

MARTIN COUNTY, FLO

District School Board of Martin County

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023
Prepared by the Finance Department



**DISTRICT SCHOOL BOARD
OF MARTIN COUNTY, FLORIDA**
Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2023

Prepared by the Finance Department



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Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	i-vii
2022-23 Fiscal Year Superintendent and School Board Members.....	viii
List of Principal Officials-Appealed.....	ix
Organizational Chart	x
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xi
ASBO Certificate of Excellence in Financial Reporting.....	xii

FINANCIAL SECTION

Independent Auditor’s Report	1-4
Management’s Discussion and Analysis	6-18
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	22
Statement of Activities.....	23-24
Fund Financial Statements:	
Balance Sheet—Governmental Funds	25-26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	28
Statement of Revenues, Expenditures, and Changes In Fund Balances—Governmental Funds.....	29-30
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	32
Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund, and Federal Education Stabilization Fund.....	33-38
Statement of Proprietary Net Position—Proprietary Funds.....	39
Statement of Revenue, Expenses, and Changes in Net Position—Proprietary Funds	40
Statement of Cash Flows—Proprietary Funds	41
Statement of Fiduciary Net Position—Fiduciary Funds	42
Statement of Changes in Fiduciary Net Position—Fiduciary Funds	43
Notes to the Basic Financial Statements	45-89
Other Required Supplementary Information	91
Schedule of Changes in the District’s Total Other Postemployment Benefits Liability and Related Ratios	93
Schedule of Changes in Net Pension and Related Ratios —Early Retirement Plan	94-95
Schedule of Employer Contributions—Early Retirement Plan	96-97
Schedule of Investment Returns—Early Retirement Plan	98
Schedule of the District’s Proportionate Share of Net Pension Liability— Florida Retirement System Pension Plan.....	99-100
Schedule of District Contributions—Florida Retirement System Pension Plan.....	101-102
Schedule of the District’s Proportionate Share of Net Pension Liability— Health Insurance Subsidy Pension Plan	103-104
Schedule of District Contributions—Health Insurance Subsidy Pension Plan.....	105-106

Combining and Individual Fund Financial Statements and Schedules	
Combining Balance Sheet—Nonmajor Governmental Funds.....	111-112
Combining Statement of Revenues, Expenditures, and Changes	
In Fund Balances—Nonmajor Governmental Funds	113-114
Schedule of Revenues, Expenditures, and Changes	
In Fund Balances—Budget and Actual - Other Major and Nonmajor	
Governmental Funds	117-125
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position—Private-Purpose Trust Funds.....	127
Combining Statement of Changes in Fiduciary Net Position—Private-Purpose Trust Funds..	128
Component Unit:	
Combining Statement Net Position—Component Units	131
Combining Statement of Changes Activities—Component Units.....	132

STATISTICAL SECTION

Table of Contents	136
Table 1 Net Position by Component	137-138
Table 2 Changes in Net Position—Government-wide.....	139-140
Table 3 Fund Balances—Governmental Funds	141-142
Table 4 Changes in Fund Balances—Governmental Funds.....	143-144
Table 5 Assessed and Estimated Actual Value of Taxable Property	145
Table 6 Property Tax Levies and Collections	146
Table 7 Direct and Overlapping Property Tax Rates	147
Table 8 Ratios of Outstanding Debt by Type.....	148
Table 9 Direct and Overlapping Governmental Activities Debt.....	149
Table 10 Anticipated Capital Outlay Millage Levy Required to Cover	
Certificates of Participation Payments	150
Table 11 Demographic and Economic Statistics.....	151
Table 12 Principal Property Taxpayers.....	152
Table 13 District Employees	153
Table 14 Teacher Salaries	155
Table 15 School Building Information.....	156-159
Table 16 Principal Employers.....	160
Table 17 Operating Statistics	161
Table 18 Food Service Operating Data.....	162

SINGLE AUDIT SECTION

Federal Reports and Schedules	165
Schedule of Expenditures of Federal Awards.....	167
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 <i>Governmental Auditing Standards</i>	168-169
Independent Auditor’s Report on Compliance for each Major Federal Program and Report	
on Internal Control over Compliance Required by the Uniform Guidance	170-172
Schedule of Findings and Questioned Costs.....	173-175
Summary Schedule of Prior Audit Findings	176
Corrective Action Plan.....	177

INTRODUCTORY SECTION





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THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

1939 SE Federal Highway • Stuart, Florida 34994 • Telephone (772) 219-1200



January 30, 2024

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

State law requires that all school districts publish after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”), and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to this requirement, we hereby issue the Annual Comprehensive Financial Report (“ACFR”) of the District School Board of Martin County, Florida (the “District”) for the fiscal year ended June 30, 2023.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuses 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 their benefits, the District’s comprehensive framework 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 State of Florida, Auditor General’s Office has audited the District’s financial statements. The goal of the independent audit is 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 unmodified opinions that the District’s financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of the 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 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). The standards governing the Single Audit engagement require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards.

Michael Maine, Superintendent

School Board Members: Michael DiTerlizzi • Marsha B. Powers • Amy B. Pritchett • Christia Li Roberts • Jennifer Russell

“To Educate all Students for Success”

Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, summary of prior audit findings, and the independent auditor’s reports on the system of internal control and on compliance with applicable requirements, are included in the Single Audit section.

This report includes all funds of the District, The Martin County School Board Leasing Corporation, Hope Center for Autism, Inc., and Treasure Coast Classical Academy, which comprise the reporting entity. The Martin County School Board Leasing Corporation was formed by the School Board to be the lessor in connection with financing the construction of the Dr. David L. Anderson Middle School and is included as a blended component unit. The Hope Center for Autism and Treasure Coast Classical Academy are public schools operating under a charter issued by the District’s governing board (the “Board”). The charter schools are included as a discretely presented component unit.

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 MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the independent auditor’s report.

PROFILE OF THE GOVERNMENT

The District and the Board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District’s public schools. The appointed Superintendent of Schools (“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 Board policies. The Superintendent has the specific responsibility for maintaining a uniform system of records and accounts in the District as prescribed by the State Board of Education.

The geographic boundaries of the District are those of Martin County, Florida. During the 2022-23 fiscal year, the District operated 22 schools, including 12 elementary schools, 5 middle schools, 3 high schools, and 2 special schools. The District operates 2 specialized schools for special needs students and sponsors 2 charter schools, the Hope Center for Autism and Treasure Coast Classical Academy, which are considered component units. The Board also awarded a charter to Indian River State College (“IRSC”) for the Clark Advanced Learning Center and Indiantown High School. The schools are operated under the direction of IRSC and are not considered component units of the District. In the fiscal year 2022-23, the District provided general, special, vocational, and other education programs to 18,673 unweighted full-time equivalent students.

The District receives most of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school.

ECONOMIC CONDITION AND OUTLOOK

Martin County is part of the area known as the Treasure Coast along with St. Lucie and Indian River Counties. It is located on the East Central Coast of Florida. There are approximately 15,963 linear feet of public beaches in the County and 556 square miles of land. Martin County was established in 1925 and named for the then Governor of Florida, John Wellborn Martin.

The local economy is based upon agriculture, tourism, professional and banking services, healthcare services, and light manufacturing. It is home to many winter citizens and has developed a pattern for slow but steady growth. The City of Stuart, (County Seat) is known as the “Sailfish Capital of the World” and as such, attracts many anglers visiting from all over the world.

The District is included among the largest employers in the County, along with the Cleveland Clinic, formerly known as Martin Memorial Health Systems, and the Martin County Government.

Changes in levels of tourism, immigration into the State of Florida, and unemployment may affect the State revenue streams, which in turn, will affect District revenue streams. The Martin County population increased from 161,655 in the prior year to 162,064 according to U.S. Census estimates and the unemployment rate for Martin County is currently 2.9 percent, which is a decrease from the rate of 4.5 percent a year ago. Student enrollment (K-12) increased from 18,591 in the 2021-2022 Fourth Calculations to 18,673 in the 2022-2023 Fourth Calculations and enrollment is expected to continue to follow this trend.

MAJOR INITIATIVES

The District was successful in renewing its voter referenda passed during the 2018-19 fiscal year. In 2022-23 the voters of Martin County approved the renewal of the 0.50 Operating Millage for another 4 years. The voter approved millage provides operational funding for salary stipends to instructional personnel and initiatives supporting student instruction and student safety during its four-year term. The voter approved sales tax is not up for renewal until 2025-26, however it has provided much needed capital funding to replace two elementary schools (Jensen Beach Elementary School and Palm City Elementary School, which are under construction) and several other large capital projects at various schools, along with funding school safety initiatives and other school infrastructure needs during its seven-year term.

The District continues to purchase school buses, maintain facilities, complete site improvements, and enhance technology and school security/safety for its students.

ACCOMPLISHMENTS

The District is dedicated to providing students with a high-quality education. Among the many educational tools administered by the District for teachers, parents, and students are:

- *FOCUS* - a secure, online gradebook and student information system that provides parents with instant information on how their student is performing in school as well as assessment results and reporting of student grades and attendance.
- *Thrillshare*- a mass notification and communication system capable of sending voice, text and email messages to parents and employees in minutes.
- *Decision Ed* – a data warehouse and analytics solution that allows users to visualize important data related to student success and achievement using business intelligence capabilities. District data will be housed in the DecisionEd data warehouse, including student data, staff data, finance data and professional development data.
- *Frontline* – a resource that enables districts to meet all employees’ diverse learning needs. Educators drive their own learning with relevant, just-in-time content or address areas of need identified in surveys, observations, and evaluations. Additional options allow users to collaborate across grade levels and school sites as well as create custom content.

- *SCOIR* – a college admissions network that connects students, families, high schools, and college for a better admissions experience. SCOIR helps students find post-secondary options based on their interest and academic progress and then guides them through the application process.
- *Performance Matters* – PowerSchool Unified Classroom Performance Matters enables schools and districts to build and deliver formative and comprehensive assessments. Performance Matters enables teachers and school/district administrators the ability to do the following:
 - Access items and assessments aligned to state standards.
 - Identify learning loss and monitor student progress to ensure that instruction remains data-driven
 - Create and share reports throughout our learning community.
 - The development of custom assessments aligned to standards.
- *Raptor Technologies* – The Raptor Volunteer Management System screens, tracks, and manages volunteers. The Visitor Management System confirms each visitor is safe and enables sites to know precisely who is on campus in the event of an emergency.
- Full English Language Arts (ELA), Social Studies, and Mathematics instructional materials adoptions-Florida Department of Education approved, standards-aligned instructional materials have been adopted and provided for all students in K-12 within the last three years.

These tools, combined with the knowledge and dedication of the District’s teachers, administrators, and staff, have helped the District become one of the highest performing school districts in the state. Among the noted accomplishments:

- The District boasts four Schools of Excellence: Bessey Creek Elementary, Palm City Elementary, Hidden Oaks Middle and Jensen Beach High.
- The District is fully accredited by Cognia, the parent organization of the Southern Association of Colleges and Schools Council on Accreditation and School Improvement.
- The District is an AVID (Advancement via Individual Determination) district where high schools, two middle schools, and one elementary school participate in a system designed to assist in closing opportunity and achievement gaps of all students. Additionally, the AVID tools of engagement, rigor, and inquiry strategies are used throughout the school district.
- The District has four Instructional Empowerment Schools: three elementary schools and one middle school. This instructional system aligns to a framework that provides a model of instruction, which creates a rigorous and positive classroom learning environment and ultimately shapes the learning culture of the school. This system will add extra support structure to help those schools with diverse populations.
- The District’s Career and Technical Education (CTE) programs continue to expand and develop. Over 100 students are now studying Air Conditioning, Refrigeration, and Heating (HVAC) Technology at South Fork High School. Hospitality and Tourism Management is now being offered at Jensen Beach High School, and Welding Technology and Criminal Justice are now offered at Martin County High School as career pathway programs, while South Fork High School’s Agriculture program has expanded to include heavy equipment maintenance, welding, and drone technologies.
- College & Career Readiness: High school students now have access to a Career Dual Enrollment Coach who provides 1:1 advising to interested students to discuss how career dual enrollment compliments and enhances the student’s short and long term goals. High school internships are now posted on a public webpage, provided to us by the Education Foundation of Martin County. This platform allows businesses to post their opportunities and students may apply directly. There are two Graduation Specialists assigned to each of the three high schools and one assigned to the alternative sites. These graduation specialists maintain a database of students who are at-risk to not graduate from high school, track the progress of the students, meet with the students and their families, and provide interventions and recommendations to assist the student in graduating. Highly rigorous coursework and diploma opportunities are available for students

in each of our high schools. Students may earn an Advanced International Certificate of Education (AICE), International Baccalaureate (IB), or Advanced Placement (AP) diploma in addition to their standard Florida high school diploma.

- “School within a School” credit recovery program is in place at every high school in order to meet the needs of students who are at risk of meeting requirements for graduation. Additionally, post-secondary transition planning is taking place within the program.
- The District implemented a 1:1 technology program, putting a laptop in the hands of each third through twelfth grade student and laptop carts in classrooms for Kindergarten through grade two students. This program is being supported by layers of professional development for teachers and administrators both site-specific and district wide.
- During fiscal year 2022-23, approximately 1,552 volunteers served more than 60,194 hours in the Martin County School District. Approximately 12,462 of the hours were served by Martin County School District students. The total value of volunteer time, estimated at \$31.00 per hour, extends the district’s budget by \$1,866,014. Volunteers supported staff, students, and the school community through tutoring and mentoring students; helping in cafeterias, classrooms, and libraries; supporting extracurricular clubs and activities; chaperoning field trips and events; coaching athletics teams; and fundraising.
- The Martin County School District has strong relationships with its community partners, including The Education Foundation of Martin County, Children’s Services Council, United Way, Character Counts!, Tykes and Teens, CareerSource and many more.
- The Student Supporting Schools (S3) program has more than doubled this school year. More than two dozen student employees are supporting our district not only in our Educational Technology department, but this program now has S3+ students employed as elementary teacher’s aides, creative directors, athletic assistants, groundskeepers, project manager assistants, and more.
- Additional in-person tutoring opportunities are available on a variety of platforms for all K-12 schools through the introduction and implementation of an online platform “Paper” that provides unlimited access to trained tutors so every student in grades six through twelve can ask questions, work through problems, and grow their confidence. This chat-based tutoring is available 365 days a year, 24 hours a day and in multiple languages.

FINANCIAL PLANNING

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. The District’s school building ages range from 1932 to 2023. The District has a master facility plan to rebuild, remodel, and expand schools and sites, which will take place over several years.

Recruiting and retaining District teachers and other staff members is a high priority for the Board and the Superintendent, as evidenced by the renewal of the operating millage initiative passed by Martin County voters on August 28, 2022, which provided salary stipends to teachers for four years.

FINANCIAL POLICIES

The District has a policy to operate in accordance with State law and has developed a long-range strategic plan called the Success Plan (Plan). The Plan sets forth goals and objectives for progress in all areas of District operations and outlines steps to be taken for their achievement. As part of the strategic plan for the District, the School Board approves strategic goals and objectives to serve as a guide for planning on an annual basis in all areas of operations. The Board reviews the Plan annually with periodic progress reports made by staff. The Superintendent is responsible for keeping the Plan updated as needed.

The District has an Investment Policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines for the investment management of the District's cash reserves and to ensure compliance with Florida Statutes. See related Notes to the Basic Financial Statements for more information on the Investment Policy.

BUDGETARY CONTROLS

The annual budget serves as the basis for the District's financial planning and control and the level of budgetary control is established at the function and object level. Project length financial plans are adopted for the capital project funds. Activities of all governmental fund types are included in the annual appropriated budget.

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 are reappropriated as part of the subsequent year's budget.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On November 14, 2017, the Board adopted a District staffing plan that establishes teaching positions based generally on student populations served. Additionally, support and administrative positions are created based upon established criteria.

REPORTING ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for 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 seventeenth consecutive year that the District has received this prestigious award. The Certificate is a national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

Certificate of Excellence in Financial Reporting - The Association of School Business Officials International (ASBO) also awards a Certificate of Excellence in Financial Reporting to governments who meet the reporting requirements and submit their reports for review and consideration. The District received its fifteenth consecutive award for Certificate of Excellence in Financial Reporting, for the fiscal year 2021-22. The Certificate of Excellence in Financial Reporting awarded by ASBO certifies that the ACFR substantially conforms to the accounting and reporting standards adopted by ASBO. In addition, District School Board of Martin County's Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR) was posted on the ASBO website as an example for members who are considering preparing an ACFR.

A GFOA Certificate of Achievement and the ASBO Certificate of Excellence are valid for a period of one year. We believe our current report continues to meet the requirements of the Certificate of Achievement Program as well as the Certificate of Excellence Program. Accordingly, we are submitting it to both the GFOA and the ASBO for consideration for these awards.

ACKNOWLEDGEMENTS

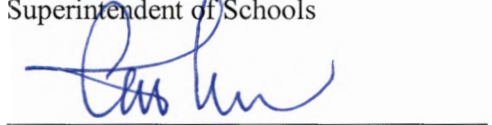
A comprehensive financial report of this nature could not have been prepared without the efficient and dedicated efforts of the Finance Department staff. We would like to express appreciation to all members of the Finance Department and those other staff members who assisted in providing a wealth of information for the preparation of this report.

In closing, we would also like to thank the members of the Board for their leadership and support in establishment of policies and approving processes for financial operations of the District.

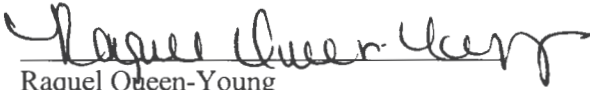
Respectfully,



Mr. Michael Maine
Superintendent of Schools



Carter Morrison
Assistant Superintendent of Finance



Raquel Queen-Young
Director of Accounting

District School Board of Martin County, Florida



Dr. John D. Millay
Superintendent



Christia Li Roberts
School Board Member
District 1



Marsha Powers
School Board Chair
District 2



Jennifer Russell
School Board Member
District 3



Amy B. Pritchett
School Board Vice Chair
District 4



Michael DiTerlizzi
School Board Member
District 5



2022-23 Fiscal Year
Superintendent and School Board Members

District School Board of Martin County, Florida

LIST OF PRINCIPAL OFFICIALS – APPOINTED



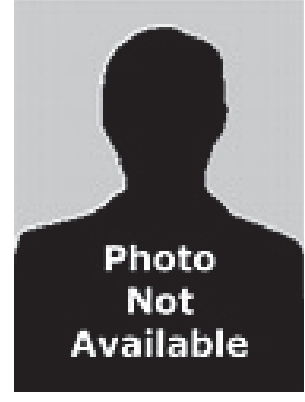
Michael Maine
Deputy
Superintendent



Dr. Tracey Miller
Assistant Superintendent
of Academics



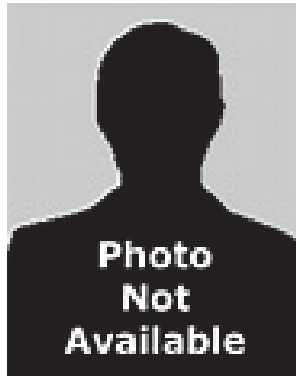
Julie Sessa
Assistant Superintendent
Human Resources



Carter Morrison
Assistant Superintendent
of Finance



Jennifer DeShazo
Director, Public
Information and
Community Relations



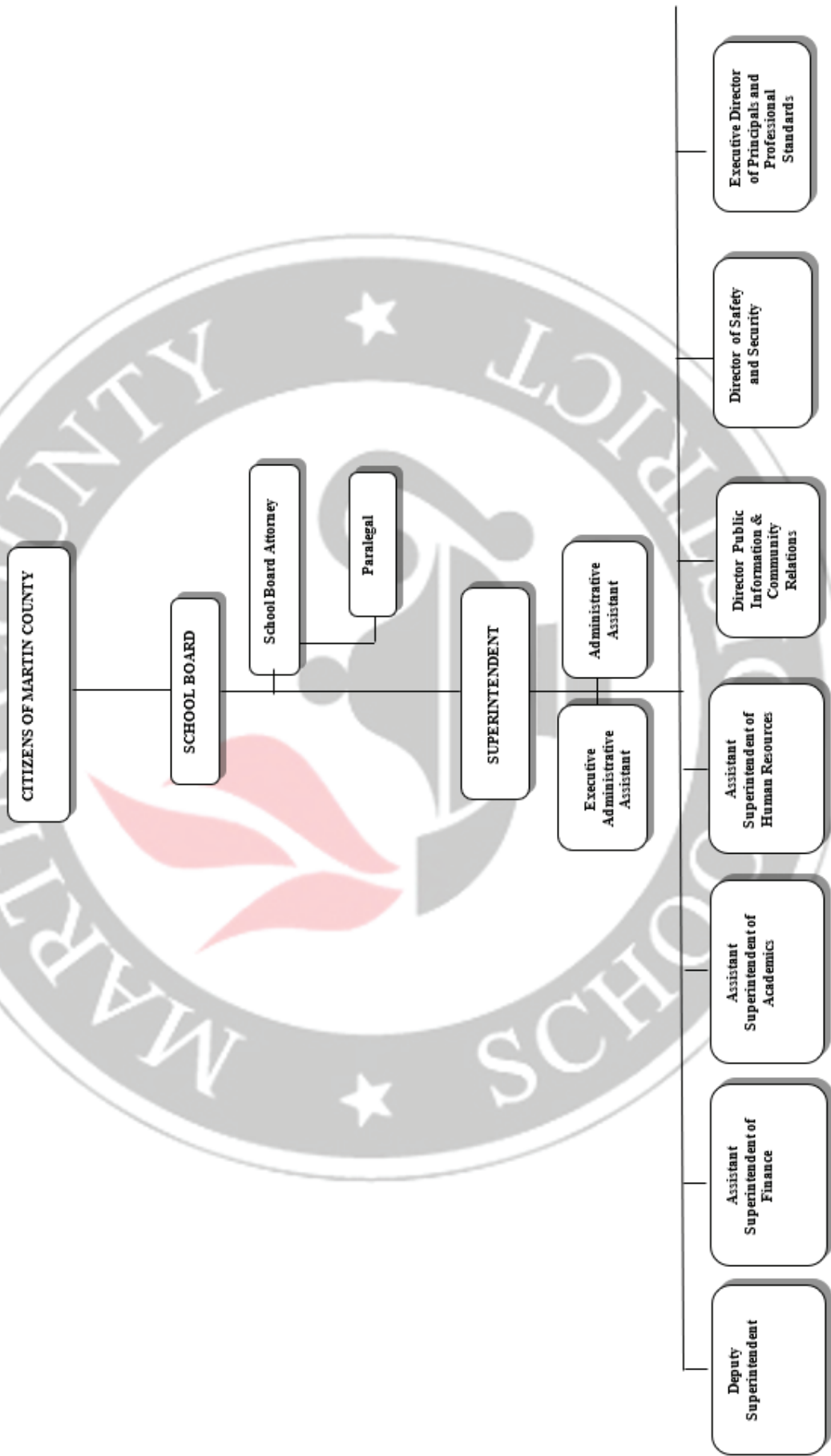
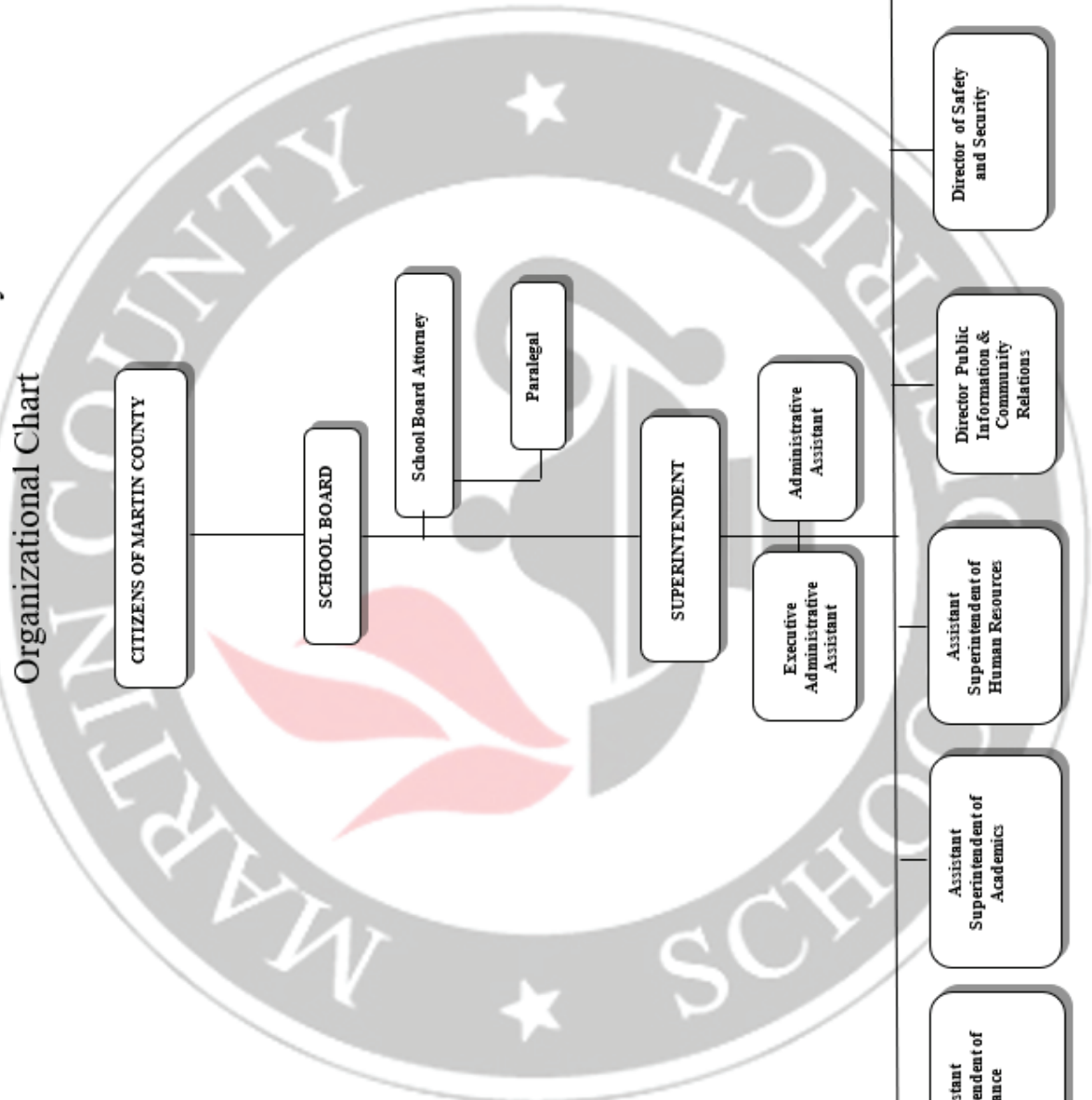
Frank Frangella
Director of Safety and
Security



Troy Labarbara
Executive Director, of
Principals and Professional
Standards



School District of Martin County Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**District School Board of Martin County
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**District School Board of
Martin County, Florida**

**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.

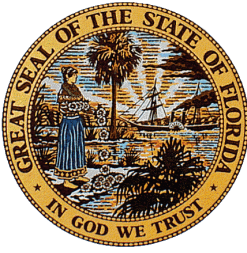
Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

FINANCIAL SECTION





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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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Tallahassee, Florida 32399-1450



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Fax: (850) 488-6975

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Martin 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Martin 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 school internal funds, which represent 10 percent, 8 percent, 10 percent, 14 percent, and 10 percent, respectively, of the assets, liabilities, net position and fund balance, additions and revenues, and deductions and expenditures of the aggregate remaining fund information as of June 30, 2023. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns as of June 30, 2023. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the financial statements of the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note I.G. to the financial statements, the District elected to change its method of accounting for the Extended Day Care Program for the 2022-23 fiscal year. This affects the comparability of amounts reported for the 2022-23 fiscal year with amounts reported for the 2021-22 fiscal year. Our opinion is not modified with respect to this matter.

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 Changes in Net Pension and Related Ratios – Early Retirement Plan, Schedule of Employer Contributions – Early Retirement Plan, Schedule of Investment Returns – Early Retirement Plan, Schedule of the District's Proportionate Share of Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of the District's Proportionate Share of Net Pension Liability – Health Insurance Subsidy Pension Plan, and Schedule of District Contributions – Health Insurance Subsidy Pension Plan** 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 financial 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 financial 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 January 30, 2024, 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
January 30, 2024
Audit Report No. 2024-119



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Martin County has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis of the District's financial activities, identify changes in the District's financial position, identify material deviations from the approved budget, and highlight significant issues in individual funds.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

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

This report also contains supplementary information intended to furnish additional details to support the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to those of a private-sector business and consist of the following two statements:

- The *statement of net position* presents information on most of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is strengthening or weakening.
- The *statement of activities* presents information showing how the government's net position changed during the 2022-23 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

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

- Governmental activities – This represents most of the District's services, including its educational programs such as basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Business-type activities – The District charges fees to cover the cost of the services it provides for its Extended Day Program.
- Component units – The District presents three separate legal entities in this report.
 - The Hope Center for Autism, Inc. and Treasure Coast Classical Academy, Inc. charter schools are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.
 - The Martin School Board Leasing Corporation (Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note VII B. Due to the substantive economic relationship between the Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial

statements. The financial resources measurement focus allows the governmental fund statements to provide information on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General, Special Revenue – Federal Education Stabilization Fund, Capital Projects – Local Capital Improvement Tax, and Capital Projects – Other Capital Projects Fund. Data from the other six governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The District adopts annual budgets for its General and Special Revenue – Federal Education Stabilization funds. Budgetary to actual comparisons have been provided for these funds as well as the other major and nonmajor funds to demonstrate budgetary compliance.

Proprietary Funds

Proprietary funds may be established to account for activities in which a fee is charged for services. The District reports the following Proprietary fund type:

- Enterprise Fund – to account for Extended Day Care Program. Enterprise funds are used to report the same function as business-type activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District reports the following fiduciary fund types:

- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Funds – to account for resources of various scholarship trust funds.

- Custodial Fund – to account for resources held for student activities and groups.

Notes to the Basic Financial Statements

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

Other Information

Combining statements referred to earlier, present a more detailed view of nonmajor funds used in governmental funds. This section includes budget to actual schedules for nonmajor special revenue, debt service, and capital projects funds. Also included are statements for private-purpose trust funds.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-23 fiscal year are as follows:

Government-wide Statements

- The District's assets and deferred outflows exceed its liabilities and deferred inflows as of June 30, 2023, by \$463.6 million (*net position*).
- The District's total net position increased by \$51.7 million, which is a 12.6 percent increase from the 2021-22 fiscal year. This change is primarily attributable to a 10.2 percent increase in the Tax Roll and subsequent collections, and grant and contribution revenues.
- General revenues total \$298.7 million, or 93.8 percent of all revenues. Program-specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$19.8 million, or 6.2 percent of all revenues. The taxes levied in total for operational, capital, and local sales tax purposes increased over the prior year by approximately \$18.3 million or 9.8 percent.
- Expenses total \$266.8 million; \$19.8 million of these expenses are offset by program-specific charges, with the remainder paid from the general revenues. Total revenues exceed total expenses by \$51.7 million.

Fund Statements

- As of June 30, 2023, the District's governmental funds report combined ending fund balances of \$217.3 million, a decrease of \$9.9 million.
- As of June 30, 2023, the assigned and unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriations by the Board, totals \$17.4 million or 9.1 percent of total General Fund revenues before the carryforward of prior year encumbrances and other obligations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2023, compared to the net position as of June 30, 2022:

	Governmental Activities		Business-Type Activities		Total	
	6-30-23	6-30-22	6-30-23	6-30-22	6-30-23	6-30-22
Current and Other Assets	\$ 240,255,475	\$ 250,198,925	\$ 792,191	-	\$ 241,047,666	\$ 250,198,925
Capital Assets	445,243,679	395,523,505	-	-	445,243,679	395,523,505
Total Assets	685,499,154	645,722,430	792,191	-	686,291,345	645,722,430
Net carrying amount of debt refunding	724,107	804,563	-	-	724,107	804,563
Other postemployment benefits obligation	8,856,336	9,881,101	31,285	-	8,887,621	9,881,101
Pensions	42,831,570	38,113,979	639,495	-	43,471,065	38,113,979
Deferred Outflows of Resources	52,412,013	48,799,643	670,780	-	53,082,793	48,799,643
Long-Term Liabilities	227,782,854	186,302,604	2,220,153	-	230,003,007	186,302,604
Other Liabilities	22,178,589	20,695,737	121,005	-	22,299,594	20,695,737
Total Liabilities	249,961,443	206,998,341	2,341,158	-	252,302,601	206,998,341
Other postemployment benefits obligation	13,893,882	6,344,883	49,080	-	13,942,962	6,344,883
Pensions	9,402,058	69,312,351	128,083	-	9,530,141	69,312,351
Deferred Inflows of Resources	23,295,940	75,657,234	177,163	-	23,473,103	75,657,234
Net Position:						
Net Investment in Capital Assets	393,653,877	326,532,448	-	-	393,653,877	326,532,448
Restricted	190,419,379	214,043,467	-	-	190,419,379	214,043,467
Unrestricted (Deficit)	(119,419,472)	(128,709,417)	(1,055,350)	-	(120,474,822)	(128,709,417)
Total Net Position	\$ 464,653,784	\$ 411,866,498	\$ (1,055,350)	-	\$ 463,598,434	\$ 411,866,498

The largest portion of the District's net position, \$393.7 million, reflects its investment in capital assets (e.g., land, buildings, furniture, fixtures, and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are 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 liabilities.

An additional portion of the District's net position, \$190.4 million, represents resources that are subject to external restrictions on how they may be used. The District's unrestricted net position balance is negative because of the District's future liabilities for employee compensated absences, other post-employment benefits, and pension plan obligations; however, the District has sufficient current assets to meet its current obligations.

Restricted net position decreased \$23.6 million from June 30, 2022, to June 30, 2023. This net position represents restrictions from specific revenue sources and grants. The deficit in unrestricted net position in the governmental activities decreased by \$9.3 million, reflecting positive operating results, net of amounts restricted.

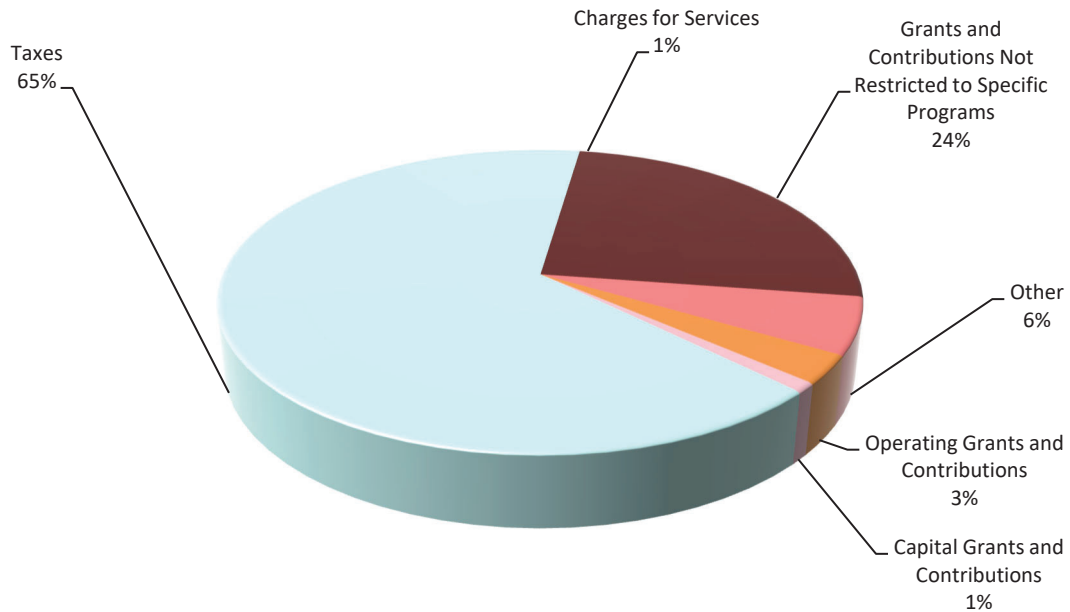
The key elements of the changes in the District's net position for the fiscal years ended June 30, 2023, and June 30, 2022, are as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities		Business-Type Activities		Total	
	6-30-23	6-30-22	6-30-23	6-30-22	6-30-23	6-30-22
Program Revenues:						
Charges for Services	\$ 3,890,631	\$ 5,365,356	\$ 3,516,637	\$ -	\$ 7,407,268	\$ 5,365,356
Operating Grants and Contributions	9,968,753	12,599,581	-	-	9,968,753	12,599,581
Capital Grants and Contributions	2,414,965	3,775,177	-	-	2,414,965	3,775,177
Total Program Revenues	16,274,349	21,740,114	3,516,637	-	19,790,986	21,740,114
General Revenues:						
Property Taxes, Levied for Operational Purposes	134,116,007	123,857,432	-	-	134,116,007	123,857,432
Property Taxes, Levied for Capital Projects	44,820,130	38,521,453	-	-	44,820,130	38,521,453
Local Sales Taxes	25,893,948	24,159,507	-	-	25,893,948	24,159,507
Grants and Contributions Not Restricted to Specific Programs	74,547,012	67,543,711	-	-	74,547,012	67,543,711
Other	19,347,103	15,664,646	-	-	19,347,103	15,664,646
Total General Revenues	298,724,200	269,746,749	-	-	298,724,200	269,746,749
Total Revenues	314,998,549	291,486,863	3,516,637	-	318,515,186	291,486,863
Functions/Program Expenses:						
Instruction	136,975,980	114,698,463	-	-	136,975,980	114,698,463
Student Support Services	15,885,380	13,536,649	-	-	15,885,380	13,536,649
Instructional Media Services	2,663,991	2,425,925	-	-	2,663,991	2,425,925
Instruction and Curriculum Development Services	5,065,382	4,581,002	-	-	5,065,382	4,581,002
Instructional Staff Training Services	3,686,877	3,159,521	-	-	3,686,877	3,159,521
Instruction-Related Technology	3,418,095	3,365,451	-	-	3,418,095	3,365,451
School Board	590,427	542,421	-	-	590,427	542,421
General Administration	1,125,475	1,084,472	-	-	1,125,475	1,084,472
School Administration	12,126,541	11,327,380	-	-	12,126,541	11,327,380
Facilities Acquisition and Construction	16,271,331	10,746,915	-	-	16,271,331	10,746,915
Fiscal Services	2,686,443	3,655,366	-	-	2,686,443	3,655,366
Food Services	12,013,846	11,994,970	-	-	12,013,846	11,994,970
Central Services	6,572,920	5,287,919	-	-	6,572,920	5,287,919
Student Transportation Services	8,183,339	7,327,231	-	-	8,183,339	7,327,231
Operation of Plant	25,864,543	24,110,624	-	-	25,864,543	24,110,624
Maintenance of Plant	5,545,815	5,064,335	-	-	5,545,815	5,064,335
Administrative Technology Services	1,202,717	1,199,742	-	-	1,202,717	1,199,742
Community Services	202,080	2,709,186	-	-	202,080	2,709,186
Unallocated Interest on Long-Term Debt	2,664,990	2,778,435	-	-	2,664,990	2,778,435
Extended Day Program	-	-	4,037,078	-	4,037,078	-
Total Functions/Program Expenses	262,746,172	229,596,007	4,037,078	-	266,783,250	229,596,007
Change in Net Position	52,252,377	61,890,856	(520,441)	-	51,731,936	61,890,856
Net Position - Beginning	411,866,498	349,975,642	-	-	411,866,498	349,975,642
Adjustment to Beginning Net Position (1)	534,909	-	(534,909)	-	-	-
Net Position - Ending	\$ 464,653,784	\$ 411,866,498	\$ (1,055,350)	\$ -	\$ 463,598,434	\$ 411,866,498

Note: (1) Adjustment to beginning net position due to the creation of the Extended Day Program enterprise fund.

Revenues by Source – Governmental Activities



Major changes in revenues were caused by the following:

- Charges for services – Decreased by \$1.5 million or 27.5 percent and decreased in all areas as the Extended Day is now an Enterprise Fund.
- Property taxes, levied for operational and capital purposes – Increased by \$10.3 million or 8.3 percent and \$6.3 million or 16.4 percent, respectively. This change was due to an increase in the certified taxable value of property, or assessed value, by 16.4 percent over the prior year; however, property taxes levied for operational purposes were offset by a reduction of the associated millage rate.
- Local sales taxes – This revenue source, the voter-approved half-cent sales surtax, is in its fifth year of implementation and increased by \$1.7 million or 7.2 percent.
- Grants and Other revenues – Grants and Other revenues increased by \$7 million or 10.4 percent and \$3.7 million or 23.5 percent, respectively.

Major changes in expenses were caused by the following:

- Instruction – Increased by 19.4 percent or \$22.3 million primarily due to increases in the Florida Retirement System rates, employee salary increases and the spend down of federal budgetary support provided through the American Rescue Plan.

- Student Support – Increased by 17.4 percent or \$2.3 million primarily due to increases in the Florida Retirement System rates, employee salary increases and the spend down of federal budgetary support provided through the American Rescue Plan.
- Instructional Staff Training – Increased by 16.7 percent or \$0.5 million primarily due to an increase in professional and technical services costs, travel and dues and fees.
- Facilities acquisition and construction – Increased by 51.4 percent or \$5.5 million due to the phased continuation of District-wide security enhancements, several HVAC projects, and various construction related projects.
- Fiscal services – Decreased by 26.5 percent or \$1 million primarily due a decrease in the expenditures for the reimbursement of eligible medical insurance costs incurred due to the COVID-19 pandemic.
- Central services – Increased by 24.3 percent or \$1.3 million, primarily due to increases in property casualty insurance premiums.
- Community Services – Decreased by 92.5 percent or \$2.5 million primarily due to the Extended Day Care Program being reclassified to an Enterprise Fund.

FUND FINANCIAL ANALYSIS

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Major Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful when assessing the District's financing requirements. For example, *unassigned fund balance* may serve as a useful measure of the District's resources available to finance future contracts or services.

District School Board of Martin County, Florida Fund Balance

	<u>2023</u>	<u>2022</u>
Fund balance:		
Nonspendable	\$ 912,361	\$ 960,562
Restricted	192,177,417	199,463,681
Committed	6,803,189	5,605,483
Assigned	6,631,644	9,864,528
Unassigned	<u>10,755,987</u>	<u>10,278,980</u>
Total fund balance	<u>\$ 217,280,598</u>	<u>\$ 226,173,234</u>

As of the end of the 2022-23 fiscal year, the District's governmental funds reported combined ending fund balances of \$217.3 million, a decrease of \$8.9 million in comparison with the prior fiscal year.

Major Funds

The General Fund, Special Revenue – Federal Education Stabilization Fund, Capital Projects – Local Capital Improvement Tax Fund and Capital Projects – Other Capital Projects Fund were reported as major funds.

The General Fund is the chief operating fund of the District. The General Fund had a decrease in fund balance of \$1.9 million, primarily due to transfers from the General Fund to the Enterprise Fund – Extended Day Care Program. The total fund balance is \$41.1 million, of which approximately \$10.8 million is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both assigned fund balance and unassigned fund balance to total fund revenues. Assigned/unassigned fund balance represents 9.1 percent of total General Fund operating revenue before carryovers and prior year encumbrances, while the total fund balance represents 21.6 percent of that same amount.

The Special Revenue – Federal Education Stabilization Fund is a continuation grant for fiscal year 2022-23 and accounts for the financial resources of certain Federal grants

associated with COVID-19 relief funding. Revenues and expenditures totaled \$15.4 million each.

The Capital Projects – Local Capital Improvement Tax Fund has an increase in fund balance of \$4.0 million to a total fund balance of \$86.2 million, which is restricted for acquisition, construction, and maintenance of capital assets. The increase is primarily due to major projects expenditures taking place during the subsequent reporting period.

The Capital Projects – Other Capital Projects Fund has a decrease in fund balance of \$13.6 million to a total fund balance of \$75.2 million, which is restricted for acquisition, construction, and maintenance of capital assets. Projects to be funded with the sales tax are just commencing construction.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2022-23 fiscal year, the District amended its General Fund budget monthly. Budget revisions were due primarily to the need to record prior year carryforward budgets and adjust planned expenditures to meet actual needs throughout the year.

Actual expenditures equaled to the final budget at \$197.5 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation, as of June 30, 2023, total \$445.2 million. Capital assets include land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; and motor vehicles. The District experienced an increase of net capital assets compared to the previous fiscal year of approximately 12.6 percent.

Major capital assets events during the 2022-2023 fiscal year include;

- Projects in progress:
 - Jensen Beach Elementary School – Replacement School
 - Palm City Elementary School – Replacement School
 - South Fork High School – Athletic Complex
 - Stuart Middle School – Administration, Media, and Multipurpose Buildings
 - Instructional Center – Board Room Renovations

District School Board of Martin County, Florida
Capital Assets
(net of depreciation)

	2023	2022	Percent Change
Land	\$ 12,401,732	\$ 12,401,732	0.0%
Construction in progress	97,588,930	46,149,635	111.5%
Improvements other than buildings	10,689,551	10,593,067	0.9%
Buildings and fixed equipment	314,995,652	320,076,421	-1.6%
Furniture, fixtures, and equipment	7,294,560	3,809,255	91.5%
Motor vehicles	2,273,254	2,493,395	-8.8%
Total Capital Assets (Net of Depreciation)	<u>\$ 445,243,679</u>	<u>\$ 395,523,505</u>	12.6%

Construction in progress increased due to the beginning of the projects listed above. Additional information on the District’s capital assets can be found in Note VI of this report.

Long-Term Debt

As of June 30, 2023, the District has total long-term debt outstanding of \$54.1 million, comprised of Certificates of Participation (COPS) Series 2021 and 2014A and State Board of Education (SBE) Bonds.

District School Board of Martin County, Florida Outstanding Debt

	<u>2023</u>	<u>2022</u>
COPS	\$ 52,741,946	\$ 64,403,859
State School (SBE) Bonds Payable	<u>1,330,000</u>	<u>2,031,000</u>
	<u>\$ 54,071,946</u>	<u>\$ 66,434,859</u>

The District's outstanding debt decreased by \$12.4 million during the 2022-23 fiscal year due to scheduled principal payments on the Series 2014A COP, Series 2021 COP, and State School Bonds. Additional information on the District's debt may be found in Note VII. of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local property taxes are the District's primary source of revenue. The required local effort (RLE) for the 2023-24 fiscal year is projected to be 3.195 mills (a decrease of 0.045 mills), the discretionary millage is projected to be 0.748 mills, the capital outlay millage is projected to be 1.500 mills, and the additional voted millage for operations remained at 0.500 mills. General Fund revenues and other financing sources are projected to be at \$208.3 million, and expenditures and other financing uses are expected to be \$220.1 million.

Approximately 98 percent of total General Fund revenues are from the State of Florida and local taxes; therefore, economic conditions at the national, state, and local levels will affect the general operating funds and activities of the District. Changes in levels of tourism, immigration into the State of Florida, and unemployment may affect the State revenue streams, which in turn, will affect District revenue streams.

- The unemployment rate for Martin County is currently 2.9 percent, which is an increase from the rate of 2.8 percent a year ago.
- Student enrollment (K-12) increased marginally from 18,591 in the 2021-22 Fourth Calculations to 18,673 in the 2022-2023 Fourth Calculations.
- The Martin County population increased from 161,655 in the prior year to 162,064 according to U.S. Census estimates.

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Martin County School Board, Finance Department, 1939 SE Federal Highway, Stuart, FL 34994. Additional financial information can be found on our Web site (www.martinschools.org).



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BASIC FINANCIAL STATEMENTS



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Net Position
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Charter Schools
Assets				
Unrestricted:				
Cash and cash equivalents	\$ 209,239,184	\$ 767,160	210,006,344	\$ 3,442,282
Investments	14,624,399	-	14,624,399	-
Accounts receivable	2,658,147	25,031	2,683,178	100,000
Deposits	-	-	-	1,003
Due from other governmental agencies	6,002,332	-	6,002,332	291,998
Inventories	824,789	-	824,789	-
Prepaid items	87,572	-	87,572	15,913
Other current assets	-	-	-	153,187
Net Pension Asset	796,288	-	796,288	-
Restricted:				
Cash	-	-	-	239,794
Cash with fiscal agent	6,022,764	-	6,022,764	-
Capital assets not being depreciated:				
Land	12,401,732	-	12,401,732	2,769,084
Construction in progress	97,588,930	-	97,588,930	676,544
Capital assets net of accumulated depreciation:				
Improvements other than buildings	10,689,551	-	10,689,551	24,800
Buildings and fixed equipment	314,995,652	-	314,995,652	14,832,343
Leasehold Improvements	-	-	-	958,345
Furniture, fixtures, and equipment	7,294,560	-	7,294,560	484,608
Motor vehicles	2,273,254	-	2,273,254	-
Audio visual materials and software	-	-	-	16,363
Total assets	685,499,154	792,191	686,291,345	24,006,264
Deferred outflows of resources				
Net carrying amount of debt refunding	724,107	-	724,107	-
Other postemployment benefits obligation	8,856,336	31,285	8,887,621	-
Pensions	42,831,570	639,495	43,471,065	-
Total deferred outflows of resources	52,412,013	670,780	53,082,793	-
Liabilities				
Salaries and benefits payable	8,857,181	93,841	8,951,022	-
Accounts payable	5,931,097	27,164	5,958,261	588,160
Due to Other Agencies	79,268	-	79,268	-
Construction contracts payable	3,694,669	-	3,694,669	-
Construction contracts payable - retainage	2,783,444	-	2,783,444	-
Unearned revenue	832,930	-	832,930	-
Long-term liabilities:				
Portion due in one year:				
Notes payable	-	-	-	188,641
Bonds payable	530,000	-	530,000	-
Certificates of participation payable	12,186,913	-	12,186,913	-
Compensated absences payable	914,682	6,862	921,544	-
Other postemployment benefits obligation	2,269,139	8,016	2,277,155	-
Portion due in more than one year:				
Notes payable	-	-	-	19,539,919
Bonds payable	800,000	-	800,000	-
Certificates of participation payable	40,555,033	-	40,555,033	-
Compensated absences payable	11,685,044	220,378	11,905,422	-
Net pension liability	119,388,408	1,845,530	121,233,938	-
Other postemployment benefits obligation	39,453,635	139,367	39,593,002	-
Total liabilities	249,961,443	2,341,158	252,302,601	20,316,720
Deferred inflows of resources				
Other postemployment benefits obligation	13,893,882	49,080	13,942,962	-
Pensions	9,402,058	128,083	9,530,141	-
Total deferred inflows of resources	23,295,940	177,163	23,473,103	-
Net position				
Net investment in capital assets	393,653,877	-	393,653,877	182,087
Restricted for:				
State required carryover programs	2,774,306	-	2,774,306	-
Capital projects	165,119,351	-	165,119,351	200,000
Debt service	2,199,052	-	2,199,052	139,794
Food service	6,753,126	-	6,753,126	-
Other	13,573,544	-	13,573,544	-
Unrestricted net position (deficit)	(119,419,472)	(1,055,350)	(120,474,822)	3,167,663
Total net position	\$ 464,653,784	\$ (1,055,350)	\$ 463,598,434	\$ 3,689,544

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Activities
For the Fiscal Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
Instruction	\$ 136,975,980	\$ 422,508	\$ -	\$ -
Student support services	15,885,380	-	-	-
Instructional media services	2,663,991	-	-	-
Instruction and curriculum development services	5,065,382	-	-	-
Instructional staff training services	3,686,877	-	-	-
Instruction related technology	3,418,095	-	-	-
School board	590,427	-	-	-
General administration	1,125,475	-	-	-
School administration	12,126,541	-	-	-
Facilities services	16,271,331	-	-	822,793
Fiscal services	2,686,443	-	-	-
Food services	12,013,846	2,970,505	9,968,753	-
Central services	6,572,920	-	-	-
Student transportation services	8,183,339	497,618	-	-
Operation of plant	25,864,543	-	-	-
Maintenance of plant	5,545,815	-	-	756,138
Administrative technology services	1,202,717	-	-	-
Community services	202,080	-	-	-
Unallocated interest on long-term debt	2,664,990	-	-	836,034
Total governmental activities	\$ 262,746,172	\$ 3,890,631	\$ 9,968,753	\$ 2,414,965
Business-type Activities:				
Extended Day Program	\$ 4,037,078	\$ 3,516,637	\$ -	\$ -
Total primary government	\$ 266,783,250	\$ 7,407,268	\$ 9,968,753	\$ 2,414,965
Component units:				
Charter Schools	\$ 15,005,942	\$ 367,734	\$ 956,367	\$ -

General revenues:

Taxes:

 Property taxes, levied for operational purposes

 Property taxes, levied for capital purposes

 Local sales taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

 Total general revenues

 Change in net position

Total net position - beginning

 Adjustments to net position

Total net position - ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Primary Governmental			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (136,553,472)	\$ -	\$ (136,553,472)	\$ -
(15,885,380)	-	(15,885,380)	-
(2,663,991)	-	(2,663,991)	-
(5,065,382)	-	(5,065,382)	-
(3,686,877)	-	(3,686,877)	-
(3,418,095)	-	(3,418,095)	-
(590,427)	-	(590,427)	-
(1,125,475)	-	(1,125,475)	-
(12,126,541)	-	(12,126,541)	-
(15,448,538)	-	(15,448,538)	-
(2,686,443)	-	(2,686,443)	-
925,412	-	925,412	-
(6,572,920)	-	(6,572,920)	-
(7,685,721)	-	(7,685,721)	-
(25,864,543)	-	(25,864,543)	-
(4,789,677)	-	(4,789,677)	-
(1,202,717)	-	(1,202,717)	-
(202,080)	-	(202,080)	-
(1,828,956)	-	(1,828,956)	-
<u>\$ (246,471,823)</u>	<u>\$ -</u>	<u>\$ (246,471,823)</u>	<u>\$ -</u>
\$ -	\$ (520,441)	\$ (520,441)	\$ -
<u>\$ (246,471,823)</u>	<u>\$ (520,441)</u>	<u>\$ (246,992,264)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,681,841)</u>
134,116,007	-	134,116,007	-
44,820,130	-	44,820,130	-
25,893,948	-	25,893,948	-
74,547,012	-	74,547,012	14,525,973
7,792,126	-	7,792,126	1,828
11,554,977	-	11,554,977	-
<u>298,724,200</u>	<u>-</u>	<u>298,724,200</u>	<u>14,527,801</u>
52,252,377	(520,441)	51,731,936	845,960
411,866,498	-	411,866,498	2,843,584
534,909	(534,909)	-	-
<u>\$ 464,653,784</u>	<u>\$ (1,055,350)</u>	<u>\$ 463,598,434</u>	<u>\$ 3,689,544</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue - Federal Education Stabilization Fund
Assets		
Cash and cash equivalents	\$ 47,979,049	\$ -
Investments	-	-
Accounts receivable	2,632,921	1,135
Due from other governmental agencies	394,431	2,097,191
Due from other funds	712,667	-
Inventories	521,956	-
Prepaid items	87,572	-
Restricted cash with fiscal agent	-	-
Total assets	\$ 52,328,596	\$ 2,098,326
Liabilities and fund balances		
Liabilities:		
Salaries and benefits payable	\$ 7,458,029	\$ 1,170,809
Accounts payable	2,889,439	450,503
Constructions contracts payable	-	-
Constructions contracts payable - retainage	-	-
Due to other agencies	-	-
Due to other funds	-	477,014
Unearned revenue	832,930	-
Total liabilities	11,180,398	2,098,326
Fund balances:		
Nonspendable	609,528	-
Restricted	16,347,850	-
Committed	6,803,189	-
Assigned	6,631,644	-
Unassigned	10,755,987	-
Total fund balances	41,148,198	-
Total liabilities and fund balances	\$ 52,328,596	\$ 2,098,326

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

Capital Projects - Local Capital Improvement Tax Fund	Capital Projects - Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 76,636,971	\$ 72,025,907	\$ 12,597,257	\$ 209,239,184
14,589,365	-	35,034	14,624,399
11,534	-	12,557	2,658,147
21	2,641,985	868,704	6,002,332
-	-	-	712,667
-	-	302,833	824,789
-	-	-	87,572
-	3,858,746	2,164,018	6,022,764
<u>\$ 91,237,891</u>	<u>\$ 78,526,638</u>	<u>\$ 15,980,403</u>	<u>\$ 240,171,854</u>
\$ -	\$ -	\$ 228,343	\$ 8,857,181
1,443,938	406,778	740,439	5,931,097
2,572,589	1,122,080	-	3,694,669
976,000	1,807,444	-	2,783,444
-	-	79,268	79,268
-	-	235,653	712,667
-	-	-	832,930
<u>4,992,527</u>	<u>3,336,302</u>	<u>1,283,703</u>	<u>22,891,256</u>
-	-	302,833	912,361
86,245,364	75,190,336	14,393,867	192,177,417
-	-	-	6,803,189
-	-	-	6,631,644
-	-	-	10,755,987
<u>86,245,364</u>	<u>75,190,336</u>	<u>14,696,700</u>	<u>217,280,598</u>
<u>\$ 91,237,891</u>	<u>\$ 78,526,638</u>	<u>\$ 15,980,403</u>	<u>\$ 240,171,854</u>



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2023

Total fund balances - governmental funds \$ 217,280,598

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

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

Capital assets not being depreciated	\$ 109,990,662	
Capital assets being depreciated	<u>335,253,017</u>	445,243,679

Net pension asset is not reported in the governmental funds.		796,288
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The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements, but is not reported in the governmental funds.		724,107
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	\$ 42,831,570	
Deferred inflows of resources related to pensions	<u>(9,402,058)</u>	33,429,512

Deferred outflows and inflows of resources related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to OPEB	\$ 8,856,336	
Deferred inflows of resources related to OPEB	<u>(13,893,882)</u>	(5,037,546)

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

Certificates of participation payable	\$ (52,741,946)	
Bonds payable	(1,330,000)	
Compensated absences payable	(12,599,726)	
Other postemployment benefits obligation	(41,722,774)	
Net pension liability	<u>(119,388,408)</u>	<u>(227,782,854)</u>

Total net position - governmental activities \$ 464,653,784

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue - Federal Education Stabilization Fund</u>	<u>Capital Projects - Local Capital Improvement Tax Fund</u>
Revenues			
Federal direct	\$ 272,411	\$ -	\$ -
Federal through state and local	687,402	15,350,290	-
State	43,953,667	-	-
Local:			
Taxes	134,116,007	-	44,820,130
Charges for services - food services	-	-	-
Impact fees	-	-	-
Miscellaneous	11,191,353	-	2,900,803
Total revenues	<u>190,220,840</u>	<u>15,350,290</u>	<u>47,720,933</u>
Expenditures			
Current:			
Instruction	117,235,235	8,498,434	-
Student support services	10,108,407	1,340,002	-
Instructional media services	2,391,494	5,132	-
Instruction and curriculum development services	2,555,283	132,281	-
Instructional staff training services	1,956,097	127,490	-
Instruction related technology	2,358,228	763,762	-
School board	605,725	-	-
General administration	1,206,418	690,695	-
School administration	11,975,653	36,323	-
Facilities acquisition and construction	1,755,137	453	12,285,152
Fiscal services	1,675,869	1,003,168	-
Food services	156,834	141,992	-
Central services	6,750,989	241,836	-
Student transportation services	7,341,893	139,256	-
Operation of plant	22,787,262	447,380	-
Maintenance of plant	5,403,983	36,201	-
Administrative technology services	702,990	24,922	-
Community services	203,239	71,178	-
Capital outlay:			
Facilities acquisition and construction	-	-	26,880,487
Other capital outlay	282,513	1,649,785	-
Debt service:			
Principal	-	-	-
Interest and fees	-	-	3,500
Paying agent fees	-	-	-
Total expenditures	<u>197,453,249</u>	<u>15,350,290</u>	<u>39,169,139</u>
Excess of revenues over (under) expenditures	<u>(7,232,409)</u>	<u>-</u>	<u>8,551,794</u>
Other financing sources (uses)			
Insurance loss recoveries	10,736	-	518,324
Transfers in	6,315,663	-	3,032,202
Transfers out	-	-	(8,137,742)
Total other financing sources (uses)	<u>6,326,399</u>	<u>-</u>	<u>(4,587,216)</u>
Net change in fund balances	(906,010)	-	3,964,578
Fund balances - beginning	43,084,503	-	82,280,786
Adjustment to beginning fund balance	(1,030,295)	-	-
Fund balances - ending	<u>\$ 41,148,198</u>	<u>\$ -</u>	<u>\$ 86,245,364</u>

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

Capital Projects - Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,356,206	\$ 1,628,617
-	22,423,554	38,461,246
402,555	2,484,642	46,840,864
25,893,948	-	204,830,085
-	2,970,505	2,970,505
5,011,896	-	5,011,896
2,598,357	211,320	16,901,833
<u>33,906,756</u>	<u>29,446,227</u>	<u>316,645,046</u>
-	4,239,963	129,973,632
-	4,406,141	15,854,550
-	-	2,396,626
-	2,416,894	5,104,458
-	1,800,485	3,884,072
-	-	3,121,990
-	-	605,725
-	733,323	2,630,436
-	-	12,011,976
732,342	-	14,773,084
-	-	2,679,037
-	11,939,729	12,238,555
-	20,250	7,013,075
-	36,158	7,517,307
-	45,387	23,280,029
-	-	5,440,184
-	-	727,912
-	2,559	276,976
33,184,243	-	60,064,730
-	654,100	2,586,398
-	11,221,000	11,221,000
-	2,653,577	2,657,077
-	7,913	7,913
<u>33,916,585</u>	<u>40,177,479</u>	<u>326,066,742</u>
<u>(9,829)</u>	<u>(10,731,252)</u>	<u>(9,421,696)</u>
-	-	529,060
256,560	13,117,967	22,722,392
(13,828,512)	(756,138)	(22,722,392)
<u>(13,571,952)</u>	<u>12,361,829</u>	<u>529,060</u>
(13,581,781)	1,630,577	(8,892,636)
88,772,117	13,066,123	227,203,529
-	-	(1,030,295)
<u>\$ 75,190,336</u>	<u>\$ 14,696,700</u>	<u>\$ 217,280,598</u>



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net change in fund balances - Governmental funds \$ (8,892,636)

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

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

Capital outlay	\$ 62,651,128	
Less, depreciation expense	<u>(12,937,528)</u>	49,713,600

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets were recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. 6,574

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for leave used. This is the net amount of vacation and sick leave earned in excess of the amount paid in the current period. (1,710,167)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Premiums and refunding costs are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements.

COPs repayment	\$ 10,520,000	
COPs premiums amortized	1,141,913	
Bonds repayment	<u>701,000</u>	12,362,913

Refunding costs are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the governmental-wide statements. This is the decrease in the net carrying amount of debt refunding for the current period. (80,456)

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

Decrease in OPEB Liability	\$ 10,125,902	
Decrease in Deferred Outflows of Resources - OPEB	(989,983)	
Increase in Deferred Inflows of Resources - OPEB	<u>(7,571,333)</u>	1,564,586

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

Pension contributions	\$ 12,043,162	
Pension expense	<u>(12,755,199)</u>	<u>(712,037)</u>

Change in Net Position of Governmental Activities \$ 52,252,377

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal direct	\$ 274,412	\$ 272,411	272,411	\$ -
Federal through state and local	688,136	687,402	687,402	-
State	43,448,445	43,953,667	43,953,667	-
Local				
Taxes	133,364,984	134,116,007	134,116,007	-
Miscellaneous	4,885,442	11,191,353	11,191,353	-
Total revenues	182,661,419	190,220,840	190,220,840	-
Expenditures				
Current:				
Instruction				
Salaries	79,399,305	70,665,607	70,665,607	-
Employee benefits	20,443,452	21,511,543	21,511,543	-
Purchased services	18,960,145	18,658,904	18,658,904	-
Energy services	58	-	-	-
Materials and supplies	8,846,615	2,772,379	2,772,379	-
Capital outlay	63,844	58,508	58,508	-
Other	2,221,861	3,568,294	3,568,294	-
Total instruction	129,935,280	117,235,235	117,235,235	-
Student support services				
Salaries	6,198,287	7,589,287	7,589,287	-
Employee benefits	1,896,314	2,320,048	2,320,048	-
Purchased services	186,768	83,413	83,413	-
Energy services	915	898	898	-
Materials and supplies	626,835	85,793	85,793	-
Capital outlay	24,606	6,151	6,151	-
Other	51,976	22,817	22,817	-
Total student support services	8,985,701	10,108,407	10,108,407	-
Instructional media services				
Salaries	1,563,451	1,728,944	1,728,944	-
Employee benefits	479,325	521,291	521,291	-
Purchased services	15,141	2,320	2,320	-
Materials and supplies	34,969	25,643	25,643	-
Capital outlay	148,999	72,410	72,410	-
Other	19,500	40,886	40,886	-
Total instructional media services	2,261,385	2,391,494	2,391,494	-
Instruction and curriculum development services				
Salaries	1,748,589	1,913,020	1,913,020	-
Employee benefits	572,729	618,662	618,662	-
Purchased services	29,351	18,930	18,930	-
Energy services	194	406	406	-
Materials and supplies	5,154	1,596	1,596	-
Other	4,925	2,669	2,669	-
Total instruction and curriculum development services	2,360,942	2,555,283	2,555,283	-

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Instructional staff training services				
Salaries	1,685,908	1,167,974	1,167,974	-
Employee benefits	403,805	312,675	312,675	-
Purchased services	439,784	288,574	288,574	-
Materials and supplies	250,682	76,611	76,611	-
Other	82,478	110,263	110,263	-
Total instructional staff training services	2,862,657	1,956,097	1,956,097	-
Instruction related technology				
Salaries	1,680,545	1,703,067	1,703,067	-
Employee benefits	487,534	528,969	528,969	-
Purchased services	188,192	113,482	113,482	-
Energy services	1,929	7,260	7,260	-
Materials and supplies	30,617	5,450	5,450	-
Capital outlay	281,528	-	-	-
Other	1,318	-	-	-
Total instruction related technology	2,671,663	2,358,228	2,358,228	-
School board				
Salaries	186,855	203,958	203,958	-
Employee benefits	138,197	152,471	152,471	-
Purchased services	186,448	220,256	220,256	-
Materials and supplies	2,050	2,135	2,135	-
Other	23,321	26,905	26,905	-
Total school board	536,871	605,725	605,725	-
General administration				
Salaries	767,288	666,681	666,681	-
Employee benefits	288,960	250,870	250,870	-
Purchased services	291,095	266,323	266,323	-
Energy services	145	24	24	-
Materials and supplies	11,913	3,539	3,539	-
Other	25,100	18,981	18,981	-
Total general administration	1,384,501	1,206,418	1,206,418	-
School administration				
Salaries	8,204,712	9,078,044	9,078,044	-
Employee benefits	2,609,804	2,850,094	2,850,094	-
Purchased services	15,992	17,835	17,835	-
Materials and supplies	11,367	11,055	11,055	-
Capital outlay	1,255	1,850	1,850	-
Other	8,262	16,775	16,775	-
Total school administration	10,851,392	11,975,653	11,975,653	-

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Facilities acquisition and construction				
Salaries	735,626	732,254	732,254	-
Employee benefits	256,519	265,615	265,615	-
Purchased services	2,480	485	485	-
Materials and supplies	16,203	645	645	-
Other	806,062	756,138	756,138	-
Total facilities acquisition and construction	1,816,890	1,755,137	1,755,137	-
Fiscal services				
Salaries	857,592	903,025	903,025	-
Employee benefits	278,696	317,093	317,093	-
Purchased services	147,711	288,794	288,794	-
Materials and supplies	13,500	78,673	78,673	-
Other	42,893	88,284	88,284	-
Total fiscal services	1,340,392	1,675,869	1,675,869	-
Food services				
Salaries	71,054	124,634	124,634	-
Employee benefits	20,057	31,097	31,097	-
Other	-	1,103	1,103	-
Total food services	91,111	156,834	156,834	-
Central services				
Salaries	1,870,065	2,275,311	2,275,311	-
Employee benefits	2,128,844	2,442,762	2,442,762	-
Purchased services	1,495,160	1,365,543	1,365,543	-
Energy services	18,498	11,800	11,800	-
Materials and supplies	687,525	580,175	580,175	-
Capital outlay	732	-	-	-
Other	65,848	75,398	75,398	-
Total central services	6,266,672	6,750,989	6,750,989	-
Student transportation services				
Salaries	3,158,958	3,787,543	3,787,543	-
Employee benefits	1,360,561	1,581,814	1,581,814	-
Purchased services	669,452	631,421	631,421	-
Energy services	1,062,294	854,389	854,389	-
Materials and supplies	251,341	369,035	369,035	-
Capital outlay	31,347	39,458	39,458	-
Other	3,291	78,233	78,233	-
Total student transportation services	6,537,244	7,341,893	7,341,893	-
Operation of plant				
Salaries	7,640,200	5,802,551	5,802,551	-
Employee benefits	2,929,794	2,535,775	2,535,775	-
Purchased services	7,826,591	7,922,698	7,922,698	-
Energy services	5,432,711	6,051,823	6,051,823	-
Materials and supplies	515,771	464,381	464,381	-
Capital outlay	5,085	6,565	6,565	-
Other	2,569	3,469	3,469	-
Total operation of plant	24,352,721	22,787,262	22,787,262	-

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Maintenance of plant				
Salaries	3,066,853	3,547,977	3,547,977	-
Employee benefits	1,248,739	1,369,294	1,369,294	-
Purchased services	168,105	138,268	138,268	-
Materials and supplies	375,774	347,153	347,153	-
Capital outlay	3,934	1,291	1,291	-
Total maintenance of plant	4,863,405	5,403,983	5,403,983	-
Administrative technology services				
Salaries	526,511	486,971	486,971	-
Employee benefits	155,348	153,446	153,446	-
Purchased services	56,209	61,944	61,944	-
Energy services	5,788	-	-	-
Materials and supplies	-	604	604	-
Capital outlay	-	25	25	-
Total administrative technology services	743,856	702,990	702,990	-
Community services				
Salaries	170,751	149,127	149,127	-
Employee benefits	25,533	29,007	29,007	-
Purchased services	36,908	6,498	6,498	-
Materials and supplies	23,065	14,317	14,317	-
Other	20,759	4,290	4,290	-
Total community services	277,016	203,239	203,239	-
Total current operating	208,139,699	197,170,736	197,170,736	-
Capital outlay:				
Other capital outlay	234,041	282,513	282,513	-
Total Capital outlay	234,041	282,513	282,513	-
Total expenditures	208,373,740	197,453,249	197,453,249	-
Deficiency of revenues under expenditures	(25,712,321)	(7,232,409)	(7,232,409)	-
Other financing sources (uses)				
Insurance loss recoveries	-	10,736	10,736	-
Transfers in	3,457,993	6,315,663	6,315,663	-
Total other financing sources (uses)	3,457,993	6,326,399	6,326,399	-
Net change in fund balances	(22,254,328)	(906,010)	(906,010)	-
Fund balances - beginning	43,084,503	43,084,503	43,084,503	-
Adjustment to beginning fund balance	-	(1,030,295)	(1,030,295)	-
Fund balances - ending	\$ 20,830,175	\$ 41,148,198	\$ 41,148,198	\$ -

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Federal Education Stabilization Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal through state and local	\$ 28,256,956	\$ 33,082,747	\$ 15,350,290	\$ 17,732,457
Total revenues	<u>28,256,956</u>	<u>33,082,747</u>	<u>15,350,290</u>	<u>17,732,457</u>
Expenditures				
Current:				
Instruction				
Salaries	4,599,154	7,056,033	3,218,427	3,837,606
Employee benefits	24,823	938,018	679,114	258,904
Purchased services	3,018,766	4,519,704	996,055	3,523,649
Energy services	5,000	-	-	-
Materials and supplies	5,615,781	6,154,078	3,457,813	2,696,265
Capital outlay	175,031	256,884	108,120	148,764
Other	249,487	111,959	38,905	73,054
Total instruction	<u>13,688,042</u>	<u>19,036,676</u>	<u>8,498,434</u>	<u>10,538,242</u>
Student support services				
Salaries	3,622,157	3,188,286	847,055	2,341,231
Employee benefits	226,440	447,999	249,265	198,734
Purchased services	490,303	437,623	225,372	212,251
Materials and supplies	66,062	35,811	11,374	24,437
Other	-	10,686	6,936	3,750
Total student support services	<u>4,404,962</u>	<u>4,120,405</u>	<u>1,340,002</u>	<u>2,780,403</u>
Instructional media services				
Salaries	-	4,740	4,740	-
Employee benefits	-	392	392	-
Total instructional media services	<u>-</u>	<u>5,132</u>	<u>5,132</u>	<u>-</u>
Instruction and curriculum development services				
Salaries	964,047	727,086	107,938	619,148
Employee benefits	130,143	138,948	22,662	116,286
Purchased services	2,248	1,524	-	1,524
Materials and supplies	32,716	4,767	791	3,976
Capital outlay	-	4,430	-	4,430
Other	940	940	890	50
Total instruction and curriculum development services	<u>1,130,094</u>	<u>877,695</u>	<u>132,281</u>	<u>745,414</u>
Instructional staff training services				
Salaries	8,550	68,260	9,710	58,550
Employee benefits	691	12,656	1,911	10,745
Purchased services	299,850	519,877	115,869	404,008
Materials and supplies	8,490	669	-	669
Total instructional staff training services	<u>317,581</u>	<u>601,462</u>	<u>127,490</u>	<u>473,972</u>
Instruction-related technology				
Salaries	54,951	53,109	52,354	755
Employee benefits	18,231	20,073	17,187	2,886
Purchased services	738,167	651,168	650,441	727
Capital Outlay	1,253,250	191,202	43,780	147,422
Total instruction-related technology	<u>2,064,599</u>	<u>915,552</u>	<u>763,762</u>	<u>151,790</u>
General Administration				
Other	1,396,649	1,630,503	690,695	939,808
Total general administration	<u>1,396,649</u>	<u>1,630,503</u>	<u>690,695</u>	<u>939,808</u>

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Federal Education Stabilization Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
School administration				
Salaries	-	32,875	32,875	-
Employee benefits	-	3,448	3,448	-
Purchased Services	31,500	-	-	-
Total school administration	31,500	36,323	36,323	-
Facilities services				
Salaries	-	420	420	-
Employee benefits	-	33	33	-
Total facilities services	-	453	453	-
Fiscal services				
Salaries	745,496	2,342	-	2,342
Employee benefits	-	1,003,168	1,003,168	-
Materials and supplies	643,674	-	-	-
Total fiscal services	1,389,170	1,005,510	1,003,168	2,342
Food services				
Salaries	-	122,130	122,130	-
Employees benefits	-	19,862	19,862	-
Purchased Services	-	30,780	-	30,780
Total food services	-	172,772	141,992	30,780
Central Services				
Salaries	653,080	502,642	81,281	421,361
Employee benefits	-	43,764	24,666	19,098
Purchased services	30,000	20,000	13,101	6,899
Materials and supplies	940,453	404,423	122,788	281,635
Total central services	1,623,533	970,829	241,836	728,993
Student transportation services				
Salaries	-	229,662	104,896	124,766
Employee benefits	-	50,554	24,905	25,649
Purchased services	559,720	88,869	9,455	79,414
Total student transportation services	559,720	369,085	139,256	229,829
Operation of plant				
Salaries	76,480	249,571	173,091	76,480
Employees benefits	-	24,457	24,457	-
Purchased services	352,885	533,560	249,832	283,728
Materials and supplies	245,829	65,829	-	65,829
Other	-	1,628	-	1,628
Total operation of plant	675,194	875,045	447,380	427,665
Maintenance of plant				
Salaries	-	10,560	10,560	-
Employee Benefits	-	1,796	1,796	-
Capital Outlay	40,000	40,000	23,845	16,155
Total maintenance of plant	40,000	52,356	36,201	16,155
Administrative Technology Services				
Salaries	65,697	65,587	8,942	56,645
Employee Benefits	18,739	19,055	3,049	16,006
Capital Outlay	620,000	50,000	12,931	37,069
Total administrative technology services	704,436	134,642	24,922	109,720
Community Services				
Salaries	231,476	267,796	36,370	231,426
Employees benefits	-	3,618	3,618	-
Other	-	357,108	31,190	325,918
Total community services	231,476	628,522	71,178	557,344
Capital outlay				
Other capital outlay	-	1,649,785	1,649,785	-
Total capital outlay	-	1,649,785	1,649,785	-
Total expenditures	28,256,956	33,082,747	15,350,290	17,732,457
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities Nonmajor Enterprise Fund Extended Day Care Program
Assets	
Current Assets:	
Cash and cash equivalents	\$ 767,160
Accounts receivable	25,031
Total Assets	792,191
Deferred outflows of resources	
Pensions	639,495
Other postemployment benefits	31,285
Total Deferred Outflows of Resources	670,780
Liabilities	
Current liabilities:	
Salaries and benefits payable	93,841
Accounts payable	27,164
Liability for compensated absences	6,862
Net other postemployment benefits	8,016
Total Current Liabilities	135,883
Long-Term Liabilities	
Liability for compensated absences	220,378
Net other postemployment benefits	139,367
Net pension liability	1,845,530
Total Noncurrent Liabilities	2,205,275
Total Liabilities	2,341,158
Deferred inflows of resources	
Pensions	128,083
Other postemployment benefits	49,080
Total Deferred Inflows of Resources	177,163
Net position	
Unrestricted (Deficit)	\$ (1,055,350)

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	<u>Business-Type Activities</u>
	<u>Enterprise Fund Extended Day Care Program</u>
OPERATING REVENUES	
Charges for services	\$ 3,516,637
Total operating revenues	<u>3,516,637</u>
OPERATING EXPENSES	
Salaries	2,245,460
Employee Benefits	547,080
Purchased Services	52,308
Materials and Supplies	69,565
Capital Outlay	11,100
Other	<u>1,111,565</u>
Total operating expenses	<u>4,037,078</u>
Operating loss	<u>(520,441)</u>
Change in net position	(520,441)
Net Position - beginning	-
Adjustments to beginning net position	<u>(534,909)</u>
Net Position - ending	<u>\$ (1,055,350)</u>

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	<u>Business-Type Activities</u>
	<u>Enterprise Fund Extended Day Care Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 3,491,606
Payments to suppliers	(94,709)
Payments to employees	(2,537,367)
Other payments	(1,122,665)
Net cash used by operating activities	<u>\$ (263,135)</u>
Net decrease in cash and cash equivalents	(263,135)
Cash and cash equivalents- Beginning	1,030,295
Cash and cash equivalents- Ending	<u>767,160</u>
Reconciliation of Operating Loss to Net Cash used by Operating Activities	<u>\$ (520,441)</u>
Adjustments to Reconcile Operating Loss to	
Net Cash Used	
Accounts receivable	(25,031)
Salaries and benefits payable	93,841
Accounts payable	27,164
Compensated absences	149,737
Net pension liability	979,822
Net other post employment benefits	(35,769)
Deferred outflows of resources related to OPEB	3,497
Deferred inflows of resources related to OPEB	26,746
Deferred outflows of resources related to pensions	(59,290)
Deferred inflows of resources related to pensions	(903,411)
Total Adjustments	<u>257,306</u>
Net Cash Used by Operating Activities	<u>\$ (263,135)</u>

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Pension Trust Fund	Private - Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 63,849	\$ 270,171	\$ 2,541,616
Investments			
Mutual funds	7,714,105	-	-
Accounts receivable	-	-	8,906
Inventory	-	-	53,704
Prepaid items	-	-	-
Total assets	<u>\$ 7,777,954</u>	<u>\$ 270,171</u>	<u>\$ 2,604,226</u>
Liabilities			
Due to student organizations	\$ -	\$ -	\$ 112,534
Total liabilities	<u>-</u>	<u>-</u>	<u>112,534</u>
Net position			
Restricted for:			
Pensions	7,777,954	-	-
Held in trust for scholarships	-	270,171	-
Individuals and organization	-	-	2,491,692
Net position	<u>\$ 7,777,954</u>	<u>\$ 270,171</u>	<u>2,491,692</u>

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023

	Pension Trust Fund	Private - Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Student group collections	\$ -	\$ -	\$ 4,904,579
Total contributions	<u>-</u>	<u>-</u>	<u>4,904,579</u>
Investment Earnings and Losses:			
Interest and dividends	212,607	8,532	-
Gain on sale of investments	532,291	-	-
Net increase in the fair value of investments	(45,832)	-	-
Total additions	<u>699,066</u>	<u>8,532</u>	<u>-</u>
DEDUCTIONS			
Benefit payments	683,133	-	-
Administrative expenses	25,033	-	-
Student group disbursements	-	-	4,789,443
Total deductions	<u>708,166</u>	<u>-</u>	<u>4,789,443</u>
Change in net position	(9,100)	8,532	115,136
Net Position - beginning	<u>7,787,054</u>	<u>261,639</u>	<u>2,376,556</u>
Net Position - ending	<u>\$ 7,777,954</u>	<u>\$ 270,171</u>	<u>\$ 2,491,692</u>

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



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District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

I	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	47
A.	Reporting Entity.....	47
B.	Government-wide and Fund Financial Statements—Basis of Presentation.....	48
	1.Government-wide Financial Statements	48
	2.Fund Financial Statements	48
C.	Measurement Focus and Basis of Accounting	50
	1.Government-wide Financial Statements	50
	2.Governmental Fund Financial Statements	50
	3.Fiduciary Fund Financial Statements.....	51
	4.Proprietary Fund Financial Statements.....	51
	5.Component Unit.....	51
D.	Assets, Liabilities, and Deferred Inflows/Outflows of Resources	51
	1.Deposits and Investments	51
	2.Inventories and Prepaid Items.....	52
	3.Capital Assets.....	53
	4.Deferred Outflows/Inflows of Resources	53
	5.Compensated Absences	54
	6.Other Long-Term Liabilities.....	54
	7.Pension.....	54
	8.Other Postemployment Benefits Obligation	54
E.	Revenue Sources.....	55
	1.State Revenue Sources	55
	2.District Property Taxes	55
	3.Federal Revenue Sources.....	56
	4.Educational Impact Fees	56
	5.Voted Additional Millage	56
	6.Capital Outlay Surtax.....	56
F.	Fund Balance Reporting	57
G.	Accounting Change.....	58
H.	Use of Estimates.....	59
II	STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	59
III	PROPERTY TAXES	60
IV	INVESTMENTS.....	60
V	DUE FROM OTHER GOVERNMENTAL AGENCIES.....	64
VI	CAPITAL ASSETS.....	65

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

VII	LONG-TERM OBLIGATIONS.....	66
	A. Certificates of Participation.....	66
	B. Bonds Payable	67
	C. Changes in Long-Term Liabilities	68
VIII	INTERFUND TRANSFERS AND ACTIVITIES.....	69
IX	EMPLOYEE BENEFITS	70
	A. Florida Retirement System – Defined Benefit Pension Plan	70
	B. Florida Retirement System – Defined Contribution Pension Plan.....	78
	C. Early Retirement Plan	79
	D. Other Postemployment Benefits.....	83
X	OTHER INFORMATION.....	87
	A. Schedule of State Revenue Sources	87
	B. Risk Management Programs	88
	C. Significant Commitments.....	89

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Blended Component Unit

The Martin County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note VII B. Due to the substantive economic relationship between the Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units

The Hope Center for Autism, Inc. and Treasure Coast Classical Academy, Inc. (charter schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by its sponsor, the Martin County School Board, and are considered to be component units of the District. The District is financially accountable for the charter schools as the District established each charter school by approval of the charter, which is tantamount to the initial appointment of each charter school, and there is the potential for each charter school to provide specific financial burdens on the District. In addition, pursuant to the Florida Constitution, a charter school is a public school and the District is responsible for the operation, control, and supervision of public schools within the District. A copy of the separate financial statements for each charter school is available at the District's administrative office.

The District also considered the Clark Advanced Learning Center Charter School and Indiantown High School operated by Indian River State College for inclusion in its reporting entity; however, because the Clark Advanced Learning Center and Indiantown High School is an operating component of the College and is not a separate legal entity, it does not meet the criteria for inclusion as a District component unit. The charter schools' financial statements were audited by independent certified public accountants and are filed in the District's administrative office, 1939 SE Federal Highway, Stuart, FL 34994.

B. Government-wide and Fund Financial Statements – Basis of Presentation

The basic financial statements of the District are composed of the following:

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

1. Government-wide Financial Statements

Government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information about the School District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements include separate columns for the primary government and its component units. *Governmental activities*, which normally are supported by taxes, and intergovernmental revenues, and other nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees charged to external customers for support. Likewise, the primary government is reported separately from the legally separate *component units* for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for each segment of the business-type activities. *Direct expenses* are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense, if not specifically associated with a particular function, is reported as unallocated. *Program revenues* include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-supporting or draws from the general revenues of the District.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are when eliminations would distort the direct costs and program revenues reported for the various functions concerned and net residual amounts between governmental and business-type activities.

2. Fund Financial Statements

The financial records of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. 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. The fiduciary fund statements include financial information for the custodial fund, the pension trust fund, and private purpose trust funds.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Federal Education Stabilization Fund – to account for certain Federal grant program resources provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.
- Capital Projects – Local Capital Improvement Tax Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, maintenance, repairs, and site improvement.
- Capital Projects – Other Capital Projects Fund – to account for the financial resources generated by the local sales surtax, impact fees, fuel tax rebates, and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, maintenance, repairs, and site improvement.

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

- Enterprise Fund - to account for business-type activities for extended day care services which are provided by the District's elementary schools. This fund is intended to be self-supporting through customer charges.
- Pension Trust Fund – to account for resources used to finance the Early Retirement Plan (ERP).
- Private-Purpose Trust Funds – to account for resources of the following scholarship trust funds: M.H. Correll Research Trust Fund; T.L. Showalter Scholarship Trust Fund; J.M. Phillips, Jr., Memorial Trust Fund; Clara Neuman Scholarship Trust Fund; Dr. Tom Goodman Scholarship Trust Fund; Cecele S. Gryl Trust Fund; and Non-endowment Scholarship Trust Fund.
- Custodial Funds – to account for resources of the school's internal funds which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

Noncurrent Governmental Assets/Liabilities

Generally accepted accounting principles (GAAP) require noncurrent governmental assets, such as land and buildings, noncurrent governmental liabilities, such as bonds and leases, to be reported in the governmental activities column in the government-wide Statement of Net Position.

C. Measurement Focus and Basis of Accounting

1. Government-wide Financial Statements

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

The government-wide financial statements, the proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GAAP. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an “other financing source”. Amounts paid to reduce the District’s long-term indebtedness are reported as a reduction of related liability, rather than as expenditures.

2. Governmental Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 90 days of the end of the current fiscal year. Taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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

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

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

3. Fiduciary Fund Financial Statements

Fiduciary fund statements include trust funds and custodial funds, which are reported using the economic resources measurement focus and accrual basis of accounting.

4. Proprietary Funds

Services for which the Extended Day Care Program charges a fee are reported in the proprietary funds. Proprietary funds use the accrual basis of accounting, the same, as on the entity-wide statements. Proprietary funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing goods and services as a part of normal ongoing operations. The principal operating revenues of the District's Extended Day Program Care charges for extended daycare services. Operating expenses include costs associated with providing daycare services, including salaries, employee benefits, and supplies. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

5. Component Units

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

D. Assets, Liabilities, and Deferred Inflows/Outflows of Resources

1. Deposits and Investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by The Federal Depository Insurance Corporation and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The District considers cash as those accounts used as demand deposit accounts and considers cash equivalents as those amounts on deposit in money market funds. Investments classified as cash equivalents include amounts placed in the State Board of Administration's (SBA) Florida Local Government Surplus Funds Trust Fund (Florida PRIME) and the Florida Public Assets for Liquidity Management (FL PALM).

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

The Board has a formal investment policy. The purpose of this policy is to set forth the investment objectives and parameters for the management of the District's public funds. These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. The District's investment policy limits investments to a maximum of five years or less.

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the District and shall be identified as "Pooled Funds" of the District with the exception of pension funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Funds held by State agencies (e.g., Florida Department of Education) are not subject to the provisions of this policy.

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. The second highest priority is liquidity of funds, and the third highest priority is investment income. Section 218.45, Florida Statutes, limits the types of investments that the District can invest in unless specifically authorized in the District's investment policy. The District has a formal investment policy that allows for the following investments: Florida PRIME, United States Government securities, United States Government agencies, Federal instrumentalities (United States Government sponsored agencies), interest bearing time deposit or money market accounts, repurchase agreements, commercial paper, bankers' acceptances, municipal obligations, registered investment companies (money market mutual funds), and intergovernmental investment pools.

Investments consist of amounts placed in SBA Debt Service accounts for investment of debt services moneys, amounts place in FL PALM and with SBA for participation in the Florida PRIME investment pool, and those made locally.

The Florida PRIME investment pool operates under investment guidelines established by Section 215,47, Florida Statues. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7 like external investment pool, as of June 30, 2023, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The District also invests in the FL PALM Portfolio, a SEC 2a7 like external investment pool. This investment pool only invests in high quality money market instruments. The Florida PRIME and FL PALM investments are reported at amortized cost.

Investments made locally for the ERP and the Certificates of Participation, Series 2014A and Series 2021 are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

2. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Warehouse inventories are stated at weighted average unit cost. Food service inventories are stated at the last invoice cost, which approximates the first-in, first-out basis, except that United States Department of Agriculture surplus donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when consumed on government-wide financial statements and as expenditures when purchased on fund financial statements. However, inventory and prepaid balances are offset on the balance sheet by nonspendable fund balance

accounts to indicate that they do not constitute available expendable resources, even though they are components of current assets.

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

3. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000 and having a useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date of donation. Buildings and capital equipment totaling \$21,138,038 acquired or constructed prior to the 1979-80 fiscal year are stated at estimated historical cost using FDOE average square foot construction costs for the year of acquisition or construction.

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

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

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

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

4. 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 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 charge on refunding reported in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third, deferred outflows of resources related to pensions and OPEB, are discussed in subsequent notes.

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 had two items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes.

5. Compensated Absences

The District accrues accumulated unpaid vacation and sick leave when earned by the employee. The District's employee vacation and sick leave policies provide for the granting of a specific number of days of vacation based on years of service and governed by applicable labor contracts and sick leave with pay per each month of employment. Employees will be paid in one lump sum for accrued annual (vacation) leave as of last day of employment not to exceed the 60-day maximum allowable balance. A maximum of 500 hours of annual leave may be accrued by employees, except those with balances exceeding 500 as of June 30, 1988, which will be the balance accrued as of June 30, 1988. Compensated absences are reported in the governmental funds only if they have matured. The amount estimated to be paid in the following year is the current amount. The amount estimated to be paid in subsequent fiscal years is the noncurrent amount. The current and noncurrent amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

6. Other Long-Term Liabilities

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

7. Pensions

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

8. Other Postemployment Benefits Obligation

The Other Postemployment Benefits Plan (OPEB) is a single-employer defined benefit plan administered by the District. The OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense are reported in the government-wide statement of net position. OPEB expense is recognized when due. The District's OPEB plans and related amounts are described in a subsequent note.

E. Revenue Sources

1. State Revenue Sources

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

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

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. A schedule of revenues from State sources for the current year is presented in a subsequent note.

2. District Property Taxes

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

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

The Board adopted the 2022 tax levy on September 6, 2022. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded. Millage and taxes levied for the current year are presented in Note III.

3. Federal Revenue Sources

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. The FDOE may require adjustments to subsequent fiscal period expenditures and related revenues based upon an audit of the District's compliance with applicable Federal awards requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

4. Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Martin County Commission on July 25, 1995, and amended on February 5, 2008. The educational impact fees are collected by the County for newest residential construction. The fees shall be used solely for the purpose of capital costs of educational facilities, including repayment of indebtedness for such facilities. The authorized uses include, but are not limited to, school planning and design, land acquisition, site improvements, buildings, and capital equipment with an expected useful life of 3 years or longer but excludes maintenance and operations.

5. Voted Additional Millage

In August 2018, the voters of Martin County approved a one-half mill ad valorem tax increase in the county for 4 years, effective July 1, 2018, to pay for essential operating expenses in accordance with Section 1011.71(9), Florida Statutes. This Millage was subsequently reauthorized by the voters in August 2022 for another four years. Revenues are to be used to fund school safety and security for all schools, mental health programs, recruiting and retaining highly qualified teachers, professional development for teachers and staff, and academic initiatives.

6. Capital Outlay Surtax

In November 2018, the voters of Martin County approved a one-half cent school capital outlay surtax on sales in the County for 7 years, effective January 1, 2019, to pay for critical capital needs in accordance with Section 212.055(6), Florida Statutes. Revenues will be used to fund security upgrades and enhancements at all schools, replace Jensen Beach Elementary and Palm City Elementary, and repair or renovate District-owned school buildings.

F. FUND BALANCE REPORTING

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

Nonspendable

The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies its amounts reported as inventories and prepaid amounts as nonspendable.

Restricted

The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws, or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as unspent State categorical and earmarked educational funding, and earmarked local voted millage levy funds reported in the General Fund, that are legally or otherwise restricted.

Committed

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts.

Assigned

The portion of fund balance that is intended to be used for specific purposes but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The District does not have a policy regarding the assignment of fund balance. The Board authorizes the Superintendent and the Assistant Superintendent of Finance to assign fund balance by approval of the annual financial report.

Unassigned

The portion of fund balance that is residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

The following is a schedule of fund balances by category as of June 30, 2023:

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects - Local Capital Improvement</u>	<u>Capital Projects - Other Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	
Fund Balances					
Nonspendable:					
Inventories	\$ 521,956	\$ -	\$ -	\$ 302,833	\$ 824,789
Prepaid Items	87,572	-	-	-	87,572
Restricted:					
State Required Carryover	2,774,306	-	-	-	2,774,306
Food Service	-	-	-	6,753,126	6,753,126
Debt Service	-	-	-	2,199,052	2,199,052
Capital Projects	-	86,245,364	75,190,336	5,441,689	166,877,389
Voted Millage Initiatives	12,628,093	-	-	-	12,628,093
Other Purposes	945,451	-	-	-	945,451
Committed:					
Self-Insurance Funding	3,669,825	-	-	-	3,669,825
Covid-19 Insurance Reimbursement	1,003,168	-	-	-	1,003,168
Board Initiative	2,130,196	-	-	-	2,130,196
Assigned:					
Encumbrances	631,644	-	-	-	631,644
Other Assigned	6,000,000	-	-	-	6,000,000
Unassigned	10,755,987	-	-	-	10,755,987
Total Fund Balances	<u>\$ 41,148,198</u>	<u>\$ 86,245,364</u>	<u>\$ 75,190,336</u>	<u>\$ 14,696,700</u>	<u>\$ 217,280,598</u>

Minimum Fund Balance Policy

On March 24, 2015, the District revised School Board Policy 6210, which provides that the Board shall strive to maintain a fund balance in its operating funds equal to five (5) percent of the annual resources that are not classified as restricted, committed, or non-spendable.

G. ACCOUNTING CHANGE

Change in Accounting Principle. The District previously accounted for its Extended Day Care Program in the General Fund. During the 2022-23 fiscal year, the District changed its accounting for the Extended Day Program to a business-type activity accounted for as an enterprise fund because it is intended to recover all or a significant portion of its costs through user fees and charges. The adjustments to beginning net position and fund balances are summarized below:

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

Net Position/Fund Balances	Governmentwide Statement of Activities	Governmental Funds - General Fund	Business-Type Activities - Enterprise Funds
Adjustment for Cumulative Extended Day Program Assets (Cash and Cash Equivalents)	\$ (1,030,295)	\$ (1,030,295)	\$ 1,030,295
Adjustment for Extended Day Employee Compensated Absences Liability	77,503	-	(77,503)
Adjustment for Extended Day Employee Other Postemployment Benefits Payable	170,704	-	(170,704)
Adjustment for Extended Day Employee Net Pension Liability	1,316,997	-	(1,316,997)
Adjustment to Restate Beginning Balances	<u>\$ 534,909</u>	<u>\$ (1,030,295)</u>	<u>\$ (534,909)</u>

H. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the combined financial statements. Actual results could differ from estimates.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Basis of Accounting

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

1. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and SBE rules.
1. Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each function level (e.g., instruction, student support services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
2. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
3. Appropriations for the District lapse at the close of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year’s budget.
4. Formal budgetary integration is used as a management control device for all funds of the District.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

NOTE III - PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2022 tax roll for the 2022-23 fiscal year:

	Millages	Taxes Levied
General Fund		
Nonvoted School Tax:		
Required Local Effort	3.240	\$ 100,380,647
Basic Discretionary Local Effort	0.748	23,174,298
Voted School Tax:		
Voted Additional Millage	0.500	15,490,841
Capital Projects - Local Capital Improvement Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	46,472,522
Total	5.988	\$ 185,518,308

NOTE IV – INVESTMENTS

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

Investments	Maturities	Fair Value
State Board of Administration:		
Florida PRIME ⁽¹⁾	37 Day Average	\$ 54,563,163
Debt Service Accounts ⁽²⁾	6 Months	35,034
Florida Palm Public Assets ⁽¹⁾	28 Day Average	25,426,552
Wells Fargo Cash with Fiscal Agent ⁽¹⁾⁽³⁾	19 Day Average	6,022,764
U.S. Government Issues ⁽²⁾	N/A	14,589,365
US Bank Money Market Fund ⁽¹⁾	20 Day Average	63,849
Mutual Funds - Equity ⁽²⁾	N/A	5,062,110
Mutual Funds - Fixed Income ⁽²⁾	N/A	2,651,995
Total Investments, Primary Government		\$ 108,414,832

- (1) These investments are reported as cash equivalents for financial statement reporting purposes.
- (2) The quoted prices for identical assets in the active market was used to determine the fair value (Level 1 inputs).
- (3) These investments are held by fiscal agent for the COP Series 2014A and Series 2021.

A reconciliation of cash and investments as shown on the Statement of Net Position and fiduciary funds follows:

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

		<u>Statement of Net Position</u>
Fair Value of Investments		\$ 108,414,832
Cash in Bank		132,828,416
Total		<u>\$ 241,243,248</u>
Cash and Cash Equivalents - Statement of Net Position	\$ 210,006,344	
Cash with Fiscal Agents - Statement of Net Position	6,022,764	
Cash and Cash Equivalents - Fiduciary Funds	<u>2,875,636</u>	
Total Cash and Cash Equivalents		\$ 218,904,744
Investments - Statement of Net Position	\$ 14,624,399	
Investments - Fiduciary Funds	<u>7,714,105</u>	
Total Investments		<u>22,338,504</u>
Total		<u><u>\$ 241,243,248</u></u>

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s investment policy provides that investments of current operating funds shall have maturities of no longer than twelve (12) months. Investments of reserves, project funds, debt proceeds, and other non-operating funds (“core fund”) 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 District utilizes “weighted average maturity” as a measurement of interest rate risk and as of June 30, 2023, the investment portfolio had a weighted average maturity of 0.14 years.

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on the liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund, to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene and emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” As of June 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(16), Florida Statutes, provides the authority to invest in the SBA Local Government Surplus Funds, Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, and limits investments in money market funds to Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes, and direct obligations of the United States Treasury.

The District invested available certificate of participation funds in AAAM-rated money market funds.

The District’s investment policy permits for investments in the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

- The Florida PRIME shall be rated “AAAM” or “AAAM-G” or better by Standards & Poor’s or the equivalent by another Nationally Recognized Statistical Ratings Organization (NRSRO).
- Commercial paper of any United States company that is rated, at the time of purchase, Prime-1 by Moody’s Investors Service and “A-1” by Standard & Poor’s (prime commercial paper).
- Bankers’ acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, “P-1” by Moody’s and “A-1” Standard & Poor’s.
- Municipal obligations rated at least “A” by Moody’s and “A” by Standard & Poor’s for long-term debt, or rated at least “MIG-1” by Moody’s and “SP-1” by Standard & Poor’s for short-term debt. Stripped municipal obligations are prohibited.
- Registered investment companies (money market mutual funds) shall be rated “AAAM” by Standard & Poor’s or the equivalent by another NRSRO.
- Intergovernmental investment pools shall be rated “AAAM” by Standard & Poor’s or the equivalent NRSRO.

The District’s Early Retirement Trust Fund investment policy authorizes the following investments: Domestic and international equities, investment grade fixed income securities, and a not to exceed 30 percent of the overall portfolio in other assets, such as hedge funds, private equity, real estate, and commodities when deemed appropriate. Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

The District’s investments in SBA Debt Service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

SBA for managing interest rate risk and credit risk for this account. Disclosures for the Debt Service accounts are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

As of June 30, 2023, the District's money market funds were individually rated AAAM by Standard & Poor's. The FL PALM was rated AAAM by Standard & Poor's and fixed income and equity mutual funds are not rated. Florida PRIME was rated AAAM by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investments in obligations of the United States Government agencies and instrumentalities and corporate debt securities are held by the safekeeping agent, in the name of the District. As of June 30, 2023, the District's investment portfolios were held with a third-party custodian as required by the District's investment policy.

The District's Early Retirement Trust Fund investment policy and Certificates of Participation, Series 2014A, Series 2021, trust agreement, require securities in those funds to be held by a safekeeping agent in the name of the District.

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 has established asset allocation and issuer limits on the following investments which are designed to reduce concentration of credit risk of the District's investment portfolio. A maximum of 25 percent of available funds may be invested in the Florida PRIME, 100 percent of available funds may be invested in United States Government Securities, 50 percent of available funds may be invested in United States Government agencies with a 25 percent limit on individual issuers, 75 percent of available funds may be invested in Federal instrumentalities with a 30 percent limit on individual issuers, 50 percent of available funds may be invested in interest-bearing time deposit or money market accounts with a 25 percent limit on individual issuers, 50 percent of available funds may be invested in repurchase agreements with a 25 percent limit on individual issuers, 35 percent of available funds may be invested in commercial paper with a 10 percent limit on individual issuers, 25 percent of available funds may be invested in bankers' acceptances with a 5 percent limit on individual issuers, 25 percent of available funds may be invested in municipal obligations, 75 percent of available funds may be invested in registered investment companies (money market mutual funds) with a 50 percent

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

limit of individual issuers, 75 percent of available funds may be invested in intergovernmental investment pools with a 50 percent limit on individual issuers.

The District's Early Retirement Plan (Plan) is governed by a separate investment policy that limits investment in equities to 85 percent of the total portfolio and limits the investment in any single issuer to 5 percent of the total portfolio. No investment by any one issuer represents 5 percent or more of the Plan's assets.

NOTE V – DUE FROM OTHER GOVERNMENTAL AGENCIES

As of June 30, 2023, the District has a total of \$6,002,332 due from other agencies as follows:

- General Fund - \$394,431
\$230,783 is due from the Department of Children and Families for Medicaid Reimbursement.
\$14,819 is due from the Federal Government for various grants and programs.
\$60,402 is due from the Department of Health-Martin County.
\$62 is due from the Martin County Tax Collector for bank interest.
\$88,365 is due from the Martin County/Hobe Sound Fish and Wildlife Refuge.
- Special Revenue – Food Services Fund - \$284,097
\$284,097 is due from the Department of Agriculture for the Summer Feeding Program.
- Special Revenue – Other Federal Programs Fund - \$583,813
\$583,813 is due from the Federal government for various grants and programs.
- Special Revenue – Federal Education Stabilization Fund - \$2,097,191
\$2,097,191 is due from the Federal government for various grants and programs.
- CO&DS – Capital Outlay and Debt Service Program - \$794
\$794 is due from the Department of Education.
- Capital Projects – Local Capital Improvement Tax Fund - \$21
\$21 is due from the Martin County Tax Collector for bank interest.
- Capital Projects – Other Capital Projects Fund - \$2,641,985
\$1,837,477 is due from the State of Florida for local sales tax levy collections.
\$676,124 is due from the Martin County Tax Collector for impact fee collections.
\$117,200 is due from for various grants and programs.
\$11,184 is due from the Florida Department of Revenue for the Fuel Tax Refund.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

NOTE VI - CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Balance 7/1/2022	Additions	Deletions	Transfers (1)	Balance 6/30/2023
GOVERNMENTAL ACTIVITIES					
Capital Assets Not Being Depreciated:					
Land	\$ 12,401,732	\$ -	\$ -	\$ -	\$ 12,401,732
Construction in Progress	46,149,635	57,293,358	-	(5,854,063)	97,588,930
Subtotal	<u>58,551,367</u>	<u>57,293,358</u>	<u>-</u>	<u>(5,854,063)</u>	<u>109,990,662</u>
Capital Assets Being Depreciated:					
Improvements Other Than Buildings	27,803,057	-	-	1,105,824	28,908,881
Buildings and Fixed Equipment	501,048,334	-	-	4,748,239	505,796,573
Furniture, Fixtures, and Equipment	32,164,495	4,548,894	1,676,886	-	35,036,503
Motor Vehicles	12,764,208	808,876	106,072	-	13,467,012
Audio Visual Materials and Software	4,429,040	-	-	-	4,429,040
Subtotal	<u>578,209,134</u>	<u>5,357,770</u>	<u>1,782,958</u>	<u>5,854,063</u>	<u>587,638,009</u>
Less Accumulated Depreciation for:					
Improvements Other Than Buildings	17,209,990	1,009,340	-	-	18,219,330
Buildings and Fixed Equipment	180,971,913	9,829,008	-	-	190,800,921
Furniture, Fixtures, and Equipment	28,355,240	1,053,084	1,666,381	-	27,741,943
Motor Vehicles	10,270,813	1,046,096	123,151	-	11,193,758
Audio Visual Materials and Software	4,429,040	-	-	-	4,429,040
Total Accumulated Depreciation	<u>241,236,996</u>	<u>12,937,528</u>	<u>1,789,532</u>	<u>-</u>	<u>252,384,992</u>
Depreciable Capital Assets - Net	<u>336,972,138</u>	<u>(7,579,758)</u>	<u>(6,574)</u>	<u>5,854,063</u>	<u>335,253,017</u>
Governmental Activities Capital Assets, Net	<u>\$ 395,523,505</u>	<u>\$ 49,713,600</u>	<u>\$ (6,574)</u>	<u>\$ -</u>	<u>\$ 445,243,679</u>

Note: (1) Transfers are a result of Construction in Progress being allocated to related assets.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

Depreciation expense was charged to functions/programs of the District as follows:

GOVERNMENTAL ACTIVITIES	
Instruction	\$ 3,566,412
Student Support Services	25,161
Instructional Media Services	189,917
Instruction and Curriculum Development Services	2,089
Instruction Related Technology	366,231
General Administration	3,055
School Administration	392,105
Facilities Services	2,691,043
Fiscal Services	52,553
Food Services	793,250
Central Services	39,345
Student Transportation Services	832,458
Operation of Plant	3,204,391
Maintenance of Plant	252,733
Administrative Technology Services	526,598
Community Services	187
Total Depreciation Expense	<u>\$ 12,937,528</u>

NOTE VII – LONG-TERM OBLIGATIONS

A. CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement, which was characterized as a lease-purchase agreement, with the Leasing Corporation whereby the District secured financing. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$1 per year. The property covered by the ground lease is, 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 site included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to 30 years from the date of inception of the arrangement. The initial terms of the lease agreement for the Series 2005A is 20 years commencing on December 2005. The initial term of the Series 2014A, Refunding is 18 years. The District property included in the ground lease under this arrangement is the Dr. David L. Anderson Middle School.

The District entered into a financing arrangement on July 1, 2021, which was characterized as a lease-purchase agreement, with the Leasing Corporation, whereby the District secured financing for the acquisition, construction, and installation of certain education facilities in the total amount of \$40,000,000.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

The financing was accomplished through the issuance of Certificates of Participation, Series 2021. The initial term of the Series 2021 is 5 years. The District properties included in the ground lease under this arrangement are Jensen Beach Elementary School and Palm City Elementary School.

The lease payments are payable by the District, semiannually, on July 1 and January 1 at interest rates ranging from 3.0 to 5.0 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:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 11,045,000	\$ 2,016,906	\$ 13,061,906
2025	11,595,000	1,450,906	13,045,906
2026	12,170,000	856,782	13,026,782
2027	2,025,000	522,156	2,547,156
2028	2,085,000	439,656	2,524,656
2029-2032	9,255,000	872,459	10,127,459
Total Minimum Lease Payments	48,175,000	6,158,865	54,333,865
Plus: Unamortized Premium	4,566,946	-	4,566,946
Total	\$ 52,741,946	\$ 6,158,865	\$ 58,900,811

B. BONDS PAYABLE

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

Bond Type	Interest Rates	Annual Maturity to	Amount Outstanding
State School Bonds:			
Series 2014A	5%	2024	\$ 247,000
Series 2017A	3 - 5%	2028	1,083,000
Total			\$ 1,330,000

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

State School Bonds

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

Annual requirements to amortize all bonded debt outstanding as of June 30, 2023, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 530,000	\$ 64,820	\$ 594,820
2025	306,000	38,320	344,320
2026	332,000	23,020	355,020
2027	78,000	6,420	84,420
2028	84,000	2,520	86,520
Total	\$1,330,000	\$ 135,100	\$1,465,100

C. CHANGES IN LONG-TERM LIABILITIES

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

GOVERNMENTAL ACTIVITIES	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023	Due in One Year	Due after One Year
Certificates of Participation	\$ 58,695,000	\$ -	\$ 10,520,000	\$ 48,175,000	\$ 11,045,000	\$ 37,130,000
Unamortized Premiums	5,708,859	-	1,141,913	4,566,946	1,141,913	3,425,033
Total Certificates of Participation Payable	64,403,859	-	11,661,913	52,741,946	12,186,913	40,555,033
Bonds Payable	2,031,000	-	701,000	1,330,000	530,000	800,000
Compensated Absences Payable (1)	10,889,559	2,624,849	914,682	12,599,726	914,682	11,685,044
Other Postemployment Benefits Obligation (1)	51,848,676	2,318,796	12,444,698	41,722,774	2,269,139	39,453,635
Net Pension Liability (1)	56,003,147	102,930,276	39,545,015	119,388,408	-	119,388,408
Total Governmental Activities	\$185,176,241	\$107,873,921	\$ 65,267,308	\$227,782,854	\$ 15,900,734	\$211,882,120
BUSINESS-TYPE ACTIVITIES	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023	Due in One Year	Due after One Year
Other Postemployment Benefits Obligation (1)	183,152	8,191	43,960	147,383	8,016	139,367
Compensated Absences Payable (1)	77,503	156,599	6,862	227,240	6,862	220,378
Net Pension Liability (1)	865,708	1,591,117	611,295	1,845,530	-	1,845,530
Total Business-Type Activities	\$ 1,126,363	\$ 1,755,907	\$ 662,117	\$ 2,220,153	\$ 14,878	\$ 2,205,275

Note: (1) The beginning balance was adjusted to reflect a change in accounting principle. See Note I.G.

For the governmental activities, compensated absences, and pensions are liquidated with resources of the General Fund, and other postemployment benefits are generally liquidated with resources of the General Fund and special revenue funds. Compensated absences, pensions, and other postemployment benefits for business-type activities are generally liquidated with resources of the enterprise fund.

NOTE VIII - INTERFUND TRANSFERS AND ACTIVITIES

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 6,315,663	\$ -
Capital Projects:		
Local Capital Improvement Tax	3,032,202	8,137,742
Other Capital Projects	256,560	13,828,512
Nonmajor Governmental Funds	<u>13,117,967</u>	<u>756,138</u>
Total	<u>\$ 22,722,392</u>	<u>\$ 22,722,392</u>

The purpose of the transfer out from the nonmajor governmental funds to the General Fund was for charter school PECO required disbursements. The purpose of the transfer out from Local Capital Improvement Tax Fund to the General Fund was for maintenance and property and casualty insurance. Transfers out from the Local Capital Improvement Tax Fund and the Capital Projects – Other Capital Outlay Fund to the Debt Service – Other Fund was made in order to make the required interest and principal payments on the 2014A and Series 2021 Certificates of Participation.

Due to/from other funds consisted of the following balances as of June 30, 2023:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 712,667	\$ -
Special Revenue - Federal Education Stabilization	-	477,014
Nonmajor Governmental Funds	<u>-</u>	<u>235,653</u>
Total Interfund	<u>\$ 712,667</u>	<u>\$ 712,667</u>

The amounts payable to the General Fund are to cover temporary cash shortages, related to timing of receipts.

NOTE IX – EMPLOYEE BENEFITS

The following is a summary of the balances reported in the government-wide statements for the District’s pension plans:

Defined Benefit Pension Plans	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources
Florida Retirement System	\$ 87,820,054	\$ -	\$ 35,503,080	\$ 1,278,618
HIS Pension Plan	33,413,884	-	6,505,719	7,135,244
Early Retirement Plan	-	796,288	1,462,266	1,116,279
Total	<u>\$ 121,233,938</u>	<u>\$ 796,288</u>	<u>\$ 43,471,065</u>	<u>\$ 9,530,141</u>

A. FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLAN

General Information about the FRS. The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan.

Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance. Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other non-integrated 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 \$14.5 million for the fiscal year ended June 30, 2023.

FRS Pension Plan

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

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 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.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

The following chart shows the percentage value for each year of service credit earned:

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member 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:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer ⁽¹⁾</u>
FRS, Regular	3.00	11.91
FRS, Elected County Officers	3.00	57.00
FRS, Senior Management Service	3.00	31.57
DROP – Applicable to Members from all of the Above Classes	N/A	18.60
FRS, Reemployed Retiree	(2)	(2)

Notes:

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

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

The District’s contributions to the Plan totaled \$11,252,951 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. As of June 30, 2023, the District reported a liability of \$87,820,054 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 2021-22 fiscal year contributions of all participating members. As of June 30, 2022, the District’s proportionate share was 0.236024430 percent, which was a decrease of 0.0016373 from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized a pension expense of \$12,813,536 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,170,945	\$ -
Change of Assumptions	10,815,407	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	5,798,747	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	3,465,030	1,278,618
District FRS Contributions Subsequent to the Measurement Date	11,252,951	-
Total	<u>\$ 35,503,080</u>	<u>\$ 1,278,618</u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$11,252,951, will be recognized as a reduction of the net pension liability in the fiscal year ending 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:

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2024	\$ 5,618,218
2025	2,512,140
2026	(918,979)
2027	15,011,204
2028	748,928
Total	<u><u>\$ 22,971,511</u></u>

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 PUB-2010 base table, projected generationally with Scale MP-2018.

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

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.6%	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	100%			
Assumed inflation - Mean			2.4%	1.3%

Note:

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

Discount Rate. The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2022 valuation was updated from 6.8 percent to 6.7 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.7 percent) or 1-percentage-point higher (7.7 percent) than the current rate:

	<u>1% Decrease (5.7%)</u>	<u>Current Discount Rate (6.7%)</u>	<u>1% Increase (7.7%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 151,878,747	\$ 87,820,054	\$ 34,259,367

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.

HIS Pension Plan

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

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

Benefits Provided. For the fiscal year ended June 30, 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 Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 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 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$2,107,208 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 \$33,413,884 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 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 proportionate share was 0.315475406 percent, which was a decrease of 0.00178036 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized the HIS Plan pension expense of \$1,671,275. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,014,190	\$ 147,024
Change of Assumptions	1,915,305	5,169,107
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	48,376	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	1,420,640	1,819,113
District HIS Contributions Subsequent to the Measurement Date	<u>2,107,208</u>	<u>-</u>
Total	<u><u>\$ 6,505,719</u></u>	<u><u>\$ 7,135,244</u></u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$2,107,208 will be recognized as a reduction of the net pension liability in the fiscal year ending 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:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2024	\$ (657,496)
2025	(398,349)
2026	(232,301)
2027	(319,992)
2028	(792,647)
Thereafter	<u>(335,948)</u>
Total	<u><u>\$ (2,736,733)</u></u>

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 single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 2.16 percent to 3.45 percent.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 3.54 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	\$ 38,228,227	\$ 33,413,884	\$ 29,430,115

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.

B. FRS – Defined Contribution Pension Plan

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

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

Allocations to the Investment Plan member accounts during the 2022-23 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
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 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District’s Investment Plan pension expense totaled \$4.6 million for the fiscal year ended June 30, 2023.

C. EARLY RETIREMENT PLAN

Plan Description. As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (ERP) effective July 1, 1986. The ERP is a single-employer defined benefit pension plan. The Board administers ERP assets in a Pension Trust Fund and is responsible for their investment. The Board acts as the administrative agent for the ERP. The ERP does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or another entity.

Benefits Provided.

The ERP provides District employees, who elected to retire under the early retirement provisions of the FRS, described in Note IX A, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement proceeds the normal retirement. The amount of the monthly benefits will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement and will increase annually at the rate of 3 percent.

Employees Covered by Benefit Terms.

As of June 30, 2023, employee membership data related to the Plan were as follows:

Summary of Population Statistics

Inactive ERP or Beneficiaries Currently Receiving Benefits	64
Inactive ERP Members Entitled to But Not Yet Received Benefits	-
Active ERP Employees	<u>-</u>
Total	<u><u>64</u></u>

The ERP is closed to new entrants.

Contributions.

The ERP was established by the Board on July 1, 1986, and may be amended by Board action. Pursuant to the ERP agreement, no contributions shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the ERP and to amortize the unfunded actuarial accrued liability within 20 years based on an actuarial study. Subsequent changes in the level of the liability due to plan amendments or changes in actuarial assumptions are to be amortized on a straight-line basis over a period of 20 years.

All of the assets in the District’s Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose. No contributions were made in the current year, accordingly, there are no deferred outflows of resources for contributions made after the measurement date and before the end of the fiscal year.

Costs of administering the ERP are financed through the ERP’s resources (employer contributions and investment earnings).

Investments.

Investment Policy

The ERP’s investment policy is established and may be amended by the Board. The policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from drastically shifting asset class allocations over short time spans. The ERP’s investment policy was amended on July 14, 2015, and is discussed in Note IV.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.09 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset).

The District’s net pension liability (asset) was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021. Update procedures were used to determine the net pension liability (asset) as of June 30, 2022.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

The components of the net pension liability (asset) of the ERP as of June 30, 2023, were as follows:

Total Pension Liability	\$ 6,990,766
Plan Fiduciary Net Position	<u>7,787,054</u>
Net Pension Liability (Asset)	<u><u>\$ (796,288)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.39%

Actuarial Assumptions.

The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurements:

Investment Rate of Return	5.5%
Projected Salary Increases	Not Applicable
Inflation Rate	2.5%
Postemployment Benefit Increases	3.0%

Mortality rates are the same as used in the July 1, 2019, actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class members.

The long-term expected rate of return on the ERP investments was determined using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, our expectation for inflation, productivity, and labor force growth.

The long-term real expected rate of return of the ERP is 5.5 percent. The geometric real rates of return for each major asset class included in the ERP target allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity Investments	65%
Fixed Income Securities	<u>35%</u>
Total	<u><u>100%</u></u>

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	7.70%
International Equity	7.50%
Emerging Markets Equity	7.50%
Core Fixed Income	4.00%
Investment Grade Corporate	5.00%
High Yield	5.20%
Emerging Markets Debt	5.70%

Discount Rate.

The single discount rate of 5.5 percent was used to measure the total pension liability. This single discount rate was based solely on the long-term expected rate of return on pension plan investments of 5.5 percent, without any requirement to incorporate municipal bond yields. The District complies with the State Statutes by making contributions to the trust in the amounts at least equal to the Actuarially Determined Contribution. Based on the current funded status and contribution policy, the ERP is expected to remain fully funded until all benefits are paid and, consequently, the pension plan's fiduciary net position together with the future contributions are expected to be available to finance all projected future benefit payments of current plan members. 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.

Changes in the Net Pension Liability (Asset).

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balances at June 30, 2022	\$ 7,498,390	\$ 9,798,049	\$ (2,299,659)
Changes for the year:			
Interest	393,487	-	393,487
Differences between expected and actual experience	(212,944)	-	(212,944)
Net investment income	-	(1,308,264)	1,308,264
Benefit payments, including refunds of employee contributions	(688,167)	(688,167)	-
Administrative expense	-	(14,564)	14,564
Net Changes	<u>(507,624)</u>	<u>(2,010,995)</u>	<u>1,503,371</u>
Balances at June 30, 2023	<u>\$ 6,990,766</u>	<u>\$ 7,787,054</u>	<u>\$ (796,288)</u>

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the net pension liability (asset) of the Plan calculated using the discount rate of 5.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.5 percent) or 1 percentage point higher (6.5 percent) than the current rate:

	1% Decrease	Current Rate	1% Increase
	(4.5%)	(5.5%)	(6.5%)
	<hr/>	<hr/>	<hr/>
Net Pension Liability	\$ (266,128)	\$ (796,288)	\$ (1,264,515)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the year ended June 30, 2023, the District recognized a negative pension expense of \$395,494.

As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the ERP from the following sources:

<u>Description</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	<u>\$ 1,462,266</u>	<u>\$ 1,116,279</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the ERP will be recognized in pension expense as follows:

<u>Fiscal Year Ended</u>	<u>Deferred</u>
<u>June 30</u>	<u>Inflows, Net</u>
2024	\$ (19,367)
2025	(5,599)
2026	5,385
2027	<u>365,568</u>
Total	<u>\$ 345,987</u>

D. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, the District must offer similar health care benefits for retired employees as it does to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees for health, dental, vision, and life insurance benefits. These rates provide an implicit subsidy for retirees because, on

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

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. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. All of the District’s employees may become eligible for those benefits if they reach normal retirement age (as defined by the pension or investment option) and have at least 6 years of service with the District and are activating their pension upon separation from service. Also, in accordance with union contracts and District policy, the District pays 25 percent of this benefit for employees with 15 years of service, 50 percent for employees with 20 years of service, 75 percent for employees with 25 years of service, and 100 percent for employees with 30 years of service for those employees that retire and are under the age of 65 and not eligible for Medicare. For retirees over the age 65 or Medicare eligible, with 15 or more years of service with the District that were hired on or before June 30, 2011, and either (1) receive medical insurance benefit through the District as of December 31, 2015, or (2) the employee retires on or after December 31, 2015, will receive a District Health Insurance Subsidy in the amount of \$5 per month for each year of service for a maximum of 30 years. All service must be within the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,014
Active Employees	<u>2,129</u>
Total	<u><u>3,143</u></u>

Total OPEB Liability. The District’s total OPEB liability of \$41,870,157 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, and update procedures were used to determine the total OPEB liability as of June 30, 2022.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

Actuarial Assumptions and Other Inputs:

Valuation Date: June 30, 2021

Measurement Date: June 30, 2022

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	3.69%
Salary Increases	Salary increase rates used in the July 1, 2020, actuarial valuation of the FRS for Regular Class members; 3.4 percent – 7.8 percent, including inflation.
Retirement Age	Retirement rates used in the July 1, 2020, actuarial valuation of the FRS for K-12 Instructional and non-K-12 Instructional Regular Class members. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Mortality	Mortality tables used in the July 1, 2020, actuarial valuation of the FRS for K-12 Instructional and non-K-12 Instructional Regular Class members. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.45 percent, followed by 5.75 percent and gradually decreasing to an ultimate trend rate of 3.75.
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.

Changes to the Total OPEB Liability. Below are the details regarding the total OPEB liability for the period from June 30, 2022, to June 30, 2023:

	<u>Amount</u>
Balance at June 30, 2022	\$ 52,031,827
Changes for the year:	
Service Cost	1,324,194
Interest on Total OPEB Liability	1,002,793
Changes of Assumptions or Other Inputs	(10,234,263)
Benefit Payments	(2,254,394)
Net Change in Total OPEB Liability	(10,161,670)
Balance at June 30, 2023	\$ 41,870,157

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

The changes of assumptions and other inputs were based on the following:

- The discount rate changed from 1.92 percent as of the beginning of the measurement period to 3.69 percent as of June 30, 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following 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 or 1 percentage point higher than the current discount rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	\$ 47,237,432	\$ 41,870,157	\$ 37,381,886

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend. The following 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 and 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 40,549,599	\$ 41,870,157	\$ 43,407,049

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the District recognized OPEB expense of \$707,045. On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 517,110	\$ 628,009
Change of Assumptions and Other Inputs	6,093,356	13,314,953
Benefits Paid After the Measurement Date	2,277,155	-
Total	\$ 8,887,621	\$ 13,942,962

The total amount reported as deferred outflows of resources related to OPEB, totaling \$2,277,155 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

included as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2024	\$ (1,619,942)
2025	(1,564,794)
2026	(1,063,537)
2027	(1,019,423)
2028	(417,904)
Thereafter	<u>(1,646,896)</u>
Total	<u><u>\$ (7,332,496)</u></u>

NOTE X – OTHER INFORMATION

A. SCHEDULE OF STATE REVENUE SOURCES

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

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 20,730,851
Categorical Educational Program - Class Size Reduction	19,276,131
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,658,827
Voluntary Prekindergarten Program	1,184,080
Workforce Development	1,135,207
School Recognition	1,003,385
Gross Receipts Tax (Public Education Capital Outlay)	756,138
Miscellaneous	<u>1,096,245</u>
Total	<u><u>\$ 46,840,864</u></u>

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

B. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; third party injuries and/or property damage and natural disasters. The District is a member of the South Central Educational Risk Management Program (SCERMP), a consortium under which seven district school boards have established a public entity risk sharing-pool for Property, General Liability, Automobile Liability, Workers' Compensation, Government Crime and other coverage deemed necessary by the members of the SCERMP. Section 1001.42(12) (k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The interlocal agreement and bylaws of SCERMP provide that risk of loss is transferred to the consortium. SCERMP is self-sustaining through member contributions (premiums) and purchased insurance coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency except to the extent that the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board.

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

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except named wind and flood). The named wind/hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence and a maximum of \$25,000,000 per occurrence. The deductible for all other wind events is \$100,000. Special hazard flood area deductibles are \$500,000 per building and \$500,000 contents plus \$100,000-time element per occurrence. The flood deductible outside a special flood hazard area is \$100,000. SCERMP's purchased excess property loss limit during the 2022-23 fiscal year was \$100 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2022-23 fiscal year was \$1 million. SCERMP purchases excess liability coverage through a commercial insurance carrier, which covers workers' compensation losses in excess of the self-insured retention. Employers' liability is included subject to a maximum of \$2,000,000 per occurrence. There were no significant reductions in insurance coverage during the fiscal year.

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

During the 2022-23 fiscal year, the Board provided health and prescription insurance through purchased commercial insurance. Dental and vision coverage were also provided through purchased commercial insurance under a separate agreement.

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2023

C. SIGNIFICANT COMMITMENTS

Encumbrances

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year’s appropriations are likewise encumbered.

The following is a schedule of encumbrances as of June 30, 2023:

Major Funds					
General	Capital Projects - Local Capital Improvement Tax	Capital Projects - Other Capital Projects	Special Revenue - Federal Education Stabilization Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 631,644	\$ 30,457,269	\$ 12,332,618	\$ 1,384,816	\$ 269,257	\$ 45,075,604

Construction Contracts

Encumbrances include the following construction contract commitments remaining as of June 30, 2023:

Project		Contract Amount	Completed to Date	Balance Committed
Instructional Center Administrative Board Room Renovations	Architect	\$ 578,211	\$ 431,995	\$ 146,216
Instructional Center Administrative Board Room Renovations	Contractor	5,791,238	4,786,820	1,004,418
Jensen Beach Elementary School Replacement	Architect	1,349,411	1,297,627	51,784
Jensen Beach Elementary School Replacement	Contractor	24,659,921	22,645,033	2,014,888
Palm City Elementary School Replacement	Architect	1,262,624	1,223,403	39,221
Palm City Elementary School Replacement	Contractor	31,707,944	20,383,448	11,324,496
South Fork High School Athletic Complex	Architect	923,832	848,443	75,389
South Fork High School Athletic Complex	Contractor	26,960,000	9,127,570	17,832,430
Stuart Middle School	Architect	929,160	856,089	73,071
Administration/Media/Food Svc Buildings (Old)/ IC Admin	Contractor	1,005,682	962,483	43,199
SMS Administration/Media/Food Svc Buildings (NEW)	Contractor	18,421,387	5,699,328	12,722,059
Total		\$ 113,589,410	\$ 68,262,239	\$ 45,327,171



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OTHER REQUIRED SUPPLEMENTARY INFORMATION

- ◆ **Schedule of Changes in the District's Total Liability and Related Ratios - Other Postemployment Benefits Plan**
- ◆ **Schedule of Changes in Net Pension and Related Ratios - Early Retirement Plan**
- ◆ **Schedule of Employer Contributions - Early Retirement Plan**
- ◆ **Schedule of Investment Returns - Early Retirement Plan**
- ◆ **Schedule of the District's Proportionate Share of Net Pension Liability - Florida Retirement System Pension Plan**
- ◆ **Schedule of District Contributions - Florida Retirement System Pension Plan**
- ◆ **Schedule of the District's Proportionate Share of Net Pension Liability - Health Insurance Subsidy Pension Plan**
- ◆ **Schedule of District Contributions - Health Insurance Subsidy Pension Plan**

Note: The pension schedules in the required supplementary information are intended to show information for ten years, and the additional years' information will be displayed as it becomes available.



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District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Changes in the District's Total
Other Postemployment Benefits Liability and Related Ratios

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 1,324,194	\$ 1,312,621	\$ 1,065,449	\$ 1,202,488	\$ 1,167,839	\$ 1,331,272
Interest	1,002,793	1,137,243	1,314,598	1,745,521	1,695,732	1,501,975
Difference between expected and actual experience *	-	671,470	-	(1,212,201)	-	-
Changes in assumptions and other inputs	(10,234,263)	4,718,438	3,649,755	(5,920,096)	(387,213)	(4,356,893)
Benefit Payments	(2,254,394)	(1,826,811)	(1,890,873)	(1,904,213)	(1,946,032)	(2,288,964)
Net change in total OPEB liability	<u>(10,161,670)</u>	<u>6,012,961</u>	<u>4,138,929</u>	<u>(6,088,501)</u>	<u>530,326</u>	<u>(3,812,610)</u>
Total OPEB liability - beginning	52,031,827	46,018,866	41,879,937	47,968,438	47,438,112	51,250,722
Total OPEB liability - ending	<u>\$ 41,870,157</u>	<u>\$ 52,031,827</u>	<u>\$ 46,018,866</u>	<u>\$ 41,879,937</u>	<u>\$ 47,968,438</u>	<u>\$ 47,438,112</u>
Covered-employee payroll	\$ 94,638,800	\$ 91,882,330	\$ 121,922,430	\$ 99,240,446	\$ 93,440,036	\$ 90,498,824
Net OPEB liability as a percentage of covered-employee payroll	44.24%	56.63%	37.74%	42.20%	51.34%	52.42%

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

Changes of Assumptions:

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.

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Changes in Net Pension and Related
Ratios Early Retirement Plan

Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability					
Interest	\$ 393,487	\$ 410,481	\$ 413,757	\$ 423,734	\$ 450,442
Difference between expected and actual experience	(212,944)	(58,214)	211,472	77,234	(267,516)
Changes of assumptions	-	-	-	-	-
Benefit payments, including refunds of member contributions	(688,167)	(665,020)	(673,883)	(690,849)	(646,195)
Net change in total pension liability	<u>(507,624)</u>	<u>(312,753)</u>	<u>(48,654)</u>	<u>(189,881)</u>	<u>(463,269)</u>
Total pension liability - beginning	<u>7,498,390</u>	<u>7,811,143</u>	<u>7,859,797</u>	<u>8,049,678</u>	<u>8,512,947</u>
Total pension liability - ending (a)	<u>\$ 6,990,766</u>	<u>\$ 7,498,390</u>	<u>\$ 7,811,143</u>	<u>\$ 7,859,797</u>	<u>\$ 8,049,678</u>
Plan fiduciary net position					
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	(1,308,264)	2,234,386	497,713	521,580	709,653
Benefit payments, including refunds of member contributions	(688,167)	(665,020)	(673,883)	(690,849)	(646,195)
Administrative expense	(14,564)	(30,682)	(24,694)	(16,217)	(13,500)
Other	-	60,219	-	-	-
Net change in plan fiduciary net position	<u>(2,010,995)</u>	<u>1,598,903</u>	<u>(200,864)</u>	<u>(185,486)</u>	<u>49,958</u>
Plan fiduciary net position - beginning	<u>9,798,049</u>	<u>8,199,146</u>	<u>8,400,010</u>	<u>8,585,496</u>	<u>8,535,538</u>
Plan fiduciary net position - ending (b)	<u>\$ 7,787,054</u>	<u>\$ 9,798,049</u>	<u>\$ 8,199,146</u>	<u>\$ 8,400,010</u>	<u>\$ 8,585,496</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (796,288)</u>	<u>\$ (2,299,659)</u>	<u>\$ (388,003)</u>	<u>\$ (540,213)</u>	<u>\$ (535,818)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.39%	130.67%	104.97%	106.87%	106.66%
Covered payroll*	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

*There are no active participants in the Plan

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Changes in Net Pension and Related Ratios
Early Retirement Plan
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Interest	\$ 452,951	\$ 465,541	\$ 351,561	\$ 519,582
Difference between expected and actual experience	148,344	(50,552)	27,805	-
Changes of assumptions	-	-	2,327,539	-
Benefit payments, including refunds of member contributions	(647,633)	(640,176)	(628,886)	(615,802)
Net change in total pension liability	<u>(46,338)</u>	<u>(225,187)</u>	<u>2,078,019</u>	<u>(96,220)</u>
Total pension liability - beginning	<u>8,559,285</u>	<u>8,784,472</u>	<u>6,706,453</u>	<u>6,802,673</u>
Total pension liability - ending (a)	<u><u>\$ 8,512,947</u></u>	<u><u>\$ 8,559,285</u></u>	<u><u>\$ 8,784,472</u></u>	<u><u>\$ 6,706,453</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 700,000	\$ 1,200,000	\$ 1,200,000	\$ 400,000
Net investment income	762,784	64,392	170,867	776,328
Benefit payments, including refunds of member contributions	(647,633)	(640,176)	(628,886)	(615,802)
Administrative expense	(5,000)	(15,500)	(13,750)	(6,750)
Other	-	-	-	-
Net change in plan fiduciary net position	<u>810,151</u>	<u>608,716</u>	<u>728,231</u>	<u>553,776</u>
Plan fiduciary net position - beginning	<u>7,725,387</u>	<u>7,116,671</u>	<u>6,388,440</u>	<u>5,834,664</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 8,535,538</u></u>	<u><u>\$ 7,725,387</u></u>	<u><u>\$ 7,116,671</u></u>	<u><u>\$ 6,388,440</u></u>
Net pension liability (asset) - ending (a) - (b)	<u><u>\$ (22,591)</u></u>	<u><u>\$ 833,898</u></u>	<u><u>\$ 1,667,801</u></u>	<u><u>\$ 318,013</u></u>
Plan fiduciary net position as a percentage of the total pension liability	100.27%	90.26%	81.01%	95.26%
Covered payroll*	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Employer Contributions
Early Retirement Plan
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ -	\$ 27,430	\$ 21,100	\$ 15,825	\$ 9,537	\$ 10,597
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 27,430</u>	<u>\$ 21,100</u>	<u>\$ 15,825</u>	<u>\$ 9,537</u>	<u>\$ 10,597</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule of Contributions

Valuation Date: July 1, 2021
Note: Actuarially determined contribution rates are calculated as of July 1, which is one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Dollar
Remaining Amortization Period	Amortized over an open 5-year period
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	Not applicable; there are no active participants
Investment Rate of Return	5.5% per year compounded annually, net investment expenses
Retirement Age	Not applicable; there are no active participants
Mortality	Mortality rates are the same as used in the July 1, 2019 actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class members. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period of 2013 through 2018.

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Employer Contributions
Early Retirement Plan
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 207,988	\$ 252,718	\$ 637,322	\$393,798
Contributions in relation to the actuarially determined contribution	<u>700,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>400,000</u>
Contribution deficiency (excess)	<u>\$ (492,012)</u>	<u>\$ (947,282)</u>	<u>\$ (562,678)</u>	<u>\$ (6,202)</u>
Covered-employee payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

Other Information:

(1) For years ended 6/30/2013, 6/30/2012, and 6/30/2011, contribution requirements have been met by application of the credit balance. Contribution requirements decreased in the early 2000's. Following that decline, the District contributed more than was required for years ending 2003 and 2004, which resulted in establishing a credit balance. No contributions were required for years 2006 through 2009 and the credit balance accumulated interest during that period. Contribution requirements returned after the economic downturn of 2008 and the District started applying the credit balance to satisfy the funding contributions beginning with the fiscal year ending June 30, 2010. The credit balance was fully exhausted during the year ending June 30, 2013.

(2) For the year ended 6/30/2018 through 6/30/2022, the contribution deficiency reflected expected administrative expenses paid directly by the General Fund (outside of the trust)

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Investment Returns
Early Retirement Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	9.09%	-14.05%	28.29%	5.84%	5.95%	7.9%	10.3%	1.0%	3.0%	14.6%

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of the District's Proportionate Share of
Net Pension Liability
Florida Retirement System Pension Plan⁽¹⁾

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's portion of the FRS net pension liability	0.236024430%	0.237662060%	0.229236201%	0.215217107%
District's proportionate share of the FRS net pension liability	\$ 87,820,054	\$ 17,952,667	\$ 99,354,348	\$ 74,117,773
District's covered payroll ⁽²⁾	\$ 115,028,624	\$ 112,408,963	\$ 115,736,635	\$ 104,820,833
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	76.35%	15.97%	85.85%	70.71%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%

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

(2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.

(3) Changes of Assumptions. In 2022, the long-term expected rate of return was decreased from 6.8 percent to 6.7 percent.

2017	2016	2015	2014	2013
0.227195853%	0.229067379%	0.238509596%	0.242692440%	0.245973665%
\$ 67,203,009	\$ 57,839,693	\$ 30,806,713	\$ 15,026,044	\$ 42,343,015
\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
66.15%	58.51%	32.35%	15.59%	43.70%
83.89%	84.88%	92.00%	96.09%	88.54%

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of the District Contributions
Florida Retirement System Pension Plan⁽¹⁾

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required FRS contribution	\$ 11,252,951	\$ 10,071,592	\$ 9,053,898	\$ 7,616,5
FRS contributions in relation to the contractually required contribution	<u>(11,252,951)</u>	<u>(10,071,592)</u>	<u>(9,053,898)</u>	<u>(7,616,5</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll ⁽²⁾	\$ 127,090,613	\$ 115,028,624	\$ 112,408,963	\$ 115,736,0
FRS contributions as a percentage of covered payroll	8.85%	8.76%	8.05%	6.5

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

(2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contributions Plan.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 6,465,368	\$ 5,914,467	\$ 5,586,173	\$ 5,815,067	\$ 5,394,342
<u>(6,465,368)</u>	<u>(5,914,467)</u>	<u>(5,586,173)</u>	<u>(5,815,067)</u>	<u>(5,394,342)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
6.21%	5.82%	5.65%	6.11%	5.60%

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of the District's Proportionate Share of
Net Pension Liability
Health Insurance Subsidy Pension Plan⁽¹⁾

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's portion of the HIS net pension liability	0.315475406%	0.317255765%	0.334277124%	0.311837114%	0.318813073%
District's proportionate share of the HIS net pension liability	\$ 33,413,884	\$ 38,916,189	\$ 40,814,692	\$ 34,891,452	\$ 33,743,534
District's covered payroll ⁽²⁾	\$ 115,028,624	\$ 112,408,963	\$ 115,736,635	\$ 104,820,835	\$ 104,152,309
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	29.05%	34.62%	35.27%	33.29%	32.40%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%

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

(2) Changes of Assumptions. In 2022, the municipal bond rate used to determine total pension liability was 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.

2017	2016	2015	2014	2013
0.318610851%	0.320228973%	0.313878780%	0.324298459%	0.333494683%
\$ 34,067,342	\$ 37,321,360	\$ 32,010,698	\$ 30,322,698	\$ 29,035,097
\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
33.53%	37.75%	33.61%	31.47%	29.97%
1.64%	0.97%	0.50%	0.99%	1.78%

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of the District Contributions
Health Insurance Subsidy Pension Plan⁽¹⁾

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required HIS contribution	\$ 2,107,208	\$ 1,908,892	\$ 1,864,832	\$ 1,926,282	\$ 1,731,601
HIS contributions in relation to the contractually required contribution	<u>(2,107,208)</u>	<u>(1,908,892)</u>	<u>(1,864,832)</u>	<u>(1,926,282)</u>	<u>(1,731,601)</u>
HIS contribution deficiency (excess)	<u><u> </u></u>	<u><u> </u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's covered payroll ⁽²⁾	\$ 127,090,613	\$ 115,028,624	\$ 112,408,963	\$ 115,736,635	\$ 104,820,835
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.65%

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

(2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,728,931	\$ 1,686,181	\$ 1,641,378	\$ 1,199,840	\$ 1,110,937
<u>(1,728,931)</u>	<u>(1,686,181)</u>	<u>(1,641,378)</u>	<u>(1,199,840)</u>	<u>(1,110,937)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
1.66%	1.66%	1.66%	1.26%	1.15%



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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

Nonmajor Governmental Funds

Special Revenue Funds

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

Food Service Special Revenue Fund - To account for and report on activities of the food service program when serving breakfast and lunch at the schools.

Miscellaneous Special Revenue Fund - To account for and report on activities of the Travel and Tourism Funds.

Debt Service Funds

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

Debt Service State Board of Education Bonds Fund - To account for and report on payment of principal, interest, and related costs on the State school bonds issued by the State Board of Education on behalf of the District.

Debt Service Other Fund - To account for and report on payment of principal, interest, and related costs on the Certificate of Participation bonds issued by the School Board.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

Nonmajor Governmental Funds (continued)

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included are:

Public Education Capital Outlay - To account for capital project activity funded by the District's portion of the State Public Education Capital Outlay Program.

Capital Outlay and Debt Service Fund - To account for capital project activity funded by the District's portion of the State Capital Outlay and Debt Service Program.

Fiduciary Funds

Fiduciary Funds are used to report resources held by the school district in a purely custodial capacity. Fiduciary funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Private-Purpose Trust Funds - To account for scholarships and other purposes.

Agency Fund - To account for the financial transactions of school organizations.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue			Debt Service		
	Food Service Fund	Other Special Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	Debt Service - Other Fund	Total Nonmajor Debt Service Funds
Assets						
Cash and cash equivalents	\$ 7,155,915	\$ -	\$ 7,155,915	\$ -	\$ -	\$ -
Investments	-	-	-	35,034	-	35,034
Accounts receivable	8,981	3,576	12,557	-	-	-
Restricted Cash with fiscal agent	-	-	-	-	2,164,018	2,164,018
Due from other governmental agencies	284,097	583,813	867,910	-	-	-
Inventories	302,833	-	302,833	-	-	-
Total assets	<u>\$ 7,751,826</u>	<u>\$ 587,389</u>	<u>\$ 8,339,215</u>	<u>\$ 35,034</u>	<u>\$ 2,164,018</u>	<u>\$ 2,199,052</u>
Liabilities and fund balances						
Liabilities:						
Salaries and benefits payable	\$ 64,688	\$ 163,655	\$ 228,343	\$ -	\$ -	\$ -
Accounts payable	631,179	109,260	740,439	-	-	-
Due to other agencies	-	78,821	78,821	-	-	-
Due to other funds	-	235,653	235,653	-	-	-
Total liabilities	<u>695,867</u>	<u>587,389</u>	<u>1,283,256</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	302,833	-	302,833	-	-	-
Restricted	6,753,126	-	6,753,126	35,034	2,164,018	2,199,052
Total fund balances	<u>7,055,959</u>	<u>-</u>	<u>7,055,959</u>	<u>35,034</u>	<u>2,164,018</u>	<u>2,199,052</u>
Total liabilities and fund balances	<u>\$ 7,751,826</u>	<u>\$ 587,389</u>	<u>\$ 8,339,215</u>	<u>\$ 35,034</u>	<u>\$ 2,164,018</u>	<u>\$ 2,199,052</u>

Capital Projects			
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 5,441,342	\$ 5,441,342	\$ 12,597,257
-	-	-	35,034
-	-	-	12,557
-	-	-	2,164,018
-	794	794	868,704
-	-	-	302,833
<u>\$ -</u>	<u>\$ 5,442,136</u>	<u>\$ 5,442,136</u>	<u>\$ 15,980,403</u>
\$ -	\$ -	\$ -	\$ 228,343
-	-	-	740,439
-	447	447	79,268
-	-	-	235,653
<u>-</u>	<u>447</u>	<u>447</u>	<u>1,283,703</u>
-	-	-	302,833
<u>-</u>	<u>5,441,689</u>	<u>5,441,689</u>	<u>14,393,867</u>
<u>-</u>	<u>5,441,689</u>	<u>5,441,689</u>	<u>14,696,700</u>
<u>\$ -</u>	<u>\$ 5,442,136</u>	<u>\$ 5,442,136</u>	<u>\$ 15,980,403</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Special Revenue			Debt Service		
	Food Service Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	Debt Service - Other Fund	Total Nonmajor Debt Service Funds
Revenues						
Federal direct	\$ -	\$ 1,356,206	\$ 1,356,206	\$ -	\$ -	\$ -
Federal through state and local	9,874,646	12,548,908	22,423,554	-	-	-
State	94,107	-	94,107	783,847	-	783,847
Local:						
Charges for services - food services	2,970,505	-	2,970,505	-	-	-
Miscellaneous	58,001	-	58,001	-	2,814	2,814
Total revenues	12,997,259	13,905,114	26,902,373	783,847	2,814	786,661
Expenditures						
Current:						
Instruction	-	4,239,963	4,239,963	-	-	-
Student support services	-	4,406,141	4,406,141	-	-	-
Instruction and curriculum development services	-	2,416,894	2,416,894	-	-	-
Instructional staff training services	-	1,800,485	1,800,485	-	-	-
General Administration	-	733,323	733,323	-	-	-
Food services	11,939,729	-	11,939,729	-	-	-
Central services	-	20,250	20,250	-	-	-
Student transportation services	-	36,158	36,158	-	-	-
Operation of plant	-	45,387	45,387	-	-	-
Community services	-	2,559	2,559	-	-	-
Capital outlay:						
Other capital outlay	450,146	203,954	654,100	-	-	-
Debt Service:						
Principal	-	-	-	701,000	10,520,000	11,221,000
Interest and fees	-	-	-	95,570	2,556,033	2,651,603
Paying agent fees	-	-	-	258	6,500	6,758
Total expenditures	12,389,875	13,905,114	26,294,989	796,828	13,082,533	13,879,361
Excess (deficiency) of revenues over (under) expenditures	607,384	-	607,384	(12,981)	(13,079,719)	(13,092,700)
Other financing sources (uses)						
Transfers in	-	-	-	-	13,117,967	13,117,967
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	13,117,967	13,117,967
Net change in fund balances	607,384	-	607,384	(12,981)	38,248	25,267
Fund balances - beginning	6,448,575	-	6,448,575	48,015	2,125,770	2,173,785
Fund balances - ending	\$ 7,055,959	\$ -	\$ 7,055,959	\$ 35,034	\$ 2,164,018	\$ 2,199,052

<u>Capital Projects</u>			
<u>Public Education</u>	<u>Capital Outlay</u>	<u>Total Nonmajor</u>	<u>Total</u>
<u>Capital Outlay</u>	<u>and</u>	<u>Capital Projects</u>	<u>Nonmajor</u>
<u>Fund</u>	<u>Debt Service</u>	<u>Funds</u>	<u>Governmental</u>
<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
\$ -	\$ -	\$ -	\$ 1,356,206
-	-	-	22,423,554
756,138	850,550	1,606,688	2,484,642
-	-	-	2,970,505
-	150,505	150,505	211,320
<u>756,138</u>	<u>1,001,055</u>	<u>1,757,193</u>	<u>29,446,227</u>
-	-	-	4,239,963
-	-	-	4,406,141
-	-	-	2,416,894
-	-	-	1,800,485
-	-	-	733,323
-	-	-	11,939,729
-	-	-	20,250
-	-	-	36,158
-	-	-	45,387
-	-	-	2,559
-	-	-	654,100
-	-	-	11,221,000
-	1,974	1,974	2,653,577
-	1,155	1,155	7,913
<u>-</u>	<u>3,129</u>	<u>3,129</u>	<u>40,177,479</u>
<u>756,138</u>	<u>997,926</u>	<u>1,754,064</u>	<u>(10,731,252)</u>
-	-	-	13,117,967
<u>(756,138)</u>	<u>-</u>	<u>(756,138)</u>	<u>(756,138)</u>
<u>(756,138)</u>	<u>-</u>	<u>(756,138)</u>	<u>12,361,829</u>
-	997,926	997,926	1,630,577
-	4,443,763	4,443,763	13,066,123
<u>\$ -</u>	<u>\$ 5,441,689</u>	<u>\$ 5,441,689</u>	<u>\$ 14,696,700</u>



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**BUDGET AND ACTUAL
OTHER MAJOR AND NONMAJOR FUNDS**

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Special Revenue - Food Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal through state and local	\$ 9,165,000	\$ 9,874,646	\$ 9,874,646	\$ -
State	94,053	94,107	94,107	-
Local				
Charges for services - food services	2,158,300	2,970,505	2,970,505	-
Miscellaneous	15,000	58,001	58,001	-
Total revenues	<u>11,432,353</u>	<u>12,997,259</u>	<u>12,997,259</u>	<u>-</u>
Expenditures				
Current:				
Food services				
Salaries	4,014,325	3,847,965	3,847,965	-
Employee benefits	1,525,113	1,542,671	1,542,671	-
Purchased services	233,421	182,679	182,679	-
Energy services	50,000	41,786	41,786	-
Materials and supplies	6,382,263	5,329,672	5,329,672	-
Capital outlay	403,631	104,997	104,997	-
Other	650,391	889,959	889,959	-
Total food services	<u>13,259,144</u>	<u>11,939,729</u>	<u>11,939,729</u>	<u>-</u>
Capital outlay				
Other capital outlay	-	450,146	450,146	-
Total capital outlay	<u>-</u>	<u>450,146</u>	<u>450,146</u>	<u>-</u>
Total expenditures	<u>13,259,144</u>	<u>12,389,875</u>	<u>12,389,875</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,826,791)</u>	<u>607,384</u>	<u>607,384</u>	<u>-</u>
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(1,826,791)</u>	<u>607,384</u>	<u>607,384</u>	<u>-</u>
Fund balance - beginning	<u>6,448,575</u>	<u>6,448,575</u>	<u>6,448,575</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,621,784</u>	<u>\$ 7,055,959</u>	<u>\$ 7,055,959</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

Special Revenue - Other Federal Programs Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal direct	\$ 864,363	\$ 2,146,121	\$ 1,356,206	\$ 789,915
Federal through state and local	\$ 11,312,510	\$ 16,881,788	\$ 12,548,908	4,332,880
Total revenues	<u>\$ 12,176,873</u>	<u>19,027,909</u>	<u>13,905,114</u>	<u>5,122,795</u>
Expenditures				
Current:				
Instruction				
Salaries	1,719,809	2,587,392	2,217,116	370,276
Employee benefits	717,444	948,487	759,276	189,211
Purchased services	600,675	692,972	401,192	291,780
Materials and supplies	448,897	1,669,017	821,907	847,110
Capital outlay	81,902	106,475	13,851	92,624
Other	36,574	38,552	26,621	11,931
Total instruction	<u>3,605,301</u>	<u>6,042,895</u>	<u>4,239,963</u>	<u>1,802,932</u>
Student support services				
Salaries	2,864,221	3,311,315	2,959,167	352,148
Employee benefits	1,027,369	1,150,241	950,427	199,814
Purchased services	317,064	422,102	148,361	273,741
Materials and supplies	59,190	216,230	88,796	127,434
Capital outlay	900	263,018	243,275	19,743
Other	11,750	18,151	16,115	2,036
Total student support services	<u>4,280,494</u>	<u>5,381,057</u>	<u>4,406,141</u>	<u>974,916</u>
Instructional media services				
Salaries	36,190	-	-	-
Employee benefits	8,670	-	-	-
Purchased services	1,800	1,800	-	1,800
Total instructional media services	<u>46,660</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Instruction and curriculum development services				
Salaries	1,545,951	2,270,395	1,804,472	465,923
Employee benefits	506,877	726,247	548,136	178,111
Purchased services	31,223	62,050	48,367	13,683
Materials and supplies	30,930	85,682	8,624	77,058
Other	16,531	25,570	7,295	18,275
Total instruction and curriculum development services	<u>2,131,512</u>	<u>3,169,944</u>	<u>2,416,894</u>	<u>753,050</u>
Instructional staff training services				
Salaries	900,857	1,356,760	978,930	377,830
Employee benefits	272,600	325,885	275,292	50,593
Purchased services	256,232	632,777	462,581	170,196
Materials and supplies	39,054	75,735	46,031	29,704
Capital outlay	45,000	446,635	33,507	413,128
Other	5,181	6,380	4,144	2,236
Total instructional staff training services	<u>1,518,924</u>	<u>2,844,172</u>	<u>1,800,485</u>	<u>1,043,687</u>
General Administration				
Other	504,309	1,176,973	733,323	443,650
Total general administration	<u>504,309</u>	<u>1,176,973</u>	<u>733,323</u>	<u>443,650</u>

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Special Revenue - Other Federal Programs Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
School administration				
Purchased Services	1,500	-	-	-
Total school administration	1,500	-	-	-
Food services				
Other	640	-	-	-
Total food services	640	-	-	-
Central Services				
Purchased services	15,000	70,953	20,250	50,703
Total food services	15,000	70,953	20,250	50,703
Student transportation services				
Purchased services	40,600	51,019	33,744	17,275
Energy services	3,000	1,403	1,360	43
Capital outlay	750	1,829	1,054	775
Total student transportation services	44,350	54,251	36,158	18,093
Operation of plant				
Purchased services	24,639	64,048	38,366	25,682
Materials and supplies	2,339	12,026	7,021	5,005
Total operation of plant	26,978	76,074	45,387	30,687
Community services				
Purchased services	-	2,420	1,100	1,320
Materials and supplies	1,205	3,416	1,459	1,957
Total community services	1,205	5,836	2,559	3,277
Capital outlay				
Other capital outlay	-	203,954	203,954	-
Total capital outlay	-	203,954	203,954	-
Total expenditures	12,176,873	19,027,909	13,905,114	5,122,795
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

Debt Service - State Board of Education Bonds Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 796,570	\$ 783,847	\$ 783,847	\$ -
Total revenues	<u>796,570</u>	<u>783,847</u>	<u>783,847</u>	<u>-</u>
Expenditures				
Debt service:				
Principal	701,000	701,000	701,000	-
Interest and fees	95,570	95,570	95,570	-
Paying agent fees	-	258	258	-
Total expenditures	<u>796,570</u>	<u>796,828</u>	<u>796,828</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(12,981)</u>	<u>(12,981)</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>(12,981)</u>	<u>(12,981)</u>	<u>-</u>
Fund balance - beginning	<u>48,015</u>	<u>48,015</u>	<u>48,015</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 48,015</u></u>	<u><u>\$ 35,034</u></u>	<u><u>\$ 35,034</u></u>	<u><u>\$ -</u></u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Debt Service - Other Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local	\$ -	\$ 2,814	\$ 2,814	\$ -
Total revenues	<u>-</u>	<u>2,814</u>	<u>2,814</u>	<u>-</u>
Expenditures				
Debt service:				
Principal	10,520,000	10,520,000	10,520,000	-
Interest and fees	2,556,033	2,556,033	2,556,033	-
Paying agent fees	9,500	6,500	6,500	-
Total expenditures	<u>13,085,533</u>	<u>13,082,533</u>	<u>13,082,533</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,085,533)</u>	<u>(13,079,719)</u>	<u>(13,079,719)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	13,085,531	13,117,967	13,117,967	-
Total other financing sources (uses)	<u>13,085,531</u>	<u>13,117,967</u>	<u>13,117,967</u>	<u>-</u>
Net change in fund balance	(2)	38,248	38,248	-
Fund balance - beginning	<u>2,125,770</u>	<u>2,125,770</u>	<u>2,125,770</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,125,768</u>	<u>\$ 2,164,018</u>	<u>\$ 2,164,018</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

Capital Projects - Public Education Capital Outlay Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 806,062	\$ 756,138	\$ 756,138	\$ -
Total revenues	<u>806,062</u>	<u>756,138</u>	<u>756,138</u>	<u>-</u>
Expenditures				
Current:				
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>806,062</u>	<u>756,138</u>	<u>756,138</u>	<u>-</u>
Net change in fund balance	806,062	756,138	756,138	-
Other financing sources (uses)				
Transfers out	(806,062)	(756,138)	(756,138)	-
Total other financing sources (uses)	<u>(806,062)</u>	<u>(756,138)</u>	<u>(756,138)</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

Capital Projects - Capital Outlay and Debt Service Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 729,696	\$ 850,550	\$ 850,550	\$ -
Local	-	150,505	150,505	-
Total revenues	<u>729,696</u>	<u>1,001,055</u>	<u>1,001,055</u>	<u>-</u>
Expenditures				
Debt service:				
Interest and fees	2,000	1,974	1,974	-
Paying agent fees	-	1,155	1,155	-
Total expenditures	<u>2,000</u>	<u>3,129</u>	<u>3,129</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>727,696</u>	<u>997,926</u>	<u>997,926</u>	<u>-</u>
Net change in fund balance	727,696	997,926	997,926	-
Fund balance - beginning	<u>4,443,763</u>	<u>4,443,763</u>	<u>4,443,763</u>	<u>-</u>
Fund balance - ending	<u>\$ 5,171,459</u>	<u>\$ 5,441,689</u>	<u>\$ 5,441,689</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

Capital Projects - Local Capital Improvement Tax Fund (Major Fund)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local				
Taxes	\$ 44,613,506	\$ 44,820,130	\$ 44,820,130	-
Interest	88,950	2,900,803	2,900,803	-
Total revenues	<u>44,702,456</u>	<u>47,720,933</u>	<u>47,720,933</u>	<u>-</u>
Expenditures				
Current:				
Facilities acquisition and construction	43,387,755	42,218,179	12,285,152	29,933,027
Capital outlay:				
Facilities acquisition and construction	75,098,138	76,648,442	26,880,487	49,767,955
Debt service:				
Paying agent fees	-	3,500	3,500	-
Total expenditures	<u>118,485,893</u>	<u>118,870,121</u>	<u>39,169,139</u>	<u>79,700,982</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,783,437)</u>	<u>(71,149,188)</u>	<u>8,551,794</u>	<u>79,700,982</u>
Other financing sources (uses)				
Insurance loss recoveries	-	518,324	518,324	-
Transfers in	-	3,032,202	3,032,202	-
Transfers out	(5,191,050)	(8,137,742)	(8,137,742)	-
Total other financing sources (uses)	<u>(5,191,050)</u>	<u>(4,587,216)</u>	<u>(4,587,216)</u>	<u>-</u>
Net change in fund balance	<u>(78,974,487)</u>	<u>(75,736,404)</u>	<u>3,964,578</u>	<u>79,700,982</u>
Fund balance - beginning	<u>82,280,786</u>	<u>82,280,786</u>	<u>82,280,786</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,306,299</u>	<u>\$ 6,544,382</u>	<u>\$ 86,245,364</u>	<u>\$ 79,700,982</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Capital Projects - Other Capital Projects Fund (Major Fund)			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 504,954	\$ 402,555	\$ 402,555	\$ -
Local				
Local sales taxes	20,000,000	25,893,948	25,893,948	-
Impact fees	4,195,000	5,011,896	5,011,896	-
Interest	43,400	2,598,357	2,598,357	-
Total revenues	<u>24,743,354</u>	<u>33,906,756</u>	<u>33,906,756</u>	<u>-</u>
Expenditures				
Current:				
Facilities acquisition and construction	12,810,027	13,220,647	732,342	12,488,305
Capital outlay:				
Facilities acquisition and construction	66,146,188	66,600,648	33,184,243	33,416,405
Debt service:				
Paying agent fees	18,684	-	-	-
Total expenditures	<u>78,974,899</u>	<u>79,821,295</u>	<u>33,916,585</u>	<u>45,904,710</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,231,545)</u>	<u>(45,914,539)</u>	<u>(9,829)</u>	<u>45,904,710</u>
Other financing sources (uses)				
Transfers in	-	-	256,560	256,560
Transfers out	<u>(10,546,412)</u>	<u>(13,828,512)</u>	<u>(13,828,512)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,546,412)</u>	<u>(13,828,512)</u>	<u>(13,571,952)</u>	<u>256,560</u>
Net change in fund balance	(64,777,957)	(59,743,051)	(13,581,781)	46,161,270
Fund balance - beginning	<u>88,772,117</u>	<u>88,772,117</u>	<u>88,772,117</u>	<u>-</u>
Fund balance - ending	<u>\$ 23,994,160</u>	<u>\$ 29,029,066</u>	<u>\$ 75,190,336</u>	<u>\$ 46,161,270</u>

FIDUCIARY FUNDS

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2023

	<u>M.H. Correll Research Trust Fund</u>	<u>T.L. Showalter Scholarship Trust Fund</u>	<u>Nonendowment Scholarship Trust Fund</u>	<u>Dr. Tom Goodman Scholarship Trust Fund</u>	<u>Clara Neuman Scholarship Trust Fund</u>	<u>Cecele S. Gryl Scholarship Trust Fund</u>	<u>J.M. Phillips, Jr. Memorial Trust Fund</u>	<u>Total Private-Purpose Trust Funds</u>
ASSETS								
Cash and cash equivalents	\$ 2,398	\$ 2,032	\$ 453	\$ 2,999	\$ 71,047	\$ 181,156	\$ 10,086	\$ 270,171
NET POSITION								
Held in trust for scholarships	\$ 2,398	\$ 2,032	\$ 453	\$ 2,999	\$ 71,047	\$ 181,156	\$ 10,086	\$ 270,171

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2023

	<u>M.H. Correll Research Trust Fund</u>	<u>T.L. Showalter Scholarship Trust Fund</u>	<u>Nonendowment Scholarship Trust Fund</u>	<u>Dr. Tom Goodman Scholarship Trust Fund</u>	<u>Clara Neuman Scholarship Trust Fund</u>	<u>Cecele S. Gryl Scholarship Trust Fund</u>	<u>J.M. Phillips, Jr. Memorial Trust Fund</u>	<u>Total Private-Purpose Trust Funds</u>
ADDITIONS								
Investment earnings and losses:								
Interest and dividends	\$ 75	\$ 64	\$ 14	\$ 95	\$ 2,244	\$ 5,721	\$ 319	\$ 8,532
Total additions	<u>75</u>	<u>64</u>	<u>14</u>	<u>95</u>	<u>2,244</u>	<u>5,721</u>	<u>319</u>	<u>8,532</u>
DEDUCTIONS								
Scholarships	-	-	-	-	-	-	-	-
Change in net position	75	64	14	95	2,244	5,721	319	8,532
Net position - beginning	2,323	1,968	439	2,904	68,803	175,435	9,767	261,639
Net position - ending	<u>\$ 2,398</u>	<u>\$ 2,032</u>	<u>\$ 453</u>	<u>\$ 2,999</u>	<u>\$ 71,047</u>	<u>\$ 181,156</u>	<u>\$ 10,086</u>	<u>\$ 270,171</u>



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COMPONENT UNITS

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Net Position
Component Units
June 30, 2023

	<u>The Hope Center for Autism</u>	<u>Treasure Coast Classical Academy</u>	<u>Total Component Units</u>
ASSETS			
Unrestricted:			
Cash and cash equivalents	\$ 790,955	\$ 2,651,327	\$ 3,442,282
Accounts receivable	-	100,000	100,000
Deposits	1,003	-	1,003
Due from other governmental agencies	-	291,998	291,998
Prepaid items	15,913	-	15,913
Other current assets	85,177	68,010	153,187
Restricted:			
Cash	-	239,794	239,794
Capital assets not being depreciated:			
Land	670,000	2,099,084	2,769,084
Construction in progress	-	676,544	676,544
Capital assets net of accumulated depreciation:			
Improvements other than buildings	24,800	-	24,800
Buildings and fixed equipment	948,048	13,884,295	14,832,343
Leasehold improvements	958,345	-	958,345
Furniture, fixtures, and equipment	127,471	357,137	484,608
Audio visual materials and software	16,363	-	16,363
Total assets	<u>3,638,075</u>	<u>20,368,189</u>	<u>24,006,264</u>
LIABILITIES			
Accounts payable	68,776	519,384	588,160
Long-term liabilities:			
Portion due in one year:			
Notes payable	3,641	185,000	188,641
Portion due in more than one year:			
Notes payable	144,919	19,395,000	19,539,919
Total liabilities	<u>217,336</u>	<u>20,099,384</u>	<u>20,316,720</u>
NET POSITION			
Net investment in capital assets	2,745,027	(2,562,940)	182,087
Restricted for:			
Capital projects	-	200,000	200,000
Debt service	-	139,794	139,794
Unrestricted net position	675,712	2,491,951	3,167,663
Total net position	<u>\$ 3,420,739</u>	<u>\$ 268,805</u>	<u>\$ 3,689,544</u>

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2023

	<u>The Hope Center for Autism</u>	<u>Treasure Coast Classical Academy</u>	<u>Total Component Units</u>
EXPENSES			
Instruction	\$ 2,180,865	\$ 5,412,145	\$ 7,593,010
Student support services	-	224,633	224,633
Instructional staff training services	11,513	13,217	24,730
Instructional related technology	3,642	150,670	154,312
School board	88,682	76,459	165,141
General administration	-	1,262,805	1,262,805
School administration	453,175	1,743,482	2,196,657
Fiscal services	85,081	25,575	110,656
Food services	-	225,004	225,004
Student transportation services	203	-	203
Operation of plant	49,431	1,144,367	1,193,798
Maintenance of plant	66,646	5,087	71,733
Community services	50,950	278,111	329,061
Interest on long-term debt	4,112	1,387,955	1,392,067
Depreciation - unallocated	62,132	-	62,132
Total expenses	<u>3,056,432</u>	<u>11,949,510</u>	<u>15,005,942</u>
PROGRAM REVENUES			
Charges for services	43,159	324,575	367,734
Operating grants and contributions	58,710	897,657	956,367
Total program revenues	<u>101,869</u>	<u>1,222,232</u>	<u>1,324,101</u>
Net program expense	<u>(2,954,563)</u>	<u>(10,727,278)</u>	<u>(13,681,841)</u>
GENERAL REVENUES			
Grants and contributions not restricted to specific programs	3,299,856	11,226,117	14,525,973
Unrestricted investment earnings	1,828	-	1,828
Total general revenues	<u>3,301,684</u>	<u>11,226,117</u>	<u>14,527,801</u>
Change in net position	347,121	498,839	845,960
Total net position - beginning	3,073,618	(230,034)	2,843,584
Adjustments to beginning net position	-	-	-
Total net position - ending	<u>\$ 3,420,739</u>	<u>\$ 268,805</u>	<u>\$ 3,689,544</u>

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



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STATISTICAL SECTION



The information contained in this statistical section has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, management believes it to be correct.



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STATISTICAL SECTION

This part of the District School Board of Martin County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents

Financial Trends	137-144
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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity	145-147
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These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity	148-150
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information	151-152
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information	153-162
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and activities it performs.

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

Fiscal Year Ending	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Governmental Activities:				
Net investment in capital assets	\$ 326,249,703	\$ 322,910,925	\$ 325,311,543	\$ 340,881,686
Restricted	29,868,235	37,837,728	43,862,351	40,754,281
Unrestricted	(76,418,952)	(148,470,981)	(141,220,840)	(144,327,737)
Total governmental activities net position	<u>\$ 279,698,986</u>	<u>\$ 212,277,672</u>	<u>\$ 227,953,054</u>	<u>\$ 237,308,230</u>
Business Type Activities:				
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government:				
Net investment in capital assets	326,249,703	322,910,925	325,311,543	340,881,686
Restricted	29,868,235	37,837,728	43,862,351	40,754,281
Unrestricted	(76,418,952)	(148,470,981)	(141,220,840)	(144,327,737)
Total primary net position	<u>\$ 279,698,986</u>	<u>\$ 212,277,672</u>	<u>\$ 227,953,054</u>	<u>\$ 237,308,230</u>

Note: Net position decreased from 2014 to 2015 due to the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Net position increased significantly from 2017 to 2018 primarily due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which required a restatement and corresponding decrease of OPEB liability for the 2017 year of \$32.8 million. The increase from 2018 to 2019 and 2019 to 2020 was due primarily to the additional restricted funds held for the new voted additional millage and new half cent sales tax levy. The increase from 2020 to 2021 was due primarily to the accumulation of funding for planned capital projects.

Source: District Records

Table 1

<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>
\$ 337,942,651	\$ 328,447,748	\$ 334,763,659	\$ 337,477,794	\$ 326,532,448	\$ 393,653,877
51,606,645	93,411,168	115,193,303	143,417,968	214,043,467	190,419,379
<u>(108,557,428)</u>	<u>(113,357,740)</u>	<u>(124,851,203)</u>	<u>(130,920,120)</u>	<u>(128,709,417)</u>	<u>(119,419,472)</u>
<u>\$ 280,991,868</u>	<u>\$ 308,501,176</u>	<u>\$ 325,105,759</u>	<u>\$ 349,975,642</u>	<u>\$ 411,866,498</u>	<u>\$ 464,653,784</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,055,350)</u>
337,942,651	328,447,748	334,763,659	337,477,794	326,532,448	393,653,877
51,606,645	93,411,168	115,193,303	143,417,968	214,043,467	190,419,379
<u>(108,557,428)</u>	<u>(113,357,740)</u>	<u>(124,851,203)</u>	<u>(130,920,120)</u>	<u>(128,709,417)</u>	<u>(120,474,822)</u>
<u>\$ 280,991,868</u>	<u>\$ 308,501,176</u>	<u>\$ 325,105,759</u>	<u>\$ 349,975,642</u>	<u>\$ 411,866,498</u>	<u>\$ 463,598,434</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Changes in Net Position - Government-wide (1)
Last 10 Fiscal Years (Unaudited)

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Expenses					
Governmental activities:					
Instruction	\$ 96,807,293	\$ 97,511,574	\$ 91,064,227	\$ 98,232,929	\$ 103,965,867
Student support services	10,244,916	9,560,480	9,645,370	9,913,317	9,919,459
Instructional media services	2,172,342	2,082,654	1,986,100	2,111,932	2,035,807
Instruction and curriculum development services	3,601,545	3,778,735	3,420,636	3,546,755	3,755,736
Instructional staff training services	2,785,963	2,962,444	3,191,486	4,139,857	3,739,423
Instruction related technology (3)	1,720,419	1,874,605	2,072,750	2,291,725	2,044,763
School board	566,506	597,054	533,539	586,216	655,107
General administration	503,988	496,860	813,862	957,873	1,032,663
School administration	10,222,149	10,164,576	9,395,507	10,097,942	10,115,289
Facilities acquisition and construction	22,916,304	21,355,569	22,250,987	23,601,930	20,657,069
Fiscal services	859,453	862,146	810,950	916,254	969,310
Food services	8,011,020	9,251,136	9,426,056	8,749,431	9,574,971
Central services (3)	5,293,707	7,162,409	5,393,295	3,263,117	3,270,461
Student transportation services	6,370,280	6,144,052	6,254,283	6,895,393	7,863,478
Operation of plant	13,942,964	14,125,494	13,951,820	13,971,480	14,659,051
Maintenance of plant	4,596,677	4,031,091	3,981,788	4,102,677	4,427,980
Administrative technology services(3)	639,763	636,857	649,437	640,906	714,295
Community services	2,840,225	2,901,806	3,008,816	3,104,925	3,296,315
Unallocated Interest on long-term debt	1,854,429	1,748,295	1,767,031	685,518	2,206,284
Total governmental activities expenses	<u>195,949,943</u>	<u>197,247,837</u>	<u>189,617,940</u>	<u>197,810,177</u>	<u>204,903,328</u>
Business-type Activities					
Extended day program	-	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 195,949,943</u>	<u>\$ 197,247,837</u>	<u>\$ 189,617,940</u>	<u>\$ 197,810,177</u>	<u>\$ 204,903,328</u>
PROGRAM REVENUES					
Governmental activities:					
Charges for services					
Instruction	330,051	348,719	346,838	338,620	323,184
Food services	2,542,053	2,125,725	2,113,026	2,188,619	1,958,193
Student transportation	-	18,407	506,806	486,790	464,648
Community services	3,088,660	3,188,209	3,330,594	3,418,558	3,591,924
Operating grants and contributions	5,693,100	6,152,078	6,823,025	7,254,275	7,593,471
Capital grants and contributions	1,795,600	2,114,250	2,104,279	2,351,112	2,112,878
Total governmental activities program revenues	<u>13,449,464</u>	<u>13,947,388</u>	<u>15,224,568</u>	<u>16,037,974</u>	<u>16,044,298</u>
Business type activities:					
Extended day program	-	-	-	-	-
Total business type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ (182,500,479)</u>	<u>\$ (183,300,449)</u>	<u>\$ (174,393,372)</u>	<u>\$ 16,037,974</u>	<u>\$ 16,044,298</u>
Net expense					
Governmental activities	(182,500,479)	(183,300,449)	(174,393,372)	(181,772,203)	(188,859,030)
Business type activities	-	-	-	-	-
Total primary government net expense	<u>\$ (182,500,479)</u>	<u>\$ (183,300,449)</u>	<u>\$ (174,393,372)</u>	<u>\$ (181,772,203)</u>	<u>\$ (188,859,030)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Property taxes:					
Levied for operational purposes	\$ 101,934,042	\$ 103,006,102	\$ 108,645,648	\$ 109,593,774	\$ 108,967,735
Levied for capital projects	26,489,776	27,406,923	29,116,037	30,549,792	32,352,956
Local Sales Taxes, levied for capital projects	-	-	-	-	-
Grants and contributions not restricted					
to specific programs	44,246,019	46,504,240	45,755,151	47,640,526	52,784,580
Insurance loss recoveries	122,775	-	93,223	46,752	9,091
Miscellaneous	4,090,952	4,377,436	6,283,568	2,935,484	4,623,476
Unrestricted investment earnings	81,300	25,276	175,127	361,051	1,027,372
Total governmental activities	<u>\$ 176,964,864</u>	<u>\$ 181,319,977</u>	<u>\$ 190,068,754</u>	<u>\$ 191,127,379</u>	<u>\$ 199,765,210</u>
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 176,964,864</u>	<u>\$ 181,319,977</u>	<u>\$ 190,068,754</u>	<u>\$ 191,127,379</u>	<u>\$ 199,765,210</u>
Change in Net Position					
Governmental activities (2)	(5,535,615)	(1,980,472)	15,675,382	9,355,176	10,906,180
Business type activities	-	-	-	-	-
Total primary government (2)	<u>\$ (5,535,615)</u>	<u>\$ (1,980,472)</u>	<u>\$ 15,675,382</u>	<u>\$ 9,355,176</u>	<u>\$ 10,906,180</u>

Notes: (1) Includes all governmental fund types

(2) 2018 Change to Net Position excludes restatement of net position (increase of \$32.8 million) due to implementation of GASB Statement No. 75.

Source: District Records

June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
\$ 107,083,824	\$ 125,975,065	\$ 122,342,200	\$ 114,699,182	\$ 136,975,980
12,863,313	11,201,303	12,568,519	13,536,649	15,885,380
2,241,574	2,590,118	2,657,396	2,425,925	2,663,991
4,069,759	4,173,462	4,635,229	4,581,002	5,065,382
3,762,359	3,651,351	3,402,489	3,159,521	3,686,877
3,945,897	4,539,097	3,691,522	3,365,451	3,418,095
737,044	494,932	565,678	542,421	590,427
1,083,747	1,028,170	1,362,550	1,084,472	1,125,475
11,325,346	10,930,260	11,918,340	11,327,380	12,126,541
7,410,384	10,026,634	13,651,957	10,746,915	16,271,331
1,027,109	1,231,564	1,673,690	3,655,366	2,686,443
9,863,728	9,186,052	10,329,941	11,995,104	12,013,846
4,580,116	5,177,426	6,624,742	5,387,365	6,572,920
8,270,131	7,969,970	7,515,990	7,370,273	8,183,339
19,706,497	23,325,249	26,079,529	24,110,624	25,864,543
5,320,678	5,108,318	5,876,687	5,064,335	5,545,815
4,656,516	5,282,908	2,632,270	1,056,286	1,202,717
3,519,625	3,301,462	2,779,266	2,709,301	202,080
1,426,659	1,301,376	882,353	2,778,435	2,664,990
<u>212,894,306</u>	<u>236,494,717</u>	<u>241,190,348</u>	<u>229,596,007</u>	<u>262,746,172</u>
-	-	-	-	4,037,078
-	-	-	-	<u>4,037,078</u>
<u>\$ 212,894,306</u>	<u>\$ 236,494,717</u>	<u>\$ 241,190,348</u>	<u>\$ 229,596,007</u>	<u>\$ 266,783,250</u>
376,268	242,802	256,913	434,177	422,508
2,550,733	1,974,756	743,143	1,046,093	2,970,505
439,918	519,629	168,715	294,496	497,618
3,474,241	2,500,819	2,295,708	3,590,590	-
7,619,678	6,739,592	9,041,860	12,599,581	9,968,753
2,174,065	1,831,620	1,819,462	3,775,177	2,414,965
<u>16,634,903</u>	<u>13,809,218</u>	<u>14,325,801</u>	<u>21,740,114</u>	<u>16,274,349</u>
-	-	-	-	3,516,637
-	-	-	-	<u>3,516,637</u>
<u>\$ 16,634,903</u>	<u>\$ 13,809,218</u>	<u>\$ 14,325,801</u>	<u>\$ 21,740,114</u>	<u>\$ 19,790,986</u>
(196,259,403)	(222,685,499)	(226,864,547)	(207,855,893)	(246,471,823)
-	-	-	-	(520,441)
<u>\$ (196,259,403)</u>	<u>\$ (222,685,499)</u>	<u>\$ (226,864,547)</u>	<u>\$ (207,855,893)</u>	<u>\$ (246,992,264)</u>
\$ 121,719,875	\$ 120,182,574	\$ 120,681,327	\$ 123,857,432	\$ 134,116,007
34,060,575	34,880,430	36,592,987	38,521,453	44,820,130
7,707,297	17,397,137	20,217,349	24,159,507	25,893,948
51,588,381	58,456,112	65,125,300	67,543,711	74,547,012
-	-	-	-	-
6,564,124	6,402,380	8,966,798	15,312,790	11,554,977
2,128,459	1,971,449	150,672	351,856	7,792,126
<u>\$ 223,768,711</u>	<u>\$ 239,290,082</u>	<u>\$ 251,734,433</u>	<u>\$ 269,746,749</u>	<u>\$ 298,724,200</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 223,768,711</u>	<u>\$ 239,290,082</u>	<u>\$ 251,734,433</u>	<u>\$ 269,746,749</u>	<u>\$ 298,724,200</u>
27,509,308	16,604,583	24,869,887	61,890,856	52,252,377
-	-	-	-	(520,441)
<u>\$ 27,509,308</u>	<u>\$ 16,604,583</u>	<u>\$ 24,869,887</u>	<u>\$ 61,890,856</u>	<u>\$ 51,731,936</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY FLORIDA
Fund Balances - Governmental Funds (1)
Last 10 Fiscal Years
(unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 433,231	\$ 462,129	\$ 424,315	\$ 370,268	\$ 436,711
Restricted	2,414,503	4,288,488	4,755,657	6,975,527	4,654,500
Committed	-	-	-	-	-
Assigned	100,738	214,301	809,842	691,938	-
Unassigned	5,291,075	5,885,978	11,176,878	13,012,098	19,687,081
Total General Fund	<u>\$ 8,239,547</u>	<u>\$ 10,850,896</u>	<u>\$ 17,166,692</u>	<u>\$ 21,049,831</u>	<u>\$ 24,778,292</u>
All Other Governmental Funds					
Nonspendable	\$ 526,316	\$ 207,199	\$ 118,881	\$ 142,548	\$ 201,057
Restricted	27,263,055	33,549,240	39,106,694	32,879,220	46,751,088
Total All Other Governmental Funds	<u>\$ 27,789,371</u>	<u>\$ 33,756,439</u>	<u>\$ 39,225,575</u>	<u>\$ 33,021,768</u>	<u>\$ 46,952,145</u>

Notes: (1) Includes all governmental fund types
Source: District records

Total Fund Balance - Governmental Funds

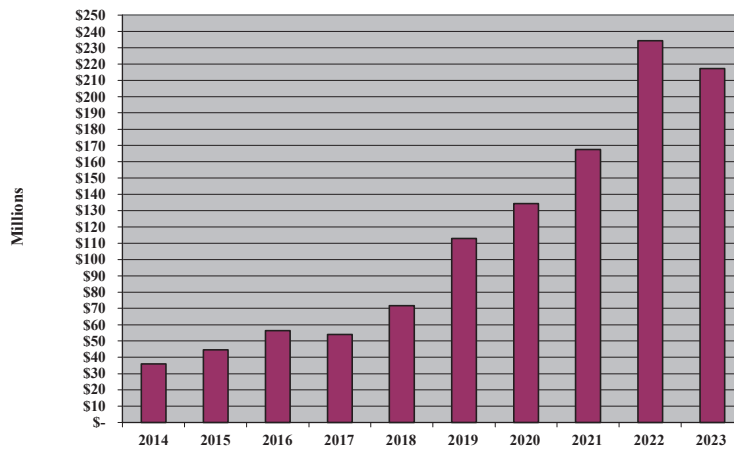


Table 3

		Fiscal Year							
		2019	2020	2021	2022	2023			
\$	413,063	\$	572,324	\$	574,382	\$	675,074	\$	609,528
	15,598,552		18,852,921		20,783,236		15,630,143		16,347,850
	-		-		-		5,605,483		6,803,189
	4,805,389		8,409,731		7,442,329		9,864,528		6,631,644
	14,434,108		10,239,951		13,218,497		11,309,275		10,755,987
\$	<u>35,251,112</u>	\$	<u>38,074,927</u>	\$	<u>42,018,444</u>	\$	<u>43,084,503</u>	\$	<u>41,148,198</u>
\$	213,839	\$	483,271	\$	229,752	\$	285,488	\$	302,833
	77,598,777		95,857,111		125,243,362		191,931,581		175,829,567
\$	<u>77,812,616</u>	\$	<u>96,340,382</u>	\$	<u>125,473,114</u>	\$	<u>192,217,069</u>	\$	<u>176,132,400</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Changes in Fund Balances - Governmental Funds (1)
Last 10 Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Federal sources:										
Federal grants	\$ 11,820,371	\$ 12,551,259	\$ 13,342,437	\$ 13,594,744	\$ 12,053,294	\$ 13,523,928	\$ 13,058,178	\$ 16,789,288	\$ 26,763,062	\$ 30,215,217
Food services	5,606,130	6,063,754	6,734,741	7,163,417	7,499,712	7,371,040	6,643,333	9,456,831	12,505,531	9,874,646
Total federal sources	17,426,501	18,615,013	19,397,721	20,505,854	19,553,006	20,894,968	19,703,511	26,246,119	39,268,593	40,089,862
State sources:										
Florida education finance program	7,852,296	9,420,263	8,361,358	9,704,266	13,594,744	12,593,805	19,662,843	23,669,715	19,089,044	20,730,851
Public education capital outlay	159,095	480,018	464,248	695,334	456,571	513,259	153,921	163,720	2,134,725	756,138
Food services	86,971	88,324	90,585	94,059	94,059	93,713	94,259	93,740	94,051	94,107
State grants and other	26,209,856	26,166,950	26,370,844	26,249,875	28,792,550	27,286,380	27,412,790	25,813,328	23,332,058	25,259,768
Total state sources	34,308,218	36,155,555	35,284,734	36,740,060	42,937,924	40,487,157	47,323,813	49,740,503	44,649,878	46,840,864
Local sources:										
Ad valorem taxes	128,423,818	130,413,025	137,761,685	140,143,566	141,320,691	155,780,450	155,063,004	157,274,314	162,378,884	178,936,137
Sales taxes	2,542,053	2,125,725	2,113,026	2,188,619	1,958,193	2,550,733	1,974,756	743,143	1,046,095	2,970,505
Food service sales	81,300	25,276	175,127	361,050	1,027,372	2,128,459	1,971,448	152,326	7,792,126	7,792,126
Interest and other income	8,144,202	8,763,713	11,321,469	8,120,462	9,556,918	11,202,096	10,086,006	12,489,569	21,133,982	15,856,044
Other revenues	139,191,373	141,327,739	151,371,307	150,813,697	153,863,174	179,369,035	186,492,351	190,876,700	209,069,782	229,714,319
Total local sources	190,926,092	196,098,307	206,053,762	208,059,611	216,354,104	240,751,160	253,519,675	266,863,322	292,988,253	316,645,045
Total revenues	90,710,910	93,507,850	91,841,224	94,633,719	98,041,607	99,831,153	114,196,329	114,718,974	119,181,910	129,973,632
Instruction	9,529,655	9,156,836	9,720,589	9,554,623	9,823,241	12,443,580	10,963,343	11,657,608	13,687,911	15,854,550
Student support services	2,038,894	1,988,513	2,003,013	2,031,317	2,002,944	1,981,212	2,357,746	2,294,321	2,272,086	2,396,626
Instructional media services										
Instruction and curriculum development services	3,343,325	3,636,791	3,454,552	3,409,858	3,715,791	3,922,248	4,035,830	4,308,358	4,645,129	5,098,375
Instructional staff training services	2,631,378	2,844,947	3,223,616	4,011,572	3,705,345	3,641,765	3,583,816	3,162,551	3,205,191	3,890,154
Instructional related technology	1,608,656	1,804,347	2,090,021	2,216,722	2,022,120	3,193,337	3,917,058	3,131,145	3,167,445	3,121,990
School board	537,791	576,082	538,202	569,729	650,691	720,504	485,826	525,786	550,014	605,725
General administration	1,091,861	1,318,791	1,354,848	1,501,054	1,300,413	1,273,770	1,219,268	1,752,149	2,233,485	2,630,435
School administration	9,545,719	9,873,724	9,476,272	9,682,962	9,988,366	10,474,991	10,161,570	10,673,233	11,106,569	12,011,976
Facilities acquisition and construction	9,796,767	9,017,604	9,548,817	9,349,452	11,204,728	5,429,244	8,309,669	1,522,787	9,371,683	1,755,591
Fiscal services	801,605	842,342	819,918	882,103	957,252	988,863	1,197,999	1,551,603	3,655,873	2,679,037
Food services	7,613,617	7,879,963	8,630,343	8,883,264	9,131,595	9,189,519	8,614,459	9,156,332	11,885,991	12,238,555
Central services	4,778,260	5,866,846	5,265,628	4,148,310	3,585,782	4,364,008	4,728,084	5,652,251	5,865,290	7,013,074
Student transportation services	6,055,266	5,922,747	6,291,268	6,681,816	6,399,115	6,567,026	6,363,228	5,719,813	6,240,635	7,517,306
Operation of plant	13,468,400	13,801,238	14,018,057	13,704,119	14,577,478	16,262,935	19,732,411	21,303,931	21,333,756	23,280,029
Maintenance of plant	4,295,586	3,869,186	4,024,239	3,957,440	4,244,993	4,680,541	4,504,586	5,055,660	4,857,998	5,440,184
Administrative technology services	596,753	610,589	655,930	610,367	703,145	683,637	4,417,807	1,780,009	709,613	727,912
Community services	2,645,798	2,766,942	3,024,389	3,019,374	3,257,799	3,405,381	3,206,228	2,580,484	2,746,051	2,76,975
Capital Outlay:										
Facilities acquisition and construction	4,816,723	4,444,591	11,021,858	22,078,106	4,358,477	1,244,524	13,613,101	22,536,292	44,177,846	73,082,223
Other capital outlay	4,482,500	3,974,653	3,653,484	6,134,075	4,366,845	2,606,984	3,693,926	1,380,589	362,063	2,586,398
Debt Service:										
Principal	2,344,665	2,495,304	2,374,874	2,369,882	2,448,720	2,195,691	2,175,000	2,279,000	4,216,000	11,221,000
Interest and fiscal charges	2,084,375	1,826,722	1,767,031	3,649,991	1,510,936	1,426,659	1,637,875	1,202,256	2,778,435	2,664,989
Total expenditures	\$ 184,818,504	\$ 188,026,608	\$ 194,798,173	\$ 213,079,855	\$ 197,997,383	\$ 199,676,572	\$ 233,113,159	\$ 233,945,133	\$ 278,250,974	\$ 328,066,738

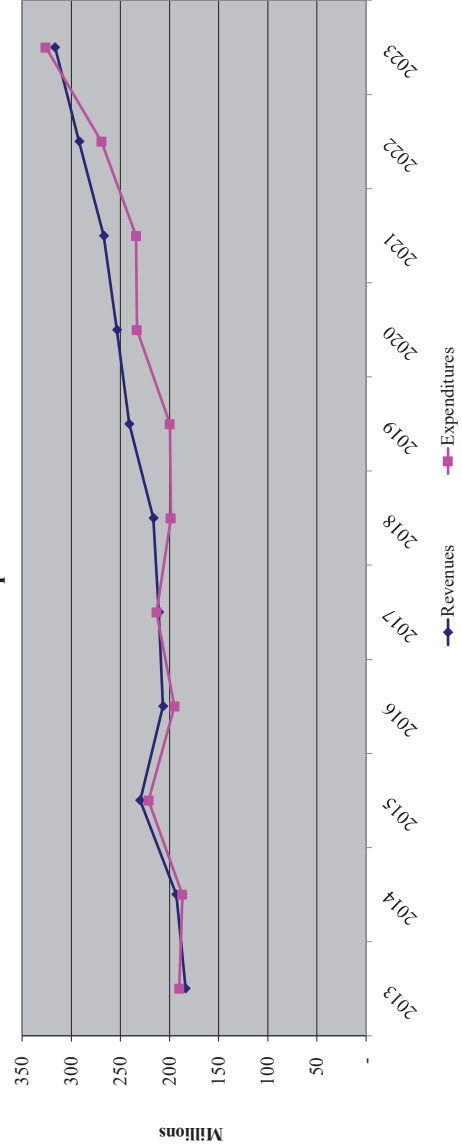
DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Changes in Fund Balances - Governmental Funds (1)
Last 10 Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess of revenues over (under) expenditures	\$ 6,107,588	\$ 8,071,699	\$ 11,255,589	\$ (5,020,244)	\$ 18,356,721	\$ 41,074,588	\$ 20,404,516	\$ 32,918,189	\$ 14,737,279	\$ (9,421,693)
Other Financing Sources (Uses)										
Loss recoveries	-	-	-	-	9,091	65,893	159,780	158,061	216,136	529,060
Long-term debt issued	-	-	-	-	-	-	-	-	-	-
Refunding COPS issued	-	29,020,000	-	-	-	-	-	-	-	-
Premium on refunding COPS	-	3,233,419	-	-	-	-	-	-	40,000,000	-
Proceeds of Lease-Purchase Agreements	-	-	-	-	-	-	-	-	4,758,559	-
Premium on Lease-Purchase Agreements	-	-	-	-	-	-	-	-	-	-
Refunding bonds issue	1,769,000	1,378,000	-	2,303,000	-	-	305,000	-	-	-
Payment to refunded debt escrow agent	(2,056,194)	(33,475,406)	-	-	(706,974)	-	-	-	-	-
Premium of sale/refunding of bonds/COP	286,140	131,078	-	349,825	-	-	16,500	-	-	-
Discount on sale of bonds/COP	-	195,392	-	-	-	-	-	-	-	-
Capital leases	-	-	436,120	-	-	192,810	-	465,785	-	-
FEMA and insurance loss recoveries	122,775	24,235	93,223	-	-	-	-	-	-	-
Transfers in	9,071,683	8,666,861	3,928,355	4,328,922	2,606,476	10,593,600	21,179,339	13,298,234	12,768,281	22,722,392
Transfers out	(9,071,683)	(8,666,861)	(3,928,355)	(4,328,922)	(2,606,476)	(10,593,600)	(21,179,339)	(13,298,234)	(12,768,281)	(23,752,687)
Total other financing sources (uses)	121,721	506,718	529,343	2,699,577	(697,883)	258,703	947,065	158,061	44,974,695	(501,236)
Net change in fund balances	\$ 6,229,309	\$ 8,578,417	\$ 11,784,932	\$ (2,320,667)	\$ 17,658,838	\$ 41,333,291	\$ 21,351,581	\$ 33,076,250	\$ 59,711,974	\$ (9,922,929)
Debt service as a percentage of noncapital expenditures	2.52%	2.47%	2.56%	2.18%	2.09%	1.85%	1.77%	1.66%	2.99%	5.55%

Notes: (1) Includes all governmental fund types

Source: District records

Revenues vs. Expenditures

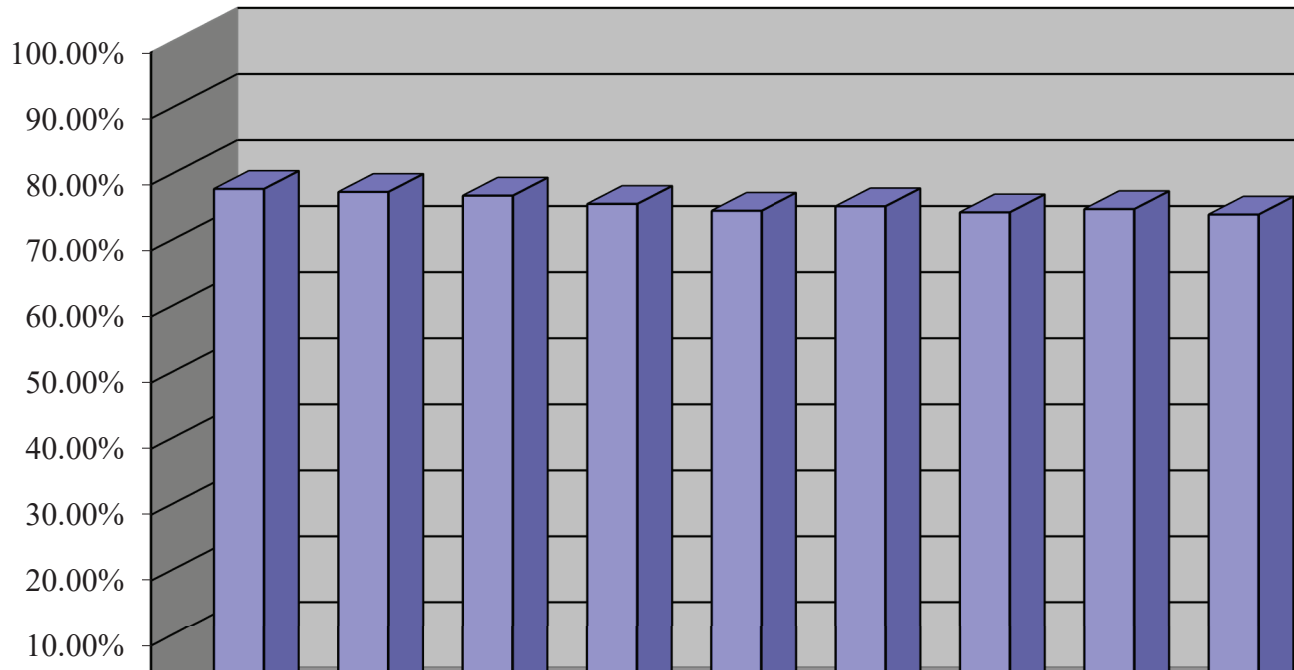


DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Assessed and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years
(Amounts expressed in thousands)
(Unaudited)

Fiscal Year	Real Property	Personal Property	Centrally Assessed Value	Estimated Actual Value⁽¹⁾	Homestead and Other Exemptions	Total Taxable Valuation
2014	\$ 20,772,257	\$ 2,751,732	\$ 46,969	\$ 23,570,958	\$ 5,342,376	\$ 18,228,582
2015	21,852,301	2,694,830	56,763	24,603,894	5,689,530	18,914,364
2016	23,402,997	2,851,740	58,634	26,313,371	6,231,593	20,081,778
2017	25,152,586	2,886,913	63,522	28,103,021	7,008,453	21,094,568
2018	27,000,054	3,151,616	65,573	30,217,243	7,848,711	22,368,532
2019	27,996,759	3,411,348	67,194	31,475,301	7,963,063	23,512,238
2020	29,724,203	2,984,729	66,464	32,775,396	8,591,603	24,183,793
2021	30,891,318	3,109,494	66,583	34,067,395	8,763,751	25,303,644
2022	33,029,220	3,187,625	68,352	36,285,197	9,632,508	26,652,689
2023	41,447,701	3,295,288	72,516	44,815,505	13,796,888	31,018,617

Note: (1) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.011, Florida Statutes.
Source: Martin County Property Appraiser

Ratio of Taxable Value to Estimated Actual Value

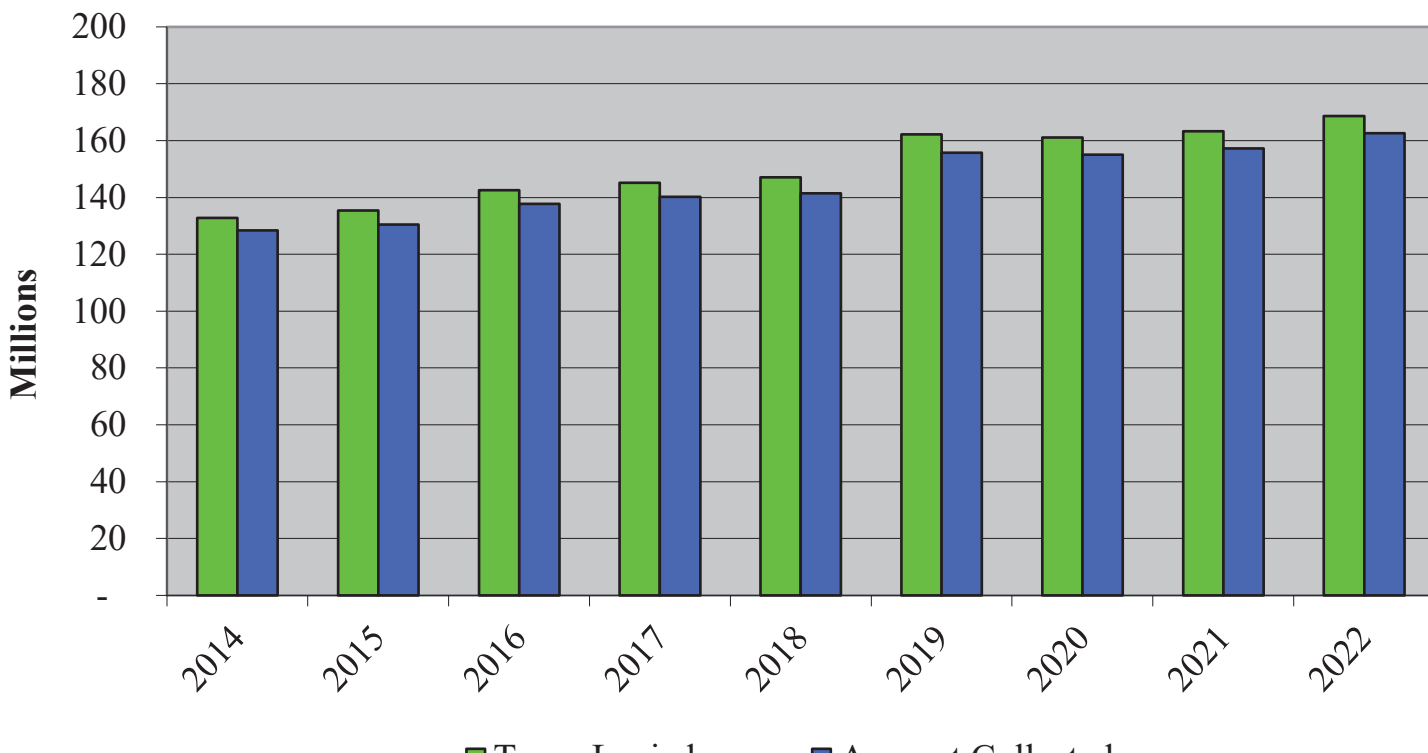


DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Property Tax Levies and Collections
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection
		Amount	Percentage of Levy		Amount
2014	\$ 132,828,984	\$ 128,330,239	96.61%	\$ 38,984	\$ 128,369,223
2015	135,364,485	130,377,703	96.32%	57,559	130,435,262
2016	142,540,457	137,707,714	96.61%	49,085	137,756,799
2017	145,151,724	140,103,847	96.52%	48,461	140,152,308
2018	147,044,991	141,320,691	96.11%	176,960	141,497,651
2019	162,132,981	155,780,450	96.08%	-	155,780,450
2020	161,149,073	154,947,483	96.15%	115,521	155,063,004
2021	163,342,621	157,002,394	96.12%	271,920	157,274,314
2022	168,590,025	162,378,888	96.32%	235,921	162,614,809
2023	185,518,307	178,936,137	96.45%	229,458	179,165,595

Source: Martin County Tax Collector and District records.

Property Tax Levies and Collections



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

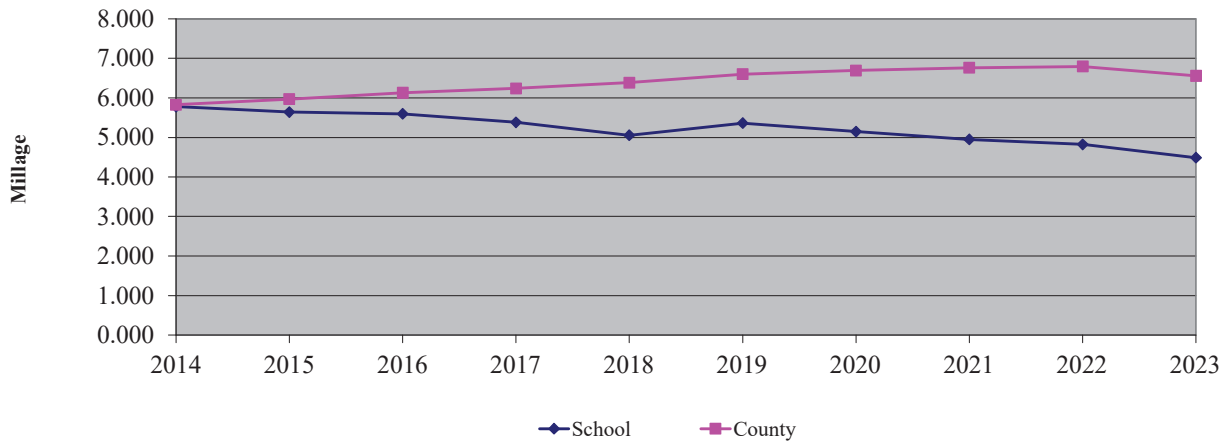
Fiscal Year	Direct Rates ⁽¹⁾			Overlapping Rates ⁽²⁾								
	District School Board of Martin County			Martin County				City of Stuart	Jupiter Island	Sewall's Point	Ocean Breeze Park	Village of Indiantown
	Operating	Capital	Total	Operating	Debt Service	Other	MSTU					
2014	5.778	1.500	7.278	5.8300	0.0368	0.8148	1.0240	4.8020	4.7047	2.3500	5.0619	0.0000
2015	5.638	1.500	7.138	5.9651	0.0000	0.7805	1.0486	4.8540	4.5813	2.6000	4.9472	0.0000
2016	5.598	1.500	7.098	6.1264	0.0000	0.7489	1.0660	4.8327	4.4270	2.8700	3.9814	0.0000
2017	5.381	1.500	6.881	6.2407	0.0000	0.7245	3.1737	4.8224	4.3087	2.8700	5.2177	0.0000
2018	5.052	1.500	6.552	6.3887	0.0000	0.7038	3.2339	4.7572	4.1724	2.8700	5.4750	0.0000
2019	5.362	1.500	6.862	6.5971	0.0000	0.6874	3.4247	4.9962	4.1027	2.8700	6.3826	4.2623
2020	5.148	1.500	6.648	6.6928	0.0000	0.6733	3.6646	5.2302	4.0391	2.8700	4.8008	1.6304
2021	4.947	1.500	6.447	6.7618	0.0000	0.6613	3.6033	5.2136	4.0214	2.8700	3.0800	1.6304
2022	4.823	1.500	6.323	6.7934	0.0000	0.6510	3.4734	5.2136	4.0214	3.2688	3.0800	1.6304
2023	4.488	1.500	5.988	6.5559	0.0000	0.6239	3.4078	5.1700	4.0215	3.2700	1.0000	1.6304

Notes:

- (1) Direct rates are the District's rate for capital outlay, discretionary, additional voted millage and required local effort.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the incorporated areas.

Sources: Martin County Tax Collector's Office
 Martin County Property Appraiser

County and School District Operating Millages



DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Ratios of Outstanding Debt by Type
Last 10 Fiscal Years
(Amounts expressed in thousands, except per capita amount)
(Unaudited)

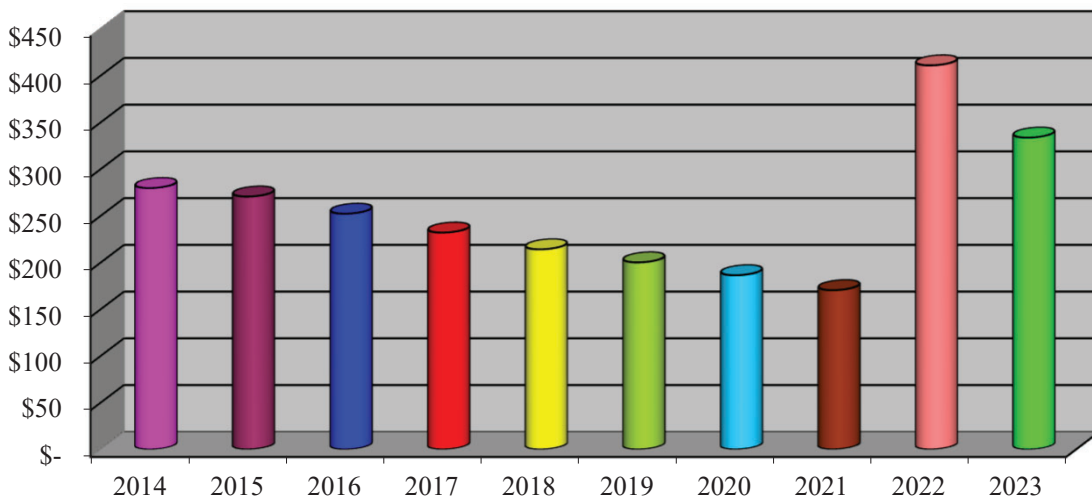
Fiscal Year	State Board of Education Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2014	\$ 9,414	\$ 33,145	\$ 266	\$ 42,825	0.40%	\$ 279.68
2015	8,331	33,563	207	42,101	0.37%	270.64
2016	7,382	32,063	491	39,936	0.33%	252.24
2017	6,063	30,618	383	37,064	0.29%	232.08
2018	5,031	29,123	271	34,425	0.26%	214.16
2019	4,326	27,558	348	32,232	0.23%	200.20
2020	3,576	25,927	554	30,057	0.21%	186.39
2021	2,807	24,227	491	27,525	0.17%	170.42
2022	2,031	64,403	-	66,434	N/A	410.96
2023	1,330	52,742	-	54,072	N/A	333.65

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements. Total personal income is not available for 2021 and 2022.

*See Table 12 Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

Source: District records

Debt per Capita



DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Direct and Overlapping Governmental Activities Debt
June 30, 2023
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽²⁾	Estimated Share of Direct and Overlapping Debt
Martin County Board of County Commissioners ⁽¹⁾			
Revenue Bonds/Notes	\$ 72,256,840	100%	\$ 72,256,840
Capital Leases	24,691,686	100%	24,691,686
City of Stuart ⁽¹⁾			
Revenue Bond Loans and Notes	6,365,557	100%	6,365,557
General Obligation Bonds	4,650,000	100%	4,650,000
Town of Jupiter Island ⁽¹⁾			
General Obligation Notes Payable	4,666,730	100%	4,666,730
South Florida Water Management District ⁽¹⁾			
Certificate of Participation	320,575,000	2.14%	<u>6,860,305</u>
Subtotal, overlapping debt			119,491,118
District School Board of Martin County Direct Debt			<u>54,071,946</u>
Total direct and overlapping debt			<u><u>\$ 173,563,064</u></u>

Notes:

(1) Source: Each Entity's Annual Comprehensive Financial Report September 30, 2022 Fiscal Year.

(2) These percentages are estimated using assessed values of taxable property less homestead exemptions and other adjustments (taxable value).

Applicable percentages were estimated by determining the portion of another governmental units' taxable value that is within the County's boundaries and dividing it by each unit's total taxable value.

Source: District Records

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Anticipated Capital Outlay Millage Levy
Required to Cover Certificates of Participation (COPS) Payments
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Tax Year	Taxable Assessed Valuation⁽¹⁾	Principal Payments⁽²⁾	Interest Payments	Total Annual Lease Payments	Millage Levy to Provide 1.00 x Coverage⁽³⁾
2014	2013	\$ 18,228,582	\$ 1,215,000	\$ 1,505,191	\$ 2,720,191	0.155 mills
2015	2014	18,914,364	1,265,000	1,071,600	2,336,600	0.129 mills
2016	2015	20,081,778	1,310,000	1,348,931	2,658,931	0.138 mills
2017	2016	21,094,568	1,255,000	1,297,630	2,552,630	0.126 mills
2018	2017	22,368,532	1,305,000	1,239,905	2,544,905	0.119 mills
2019	2018	23,512,238	1,375,000	1,172,906	2,547,906	0.113 mills
2020	2019	24,183,793	1,440,000	1,102,531	2,542,531	0.110 mills
2021	2020	25,303,644	1,510,000	1,028,781	2,538,781	0.105 mills
2022	2021	26,652,689	3,440,000	2,327,253	5,767,253	0.225 mills
2023	2022	31,018,617	10,520,000	2,556,031	13,076,031	0.439 mills

Notes:

(1) See Table 5 "Assessed and Estimated Actual Value of Taxable Property".

(2) The District first issued COPS in December 2005, with the first principal payment due during the 2007-08 fiscal year. The District refunded the COPS in October 2014. In addition, the District issued second COPS in July 2021, with the first principal payment due during 2021-2022 fiscal year.

(3) Millage rate calculated using 96 percent.

Capital lease arrangements financed by Certificate of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District records

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

Fiscal Year	Estimated Population⁽¹⁾	Personal Income⁽²⁾ (thousands of dollars)	Per Capita Personal Income⁽²⁾	Student Membership⁽³⁾	Unemployment Rate⁽⁴⁾
2014	153,119	\$ 10,610,999	\$ 69,299	18,296	6.1
2015	155,559	11,301,145	72,649	18,583	5.2
2016	158,325	12,019,690	75,918	18,714	4.8
2017	159,701	12,945,767	81,063	18,748	4.2
2018	160,742	13,383,794	83,263	18,664	3.0
2019	161,000	13,748,480	85,394	18,759	2.7
2020	161,258	14,455,817	89,185	18,734	8.6
2021	161,516	16,357,821	102,273	18,057	4.5
2022	161,655	N/A	N/A	18,591	2.8
2023	162,064	N/A	N/A	18,673	2.9

N/A = Data not currently available

Sources:

- (1) World Population Review and US Department of Commerce, Bureau of Economic Analysis
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) The Florida Department of Education FEFP Fourth Calculation
- (4) Florida Agency for Workforce Innovation, Labor Market Statistics Center, Local Area Unemployment Statistics Program

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Principal Property Tax Payers
Current Fiscal Year and Nine years Ago
(Amounts expressed in thousands)
(Unaudited)

Taxpayer	Current year (2022):			Nine years ago (2013):		
	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value
Florida Power & Light Company	1	\$ 2,309,918	6.78%	1	\$ 1,842,698	7.74%
Florida Southeast Connection	2	77,097	0.23%	-	-----	-----
Publix Super Markets, Inc.	3	71,374	0.21%	-	-----	-----
Jeffrey H. Sands	4	66,247	0.19%	-	-----	-----
Treasure Coast - JCP Associates Ltd.	5	58,098	0.17%	3	74,374	0.31%
Florida Gas Transmission	6	53,227	0.16%	4	55,045	-----
Jupiter Island Irrevocable Homestead Trust	7	45,053	0.13%	-	-----	-----
Florida East Coast Railway	8	44,286	0.13%	-	-----	-----
PRCP-Stuart LLC	9	40,698	0.12%	-	-----	-----
Arium Jensen Beach LLC	10	35,019	0.10%	-	-----	-----
Indiantown Cogeneration LP	-	-----	-----	2	266,756	1.12%
Christopher J. Hubman (TR)	-	-----	-----	5	46,315	0.19%
Gulfstream Natural Gas	-	-----	-----	6	43,787	0.18%
Louis Drefus Citrus Inc,	-	-----	-----	8	30,307	0.13%
Bellsouth Telecommunication, Inc	-	-----	-----	7	27,863	0.12%
Edward H. Hamm (TR)	-	-----	-----	9	27,666	0.12%
Sandhill Cove Properties, Inc.	-	-----	-----	10	26,677	0.11%
Total		<u>\$ 2,801,017</u>	<u>8.90%</u>		<u>\$ 2,441,488</u>	<u>9.67%</u>

Note:

(1) Information for 2023 and 2014 was not available, so this schedule was prepared with the data of 2022 and 2013.

Source:

Martin County ACFR 09/30/2022.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
District Employees
Last 10 Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instructional administrators	15	11	11	12	11	12	12	11	12	13
Non-instructional administrators	8	9	10	11	11	12	16	16	15	18
Consultants/supervisors of instruction	4	2	2	2	3	3	3	4	5	7
Principals	23	23	23	22	23	23	24	25	26	27
Assistant principals	31	35	35	36	37	35	38	38	38	39
Deans/Curriculum Coordinators	0	0	0	0	0	0	2	2	2	3
Elementary classroom teachers	463	464	473	480	470	471	505	490	482	463
Secondary classroom teachers	450	449	456	454	464	464	470	458	465	468
ESE teachers	233	250	252	250	216	243	242	233	222	212
Other teachers (adult)	41	27	28	26	25	37	31	25	29	24
Guidance counselors	35	36	37	39	37	39	42	43	39	41
Visiting teachers/Social workers	0	0	0	0	0	6	6	6	8	12
Psychologists	6	8	7	8	7	8	8	8	9	9
Librarians	20	19	20	20	20	19	20	21	19	20
Other professionals (instructional)	111	97	100	110	116	112	107	94	108	119
Other professionals (non-instructional)	76	79	82	84	83	85	88	88	89	93
Aides	288	294	286	304	299	295	335	297	288	285
Technicians	12	25	24	26	29	28	28	34	43	36
Clerical/secretarial	164	160	165	167	168	178	192	196	182	179
Service workers	288	299	287	274	269	333	444	366	325	319
Skilled crafts	33	27	31	28	31	29	27	27	26	26
Unskilled laborers	11	10	11	9	9	9	11	10	10	12
Total employees	2,312	2,324	2,340	2,362	2,328	2,441	2,651	2,492	2,442	2,425

Source: Florida Department of Education Statistical Brief entitled "Staff in Florida's Public Schools."

Notes:

- Employee data includes only full-time staff.
- The number of personnel is total employees.



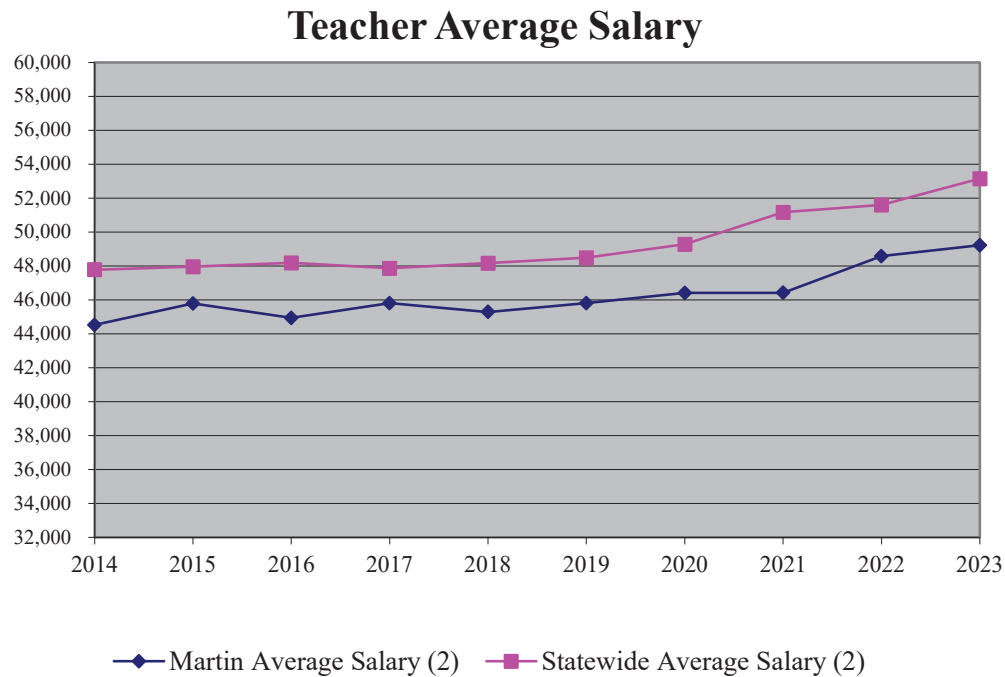
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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Teacher Salaries
Last 10 Years
(Unaudited)

Fiscal	Minimum	Maximum	Martin Average	Statewide Average
2014	\$ 37,300	\$ 60,076	\$ 44,522	\$ 47,780
2015	37,500	60,076	45,786	47,950
2016	38,000	62,900	44,933	48,179
2017	38,000	62,900	45,800	47,858
2018	38,000	62,900	45,286	48,168
2019	38,300	66,200	45,807	48,486
2020	38,600	66,200	46,403	49,269
2021	45,200	66,200	46,416	51,167
2022	45,700	67,038	48,582	51,599
2023	47,500	68,800	49,220	53,142

Sources:

- (1) District records
- (2) Florida Department of Education



DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year									
	2014 ⁽⁶⁾	2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾	2022 ⁽⁶⁾	2023 ⁽⁶⁾
Elementary										
Seawind Elementary (1993)										
Square feet	127,350	128,282	127,350	127,350	127,350	127,350	127,350	127,350	127,350	127,350
Capacity	764	764	764	764	764	764	764	764	764	764
Enrollment	711	743	743	700	691	631	584	522	504	501
JD Parker Elementary (2004/re-built) ⁽²⁾										
Square feet	125,691	125,691	125,691	125,691	125,691	125,691	125,691	125,691	125,691	125,691
Capacity	695	695	695	695	695	695	695	695	695	695
Enrollment	808	761	753	718	742	668	633	601	564	519
Palm City Elementary (1958)										
Square feet	103,422	103,422	103,422	104,312	104,312	104,312	104,312	104,312	104,312	90,230
Capacity	696	696	696	696	714	714	714	714	714	800
Enrollment	671	714	719	698	685	641	633	601	555	559
Port Salerno Elementary (2002/re-built) ⁽²⁾										
Square feet	126,076	126,076	126,076	126,076	126,076	128,668	128,668	128,668	128,668	128,668
Capacity	931	877	877	877	877	931	931	931	931	931
Enrollment	839	838	904	881	835	808	781	740	750	706
Hobe Sound Elementary (2004/re-built) ⁽²⁾										
Square feet	115,632	115,632	115,632	115,632	115,632	115,632	115,632	115,632	115,632	115,632
Capacity	776	776	776	776	776	776	776	776	776	776
Enrollment	701	654	678	648	622	623	609	522	483	459
Warfield Elementary (1959)										
Square feet	133,961	133,961	133,961	133,961	133,961	133,961	133,961	134,122	133,961	133,961
Capacity	886	886	886	886	886	886	886	886	932	932
Enrollment	785	789	802	801	799	766	839	764	681	686
Jensen Beach Elementary (1970)										
Square feet	102,196	102,960	102,960	102,960	102,960	102,960	102,960	102,960	102,960	90,256
Capacity	740	704	722	784	722	722	722	722	722	836
Enrollment	652	688	698	678	658	597	603	576	563	558
Pinewood Elementary (1988)										
Square feet	126,576	126,576	126,576	128,304	128,337	128,337	128,337	128,337	128,337	128,337
Capacity	784	784	784	864	864	864	864	864	864	864
Enrollment	833	851	893	922	864	811	795	742	748	726

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year									
	2014 ⁽⁶⁾	2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾	2022 ⁽⁶⁾	2023 ⁽⁶⁾
Crystal Lake Elementary (1989)	108,079	108,079	108,079	108,079	108,079	108,079	108,079	108,079	108,079	108,079
Square feet	688	688	688	688	688	688	688	688	688	688
Capacity	598	623	636	621	617	584	539	491	444	441
Enrollment						(continued)				
Bessey Creek Elementary (1995)	112,445	122,445	122,445	122,637	124,635	124,365	124,365	123,501	124,365	124,365
Square feet	599	599	599	599	635	635	635	617	617	617
Capacity	579	591	558	570	585	590	596	577	537	562
Enrollment										
Felix A. Williams Elementary (1993)	112,709	112,709	112,709	112,901	112,901	112,901	112,901	112,901	112,901	112,901
Square feet	671	671	671	671	671	671	671	671	671	671
Capacity	694	708	719	670	669	631	618	574	543	531
Enrollment										
Citrus Grove Elementary (2009)	124,838	124,838	124,838	124,838	126,566	126,566	126,566	125,702	125,702	125,702
Square feet	767	767	767	767	803	803	803	785	803	803
Capacity	604	648	690	725	712	695	702	585	564	600
Enrollment										

Notes:

- (1) The District caps its enrollment at 750 for elementary schools, 1,200 for middle schools, and 1,800 for high schools.
- (2) Rebuilt schools include only information after rebuilding.
- (3) Square footage and capacity have changed for some schools due to the re-measurement and change of use of BRPH for the Five-Year Plant Survey.
- (4) Square footage and capacity have changed for some schools due to remodeling work complete in 2011-12, building demolitions, ESE cluster
- (5) Square footage and capacity have changed for some schools due to portable relocations and demolitions.
- (6) Capacity has changed for some schools due to reclassification of room codes within FISH

Sources:

District records - Five-year facilities work plan
 Florida Inventory of School Houses

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year										
	2014 ⁽⁶⁾	2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾	2022 ⁽⁶⁾	2023 ⁽⁶⁾	
Middle											
Dr. David L. Anderson Middle School (2005)											
Square feet	219,253	219,253	219,253	219,253	219,253	219,253	219,253	219,253	219,253	219,253	219,253
Capacity	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,201	1,201	1,201
Enrollment	989	988	1,020	1,011	1,056	1,083	1,101	1,036	1,045	1,035	1,035
Hidden Oaks Middle School (1991)											
Square feet	178,828	178,828	178,828	178,828	178,828	178,828	178,828	178,828	178,828	178,828	178,828
Capacity	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329
Enrollment	1,094	1,064	1,090	1,045	1,112	1,046	1,012	934	941	940	940
Indiantown Middle School (1969)											
Square feet	155,404	158,860	158,860	133,803	133,803	136,668	13,668	13,668	13,668	13,668	13,668
Capacity	1,213	1,173	1,173	1,173	854	870	870	870	890	890	890
Enrollment	491	534	547	592	631	641	658	628	639	646	646
Murray Middle School (1961)											
Square feet	215,345	134,447	131,296	132,395	132,395	132,438	132,438	132,438	132,438	132,438	132,438
Capacity	1,256	1,312	999	999	999	999	999	999	999	1,011	1,011
Enrollment	851	795	798	756	790	744	653	569	545	616	616
Stuart Middle School (1971)											
Square feet	174,517	177,004	177,004	177,004	180,298	181,298	181,298	181,298	181,298	181,298	181,298
Capacity	1,179	1,179	1,179	1,179	1,197	1,159	1,159	1,159	1,170	1,170	1,170
Enrollment	1,032	1,054	1,025	1,007	985	899	865	779	816	867	867
High											
Martin County High School (1963)											
Square feet	417,947	421,184	421,184	465,200	463,290	379,776	379,776	379,776	379,776	379,776	379,776
Capacity	2,214	2,214	2,214	2,214	2,037	2,037	2,037	2,037	2,038	2,038	2,038
Enrollment	2,209	2,245	2,318	2,292	2,316	2,212	2,126	2,088	2,327	2,273	2,273
South Fork High School (1982)											
Square feet	317,078	319,898	319,898	319,898	319,898	319,898	319,898	319,898	319,898	319,898	319,898
Capacity	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,825	1,825	1,825
Enrollment	2,007	2,037	1,990	1,914	1,937	1,986	1,831	1,819	1,849	1,810	1,810
Jensen Beach High School (2002)											
Square feet	323,999	323,999	323,999	323,999	323,999	323,999	323,999	323,999	323,999	323,999	323,999
Capacity	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554
Enrollment	1,805	1,878	1,735	1,663	1,648	1,510	1,452	1,368	1,430	1,584	1,584

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year									
	2014 ⁽⁶⁾	2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾	2022 ⁽⁶⁾	2023 ⁽⁶⁾
Other										
Spectrum JR/SR High School (1932)	19,159	19,159	19,159	19,487	19,487	20,351	20,351	20,351	20,351	20,351
Square feet	218	218	218	218	218	218	218	218	218	255
Capacity	143	154	148	99	130	133	83	171	132	159
Enrollment										
Willoughby Learning Center (1988)	44,155	44,155	44,155	44,155	44,155	44,155	44,155	44,155	44,155	44,155
Square feet	171	171	171	171	171	171	171	171	171	171
Capacity	44	46	87	56	85	93	91	58	61	46
Enrollment										

Notes:

- (1) The District caps its enrollment at 750 for elementary schools, 1,200 for middle schools, and 1,800 for high schools.
- (2) Rebuilt schools include only information after rebuilding.
- (3) Square footage and capacity have changed for some schools due to the re-measurement and change of use of BRPH for the Five-Year Plant Survey.
- (4) Square footage and capacity have changed for some schools due to remodeling work complete in 2011-12, building demolitions, ESE cluster sites per DOE, and vacant buildings pending.
- (5) Square footage and capacity have changed for some schools due to portable relocations and demolitions.
- (6) Capacity has changed for some schools due to reclassification of room codes within FISH

Sources:

District records - Five-year facilities work plan
 Florida Inventory of School Houses

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Principal Employers
Current Year and Nine Years Ago (1)
(Unaudited)

Current year (2022):			Percentage of Total County Employment	
Employer	Rank	Employees		Product/Service
Cleveland Clinic, formerly known as Martin Memorial Health Systems	1	3,216	4.28%	Health Care
Martin County School District	2	2,846	3.79%	Government
Martin County Government	3	1,845	2.46%	Government
Publix Super Markets	4	1,760	2.34%	Grocery Chain
Seacoast National Bank	5	989	1.32%	Banking
Armellini Express Lines	6	520	0.69%	Logistics
BD Libertor	7	410	0.55%	Health Care
Daher	8	400	0.53%	Aviation
Visiting Nurses Association of Florida	9	316	0.42%	Health Care
STS Holdings	10	300	0.40%	Aviation
State of Florida				
Triumph Group-Vought Aircraft Divison				
Pursuit Aerospace (formerly Paradigm Precision)				
Liberator Medical Holdings Inc				
Louis Dreyfus Commodities				
Total		12,602	16.78%	
Nine years ago (2013):				
Cleveland Clinic, formerly known as Martin Memorial Health Systems	1	2,783	4.27%	Health Care
Martin County School District	3	1,575	2.42%	Government
Martin County Government	2	2,571	3.95%	Government
Publix Super Markets		-	0.00%	
Seacoast National Bank	8	294	0.45%	Banking
Armellini Express Lines	10	223	0.34%	Logistics
BD Libertor		-	-	
Daher		-		
Visiting Nurses Association of Florida		-		
STS Holdings		-		
State of Florida	4	510	0.78%	Government
Triumph Group-Vought Aircraft Divison	5	408	0.63%	Government
Pursuit Aerospace (formerly Paradigm Precision)	6	396	0.61%	Aviation
Liberator Medical Holdings Inc	7	340	0.52%	Grocery Chain
Louis Dreyfus Commodities	9	250	0.38%	Chemical Wholesale
Total		9,350	14.35%	

Note:

Source:

Martin County ACFR 09/30/2022.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Operating Statistics
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Operating Expenditures ⁽¹⁾	Student Memberships ⁽¹⁾	Cost per Student	Percentage Change	Teaching Staff ⁽²⁾	Student/Teacher Ratio
2014	\$ 159,360,627	18,296	\$ 8,710	1.28%	1,359	13.5
2015	163,500,791	18,583	8,798	1.00%	1,350	13.8
2016	163,407,720	18,714	8,732	-0.77%	1,373	13.6
2017	166,478,977	18,748	8,880	1.68%	1,387	13.5
2018	170,849,878	18,664	9,154	3.08%	1,355	13.8
2019	183,491,433	18,385	9,980	9.02%	1,399	13.1
2020	200,479,360	18,734	10,701	7.21%	1,431	13.1
2021	202,443,725	18,057	11,211	4.76%	1,378	13.1
2022	214,706,517	18,591	11,549	3.00%	1,381	13.5
2023	234,479,562	18,673	12,557	8.72%	1,368	13.6

Notes:

Expenditures include General and Special Revenue Funds. Community service, facilities acquisition and construction, and other capital outlay expenditures are excluded from amounts shown above.

Sources:

(1) District records

(2) Florida Department of Education - includes all instructional personnel. (classroom teachers, guidance counselors, and other, etc.)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Food Service Operating Data
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year									
	2014	2015	2016	2017 ⁽¹⁾	2018 ⁽²⁾	2019	2020 ⁽³⁾	2021	2022	2023 ⁽⁴⁾
Days meals were served	180	180	180	178	173	180	131	180	180	176
Average number of free and reduced lunches served daily	6,138	6,939	7,270	7,556	7,827	7,574	7,501	7,102	6,151	6,825
Total number of free and reduced lunches served	1,104,795	1,249,031	1,308,652	1,344,882	1,354,034	1,363,383	982,639	1,278,291	1,107,234	1,201,214
Average daily subsidy received	\$ 31,628	\$ 34,178	\$ 37,906	\$ 40,754	\$ 43,349	\$ 40,950	\$ 37,021	\$ 36,599	\$ 49,319	\$ 40,973
Total subsidy received	\$ 5,693,100	\$ 6,152,078	\$ 6,823,024	\$ 7,254,275	\$ 7,499,412	\$ 7,371,040	\$ 4,849,702	\$ 6,587,889	\$ 8,877,450	\$ 7,211,213
Average number of lunches served daily	9,453	9,612	9,811	9,784	10,145	9,893	9,856	7,586	10,589	9,521
Total number of lunches served	1,701,459	1,730,235	1,765,894	1,741,463	1,755,017	1,780,769	1,291,088	1,365,513	1,906,084	1,675,745
Percentage of free and reduced lunches served to total meals	64.93%	72.19%	74.11%	77.23%	77.15%	76.56%	76.11%	93.61%	58.09%	71.68%
Average daily revenues	\$ 45,797	\$ 46,021	\$ 49,700	\$ 53,136	\$ 55,246	\$ 55,902	\$ 48,513	\$ 57,254	\$ 75,893	\$ 73,848
Total revenues	\$ 8,243,385	\$ 8,283,753	\$ 8,946,005	\$ 9,458,281	\$ 9,557,632	\$ 10,062,318	\$ 8,732,369	\$ 10,305,659	\$ 13,660,805	\$ 12,997,258
Average daily costs	\$ 42,718	\$ 46,289	\$ 53,597	\$ 54,772	\$ 53,956	\$ 53,608	\$ 49,266	\$ 51,055	\$ 65,425	\$ 70,397
Total costs	\$ 7,689,160	\$ 8,332,039	\$ 9,647,508	\$ 9,749,351	\$ 9,334,334	\$ 9,649,395	\$ 8,867,833	\$ 9,189,872	\$ 11,776,534	\$ 12,389,875

Note:

- (1) District was closed on October 6, 2016 and October 7, 2016 due to Hurricane Matthew.
- (2) District was closed September 7, 2017 through September 15, 2017 due to Hurricane Irma.
- (3) Due to COVID-19, students were served 131 days under the National School Lunch Program. The Program changed to the Summer Feeding Program for the remainder of FY 2020.
- (4) District was closed on September 28-29 and November 9-10 due to Hurricanes Erin and Nicole

Source: District Records



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SINGLE AUDIT SECTION



**DISTRICT SCHOOL BOARD OF MARTIN COUNTY,
FLORIDA**

Federal Reports and Schedules

Schedule of Expenditures of Federal Awards

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*

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings—Federal Awards



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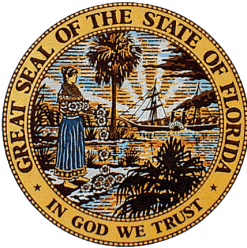
DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	23002	\$ -	\$ 1,380,192.14
National School Lunch Program	10.555	22020, 23001, 23003	-	6,710,463.69
COVID-19 National School Lunch Program	COVID-19 10.555	22020	-	515,789.87
Total National School Lunch Program			-	7,226,253.56
Summer Food Service Program for Children	10.559	22006, 22007, 23006, 23007	-	547,819.82
Fresh Fruit and Vegetable Program	10.582	23004	-	341,100.00
Total Child Nutrition Cluster			-	9,495,365.52
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	-	5,549,943.77
COVID-19 Special Education - Grants to States	COVID-19, 84.027	263	-	652,742.36
Total Special Education - Grants to States			-	6,202,686.13
Special Education - Preschool Grants	84.173	267	-	111,444.85
COVID-19 Special Education - Preschool Grants	COVID-19, 84.173	267	-	41,808.48
Total Special Education - Preschool Grants			-	153,253.33
Total Special Education Cluster			-	6,355,939.46
Head Start Cluster				
United States Department of Health and Human Services:				
Head Start				
Head Start	93.600	N/A	-	1,197,464.02
COVID-19 Head Start	COVID-19, 93.600	N/A	-	94,162.52
Total Head Start Cluster			-	1,291,626.54
Not Clustered				
United States Department of Agriculture				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-5809	-	379,280.04
United States Department of Defense				
Army Junior Reserve Officers Training Corps				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	98,818.53
Navy Junior Reserve Officers Training Corps				
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	134,890.08
Total United States Department of Defense			-	233,708.61
United States Department of Justice				
Florida Department of Health:				
STOP School Violence	16.839	None	-	64,579.49
United States Federal Communications Commission				
COVID-19 Emergency Connectivity Fund Program	COVID-19, 32.009	N/A	-	112,299.11
United States Department of Education				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	-	183,274.61
Title I Grants to Local Educational Agencies	84.010	212, 226	-	5,191,911.55
Migrant Education - State Grant Program	84.011	217	-	10,563.92
Career and Technical Education - Basic Grants to States	84.048	161	-	195,840.41
Education for Homeless Children and Youth	84.196	127	-	43,461.79
English Language Acquisition State Grants	84.365	102	-	352,064.30
Supporting Effective Instruction State Grants	84.367	224	-	583,129.70
Student Support and Academic Enrichment Program	84.424	241	-	327,272.64
Education Stabilization Fund:	84.425			
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124, 128	418,011.45	5,339,155.73
American Rescue Plan - Elementary and Secondary School				
Emergency Relief Fund	COVID-19, 84.425U	121	10,315.44	9,277,251.42
American Rescue Plan - Elementary and Secondary School				
Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	-	39,331.64
Total Education Stabilization Fund	84.425		428,326.89	14,655,738.79
Total United States Department of Education			428,326.89	21,543,257.71
United States Department of Homeland Security				
Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1857, Z2941	-	136,627.84
Total Expenditures of Federal Awards			\$ 428,326.89	\$ 39,612,684.32

The notes below are an integral part of this Schedule.

Notes:

- (1) Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Martin County School District under programs of the Federal Government for the fiscal year ending 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 Account 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 for National School Lunch Program.** Includes \$879,443.28 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Head Start.** Expenditures include \$716,702.66 for grant number/program year 04CH011700-04-00, \$480,761.36 for grant number/program year 04CH011700-03-00 and \$94,162.52 for grant number/program year 04HE001237-01-C5/C6.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Martin 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 January 30, 2024, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Financial Statement Finding No. 2023-001 that we consider to be a significant deficiency.

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*.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. The District is responsible for preparing a corrective action plan to address the audit finding included in our auditor's report. The District's response and **CORRECTIVE ACTION PLAN** were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

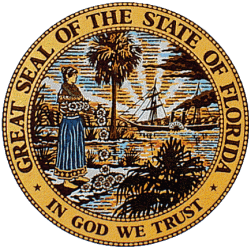
Purpose of this Report

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
January 30, 2024
Audit Report No. 2024-119



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR 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 Martin 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.

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
January 30, 2024
Audit Report No. 2024-119

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? Yes

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, 10.559, and 10.582	Child Nutrition Cluster
84.027 and 84.173	Special Education Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$1,188,380

Auditee qualified as low risk auditee? No

SECTION II – FINANCIAL STATEMENT FINDING

SIGNIFICANT DEFICIENCY

FINANCIAL REPORTING

Finding Number	2023-001
Opinion Units	Government-Wide Business-Type Activities and Major Enterprise Fund - Extended Day Care Program
Financial Statements Account Titles	Various
Fund Name	Extended Day Care Program
Adjustment Amounts	Government-Wide Business-Type Activities and Major Enterprise Fund – Extended Day Care Program: To eliminate the financial statement out-of-balance of \$392,418, increased (debited) Government-Wide Business-Type Activities and Major Enterprise Fund – Extended Day Care Program expenses by \$392,418. Additionally, to properly report pension-related balances and transactions in the business-type activities and major enterprise fund, increased (debited) deferred outflows of resources – pensions by \$639,495, (credited) deferred inflows of resources – pensions by \$128,083, (credited) long-term liabilities: portion due after one year by \$1,845,530, and (debited) Extended Day Care Program expenses by \$17,121, and reduced (debited) beginning net position by \$1,316,997.
Statistically Valid Sample	Not Applicable
Prior Year Finding	Not Applicable
Finding	District procedures need improvement to ensure that business-type account balances and transactions are properly reported on the annual financial report (AFR).
Criteria	<p>Section 1010.01, Florida Statutes, requires that SBE rules incorporate the requirements of law and accounting principles generally accepted in the United States (GAAP). State Board of Education (SBE) Rule 6A-1.0071, Florida Administrative Code, and related instructions from the Florida Department of Education prescribe the exhibits and schedules that should be prepared as part of the District AFR. GAAP require that:</p> <ul style="list-style-type: none">• The account balances on the business-type activities and major enterprise fund statement of net position present total assets and deferred outflows of resources that equal total liabilities, deferred inflows of resources, and net position.• The long-term liabilities and associated expenses directly related to and expected to be paid from the proprietary funds be reported in the business-type activities and major enterprise fund.
Condition	District personnel implemented a change in accounting principle by attempting to transfer the Extended Day Care Program account balances and transactions from a governmental fund to an enterprise fund. However, the transfer did not comply with GAAP as the District omitted Program expenses from the government-wide business-type activities and major enterprise fund and caused the liabilities, deferred inflows, and net position of those activities and enterprise fund to exceed assets and deferred outflows. In addition, the District did not properly allocate and report in the government-wide business-type activities and major enterprise

fund the portion of the District's net pension liability and associated expenses related to and expected to be paid from the Program.

Cause

In response to our inquiry, District personnel indicated that reporting errors occurred because they did not always understand the financial information that should be reported and District review procedures did not detect the errors.

Effect

Reporting errors such as these may cause financial statement users to misunderstand District financial activities and incorrectly assess the District's financial position.

We expanded our audit procedures to determine the adjustments necessary and District personnel accepted these adjustments, ultimately decreasing the business-type activities and major enterprise fund net position from \$671,186 to negative \$1,055,350. However, our audit procedures cannot substitute for management's responsibility for proper financial reporting.

Recommendation

The District should improve procedures to ensure that financial information is properly reported. Such improvements should include appropriate training for employees responsible for compiling that information for the AFR, including those responsible for reviewing and approving the information, to detect and correct reporting errors and ensure the accuracy of the AFR.

District Response

The District concurs with the auditor's position and will ensure that financial statements, account balances, and transactions are adequately reported. In addition, making sure our accounting practices align with generally accepted accounting principles of the United States. The District has taken proactive steps to address the net pension liability. We have decided to consult with an actuary to ensure this liability is appropriately allocated to the Extended Day Care Program. The District understands the importance of responsibly managing our pension liability, and consulting with an actuary will provide transparency and accuracy in the allocation process.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

1939 SE Federal Highway • Stuart, Florida 34994 • Telephone (772) 219-1200



Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
Cherry Bekaert Advisory, LLC. (2022-001)	Journal Entries	The District's annual financial report was misstated due to an incorrect journal entry that was not properly reviewed.	Fully Corrected	

Michael Maine, Superintendent
 School Board Members: Michael DiTerlizzi • Marsha B. Powers • Amy B. Pritchett • Christia Li Roberts • Jennifer Russell

"To Educate all Students for Success"

CORRECTIVE ACTION PLAN

THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

1939 SE Federal Highway • Stuart, Florida 34994 • Telephone (772) 219-1200



MEMORANDUM

DATE: January 30, 2024

TO: Sherrill F. Norman
Office of the Auditor General
State of Florida
Claude Dension Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

FROM: Carter Morrison
Assistant Superintendent of Finance

SUBJECT: Corrective Action Plan for 2022/23 Financial Statement Finding

The Martin County School District respectfully submits the following corrective action plan for the fiscal year ended June 30, 2023

Finding 2023-001

Comment: The District implemented a change in accounting principle by attempting to transfer the Extended Day Care Program account balances and transactions from a governmental fund to an enterprise fund. However, the transfer did not comply with GAAP as the District omitted Program expenses from the government-wide business-type activities and major enterprise fund and caused the liabilities, deferred inflows, and net position of those activities and enterprise fund to exceed assets and deferred outflows. In addition, the District did not properly allocate and report in the government-wide business-type activities and major enterprise fund the portion of the District's net pension liability and associated expenses related to and expected to be paid from the Program.

Planned Corrective Action: The District concurs with the auditor's position and will ensure that financial statements, account balances, and transactions are adequately reported. In addition, making sure our accounting practices align with generally accepted accounting principles of the United States. The District has taken proactive steps to address the net pension liability. We have decided to consult with an actuary to ensure this liability is appropriately allocated to the Extended Day Care Program. The District understands the importance of responsibly managing our pension liability, and consulting with an actuary will provide transparency and accuracy in the allocation process.

Anticipated Completion Date: January 31, 2024

Responsible Contact Person: Carter Morrison, Assistant Superintendent of Finance (772) 219-1200

Please feel free to contact me with any questions.

CC: Superintendent
Director of Accounting

Dr. John D. Millay, Superintendent
School Board Members: Michael DiTerlizzi • Marsha B. Powers • Amy B. Pritchett • Christia Li Roberts • Jennifer Russell

"To Educate all Students for Success"



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