986	94,266	11,168	-1.32%	5,770	16.34	93.15%
2020	1,111,031,616	95,578	11,624	4.09%	5,700	16.77	93.16%
2021	1,214,641,306	95,211	12,757	9.75%	5,724	16.63	91.02%
2022	1,276,467,678	97,579	13,081	2.54%	5,783	16.87	90.36%
2023	1,439,013,451	101,777	14,139	8.08%	5,695	17.87	91.14%

Source: District Records

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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u> ¹	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u> ²	<u>June 30, 2021</u> ³	<u>June 30, 2022</u>	<u>6/30/2023</u> ⁴
Days Meals were Served	180	180	180	180	173	180	130	180	180	167
Average Number of Free and Reduced Meals Served Daily	60,856	62,437	53,491	50,075	55,243	47,493	44,957	4,921	34,086	68,919
Number of Free and Reduced Meals Served	10,954,113	11,238,624	9,628,290	9,013,571	9,556,954	8,548,683	5,844,441	885,741	6,135,398	11,509,433
Average Daily Subsidy Received	\$ 172,780	\$ 179,215	\$ 213,502	\$ 232,066	\$ 244,258	\$ 265,793	\$ 318,481	\$ 255,532	\$ 323,303	\$ 274,860
Total Subsidy Received	\$ 31,100,325	\$ 32,258,781	\$ 38,430,442	\$ 41,771,877	\$ 42,256,618	\$ 47,842,651	\$ 41,402,485	\$ 45,995,686	\$ 58,194,603	\$ 45,901,543
Average Number of Meals Served Daily	72,297	73,307	78,247	80,444	81,772	84,896	86,766	37,358	81,847	83,167
Number of Total Meals Served	13,013,375	13,195,345	14,084,411	14,479,868	14,146,641	15,281,336	11,279,636	6,724,432	14,732,420	13,888,926
Average Daily Revenues	\$ 208,263	\$ 214,686	\$ 231,282	\$ 248,950	\$ 264,170	\$ 286,022	\$ 339,578	\$ 274,231	\$ 356,537	\$ 355,198
Total Revenues	\$ 37,487,371	\$ 38,643,497	\$ 41,630,724	\$ 44,811,030	\$ 45,701,381	\$ 51,484,039	\$ 44,145,159	\$ 49,361,608	\$ 64,176,734	\$ 59,318,052
Average Daily Costs	\$ 225,410	\$ 205,006	\$ 221,638	\$ 234,741	\$ 274,572	\$ 264,758	\$ 372,865	\$ 274,301	\$ 309,091	\$ 388,359
Total Costs	\$ 40,573,818	\$ 36,901,006	\$ 39,894,897	\$ 42,253,373	\$ 47,500,974	\$ 47,656,364	\$ 48,472,427	\$ 49,374,137	\$ 55,636,383	\$ 64,855,886

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

² Due to the COVID-19 pandemic, all schools closed March 13, 2020 for the remainder of the school year.

³ Due to the COVID-19 pandemic, in November 2020, The U.S. Department of Agriculture began reporting 38 schools meals and revenue under the Summer Food Service Program as grab and go, thus meals were not included in meal counts.

⁴ Due to Hurricane Ian, the District was closed for 13 day.

Source: District Records

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Elementary Schools										
Allen Park ES (1957)										
Square Feet	129,052	129,052	129,052	129,052	129,052	129,052	129,052	106,699	106,699	106,699
Capacity (students)	1,028	1,028	1,028	1,028	1,010	1,010	1,010	1,010	1,010	1,010
Enrollment	920	953	959	970	997	1,019	973	934	922	881
Alva School (K-8) (1886) ^f										
Square Feet	56,791	144,444	144,444	144,444	144,444	144,444	144,444	144,444	131,135	131,135
Capacity (students)	441	1,089	1,089	1,089	1,089	1,104	1,104	1,104	1,117	1,117
Enrollment	383	961	985	1,014	1,042	1,064	1,098	1,101	1,199	1,220
Bayshore ES (1966)										
Square Feet	91,368	91,368	91,368	91,368	91,368	91,368	91,368	86,507	86,507	86,507
Capacity (students)	693	693	693	693	656	656	656	656	656	656
Enrollment	639	613	602	630	640	638	660	573	628	601
Bonita Springs ES (1916)										
Square Feet	50,352	50,352	50,352	50,352	50,352	50,352	52,586	52,586	52,586	52,586
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	464	478	499	517	513	528	563	544	566	559
Caloosa ES (2000)										
Square Feet	133,604	133,604	133,604	133,604	133,604	133,557	133,557	133,557	133,557	133,557
Capacity (students)	1,085	1,085	1,085	1,085	992	992	992	992	992	992
Enrollment	912	914	913	938	947	961	965	950	974	994
Cape Coral ES (1963)										
Square Feet	112,871	112,871	112,871	112,871	112,871	112,871	112,871	112,871	112,871	112,871
Capacity (students)	898	898	898	898	838	838	838	838	856	856
Enrollment	735	763	742	736	694	692	692	709	713	774
Colonial ES (1978)										
Square Feet	114,983	114,983	114,983	114,983	114,983	114,983	114,983	105,161	105,161	105,161
Capacity (students)	922	922	922	922	882	882	882	882	882	882
Enrollment	799	789	796	787	847	887	871	798	836	766
Diplomat ES (1991)										
Square Feet	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533	119,533
Capacity (students)	1,086	1,086	1,086	1,086	982	982	982	982	982	982
Enrollment	923	934	932	938	974	992	1,015	986	1,000	1,074
Edgewood Renaissance (1924)										
Square Feet	113,208	113,208	113,208	113,208	113,208	113,208	113,208	69,641	69,641	89,641
Capacity (students)	741	741	741	741	736	736	736	726	726	726
Enrollment	561	553	527	565	599	599	548	497	472	468
Edison Park ES (1926)										
Square Feet	72,843	72,843	72,843	72,843	72,843	72,843	72,843	72,003	72,003	72,003
Capacity (students)	455	455	455	455	455	455	455	439	439	439
Enrollment	374	365	352	355	349	356	402	402	405	404
Franklin Park ES (1954) ^j										
Square Feet	89,228	89,228	89,228	89,228	89,228	89,228	89,228	77,536	77,536	-
Capacity (students)	579	579	579	579	579	579	579	579	579	579
Enrollment	442	427	454	474	482	455	461	455	397	360
Ft Myers Beach ES (1938) ⁱ										
Square Feet	30,634	30,634	30,634	30,634	30,634	30,634	27,109	27,109	27,109	27,109
Capacity (students)	220	220	220	220	204	204	223	223	223	223
Enrollment	134	116	120	121	108	102	94	83	76	49

(Continued)

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Elementary Schools										
G. Weaver Hipps ES (2009)										
Square Feet	106,693	106,693	106,693	106,693	106,813	106,813	106,813	103,827	103,827	103,827
Capacity (students)	758	758	758	758	730	730	730	752	752	752
Enrollment	768	778	779	798	794	831	811	829	845	822
Gateway ES (1991)										
Square Feet	114,113	114,113	114,113	114,113	114,273	114,273	114,273	97,317	97,317	97,317
Capacity (students)	736	736	736	736	713	713	713	735	735	735
Enrollment	712	736	719	736	750	750	776	801	840	880
Gulf Elementary (1982)										
Square Feet	158,586	158,586	158,586	158,586	158,586	158,586	158,586	158,586	158,586	158,586
Capacity (students)	1,275	1,275	1,275	1,275	1,230	1,230	1,230	1,230	1,230	1,230
Enrollment	996	1,019	1,044	1,044	1,075	1,116	1,096	1,140	1,221	1,238
Hancock Creek ES (1992)										
Square Feet	145,802	145,802	145,802	145,802	145,802	145,802	145,802	145,802	145,802	145,802
Capacity (students)	1,044	1,044	1,044	1,044	964	964	964	964	964	964
Enrollment	804	821	845	871	883	891	866	747	760	782
Harns Marsh Elementary (2005)										
Square Feet	124,793	124,793	124,793	124,793	124,831	124,831	124,831	119,643	119,643	119,643
Capacity (students)	912	912	912	912	912	912	912	894	894	894
Enrollment	995	985	1,011	1,021	1,048	1,025	1,043	944	1,013	1,054
Hector Caferata Jr. Elementary (2006) ¹										
Square Feet	74,927	74,927	74,927	74,927	75,711	75,937	75,937	75,937	75,937	75,937
Capacity (students)	883	883	883	883	862	862	862	862	862	862
Enrollment	744	689	695	677	674	687	654	659	717	575
Heights ES (1963)										
Square Feet	158,152	158,152	158,152	158,152	158,152	158,152	147,558	147,558	147,558	147,558
Capacity (students)	1,306	1,306	1,306	1,306	1,295	1,295	1,277	1,277	1,277	1,277
Enrollment	1,136	1,181	1,197	1,199	1,196	1,170	1,162	1,091	1,135	1,067
J. Colin English ES (1929)										
Square Feet	98,193	98,193	98,193	98,193	98,193	98,193	98,193	98,193	98,193	98,193
Capacity (students)	601	601	601	601	584	584	584	584	584	584
Enrollment	427	454	513	461	445	461	445	394	460	445
James Stephens Int'l Academy (1958) b										
Square Feet	175,579	175,579	175,579	175,579	175,579	175,579	175,579	151,786	151,786	151,786
Capacity (students)	1,095	1,095	1,095	1,095	1,095	1,095	1,095	674	734	734
Enrollment	697	527	730	358	424	515	482	429	453	444
Lehigh ES (1958)										
Square Feet	146,199	146,199	146,199	146,199	146,199	146,199	146,199	146,199	146,199	146,199
Capacity (students)	1,056	1,056	1,056	1,056	1,038	1,038	1,038	1,038	1,038	1,038
Enrollment	1,104	1,196	1,179	1,195	1,237	1,198	1,183	1,133	1,186	1,245
Littleton ES (1991)										
Square Feet	120,545	120,545	120,545	120,545	120,545	120,545	120,545	120,545	120,545	120,545
Capacity (students)	738	738	738	738	736	736	736	736	736	736
Enrollment	535	545	549	530	537	564	541	486	506	541
Manatee ES (2008)										
Square Feet	128,557	128,557	128,557	128,557	128,557	128,557	128,557	128,557	128,557	128,557
Capacity (students)	1,042	1,042	1,042	1,042	940	940	940	940	940	940
Enrollment	880	850	937	900	888	883	916	851	808	748

(Continued)

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Elementary Schools										
Mirror Lakes ES (1998)										
Square Feet	143,470	143,470	143,470	143,470	143,470	143,470	143,470	143,470	143,470	143,470
Capacity (students)	1,071	1,071	1,071	1,071	960	960	960	960	960	960
Enrollment	1,093	1,115	1,110	1,203	1,125	1,116	1,119	1,098	1,257	1,305
North Ft Myers Academy (K-8) (1973)										
Square Feet	200,855	200,855	200,855	200,855	200,855	200,855	200,855	200,855	200,855	200,855
Capacity (students)	1,409	1,409	1,409	1,409	1,367	1,367	1,367	1,367	1,405	1,405
Enrollment	1,054	1,115	1,120	1,117	1,104	1,126	1,153	1,076	1,101	1,088
Orange River ES (1957)										
Square Feet	100,799	100,799	100,799	100,799	99,095	99,095	99,095	99,095	99,095	99,095
Capacity (students)	817	817	817	817	762	762	762	762	762	762
Enrollment	804	817	817	854	856	853	820	788	828	826
Orangewood ES (1954)										
Square Feet	91,612	91,612	91,612	91,612	91,612	91,612	91,612	78,930	78,930	78,930
Capacity (students)	614	614	614	614	606	606	606	606	606	606
Enrollment	583	609	581	579	578	586	613	599	613	613
Patriot ES (2008)										
Square Feet	125,887	125,887	125,887	125,887	125,887	125,887	125,887	125,887	125,887	125,887
Capacity (students)	1,046	1,046	1,046	1,046	984	984	984	984	984	984
Enrollment	673	633	687	721	733	747	785	734	792	824
Pelican ES (1978)										
Square Feet	151,740	151,740	151,740	151,740	151,740	151,740	151,740	151,740	151,740	151,794
Capacity (students)	1,388	1,388	1,388	1,388	1,287	1,287	1,287	1,287	1,287	1,287
Enrollment	925	902	950	938	976	993	961	897	960	929
Pine Island ES (1955)										
Square Feet	54,153	54,153	54,153	54,153	54,153	54,153	54,153	54,153	54,153	54,153
Capacity (students)	391	391	391	391	355	355	355	355	355	355
Enrollment	236	247	217	235	237	234	249	216	228	234
Pinewoods ES (1992)										
Square Feet	145,752	145,752	145,752	145,752	145,752	145,752	124,464	124,464	124,464	124,464
Capacity (students)	1,060	1,060	1,060	1,060	980	980	980	980	980	980
Enrollment	967	1,013	1,080	1,114	1,123	1,139	1,163	1,068	1,119	1,102
Ray V. Pottorf Elementary (2005)										
Square Feet	124,900	124,900	124,900	124,900	124,900	124,900	124,900	121,259	121,259	121,259
Capacity (students)	864	864	864	864	864	864	864	864	864	864
Enrollment	702	730	727	704	718	759	701	704	773	754
Rayma Page Elementary (2004)										
Square Feet	119,637	119,637	119,637	119,637	119,637	119,637	118,839	118,839	118,839	118,839
Capacity (students)	846	846	846	846	846	846	846	846	846	846
Enrollment	831	856	849	845	826	866	852	818	856	862
River Hall Elementary (2006)										
Square Feet	124,525	124,525	124,525	124,525	124,525	124,525	124,525	124,525	124,525	124,525
Capacity (students)	1,046	1,046	1,046	1,046	966	966	966	966	966	966
Enrollment	975	913	960	1,017	1,014	1,049	1,042	990	995	1,016
San Carlos Park ES (1978)										
Square Feet	120,672	120,672	120,665	120,665	120,825	120,825	120,378	120,378	120,378	120,378
Capacity (students)	1,026	1,026	1,026	1,026	982	982	974	974	974	974
Enrollment	876	942	996	999	971	942	852	679	692	613

(Continued)

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Elementary Schools										
Skyline ES (1987)										
Square Feet	145,961	145,961	145,961	145,961	145,961	145,961	145,961	145,961	145,961	145,961
Capacity (students)	1,412	1,412	1,412	1,412	1,282	1,282	1,282	1,282	1,282	1,282
Enrollment	882	868	908	957	1,048	1,039	1,028	961	992	1,015
Spring Creek ES (1981)										
Square Feet	95,575	95,575	95,575	95,575	95,575	95,575	114,328	114,328	114,328	114,328
Capacity (students)	735	735	735	735	709	709	709	722	722	722
Enrollment	721	760	770	757	769	781	713	656	657	577
Sunshine ES (1986)										
Square Feet	129,061	129,061	129,061	129,061	129,061	129,061	129,061	129,061	129,061	129,061
Capacity (students)	1,108	1,108	1,108	1,108	1,036	1,036	1,036	1,036	1,036	1,036
Enrollment	1,168	1,218	1,185	1,201	1,185	1,150	1,138	1,137	1,282	1,349
Tanglewood Riverside ES (1970)										
Square Feet	108,195	108,195	108,195	108,195	108,195	108,195	108,195	104,523	104,523	104,523
Capacity (students)	786	786	786	786	764	764	764	764	764	764
Enrollment	749	774	766	781	753	731	772	749	766	707
The Sanibel School (K-8) (1962)										
Square Feet	80,981	80,981	80,981	80,981	80,981	80,981	71,415	71,415	71,415	71,415
Capacity (students)	423	423	423	423	423	423	427	427	427	427
Enrollment	338	338	315	314	290	266	306	273	271	216
Three Oaks ES (1987)										
Square Feet	93,886	93,886	93,886	93,886	93,886	93,886	81,070	81,070	81,070	81,070
Capacity (students)	731	731	731	731	694	694	694	694	694	694
Enrollment	845	894	900	933	915	942	968	990	1,031	1,012
Tice ES (1927)										
Square Feet	106,028	106,028	106,028	106,028	106,028	106,028	106,028	106,028	106,028	106,028
Capacity (students)	616	616	616	616	616	616	616	616	616	616
Enrollment	475	509	567	614	606	597	611	601	602	537
Tortuga Preserve ES (2012)										
Square Feet	129,936	129,936	129,936	129,936	129,936	129,936	129,936	131,230	131,230	131,230
Capacity (students)	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Enrollment	911	952	941	1,014	1,000	1,008	1,007	1,034	1,081	1,140
Trafalgar ES (2004)										
Square Feet	92,377	92,377	92,377	92,377	92,377	92,377	92,377	92,377	92,377	92,377
Capacity (students)	998	998	998	998	936	936	936	936	936	936
Enrollment	834	815	805	795	797	802	826	821	902	930
Treeline ES (2008)										
Square Feet	129,597	129,597	129,597	129,597	129,597	129,597	129,597	129,597	129,597	129,597
Capacity (students)	1,029	1,029	1,029	1,029	994	994	994	994	994	994
Enrollment	999	1,027	1,041	1,088	1,076	1,089	1,100	1,091	1,138	1,190
Tropic Isles ES (1959)										
Square Feet	117,098	117,098	117,098	117,098	117,098	117,098	117,098	117,098	117,098	117,098
Capacity (students)	1,051	1,051	1,051	1,051	968	968	968	968	968	968
Enrollment	925	980	972	975	970	937	929	841	837	833
Veterans Park Academy K-8 (2004) ^h										
Square Feet	247,972	247,972	247,972	247,972	250,055	250,055	250,055	250,055	332,501	202,080
Capacity (students)	1,945	1,945	1,945	1,945	1,898	1,898	1,898	1,909	2,958	2,958
Enrollment	1,497	1,555	1,580	1,608	1,651	1,721	1,778	1,799	1,973	2,074

(Continued)

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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Elementary Schools										
Villas ES (1961)										
Square Feet	115,515	115,515	115,515	115,515	115,515	115,515	115,515	108,476	108,476	108,476
Capacity (students)	881	881	881	881	842	842	842	842	842	842
Enrollment	811	808	843	867	860	879	905	896	821	866

(Continued)

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Middle Schools										
Alva MS (1927) ^f										
Square Feet	87,563	-	-	-	-	-	-	-	-	-
Capacity (students)	648	-	-	-	-	-	-	-	-	-
Enrollment	549	-	-	-	-	-	-	-	-	-
Bonita Springs MS (1976)										
Square Feet	129,498	129,498	129,498	129,498	128,766	128,766	129,999	129,999	129,999	129,999
Capacity (students)	990	990	990	990	1,012	1,012	1,029	1,029	1,029	1,029
Enrollment	779	817	866	903	914	927	928	871	869	796
Caloosa MS (2000)										
Square Feet	166,253	166,253	166,253	166,253	173,040	173,040	173,081	173,081	173,081	173,081
Capacity (students)	1,159	1,159	1,159	1,159	1,159	1,159	1,159	1,159	1,170	1,170
Enrollment	901	896	885	883	831	884	922	912	967	930
Challenger MS (2008)										
Square Feet	161,808	161,808	161,808	161,808	161,808	161,808	161,808	161,808	161,808	161,808
Capacity (students)	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,378	1,378
Enrollment	1,079	1,089	1,047	1,046	1,035	1,078	1,108	1,123	1,113	1,133
Cypress Lake MS (1961)										
Square Feet	137,523	137,523	137,523	137,523	137,523	137,523	137,523	134,693	134,693	134,693
Capacity (students)	941	941	941	941	978	978	978	974	974	974
Enrollment	774	829	814	829	865	918	922	887	785	784
Diplomat MS (1999)										
Square Feet	171,107	171,107	171,107	171,107	171,107	171,107	171,107	171,107	171,107	171,107
Capacity (students)	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,104	1,104
Enrollment	849	857	840	823	835	857	881	857	904	897
Ft Myers Middle Academy (1951)										
Square Feet	128,511	128,511	128,511	128,511	128,511	128,511	128,511	121,255	121,255	121,255
Capacity (students)	952	952	952	952	952	952	952	980	980	980
Enrollment	488	469	570	520	501	572	668	641	673	589
Gulf Middle (1981)										
Square Feet	131,834	131,834	131,834	131,834	131,834	131,834	131,834	131,834	131,834	131,834
Capacity (students)	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,029	1,029
Enrollment	789	813	793	787	786	810	838	806	817	777
Harnes Marsh MS (2012)										
Square Feet	164,662	164,662	164,662	164,662	164,664	164,664	164,664	164,664	164,664	164,664
Capacity (students)	1,325	1,325	1,325	1,325	1,357	1,357	1,357	1,377	1,377	1,377
Enrollment	1,066	1,114	1,040	1,145	1,225	1,334	1,394	1,389	1,369	1,450
Lehigh Acres MS (2022) ⁱ										
Square Feet	130,421	130,421	130,421	130,421	130,421	130,421	130,421	130,421	179,933	179,933
Capacity (students)	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,046	1,546	1,546
Enrollment	1,045	1,069	1,157	1,223	1,302	1,346	1,442	1,357	1,247	1,357
Lexington Middle School (2005)										
Square Feet	172,672	172,672	172,672	172,672	172,672	172,672	167,519	167,519	167,519	167,519
Capacity (students)	1,146	1,146	1,146	1,146	1,146	1,146	1,190	1,190	1,190	1,190
Enrollment	933	990	1,036	1,084	1,113	1,132	1,107	1,072	1,124	1,104

(Continued)

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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Middle Schools										
Mariner MS (2004)										
Square Feet	151,198	151,198	151,198	151,198	151,244	151,244	151,244	151,244	151,244	151,244
Capacity (students)	1,294	1,294	1,294	1,294	1,294	1,294	1,309	1,309	1,309	1,309
Enrollment	919	881	883	890	875	1,011	1,038	1,027	1,060	981
Oak Hammock MS (2009)										
Square Feet	160,246	160,246	160,246	160,246	160,246	160,246	160,246	160,246	160,246	160,246
Capacity (students)	1,360	1,360	1,360	1,360	1,360	1,405	1,372	1,372	1,372	1,372
Enrollment	1,088	1,164	1,163	1,324	1,410	1,513	1,577	1,520	1,561	1,582
Paul Laurence Dunbar MS (1962)										
Square Feet	157,828	157,828	157,828	157,828	157,828	157,828	157,828	154,736	154,736	154,736
Capacity (students)	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,131	1,131	1,131
Enrollment	969	904	855	943	985	1,022	1,031	998	996	1,023
Three Oaks MS (1991)										
Square Feet	152,119	152,119	152,119	152,119	152,119	152,119	130,226	130,226	130,226	130,226
Capacity (students)	1,096	1,096	1,096	1,096	1,096	1,096	1,101	1,101	1,101	1,101
Enrollment	938	974	969	991	1,035	1,056	1,073	1,035	1,068	1,086
Trafalgar MS (1989)										
Square Feet	145,346	145,346	145,346	145,346	145,346	145,346	145,346	145,346	145,346	145,346
Capacity (students)	1,092	1,092	1,092	1,092	1,092	1,092	1,101	1,101	1,101	1,101
Enrollment	843	874	908	906	895	907	949	924	978	977
Varsity Lakes MS (2004)										
Square Feet	160,998	160,998	160,998	160,998	160,998	160,998	160,998	160,998	160,998	160,998
Capacity (students)	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,217	1,217
Enrollment	998	1,053	1,055	1,146	1,227	1,315	1,348	1,305	1,304	1,322

(Continued)

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
High Schools										
Bonita Springs HS (2019)										
Square Feet	-	-	-	-	-	205,112	212,153	212,153	212,153	212,153
Capacity (students)	-	-	-	-	-	1,596	1,592	1,592	1,592	1,592
Enrollment	-	-	-	-	-	680	1,068	1,417	1,503	1,441
Cape Coral Sr HS (1978)										
Square Feet	272,847	272,847	272,847	272,847	272,908	272,908	272,908	272,908	272,908	272,908
Capacity (students)	1,843	1,843	1,843	1,843	1,830	1,830	1,830	1,830	1,850	1,850
Enrollment	1,577	1,591	1,549	1,566	1,539	1,563	1,622	1,622	1,764	1,841
Cypress Lake Sr HS (1967)										
Square Feet	269,521	269,521	269,378	269,378	270,647	270,647	270,647	268,866	268,866	268,866
Capacity (students)	1,700	1,700	1,700	1,700	1,690	1,690	1,690	1,680	1,680	1,680
Enrollment	1,369	1,466	1,532	1,564	1,576	1,503	1,495	1,402	1,444	1,463
Dunbar HS (2000)										
Square Feet	121,018	255,430	255,430	255,430	255,430	255,430	255,430	255,430	255,430	255,430
Capacity (students)	712	1,912	1,912	1,912	1,866	1,866	1,866	1,866	1,864	1,864
Enrollment	1,058	1,277	1,718	1,773	1,904	1,959	1,810	1,689	1,700	1,750
East HS (2006)										
Square Feet	312,333	312,333	312,333	312,333	316,893	316,893	316,893	316,893	316,893	316,893
Capacity (students)	2,057	2,057	2,057	2,057	2,035	2,035	2,035	2,035	2,030	2,030
Enrollment	1,644	1,726	1,822	1,996	1,788	1,697	1,791	1,701	1,695	1,821
Estero Sr HS (1985)										
Square Feet	272,710	272,710	272,710	272,710	272,710	272,710	263,669	263,669	263,669	263,669
Capacity (students)	1,704	1,704	1,704	1,704	1,719	1,719	1,729	1,729	1,729	1,729
Enrollment	1,667	1,657	1,708	1,773	1,727	1,583	1,473	1,288	1,332	1,129
Ft Myers Sr HS (1921)										
Square Feet	264,335	264,335	264,335	264,335	264,048	264,048	264,048	266,379	271,637	271,637
Capacity (students)	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,751	1,938	1,938
Enrollment	1,857	1,866	1,814	1,889	1,938	1,929	1,943	1,848	1,846	1,860
Gateway HS (2022)										
Square Feet	-	-	-	-	-	-	-	-	256,110	256,110
Capacity (students)	-	-	-	-	-	-	-	-	2,034	2,034
Enrollment	-	-	-	-	-	-	-	-	1,269	1,854
Ida S. Baker HS (2005)										
Square Feet	309,507	309,507	309,507	309,507	309,507	309,507	309,507	309,507	309,507	309,507
Capacity (students)	1,991	1,991	1,991	1,991	1,993	1,993	1,993	1,993	1,996	1,996
Enrollment	1,683	1,746	1,718	1,764	1,758	1,712	1,791	1,684	1,788	1,791
Island Coast HS (2008)										
Square Feet	269,599	269,599	268,866	268,866	268,866	268,866	268,866	268,866	268,866	268,866
Capacity (students)	2,059	2,059	2,059	2,059	2,059	2,059	2,059	2,059	2,058	2,058
Enrollment	1,386	1,429	1,545	1,536	1,529	1,530	1,619	1,464	1,479	1,558
Lehigh Sr HS (1994)										
Square Feet	289,278	289,278	289,278	289,278	289,278	325,696	325,696	325,696	325,696	325,696
Capacity (students)	1,824	1,824	1,824	1,824	1,824	2,546	2,549	2,549	2,549	2,549
Enrollment	1,689	1,774	1,718	1,954	2,119	2,264	2,533	2,414	2,308	2,375
Mariner Sr HS (1986)										
Square Feet	258,181	258,181	258,181	258,181	258,181	258,872	258,872	258,872	258,872	258,872
Capacity (students)	1,725	1,725	1,725	1,725	1,715	1,715	1,715	1,715	1,712	1,712
Enrollment	1,485	1,507	1,481	1,486	1,495	1,514	1,530	1,492	1,621	1,772

(Continued)

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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
High Schools										
North Ft Myers Sr HS (1960)										
Square Feet	258,399	258,399	258,399	258,399	258,399	258,399	258,399	258,399	258,399	258,399
Capacity (students)	1,804	1,804	1,804	1,804	1,794	1,794	1,794	1,794	1,812	1,812
Enrollment	1,572	1,624	1,612	1,695	1,827	1,839	1,863	1,783	1,743	1,835
Riverdale High 6-12 (1972)										
Square Feet	250,303	250,303	250,303	250,303	257,634	257,634	257,634	257,634	257,634	257,634
Capacity (students)	2,040	2,040	2,040	2,040	2,024	2,024	2,036	2,036	2,036	2,036
Enrollment	1,830	1,943	1,975	2,058	2,256	2,268	2,269	2,185	1,999	1,755
South HS (2006)										
Square Feet	309,136	309,136	309,096	309,096	310,208	310,208	310,208	307,991	307,991	307,991
Capacity (students)	2,077	2,077	2,127	2,127	2,107	2,107	2,107	2,097	2,097	2,097
Enrollment	1,711	1,796	1,912	1,904	1,889	1,821	1,748	1,706	1,744	1,719

(Continued)

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Special Schools										
ALC West (2008) ^g										
Square Feet	22,566	22,566	22,566	-	-	-	-	-	-	-
Capacity (students)	265	265	265	-	-	-	-	-	-	-
Enrollment	110	85	61	-	-	-	-	-	-	-
Buckingham Exceptional Ctr (1984)										
Square Feet	32,552	32,552	32,552	32,552	32,552	32,552	32,552	32,552	32,552	32,552
Capacity (students)	100	100	100	100	100	100	100	100	100	100
Enrollment	87	88	90	87	81	88	88	68	59	47
Cape Coral Technical College (1991) ^e										
Square Feet	64,798	64,798	64,798	64,798	64,410	64,410	64,410	64,410	64,410	64,410
Capacity (students)	324	324	324	324	342	342	342	342	319	319
Enrollment ^d	-	-	-	-	-	-	-	-	-	-
Ft. Myers Technical College (1966) ^e										
Square Feet	184,255	184,255	184,255	184,255	184,255	184,255	184,255	184,255	184,255	184,255
Capacity (students)	654	654	654	654	654	654	654	654	640	640
Enrollment ^d	-	-	-	-	-	-	-	-	-	-
Lee County Public Service Academy (1964) ^c										
Square Feet	106,068	106,068	106,068	106,068	106,068	106,068	106,068	106,068	106,068	106,068
Capacity (students)	270	270	270	270	270	270	270	270	270	270
Enrollment	-	-	-	-	-	-	-	-	-	-
New Directions School (1993)										
Square Feet	145,027	145,027	145,027	145,027	145,018	145,018	145,018	168,745	168,745	168,745
Capacity (students)	636	636	636	636	678	678	683	909	909	909
Enrollment	353	283	227	320	335	405	318	246	333	196
Royal Palm Exceptional (1994)										
Square Feet	60,347	60,347	60,347	60,347	60,347	60,347	60,347	60,347	60,347	60,347
Capacity (students)	230	230	230	230	230	230	230	230	230	230
Enrollment	152	128	155	168	171	170	171	146	147	124

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

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Ancillary Facilities										
Dunbar Community (1910) Square Feet	21,153	21,153	21,153	21,153	21,153	21,153	21,153	21,153	21,153	21,153
Food Service Warehouse (1960) Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Gwynne Building (1911) Square Feet	20,395	20,395	20,395	20,395	20,395	20,395	20,395	20,395	20,395	20,395
Maintenance (1972) Square Feet	62,762	62,762	62,762	62,762	62,762	62,762	62,762	90,670	90,670	90,670
New Administrative Complex (1986) ^a Square Feet	309,577	309,577	310,001	310,001	310,253	310,253	310,253	309,860	309,860	309,860
R&R Building (1975) Square Feet	10,000	10,000	9,984	9,984	9,984	9,984	9,984	9,984	9,984	9,984
Supply (1960) Square Feet	18,417	18,417	18,417	18,417	18,417	18,417	18,417	18,417	18,417	18,417
Transportation Central (1960) Square Feet	28,909	28,909	28,909	28,909	28,909	28,909	28,909	30,052	30,052	30,052
Transportation East (2004) Square Feet	9,361	9,361	9,361	9,361	9,361	9,361	9,361	8,342	8,342	8,342
Transportation Leonard (2009) Square Feet	24,699	24,699	24,699	24,699	24,699	24,699	24,699	24,699	24,699	24,699
Transportation West (1995) Square Feet	28,685	28,685	28,685	28,685	28,685	28,685	28,685	28,685	28,685	28,685
Transportation 6 Mile Cypress (2004) Square Feet	39,729	39,729	39,729	39,729	39,729	39,729	39,729	39,729	39,729	39,729

Source: District Facilities Office

Note: Year of construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

^a New administrative complex was purchased in 2005 but was originally built in 1986.

^b Michigan Montessori (K-8) was moved to Lee Middle and renamed James Stephens Int'l Academy beginning 2010. School was changed from K-8 school to Elementary school beginning 2017.

^c Lee County Public Service Academy was housed at Ft. Myers Institute of Technology prior to 2011, then moved to the old Michigan Montessori facility in 2011.

^d Students reported under home high school beginning 2013.

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

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

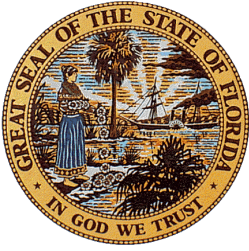
^g ALC West was closed at the end of 2016.

^h Veterans Park Academy K-8 acquired old Lehigh Middle in 2022. Old Lehigh Middle was moved to a new location in 2022.

ⁱ Fort Myers Beach Elementary and Hector Cafferata Jr. Elementary were destroyed by Hurricane Ian. The students have been housed in other schools or portables for 2023. Both schools were demolished in Spring 2023.

^j Franklin Park Elementary was demolished in January 2023 to make way for a new school building. Students are currently housed in temporary portable until their new school is constructed.

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



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lee County District School Board as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2023, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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*.

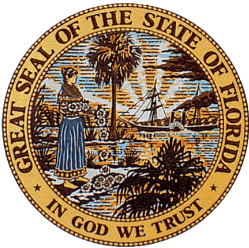
Purpose of this Report

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
December 21, 2023
Audit Report No. 2024-101



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lee 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 each of the District's major Federal programs for the fiscal year ended June 30, 2023. The District's major Federal programs are 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 each of its major Federal programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each 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 each

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 Bonita Springs Charter School, Gateway Charter School, Gateway Intermediate Charter School, Gateway Charter High School, Mid Cape Global Academy, Oak Creek Charter School of Bonita Springs, and Six Mile Charter Academy (Charter Schools) as part of the 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, 2023. Our compliance audit, described in the ***Opinion on Each Major Federal Program*** section of our report, did 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 each 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
December 21, 2023
Audit Report No. 2024-101

THE SCHOOL DISTRICT OF LEE COUNTY, FLORIDA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	23002	\$ 10,225,212
National School Lunch Program	10.555	23001, 23003	45,212,088
Summer Food Service Program for Children	10.559	22006, 22007, 23006, 23007	791,659
Total Child Nutrition Cluster			56,228,959
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	2,167,272
Total Student Financial Assistance Cluster			2,167,272
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	19,796,053
COVID-19 Special Education - Grants to States	COVID-19, 84.027	262, 263	2,246,926
Total Special Education - Grants to States	84.027		22,042,979
Florida Department of Education:			
Special Education - Preschool Grants	84.173	267	645,701
COVID-19 Special Education - Preschool Grants	COVID-19, 84.173	267	306,317
Total Special Education - Preschool Grants	84.173		952,018
Total Special Education Cluster			22,994,997
Head Start Cluster			
United States Department of Health and Human Services:			
Head Start Disaster Recovery			
Head Start	93.356	N/A	799,424
COVID-19 Head Start	93.600	N/A	9,200,617
Total Head Start	COVID-19, 93.600	N/A	860,917
Total Head Start Cluster			10,061,534
			10,860,958
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-4895	1,796,447
Florida Department of Agriculture and Consumer Services:			
Farm to School Grant Program	10.575	None	40,514
Total United States Department of Agriculture			1,836,961
United States Department of Defense			
Army Junior Reserve Officers Training Corps			
	12.UNK	N/A	2,639,088
United States Department of Justice			
STOP School Violence			
	16.839	N/A	277,623
United States Department of the Treasury			
Lee County Board of County Commissioners			
Coronavirus State and Local Fiscal Recovery Funds	COVID-19, 21.027	None	122,639
United States Department of Education			
Impact Aid			
	84.041	N/A	14,703
Magnet Schools Assistance			
	84.165	N/A	3,674,778
Education Stabilization Fund:			
Higher Education Emergency Relief Fund - Institutional Portion			
	COVID-19, 84.425F	N/A	434,448
Florida Department of Education:			
Governor's Emergency Education Relief Fund			
	COVID-19, 84.425C	123	37,385
Elementary and Secondary School Emergency Relief Fund			
American Rescue Plan - Elementary and Secondary School	COVID-19, 84.425D	124	22,106,639
Emergency Relief Fund	COVID-19, 84.425U	121	94,585,324
American Rescue Plan - Elementary and Secondary School			
Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	181,336
Total Education Stabilization Fund	84.425		117,345,132
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	1,505,393
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	27,334,573
Migrant Education - State Grant Program	84.011	217	569,926
Career and Technical Education - Basic Grants to States	84.048	161	1,305,225
Education for Homeless Children and Youth	84.196	127	72,067
Twenty-First Century Community Learning Centers	84.287	244	511,794
English Language Acquisition State Grants	84.365	102	2,490,529
Supporting Effective Instruction State Grants	84.367	224	4,120,478
School Improvement Grants	84.377	126	433
Student Support and Academic Enrichment Program	84.424	241	2,080,783
Florida Gulf Coast University:			
Special Education-State Personnel Development	84.323	ORGS-22023-LEESD-004	3,371
Total United States Department of Education			161,029,185
United States Department of Health and Human Services			
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution			
	COVID-19, 93.498	N/A	10,150
United States Department of Homeland Security			
Florida Division of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2973	11,047,218
Total Expenditures of Federal Awards			\$ 269,215,050

Notes: (1) **Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Lee County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

(2) **Summary of Significant Accounting Policies.** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **Indirect Cost Rate.** The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

(4) **Noncash Assistance:**

(A) **National School Lunch Program** - Includes \$6,005,163 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(B) **Child Care Food Program** - Includes \$124,465 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(5) **Impact Aid.** Expenditures are related to grant number/program 19-FL-2024-192902.

(6) **Head Start.** Expenditures include \$702,412 for grant number/program year 04HP000293-02 and \$170,626 for grant number/program year 04HP000293-03, \$109,853 for grant number/program year 04CH011657-01, \$774,151 for grant number/program year 04CH011657-02, and \$7,443,575 for grant number/program year 04-CH011657-03. \$860,917 in expenditures was from the American Rescue Plan grant 04-HE00137-01.

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 programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal programs:	
Assistance Listing Numbers:	Name of Federal Program or Cluster:
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.165	Magnet Schools Assistance
84.425	Education Stabilization Fund
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
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

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



PERSONAL | PASSIONATE | PROGRESSIVE

THE SCHOOL DISTRICT OF LEE COUNTY

Armor Persons, District 5 (Chair)
Samuel Fisher, District 1 (Vice Chair)
Melisa W. Giovannelli, District 2
Chris N. Patricca, District 3
Debbie Jordan, District 4
Jada Langford Fleming, District 6
Cathleen O'Daniel Morgan, District 7

General Board Office Correspondence
BoardOffice@leeschools.net

Dr. Christopher S. Bernier, Superintendent

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The School Board of Lee County, Florida, prohibits discrimination on the basis of age, color, disability, gender, national origin, marital status, religion, or sexual orientation.

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