

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019



THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**THE SCHOOL BOARD OF MARION COUNTY  
OCALA, FLORIDA**

**FISCAL YEAR ENDED  
JUNE 30, 2019**

**Dr. Heidi Maier, Superintendent of Schools**

**Prepared By:  
Finance and Accounting Department  
Theresa Boston-Ellis, Chief Financial Officer  
Alice A. Posada, Director of Finance  
Valerie Brown, Senior Accountant**

**The School Board of Marion County  
P.O. Box 670  
Ocala, FL 34478-0670**

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**THE SCHOOL BOARD OF MARION COUNTY  
OCALA, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED  
JUNE 30, 2019**

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# I N T R O D U C T O R Y



“I believe that education is all about being excited about something. Seeing passion and enthusiasm helps push an educational message.”

~ Steve Irwin





# Principal Officials

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## District School Board



**Mrs. Kelly King**  
School Board Chair,  
District 5



**Mr. Eric Cummings**  
Vice Chair, District 3



**Mrs. Nancy Stacy**  
Member, District 1



**Mrs. Beth McCall**  
Member, District 2



**Mrs. Nancy Thrower**  
Member, District 4

## Executive Officials



**Dr. Heidi Maier**  
Superintendent



**Dr. Jonathan H. Grantham**  
Deputy Superintendent



**Ms. Theresa Boston-Ellis**  
Chief Financial Officer

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[www.marionschools.net](http://www.marionschools.net)

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PO Box 670 • Ocala FL 34478-0670  
352.671.7700 • Fax 352.671.7788  
FRS 800.955.8770 (voice) • 800.955.8771 (TTY)

December 6, 2019

Members of the Board  
Marion County School Board  
512 SE 3<sup>rd</sup> Street  
Ocala, Florida 34471

Dear School Board Members and Citizens of Marion County,

State statute requires that all local governments publish after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Marion County District School Board (the District), for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the District. Responsibility for the administration and management of the schools and the administrative support units of the District is vested in the Superintendent of Schools who serves as the Board Secretary and Chief Executive Officer. Accordingly, responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the Superintendent and the designated representatives of the Superintendent. To provide a reasonable basis for making these representations, the Superintendent and/or her representatives have established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements. 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 District representatives, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Purvis, Gray and Company, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Marion County School Board's financial statements for the fiscal year ended June 30, 2019. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

Dr. Heidi Maier  
Superintendent

Nancy Stacy  
District 1

Beth McCall  
District 2

Eric Cummings  
District 3

Nancy Thrower  
District 4

Kelly King  
District 5



The CAFR contains the audited financial statements for all operations over which the District is financially accountable. Various potential component units were evaluated to determine whether they should be considered as part of the District's reporting entity. A component unit was considered to be part of the District's reporting entity when it was concluded that the District was financially accountable for the entity or the nature and significance of the relationship between the District and the entity was such that exclusion would cause the District's financial statements to be misleading. Based on established criteria, it was determined that a leasing corporation is identified as a component unit requiring blended presentation, and one direct support organization and four charter schools are component units with discrete presentations in the basic financial statements. Charter schools are funded by the State and Federal governments, and funds pass through the District for distribution to each charter school. Charter schools also receive grants and donations that do not pass through the school system. The notes to financial statements include a detailed discussion of the blended component unit and the component units that are discretely presented in the basic financial statements.

The District is required to undergo an annual Single Audit in conformity with the provisions of the Uniform Guidance. The standards governing Single Audit engagements 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. Information related to this Single Audit, including the schedule of expenditures of Federal awards, the independent auditors' reports on internal control over financial reporting and on compliance and other matters, the independent auditor's report on Federal program compliance, and the schedule of findings and questioned costs, is included in section IV as additional elements of this report.

### ***Profile of the School District***

The District and its governing board (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 District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five (5) elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The Superintendent is responsible for the administration and management of the schools within the applicable parameters of State laws, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts for the District by State Board of Education Rule 6A-1.001, Florida Administrative Code.

The geographic boundaries of the District are coterminous with those of Marion County. Management of the District is independent of county and city governments. Covering 1,663 square miles, Marion County is one of the largest counties in Florida. With 42,818 students, Marion County student enrollment has decreased by 63 students from the 2017-18 fiscal year to the 2018-19 fiscal year. There is little projected growth for the 2019-20 fiscal year student enrollment.

The District provides a full range of educational programs in Marion County. These include early childhood, kindergarten through 12<sup>th</sup> grade, basic and enriched programs, and exceptional student education. The District also provides vocational, workforce and adult programs.

### ***Factors Affecting Financial Condition***

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

**Economy.** The District relies heavily upon state funding for the core of the educational programs within the District, and while the economic conditions of the nation and state interact with state funding adequacy and availability, the economic outlook for the District is consistent with the national situation. The State of Florida is dependent upon sales tax collections and tourism. In addition, the community within the District is wholly supportive of the educational program, as evidenced by the contribution of money, time and effort. Any funding fluctuations will mean that new programs, innovative initiatives and educational enhancements may not be available within the desired time frames. Due to the strengthening of the local economy, the credit rating of the Marion County School Board was recently raised to Aa3 in August 2019 by Moody's Investor's Service.

The Board, Superintendent, and staff are acutely aware of the perils of interrupted revenue receipts. Prudent business practices, accompanied by statutes mandating balanced budgets, result in a continual review of the financial condition of the District.

**Career Development.** As the work force needs in the community change, the District works with the Ocala/Marion County Chamber and Economic Partnership, Career Source, local employers and other organizations to help ensure our students are prepared to continue on to post-secondary education, the military, or to join our local work force.

Public-private partnership are shaping strategies to help ensure students are prepared for highly skilled jobs available in Marion County. Marion Technical College (MTC) postsecondary programs and all Marion County secondary career and technical programs work cooperatively with local business advisory committees to ensure that all programs meet the standards for preparing students for productive careers and for continued education. New program offerings at the secondary levels are selected for implementation based upon projected job openings and high-skill, high-wage criteria.

### ***Long-Term Financial Planning***

**Budgetary Controls.** The District strives to maintain adequate fund balances and top debt ratings by careful management of its financial resources. The District establishes and maintains policies, procedures, and budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds are included in the annual appropriations budget. Although project length financial plans are adopted for the Capital Project Funds, the funding is contingent upon the annual budget adoption. Budgetary control is maintained for individual accounts or group of accounts within each school or department through the use of an encumbrance accounting system. This process tests for availability of funds, which precludes a requisition for services, equipment, supplies or materials from becoming a purchase order if the account would be overspent. The budgetary process is discussed under the Budgetary Compliance and Accountability section of the Notes to Required Supplementary Information.

**Capital/Facilities Plan.** Long-term financial facility needs are addressed in a Five-Year District Facilities Work Plan encompassing all construction, maintenance, and facility renovation. The Facilities Work Plan is updated every year. Funding is provided primarily from the local capital outlay millage levy on an annual basis.

All school buildings across the county are maintained by the Facilities Department and vary among age and structure. Eighth Street Elementary, built in 1914, marks as the oldest school while Legacy Elementary, which was completed in 2011, marks as the newest addition. A complete list of schools

with their year acquired and square footage can be referenced in the Statistical Section of this CAFR on pages 118-119.

To protect, improve, and maintain our schools in our District takes many hours and days. The District has worked to provide enough capacity to reduce class sizes and meet anticipated student enrollment. After many years of student growth, the District's student numbers have leveled out. It has become necessary to focus our capital outlay resources on preventative maintenance, repairs, and the upkeep or replacement of building systems. This is critical to continue to meet health, safety and accessibility requirements. School districts in Florida have been hit hard by the reduction in local capital outlay taxing authority and fluctuation in property values over the past ten years. In response to the U.S. recession in 2008 and 2009, the Florida Legislature reduced the capital millage authority of local school boards by 25%. This 25% reduction of the taxing rate, previously used by districts to meet the needs of facility maintenance, has forced school systems to utilize General Fund dollars to cover the expense of the ongoing, everyday operational projects at school sites and in turn has grown the deferred capital project listings. We continue to update, adopt and review existing facility maintenance needs within available resources.

### ***Financial Information***

A detailed explanation of the financial position and operating results of the District is provided in the CAFR. The accounting policies of the District conform to GAAP applicable to governmental units. The statements and schedules included in the financial section of this report demonstrate the District's continued commitment to sound financial management.

### ***Retirement Program***

The District participates in the Florida Retirement System, which is administered by the State of Florida Department of Management Services. Note II.E to the financial statements describes the District's retirement program in greater detail.

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District of Marion County, Florida, for its CAFR for fiscal year ended June 30, 2018. This is the nineteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ***Acknowledgments***

The preparation of the CAFR could not have been accomplished without the loyal and dedicated assistance of the entire staff of the Finance Department, as well as, the entire District administrative staff who provided assistance throughout the preparation of this report.

We would like to thank the School Board Members for their interest and support in establishing responsible and progressive financial policies for the District. The citizens of Marion County are also to be commended for their continued support of the public schools.

As this fiscal year ends, and we look back at the events that have affected us as a District and as a community, our commitment to quality education is as strong as ever.

Respectfully submitted,



Heidi Maier, Ed. D., Superintendent of Schools



Theresa Boston-Ellis, Chief Financial Officer



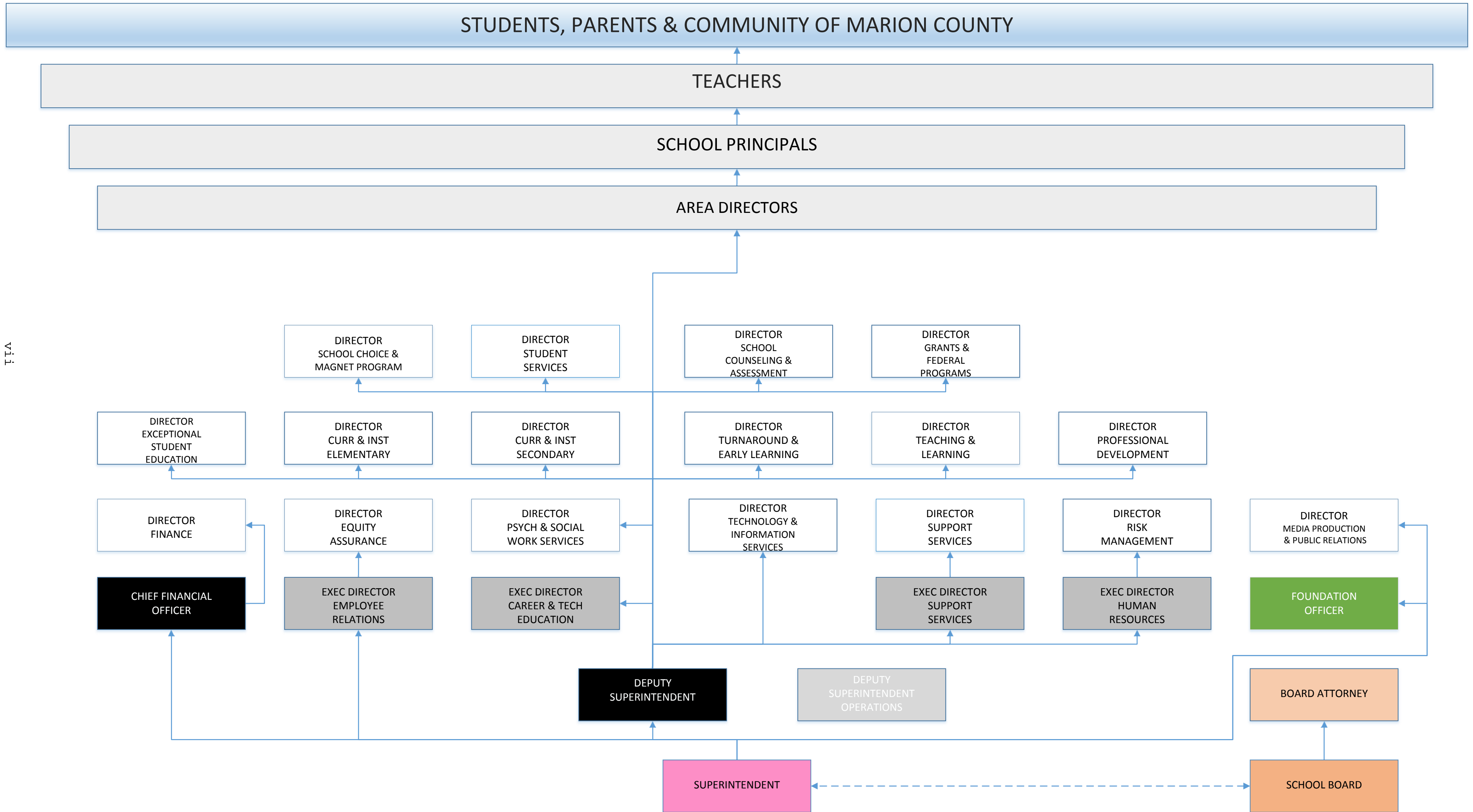
Alice A. Posada, Director of Finance

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# MARION COUNTY PUBLIC SCHOOLS

## ORGANIZATIONAL CHART – 2018-2019



v.i.i.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**School District of Marion County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO



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“Education’s purpose is to replace an empty mind with an open one.”

~Malcolm Forbes



## **FINANCIAL SECTION**

**This section contains the following subsections:**

**Independent Auditors' Report  
Management's Discussion and Analysis  
Basic Financial Statements**

**Notes to Financial Statements  
Required Supplementary Information  
Notes to Required Supplementary Information**

**Supplementary Information:  
Combining and Individual Fund Statements and Schedules**

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## INDEPENDENT AUDITOR'S REPORT

Marion County District School Board and  
Superintendent  
Ocala, Florida

We have audited the accompanying basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Marion County District School Board (the District), as of and for the fiscal year ended June 30, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Marion Charter School and the McIntosh Area School, which represent 30%, 24%, and 37%, respectively, of the total assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these two component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### **Certified Public Accountants**

P.O. Box 141270 • 222 N.E 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144  
5001 Lakewood Ranch Blvd., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350  
1560 N. Orange Ave., Suite #450 • Winter Park, Florida 32789  
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Marion County District School Board and  
Superintendent  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedule of funding progress for other postemployment benefits information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis, and the schedule of funding progress for other postemployment benefits because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other 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 introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also not a required part of the basic financial statements.

Marion County District School Board and  
Superintendent  
Ocala, Florida

### INDEPENDENT AUDITOR'S REPORT

The combining and individual non-major fund statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual non-major fund financial statements, major fund budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Accounting Standards*, we have also issued our report dated December 6, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and that the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

  
December 6, 2019  
Ocala, Florida



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The management of the Marion County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2019. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2018-19 fiscal year are as follows:

- Total Net Position is \$311,748,438, which represents a 0.81 percent decrease from the 2017-18 fiscal year.
- General revenues total \$412,075,514, or 91.36 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$38,948,041 or 8.64 percent of all revenues.
- Expenses total \$453,568,832; only \$38,948,041 of these expenses were offset by program revenues, with the remainder paid from general revenues. Total expenses exceed total revenues by \$2,545,277.
- The total combined assigned and unassigned fund balance of the General Fund, representing the net fund balance that is spendable and not restricted, totals \$34,642,973 at June 30, 2019, or 9.93 percent of total General Fund revenues. The unassigned fund balance totals \$20,565,133 which represents 5.89 percent of total General Fund revenues.
- The total assets and deferred outflows of resources of the district is \$732,244,909 and total liabilities and deferred inflows of resources is \$420,496,471.
- The District's capital assets (net of depreciation) decreased by \$10,618,458 as depreciation expense exceeded capital asset additions in the current year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

Government-wide financial statements

Fund financial statements

Notes to financial statements

#### **Government-wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of

the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, its liabilities, its deferred inflows and its deferred outflows of resources using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

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

Component units—The District presents five separate legal entities in this report including the Marion Charter School, Inc.; the McIntosh Area School, Incorporated; the Francis Marion Military Academy, Inc.; Francis Marion Charter School, Inc., d/b/a Ocali Middle School; and the Public Education Foundation of Marion County, Inc. Although these entities do not meet the specific financial accountability criteria, they are included in this report as component units based on the nature and significance of their relationship with the District to prevent the District's financial statements from being misleading. Financial information for these component units are reported separately from the financial information presented for the primary government.

The Marion County School Board Leasing Corporation, Inc. (Leasing Corporation), also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

## **Fund Financial Statements**

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

**Governmental Funds**—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize the current financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The current 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.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Other Federal Programs Fund, Capital Projects – Local Capital Improvement Fund and Capital Project – Other Capital Project. Data from the other five governmental funds are considered nonmajor and are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and are presented as supplementary information.

**Proprietary Fund**—Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains an internal service fund to report activities that provide services to support the District's other programs and functions through user charges. The District uses the internal service fund to account for the cost of the District's self-insurance risk management programs. Since these services predominantly benefit governmental functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same types of information as the government-wide financial statements, only in more detail. The internal service fund is presented in a single column in the proprietary fund 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 and the Silver River Museum. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District uses Agency Funds to account for resources held for student activities and groups, and a Private-Purpose Trust Fund to account for private funds held for the Silver River Museum.

### **Notes to Financial Statements**

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

### **Required Supplementary Information**

The District adopts an annual budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the major Special Revenue Fund to demonstrate compliance with the budget. Additional required supplementary information is presented relating to the schedule of change in other postemployment benefit plan liability and related ratios, and net pension liabilities and contributions.

## Notes to Required Supplementary Information

The notes provide additional information that is essential for a full understanding of the data provided in the required supplementary information.

## Other Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2019, compared to net position as of June 30, 2018:

	Net Position, End of Year	
	Governmental Activities	
	6-30-19	6-30-18
Current Assets	\$ 128,560,957	\$ 106,939,571
Capital Assets, Net of Depreciation	507,343,044	517,961,502
<b>Total Assets</b>	<b>635,904,001</b>	<b>624,901,073</b>
<b>Deferred Outflows of Resources</b>	<b>96,340,907</b>	<b>99,088,837</b>
Current Liabilities	13,063,543	16,977,153
Noncurrent Liabilities	381,818,313	376,165,676
<b>Total Liabilities</b>	<b>394,881,856</b>	<b>393,142,829</b>
<b>Deferred Inflows of Resources</b>	<b>25,614,614</b>	<b>16,553,366</b>
Net Position:		
Net Investment in Capital Assets	423,039,762	437,935,375
Restricted	63,844,205	44,613,635
Unrestricted (Deficit)	(175,135,529)	(168,255,295)
<b>Total Net Position</b>	<b>\$ 311,748,438</b>	<b>\$ 314,293,715</b>

The largest portion of the District's net position reflects its investment in capital assets (e.g., land; buildings and fixed equipment; furniture, fixtures, and equipment), less any related debt still outstanding net of unspent debt proceeds. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit net position was the result of liabilities related to the defined benefit pension plans, compensated absences, and Other Postemployment Benefits (OPEB).

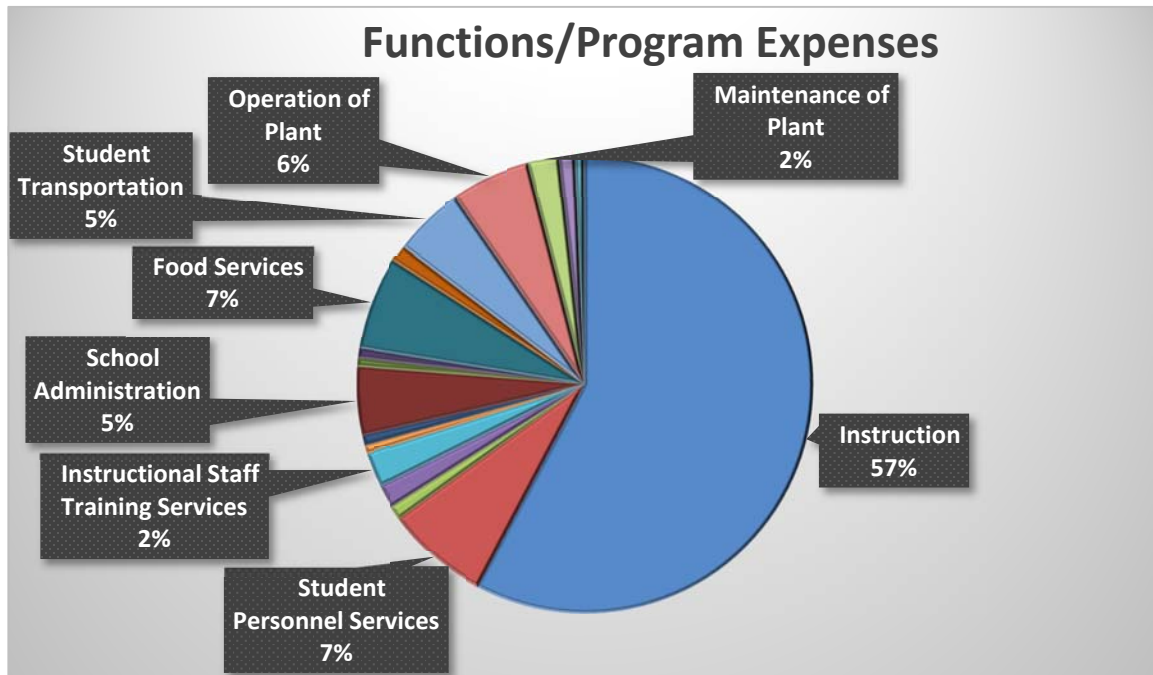
The key elements of the changes in the District's net position for the fiscal years ended June 30, 2019, and June 30, 2018, are as follows:

- The decrease in capital assets is due primarily to depreciation expense exceeding capital outlay in the current year.
- The increase in deferred outflows and deferred inflows is the result of the Florida Retirement System, Health Insurance Subsidy, and OPEB activities.

Governmental activities decreased the District's net position by \$2,545,277 during the 2018-19 fiscal year, detailed as follows:

	<b>Operating Results for the Fiscal Year Ended</b>	
	Governmental Activities	
	6-30-19	6-30-18 (a)
Program Revenues:		
Charges for Services	\$ 9,735,008	\$ 9,378,965
Operating Grants and Contributions	26,435,943	25,693,570
Capital Grants and Contributions	2,777,090	2,587,067
General Revenues:		
Property Taxes Levied for Operational Purposes	110,053,950	107,111,618
Property Taxes Levied for Capital Projects	28,361,978	26,507,997
Grants and Contributions Not Restricted to Specific Programs	262,511,580	254,121,661
Unrestricted Investment Earnings	3,233,404	998,125
Miscellaneous	7,914,602	6,329,627
<b>Total Revenues</b>	<b>451,023,555</b>	<b>432,728,630</b>
Functions/Program Expenses:		
Instruction	258,092,892	246,324,171
Student Personnel Services	32,571,703	30,277,096
Instructional Media Services	4,440,743	4,423,914
Instruction and Curriculum Development	7,224,920	6,221,103
Instructional Staff Training Services	11,091,720	7,665,780
Instruction Related Technology	2,553,752	2,858,681
Board of Education	851,172	764,160
General Administration	3,301,361	3,090,996
School Administration	21,449,659	21,672,130
Facility Services	2,687,241	2,971,111
Fiscal Services	3,152,753	3,303,830
Food Services	29,537,513	29,176,087
Central Services	5,332,555	4,770,172
Student Transportation Services	22,651,212	22,828,958
Operation of Plant	25,018,755	24,668,869
Maintenance of Plant	10,068,853	10,075,905
Administrative Technology Services	5,055,202	5,517,045
Community Services	5,655,715	5,069,742
Unallocated Interest on Long-Term Debt	2,762,058	3,004,016
Loss on Disposal of Capital Assets	69,053	117,594
<b>Total Functions/Program Expenses</b>	<b>453,568,832</b>	<b>434,801,360</b>
<b>Increase (Decrease) in Net Position</b>	<b>(2,545,277)</b>	<b>(2,072,730)</b>
Net Position - Beginning	314,293,715	309,368,781
Net Position - Ending	<b>\$ 311,748,438</b>	<b>\$ 314,293,715</b>

(a) Beginning net position was restated for change in accounting principles due to implementation of GASB Statement No. 75

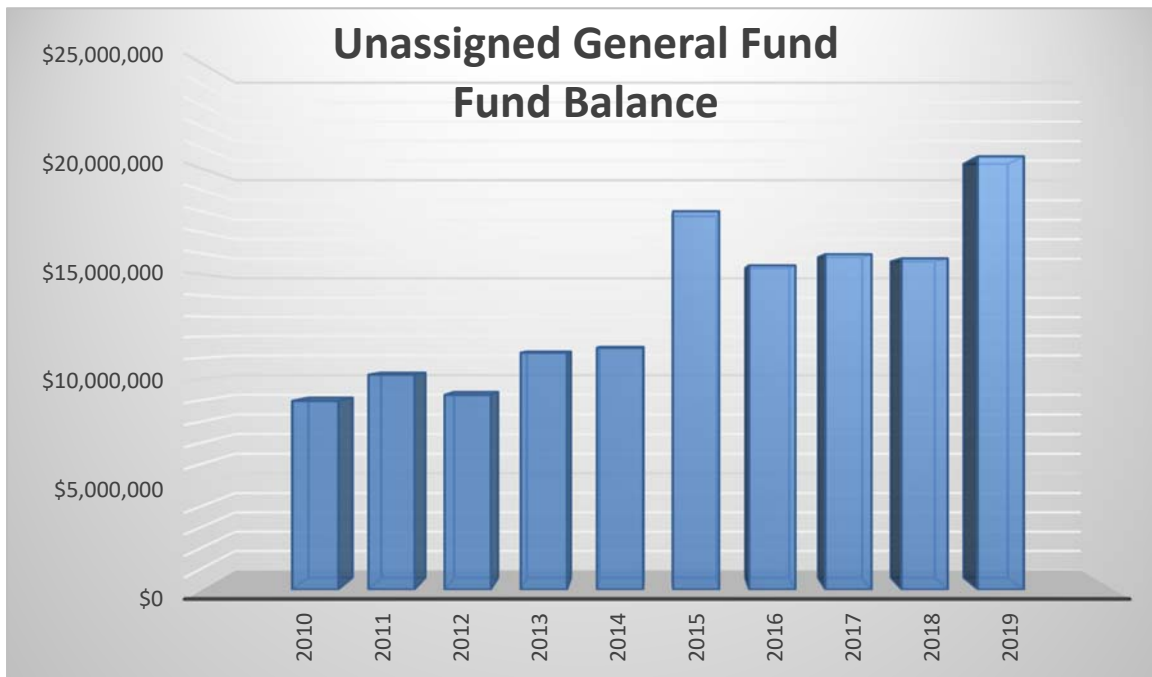


Key elements of the change in net position are as follows:

- Unrestricted investment earnings increased significantly over the prior year as a result of higher interest rates.
- Property values continue to rise providing increased property taxes for operations and capital projects.
- Overall Instructional related expenses increased significantly due to the additional one mill levied for educational enhancements.
- Other increases in expenses resulted from the recording of net pension liability expenses which increased expenditures by approximately \$9.6 million.

## Major Governmental Funds

**General Fund:** This fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance was \$20,565,133 while the total fund balance was \$49,610,570. The total fund balance increased by \$1,479,053 during the 2018-19 fiscal year. The increase in fund balance is primarily due to an increase in State FEFP revenue along with the levy of the additional one mill property tax for educational enhancement. The fund balance remains above the level set by Board policy which is 3 percent of General Fund revenues.



**Special Revenue – Other Federal Programs Fund:** This fund had revenues and expenditures of \$38,525,260. Expenditures were primarily for salaries and benefits. Because revenues in this fund are recognized to the extent expenditures are incurred, this fund generally does not accumulate a fund balance.

**Capital Projects – Local Capital Improvement Fund:** This fund has a total fund balance of \$15,212,091, all of which is restricted for the acquisition, construction, and maintenance of capital assets. Funds were used to re-roof Hillcrest and Fort King Middle as well as provide security fencing district-wide.

**Capital Projects – Other Capital Projects:** This fund has a total fund balance of \$22,481,302, all of which is restricted for the acquisition, construction, and maintenance of capital assets. Funds were used to purchase land as well as provide security fencing district-wide.

## Proprietary Fund

Unrestricted net position of the Internal Service Fund totaled \$4,594,600 at June 30, 2019, an increase of \$771,254 from the previous fiscal year. Total operating expenses were \$4,144,523 comprised of salaries, employee benefits, purchased services, and expense claims.



## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the course of the 2018-19 fiscal year, the District amended its General Fund budget several times due primarily to changes in estimated local and Federal through State funding levels and made corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

The District made several management decisions to curtail spending, which resulted in actual expenditures being approximately \$20.9 million less than original budget amounts.

## **CAPITAL ASSETS AND LONG-TERM DEBT**

### **Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$507,343,044 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Major capital asset events during the current fiscal year included the following:

- Several heating, ventilating and air conditioning and re-modeling projects were completed during the year.
- Disposal of portable buildings, equipment, and vehicles totaled approximately \$2.7 million.
- Depreciation expense totaled \$19,386,666.

Additional information on the District's capital assets can be found in Note II.D. to the financial statements.

### **Long-Term Debt**

At June 30, 2019, the District has \$85,790,648 total capital asset-related debt outstanding. This amount is composed of \$62,660,000 of certificates of participation payable, \$3,228,000 of bonds payable, \$16,849,901 of notes payable, and \$3,052,747 of unamortized premiums.

During the year, the District issued \$15,839,901 in notes payable to purchase 150 buses in the 2019-20 fiscal year.

Other items classified as long-term liabilities, in the government-wide financial statements, include the compensated absences liability totaling \$32,834,583, other postemployment benefits payable in the amount of \$27,671,350, estimated insurance claims payable totaling \$9,250,659 and net pension obligations totaling \$226,271,073.

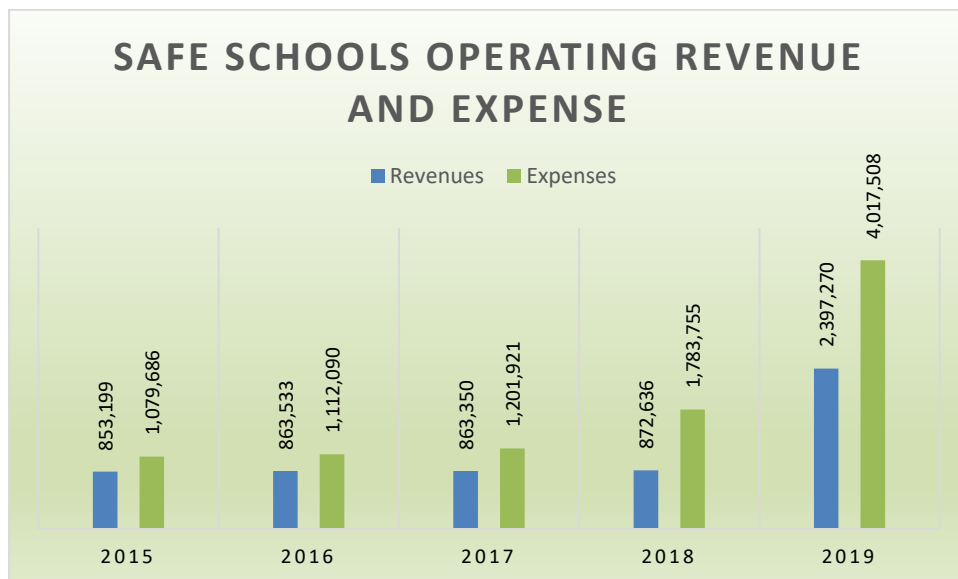
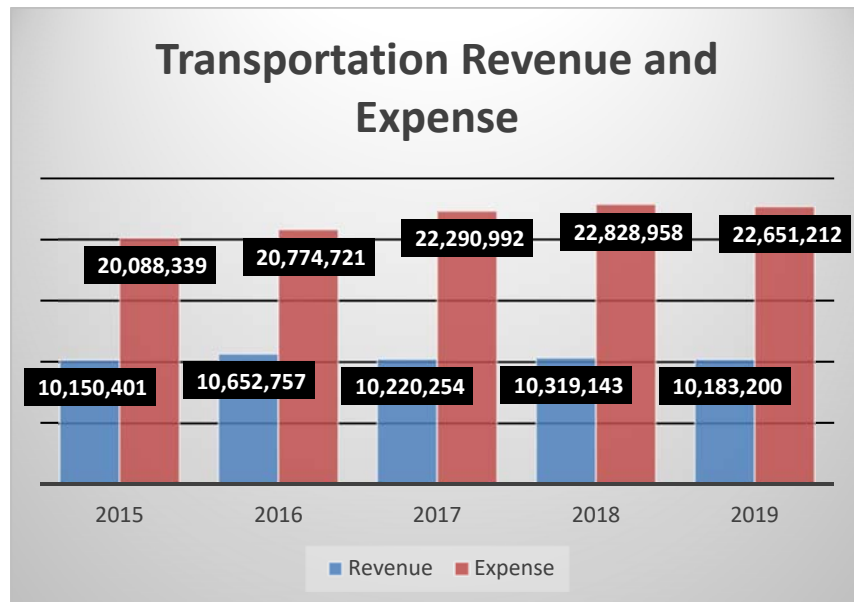
Additional information on the District's long-term liabilities can be found in Note II.I. to the financial statements.

## OTHER MATTERS OF SIGNIFICANCE

As a part of the State-wide educational funding formula, the District is given operational revenues through State appropriations. The District then aligns expenses to fall within those parameters.

Capital revenues are levied up to capacity based on the needs identified in the District Facilities Work Program to adequately house growth in the student population.

Transportation, as well as unfunded mandates such as safe schools, continue to exceed revenues. For fiscal year 2018-19, expenses exceeded revenues by \$12.5 million for Transportation and \$1.6 million for operating funds related to Safe Schools. Funding these areas from current operations continue to be challenging.



## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Marion County District School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, School District of Marion County, Florida, 512 SE 3<sup>rd</sup> Street, Ocala, FL 34471.

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
<b>Assets</b>		
Cash	\$ 43,760,107	\$ 1,143,480
Investments	67,767,686	546,842
Accounts Receivable	604,765	82,420
Deposits Receivable	140,000	30,061
Due from Other Agencies	12,871,027	-
Inventories	2,719,971	335,208
Prepaid Items	697,401	55,825
Assets Held by Others	-	1,972,656
Capital Assets:		
Capital Assets Not Being Depreciated	26,026,744	364,833
Capital Assets Being Depreciated, Net	<u>481,316,300</u>	<u>786,339</u>
<b>Total Assets</b>	<u>635,904,001</u>	<u>5,317,664</u>
<b>Deferred Outflows of Resources</b>		
Deferred Amount on Refunding	1,706,429	-
Deferred Amount on Other Post Employment Benefits	1,559,524	-
Deferred Amount on Pension Liability	<u>93,074,954</u>	<u>405,687</u>
<b>Total Deferred Outflows of Resources</b>	<u>96,340,907</u>	<u>405,687</u>
<b>Liabilities</b>		
Salaries and Benefits Payable	6,170,294	30,429
Payroll Deductions and Withholdings Payable	1,615,228	-
Accounts Payable	3,252,820	430,561
Credit Card Payable	-	3,423
Cash Overdraft	-	16,398
Funds Held for Others	-	713
Deposits Payable	108,275	-
Construction Contracts Payable	278,205	-
Construction Contracts Payable - Retainage	17,967	-
Accrued Interest Payable	359,032	-
Due to Other Agencies	102,351	-
Unearned Revenue	1,159,371	-
Long-term Liabilities Due Within One Year	22,224,083	29,792
Long-term Liabilities Due After One Year	<u>359,594,230</u>	<u>911,262</u>
<b>Total Liabilities</b>	<u>394,881,856</u>	<u>1,422,578</u>
<b>Deferred Inflows of Resources</b>		
Deferred Revenue	-	87,493
Deferred Amount on Other Post Employment Benefits	1,563,489	-
Deferred Amount on Pension Liability	<u>24,051,125</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>25,614,614</u>	<u>87,493</u>
<b>Net Position</b>		
Net Investment in Capital Assets	423,039,762	1,143,300
Restricted for:		
State Required Carryover Programs	7,909,446	-
Food Service	9,521,347	-
Debt Service	232,445	-
Capital Projects	41,705,342	75,276
Referendum Property Tax	4,475,625	-
Permanent Endowments:		
Nonexpendable	-	2,607,835
Unrestricted (Deficit)	<u>(175,135,529)</u>	<u>386,868</u>
<b>Total Net Position</b>	<u>\$ 311,748,438</u>	<u>\$ 4,213,279</u>

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
Governmental Activities:			
Instruction	\$ 258,092,892	\$ 7,480,881	\$ -
Student Personnel Services	32,571,703	-	-
Instructional Media Services	4,440,743	-	-
Instruction and Curriculum Development	7,224,920	-	-
Instructional Staff Training Services	11,091,720	-	-
Instruction Related Technology	2,553,752	-	-
Board of Education	851,172	-	-
General Administration	3,301,361	-	-
School Administration	21,449,659	-	-
Facility Services	2,687,241	-	-
Fiscal Services	3,152,753	-	-
Food Services	29,537,513	2,069,602	26,435,943
Central Services	5,332,555	-	-
Student Transportation Services	22,651,212	184,525	-
Operation of Plant	25,018,755	-	-
Maintenance of Plant	10,068,853	-	-
Administrative Technology Services	5,055,202	-	-
Community Services	5,655,715	-	-
Unallocated Interest on Long-term Debt	2,762,058	-	-
Loss on Disposal of Fixed Assets	69,053	-	-
<b>Total Primary Government</b>	<b>\$ 453,568,832</b>	<b>\$ 9,735,008</b>	<b>\$ 26,435,943</b>
<b>Component Units</b>			
Charter Schools/Foundation	\$ 6,426,425	\$ 88,958	\$ 959,685

**General Revenues**

Taxes:

  Property Taxes, Levied for Operational Purposes

  Property Taxes, Levied for Capital Projects

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

**Total General Revenues**

**Change in Net Position**

Net Position - Beginning

**Net Position - Ending**

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
Capital Grants and Contributions	Governmental Activities	Component Units
\$ -	\$ (250,612,011)	\$ -
-	(32,571,703)	-
-	(4,440,743)	-
-	(7,224,920)	-
-	(11,091,720)	-
-	(2,553,752)	-
-	(851,172)	-
-	(3,301,361)	-
-	(21,449,659)	-
1,540,670	(1,146,571)	-
-	(3,152,753)	-
-	(1,031,968)	-
-	(5,332,555)	-
-	(22,466,687)	-
-	(25,018,755)	-
895,910	(9,172,943)	-
-	(5,055,202)	-
-	(5,655,715)	-
340,510	(2,421,548)	-
-	(69,053)	-
<u>\$ 2,777,090</u>	<u>(414,620,791)</u>	<u>-</u>
<u>\$ 254,021</u>	<u>-</u>	<u>(5,123,761)</u>

110,053,950	-
28,361,978	-
262,511,580	4,661,070
3,233,404	53,230
7,914,602	30,835
<u>412,075,514</u>	<u>4,745,135</u>
(2,545,277)	(378,626)
<u>314,293,715</u>	<u>4,591,905</u>
<u>\$ 311,748,438</u>	<u>\$ 4,213,279</u>

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<b>General Fund</b>	<b>Special Revenue - Other Federal Programs Fund</b>
<b>Assets</b>		
Cash	\$ 14,333,106	\$ 517,728
Investments	34,191,366	-
Accounts Receivable	392,174	118,924
Due from Other Agencies	5,706,642	4,730,511
Due from Budgetary Funds	3,562,835	-
Inventories	1,971,979	-
Prepaid Items	610,547	5,325
<b>Total Assets</b>	<b>\$ 60,768,649</b>	<b>\$ 5,372,488</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Salaries and Benefits Payable	\$ 5,459,128	\$ 659,853
Payroll Deductions and Withholdings Payable	1,513,120	94,084
Accounts Payable	2,886,225	249,140
Deposits Payable	1,028	-
Construction Contracts Payable	44,227	-
Construction Contracts Payable - Retainage	-	-
Due from Other Agencies	75,551	24,491
Due to Budgetary Funds	-	3,562,835
Unearned Revenue	1,178,800	782,085
<b>Total Liabilities</b>	<b>11,158,079</b>	<b>5,372,488</b>
<b>Fund Balances</b>		
Nonspendable:		
Inventories	1,971,979	-
Prepaid Items	610,547	5,325
<b>Total Nonspendable Fund Balance</b>	<b>2,582,526</b>	<b>5,325</b>
Restricted for:		
State Required Carryover Programs	7,909,446	-
Referendum Property Tax	4,475,625	-
Debt Service	-	-
Capital Projects	-	-
Food Service Operations	-	-
<b>Total Restricted Fund Balance</b>	<b>12,385,071</b>	<b>-</b>
Assigned for:		
Budget Shortfall 2018-19 Fiscal Year	14,077,840	-
Other Programs	-	-
<b>Total Assigned Fund Balance</b>	<b>14,077,840</b>	<b>-</b>
Unassigned Fund Balance	20,565,133	(5,325)
<b>Total Fund Balances</b>	<b>49,610,570</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 60,768,649</b>	<b>\$ 5,372,488</b>

<b>Capital Projects - Local Capital Improvement Fund</b>	<b>Capital Projects - Other Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,125,678	\$ 16,013,712	\$ 8,280,942	\$ 42,271,166
11,299,390	6,052,975	4,021,183	55,564,914
24,901	20,485	12,570	569,054
943,196	503,600	987,078	12,871,027
-	-	-	3,562,835
-	-	747,992	2,719,971
-	-	28	615,900
<u>\$ 15,393,165</u>	<u>\$ 22,590,772</u>	<u>\$ 14,049,793</u>	<u>\$ 118,174,867</u>
\$ -	\$ -	\$ 47,791	\$ 6,166,772
-	-	6,764	1,613,968
38,599	-	57,611	3,231,575
-	-	107,247	108,275
140,646	93,332	-	278,205
1,829	16,138	-	17,967
-	-	1,779	101,821
-	-	-	3,562,835
-	-	-	1,960,885
<u>181,074</u>	<u>109,470</u>	<u>221,192</u>	<u>17,042,303</u>
-	-	747,992	2,719,971
-	-	28	615,900
-	-	<u>748,020</u>	<u>3,335,871</u>
-	-	-	7,909,446
-	-	-	4,475,625
-	-	591,477	591,477
15,212,091	22,481,302	3,715,777	41,409,170
-	-	8,773,327	8,773,327
<u>15,212,091</u>	<u>22,481,302</u>	<u>13,080,581</u>	<u>63,159,045</u>
-	-	-	14,077,840
-	-	-	-
-	-	-	14,077,840
-	-	-	20,559,808
<u>15,212,091</u>	<u>22,481,302</u>	<u>13,828,601</u>	<u>101,132,564</u>
<u>\$ 15,393,165</u>	<u>\$ 22,590,772</u>	<u>\$ 14,049,793</u>	<u>\$ 118,174,867</u>

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



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**MARION COUNTY DISTRICT SCHOOL BOARD  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

<b>Total Fund Balances - Governmental Funds</b>		\$ 101,132,564
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		507,343,044
The deferred outflows of resources and deferred inflows of resources related to pensions, other post employment benefits and debt refundings are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred Outflows related to Debt Refundings	\$ 1,706,429	
Deferred Outflows related to Pensions	93,074,954	
Deferred Outflows related to Other Postemployment Benefits	1,559,524	
Deferred Inflows related to Pensions	(24,051,125)	
Deferred Inflows related to Other Postemployment Benefits	<u>(1,563,489)</u>	
		70,726,293
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Certificates of Participation	62,660,000	
Bonds Payable	3,228,000	
Note Payable	16,849,901	
Unamortized Premiums	3,052,747	
Unamortized Prepaid Insurance - Debt Related	(77,109)	
Compensated Absences Payable	32,834,583	
Other Postemployment Benefit Liability	27,671,350	
Net Pension Liability	<u>226,271,073</u>	
		(372,490,545)
Hurricane Irma funds were recorded as a receivable and deferred revenue at the fund level as funds were not received within 60 days after year-end. At the government-wide level this was recorded as a receivable and revenue due to the economic resource measurement focus.		801,514
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		4,594,600
Accrued Interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		<u>(359,032)</u>
<b>Total Net Position - Governmental Activities</b>		<u>\$ 311,748,438</u>

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

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue - Other Federal Programs Fund</u>
<b>Revenues</b>		
Intergovernmental:		
Federal Direct	\$ 662,954	\$ 1,529,155
Federal Through State and Local	3,837,444	36,266,514
State	217,777,163	274,272
Local:		
Property Taxes	110,053,950	-
Other	16,530,572	455,319
<b>Total Revenues</b>	<u>348,862,083</u>	<u>38,525,260</u>
<b>Expenditures</b>		
Current - Education:		
Instruction	217,953,465	17,714,267
Student Personnel Services	25,006,255	6,701,331
Instructional Media Services	4,080,738	75,588
Instruction and Curriculum Development	4,560,819	2,409,925
Instructional Staff Training Services	3,128,105	7,698,471
Instruction Related Technology	2,411,458	-
Board of Education	850,932	-
General Administration	1,768,087	1,407,234
School Administration	19,894,408	73,323
Facility Services	798,242	11,416
Fiscal Services	3,025,322	-
Food Services	-	-
Central Services	5,057,046	-
Student Transportation Services	20,681,159	226,506
Operation of Plant	24,434,515	-
Maintenance of Plant	9,519,233	-
Administrative Technology Services	4,334,060	-
Community Services	4,140,017	1,513,591
Capital Outlay:		
Facilities Acquisition and Construction	488,991	65,250
Other Capital Outlay	1,358,180	628,358
Debt Service:		
Retirement of Principal	-	-
Interest and Fiscal Charges	-	-
<b>Total Expenditures</b>	<u>353,491,032</u>	<u>38,525,260</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(4,628,949)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>		
Insurance Loss Recoveries	82,797	-
Inception of Note Payable	-	-
Sale of Capital Assets	158,718	-
Transfers In	5,885,188	-
Transfers Out	(18,701)	-
<b>Total Other Financing Sources (Uses)</b>	<u>6,108,002</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,479,053	-
<b>Fund Balances - Beginning</b>	48,131,517	-
<b>Fund Balances - Ending</b>	<u>\$ 49,610,570</u>	<u>\$ -</u>

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,192,109
-	-	26,032,296	66,136,254
-	1,485,509	3,377,207	222,914,151
28,844,711	-	-	138,898,661
-	149,589	2,307,594	19,443,074
<u>28,844,711</u>	<u>1,635,098</u>	<u>31,717,097</u>	<u>449,584,249</u>
-	-	-	235,667,732
-	-	-	31,707,586
-	-	-	4,156,326
-	-	-	6,970,744
-	-	-	10,826,576
-	-	-	2,411,458
-	-	-	850,932
-	-	-	3,175,321
-	-	-	19,967,731
-	-	-	809,658
-	-	-	3,025,322
-	-	28,400,316	28,400,316
-	-	-	5,057,046
-	-	-	20,907,665
-	-	-	24,434,515
-	-	-	9,519,233
-	-	-	4,334,060
-	-	-	5,653,608
3,892,302	1,857,411	1,151,133	7,455,087
280,866	-	373,695	2,641,099
-	-	10,576,000	10,576,000
-	37,500	2,730,479	2,767,979
<u>4,173,168</u>	<u>1,894,911</u>	<u>43,231,623</u>	<u>441,315,994</u>
<u>24,671,543</u>	<u>(259,813)</u>	<u>(11,514,526)</u>	<u>8,268,255</u>
-	-	-	82,797
-	15,839,901	-	15,839,901
-	-	-	158,718
-	-	12,773,576	18,658,764
(18,376,141)	(9,901)	(254,021)	(18,658,764)
<u>(18,376,141)</u>	<u>15,830,000</u>	<u>12,519,555</u>	<u>16,081,416</u>
6,295,402	15,570,187	1,005,029	24,349,671
8,916,689	6,911,115	12,823,572	76,782,893
<u>\$ 15,212,091</u>	<u>\$ 22,481,302</u>	<u>\$ 13,828,601</u>	<u>\$ 101,132,564</u>

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**MARION COUNTY DISTRICT SCHOOL BOARD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<b>Net Change in Fund Balances - Governmental Funds</b>		<b>\$ 24,349,671</b>
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount of capital asset activity in the current period:		
Capital Asset Additions	\$ 8,837,261	
Depreciation Expense	(19,386,666)	
Loss on Disposal of Capital Assets	<u>(69,053)</u>	(10,618,458)
Issuance of Note Payable		(15,839,901)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt payments during the year.		10,576,000
Debt Premiums on bond issues are amortized over the life of the debt in the statement of activities but are reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.		412,610
Deferred amount on Refunding is amortized over the life of the debt in the statement of activities, but is reported as an expense in the fund statements when debt is issued. This is the amount of the current amortization.		(300,314)
Prepaid insurance is amortized over the life of the debt in the statement of activities but is reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.		(8,568)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.		
Florida Retirement System Pension Contribution	15,325,199	
Health Insurance Subsidy Pension Contribution	3,966,010	
Florida Retirement System Pension Expense	(25,009,388)	
Health Insurance Subsidy Pension Expense	<u>(5,862,906)</u>	(11,581,085)
The net decrease in accrued interest on long-term debt is reported in the statement of activities, but not in the fund statements.		(97,807)
Hurricane Irma funds were recorded as a receivable and deferred revenue at the fund level as funds were not received within 60 days after year-end. At the government-wide level this was recorded as a receivable and revenue due to the economic resource measurement focus.		801,514
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year.		(517,127)
Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the actuarial cost of benefits earned net of employee contributions is reported as an expense.		(493,066)
Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net income of internal service funds is reported with governmental activities.		771,254
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ (2,545,277)</u></b>

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2019**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets</b>	
Current Assets:	
Cash	\$ 1,488,941
Investments	12,202,772
Accounts Receivable	35,711
Deposits Receivable	140,000
Prepaid Items	4,392
	13,871,816
<b>Total Assets</b>	<b>13,871,816</b>
<b>Liabilities</b>	
Current Liabilities:	
Salaries and Benefits Payable	3,522
Payroll Deductions and Withholdings Payable	1,260
Accounts Payable	21,245
Due to Other Agencies	530
Estimated Insurance Claims Payable	3,173,182
Total Current Liabilities	3,199,739
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	6,077,477
	9,277,216
<b>Total Liabilities</b>	<b>9,277,216</b>
<b>Net Position</b>	
Unrestricted	\$ 4,594,600

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating Revenues</b>	
Charges for Services	\$ 4,519,500
<b>Operating Expenses</b>	
Salaries	115,773
Employee Benefits	33,906
Purchased Services	1,886,231
Claim Expense	2,108,613
<b>Total Operating Expenses</b>	4,144,523
<b>Operating Income</b>	374,977
<b>Nonoperating Revenue</b>	
Investment Income	396,277
<b>Change in Net Position</b>	771,254
<b>Net Position - Beginning</b>	3,823,346
<b>Net Position - Ending</b>	\$ 4,594,600

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



**MARION COUNTY DISTRICT SCHOOL BOARD  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$ 4,519,500
Cash Payments to Suppliers for Goods and Services	(1,884,427)
Cash Payments to Employees for Services	(149,381)
Cash Payments for Insurance Claim Payments	(2,389,681)
Cash Payments for Prepaid Expenses	(67)
Cash Received for Other Operating Activities	34,574
<b>Net Cash Used by Operating Activities</b>	<b>130,518</b>
<b>Cash Flows from Investing Activities</b>	
Purchase of Investments	(3,838,571)
Investment Income	396,277
<b>Net Cash Provided by Investing Activities</b>	<b>(3,442,294)</b>
<b>Net Decrease in Cash</b>	(3,311,776)
<b>Cash, Beginning of Year</b>	4,800,717
<b>Cash, End of Year</b>	\$ 1,488,941
<b><u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u></b>	
Operating Income	\$ 374,977
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	34,574
Increase in Prepaid Items	(67)
Increase in Salaries and Benefits Payable	126
Increase in Accounts Payable	1,804
Increase in Due to Other Agencies	172
Decrease in Estimated Insurance Claims Payable	(281,068)
<b>Net Cash Used by Operating Activities</b>	<b>\$ 130,518</b>

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019**

	<b>Private-Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash	\$ -	\$ 1,702,222
Investments	425,369	1,889,646
<b>TOTAL ASSETS</b>	<b>\$ 425,369</b>	<b>\$ 3,591,868</b>
<b>LIABILITIES</b>		
School Internal Accounts Payable		\$ 3,591,868
<b>NET POSITION</b>		
Held in Trust for Silver River Museum	\$ 425,369	
<b>TOTAL NET POSITION</b>	<b>\$ 425,369</b>	

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Private-Purpose Trust Fund</u>
<b>ADDITIONS</b>	
<b>Investment Earnings:</b>	
Investment Income	\$ 11,264
<b>DEDUCTIONS</b>	
Other Expense	<u>27,888</u>
<b>Change in Net Position</b>	(16,624)
<b>Net Position - Beginning</b>	<u>441,993</u>
<b>Net Position - Ending</b>	<u><u>\$ 425,369</u></u>

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Marion 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 Marion County School District (District) is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education, and is governed by State laws and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Marion County.

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

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

**Blended Component Unit.** Blended component units, are in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The Marion County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note II.I.1. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

**Discretely Presented Component Units.** The component units columns in the government-wide financial statements include the financial data of the District's other component units.

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

The Marion Charter School, Inc.; the McIntosh Area School, Incorporated; the Francis Marion Charter School, Inc. d/b/a Ocali Middle School; and the Francis Marion Military Academy, Inc.; are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by its sponsor, the Marion County District School Board. Although the charter schools do not meet the specific financial accountability criteria, based on the nature and significance of the relationship with the District, the charter schools are included as component units to prevent the District's financial statements from being misleading.

The financial data reported on the accompanying statements was derived from the Foundation's and four charter schools' audited financial statements for the fiscal year ended June 30, 2019. These audited reports are filed in the District's administrative offices.

**B. Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is charged to the functional category that initially purchased the related asset.

**C. Basis of Presentation: Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

**D. Basis of Presentation: Fund Financial Statements**

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Other Federal Programs Fund – to account for certain grant programs.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs.
- Capital Projects – Other Capital Projects Fund – to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

- Internal Service Fund – to account for the District's individual self-insurance programs.
- Private-Purpose Trust Fund – to account for resources provided for the benefit of the Silver River Museum.
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

**E. Basis of Accounting**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

**F. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used are those used in the actuarial assumptions for the Other Post Employment Benefits Liability, Net Pension Liability, and the Estimated Insurance Claims Payable along with depreciable useful lives of capital assets.

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

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

**1. Cash**

The District's cash is considered to be cash on hand and in demand deposits.

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

The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**2. Investments**

Investments consist of amounts placed in the State Board of Administration (SBA) debt service accounts for investment of debt service moneys, amounts placed with the SBA in Florida PRIME created by Section 218.405, Florida Statutes, and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME meet all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Like money market funds, a participant's account balance is a share of the investment pool, not the underlying securities, and reported at amortized cost is considered the fair value of the participant's investment.

The District's investment policy established permitted investments, asset allocation limits and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. Earnings are allocated monthly to each fund based on end of month balances.

The District's investments made locally consist of investments in direct obligations of the United States Treasury, Federal instrumentalities, corporate bonds, municipal obligations, and registered investment companies (money market funds), which are reported at fair value.

Authorized investments for endowments include equities, hedged funds, and real estate. The District has a formal investment policy that allows for the following investments for governmental funds:



**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement (Moody's or Standard and Poor's)	Maximum Maturity
U. S. Government Securities	100%	100%	N/A	3 years
U. S. Government Agencies	50%	25%	N/A	3 years
Federal Instrumentalities	80%	50%	--	3 years
Certificates of Deposit	25%	15%	--	1 year
Florida PRIME	25%	N/A	AAAm or AAM-G	5 years
Repurchase Agreements	50%	25%	--	90 days
Commercial Paper	35%	10%	Prime-1 or A-1	180 days
Corporate Notes	15%	5%	Aa or AA	3 years
Bankers' Acceptances	35%	10%	P-1 or A-1	180 days
State and/or Local Government Debt	20%	--	Aa or AA for long-term debt or MIG- 1 or SP-1 for short-term debt	3 years
Registered Investment Companies (money market funds)	75%	25%	AAAm or AAAm-G	N/A
Mortgage-backed securities	20%	20%	AAA	5 years
Bond Funds	25%	10%	AAA	1.73 years
Intergovernmental Investment Pools	25%	--	AAAm or AAAm-G	--

Types and amounts of investments held at fiscal year-end are described in Note II.B.

**3. Inventories and Prepaid Items**

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

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

**4. Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing \$1,000 or more except computer software which are those costing \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	7 - 20 years
Buildings and Fixed Equipment	25 - 50 years
Furniture, Fixtures, and Equipment	5 - 20 years
Motor Vehicles	7 - 12 years
Audio Visual Materials and Computer Software	3 - 5 years

Current year information relative to changes in capital assets is described in Note II.D.

**5. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. The deferred outflows of resources related to pensions and Other Post Employment Benefits (OPEB) are discussed in subsequent notes. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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**6. Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums are amortized over the life of the bonds and certificates of participation using the effective interest method. Bonds and certificates of participation payable are reported net of applicable premiums.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize issuance costs during the current period. The face amount of debt issued is reported as other financing sources, while debt issuance costs are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Changes in long-term liabilities for the current year are reported in Note II.I.

**7. Compensated Absences**

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

**8. Pensions**

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

The District's retirement plans and related amounts are described in Note II.E.

**MARION COUNTY DISTRICT SCHOOL BOARD  
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**9. Net Position Flow Assumption**

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

**10. Fund Balance Flow Assumptions**

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

**11. Fund Balance Policies**

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

The committed fund balance classification may include amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balance as of June 30, 2019.

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
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as discussed above, an additional action is essential to either remove or revise a commitment.

The District has adopted Board Policy 7.10 which provides that, if feasible, 3 percent of the recurring General Fund revenues be set aside as contingency reserves to cover unforeseen events including, but not limited to, revenue shortfalls and student enrollment under projections. Accordingly, the Board approved assigned amounts within the General Fund for an anticipated budget shortfall in the 2019-20 fiscal year along with unexpended insurance proshare funds.

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2. State Revenue Sources**

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of five months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE 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 Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the

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JUNE 30, 2019**

fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

A schedule of revenue from State sources for the current year is presented in Note II.K.1.

**3. District Property Taxes**

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

On August 28, 2018, Marion County voters approved a one mill ad valorem tax for educational enhancement. Specifically, the funds were to be used to restore programs previously affected by the recession, level funding and operating expenses associated with reading, physical education, art, music, library/media, vocational programs, meeting class size requirements, and retaining teachers and paraprofessionals. Unexpended funds are shown as restricted fund balance in the General Fund.

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

The Board adopted the 2018 tax levy on September 11, 2018. 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 Marion County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes budgeted for the current year are presented in Note II.K.2.

**4. Federal Revenue Sources**

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
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**5. Proprietary Fund Operating and Nonoperating Revenues and Expenses**

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

**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Cash Deposits with Financial Institutions**

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

Cash with fiscal agent is held in escrow on behalf of the District relating to unspent note proceeds.

Cash balances from all funds are combined and invested to the extent available. Earnings are allocated monthly to each fund based on ending balances.

<u>Deposits</u>	<u>Amount</u>
Public Deposits/Bank Balances	\$ 27,957,136
Cash with Fiscal Agent	15,802,401
Cash on Hand	570
Total	<u>\$ 43,760,107</u>

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JUNE 30, 2019**

**B. Investments**

As of June 30, 2019, the District had the following investments and maturities:

Security Type	Duration Year	Credit Rating (1)	Fair Value	Fair Value Measurement (3)
<u>Primary Government</u>				
State Board of Administration (SBA):				
Florida PRIME	0.08	AAAm	\$ 2,400,244	n/a
Debt Service Accounts	0.50	AAAm	25,794	1
U.S. Treasury Notes	1.99	AA+	12,090,575	n/a
Federal Home Loan Bank (FHLB)	2.51	AA+	385,181	2
Federal National Mortgage Association (FNMA)	1.29	AA+	716,128	2
Federal Home Loan Mortgage (FHLMC)	1.76	AA+	900,553	2
Supra-National Agency Bonds	1.76	AAA	917,345	2
Money Market Funds	n/a	AAAm	40,041,958	n/a
Corporate Bonds	1.8	AA- - AA+	5,569,205	2
Municipal Obligations	1.7	A+	269,137	2
Asset-Backed Security	1.24	AAA	4,451,566	2
Total Investments, Primary Government			<u>67,767,686</u>	
<u>Fiduciary Funds</u>				
Money Market Funds	n/a	AAAm	30,553	1
Common Stock	n/a	n/a	208,654	1
Other Equities	n/a	n/a	33,262	1
Fixed Income Securities - Short Term Bond Market		AAA to Below B	152,900	1
Total Investments, Fiduciary Funds			<u>425,369</u>	
<u>Component Units</u>				
Public Education Foundation of Marion County, Inc. (2)			546,842	
<b>Total Investments</b>			<u><u>\$ 68,739,897</u></u>	
Presented as Investments in the Financial Statements:				
Governmental Funds			\$ 55,564,914	
Proprietary Fund			12,202,772	
Fiduciary Funds			425,369	
Component Units			546,842	
<b>Total Investments</b>			<u><u>\$ 68,739,897</u></u>	

Notes: (1) Credit ratings provided by Standard and Poor's.

(2) Information regarding the maturities, risks, and ratings associated with investments in money market funds, bonds, and various equities made by a brokerage firm on behalf of the Public Education Foundation of Marion County, Inc., was not disclosed in the annual post audit of the Foundation filed in the District's administrative offices.

(3) The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, which is based on a matrix pricing model; Level 3 inputs are significant unobservable inputs and were evaluated using a curve-based approach.



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**JUNE 30, 2019**

➤ **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds, and in accordance with debt covenants, but should not exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes duration as a measurement of interest rate risk and as of June 30, 2019, the investment portfolio had a weighted average duration of 1.79 years.

Florida PRIME had weighted average days to maturity (WAM) of 29 days at June 30, 2019. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days." As of June 30, 2019, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

➤ **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Board policy provides that temporarily idle funds be invested as prescribed by Section 218.415(17), Florida Statutes, and SBE rules. The District's investment policy permits investments which are limited to credit quality ratings from nationally recognized rating agencies.

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

➤ **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 the investment or collateral securities that are in the possession of an outside party. Pursuant to Section 218.415(18), Florida Statutes, the District's investment policy requires securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2019, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy. The endowment funds of the Silver River Museum Private-Purpose Trust Fund are held by a bank and trust company.

➤ **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 which are designed to reduce concentration of credit risk of the District's investment portfolio. The District did not have any investments in any one issuer greater than five percent.

➤ **Endowment Investments**

To achieve the greatest likelihood of meeting endowment investment objectives, the investment assets shall be diversified in accordance with the following asset allocation weightings: domestic equity (20%-40%); international equity (0%-30%); real estate (0%-10%); inflation hedged (10%-80%); and fixed income (10%-80%).

➤ **Foreign Currency Risk**

The District's investment policy does not allow for investments in foreign currency therefore the District has no exposure to foreign currency risk.

C. **Receivables**

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered fully collectible. As such, no allowance for uncollectible accounts receivable is accrued. Accounts receivables are actual cash receipts received within 60 days of June 30, 2019, and were susceptible to accrual. Below is a schedule of due from other agencies at June 30, 2019:

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Funds/Source	Amount
Major Governmental Funds:	
General:	
United States Department of Defense:	
Navy JROTC	\$ 15,939
State of Florida:	
Medicaid Outreach	340,727
Marion County Tax Collector:	
Unremitted Property Taxes	3,661,721
Other Agencies:	
Miscellaneous	1,688,255
Special Revenue - Other Federal Programs:	
Florida Department of Education:	
Federal Grant Reimbursements	4,632,209
Other Agencies:	
Grant Reimbursements	98,302
Capital Projects - Local Capital Improvement Fund	
Marion County Tax Collector:	
Unremitted Property Taxes	943,196
Capital Projects - Other Capital Projects	
Florida Department of Education:	
Other Capital Projects	503,600
Nonmajor Governmental Funds:	
Special Revenue - Food Service:	
Florida Department of Agriculture and Consumer Services:	
Food Service Program	203,515
Capital Projects - Public Education Capital Outlay:	
Florida Department of Education:	
Public Education Capital Outlay	755,081
Capital Projects - Capital Outlay and Debt Service:	
Florida Department of Education:	
Capital Outlay and Debt Service	28,482
<b>Total Due From Other Agencies</b>	<b>\$ 12,871,027</b>

**MARION COUNTY DISTRICT SCHOOL BOARD  
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**D. Changes in Capital Assets**

Changes in capital assets are presented in the table below:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 14,013,836	\$ 657,116	\$ -	\$ 14,670,952
Construction in Progress	8,710,449	5,553,082	2,907,739	11,355,792
Total Capital Assets Not Being Depreciated	<u>22,724,285</u>	<u>6,210,198</u>	<u>2,907,739</u>	<u>26,026,744</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	8,401,728	1,823,947	-	10,225,675
Buildings and Fixed Equipment	698,283,611	1,082,159	48,742	699,317,028
Furniture, Fixtures, and Equipment	42,469,927	2,258,376	2,548,418	42,179,885
Motor Vehicles	37,995,382	370,320	80,026	38,285,676
Audio Visual Materials and Computer Software	3,050,135	-	69,752	2,980,383
Total Capital Assets Being Depreciated	<u>790,200,783</u>	<u>5,534,802</u>	<u>2,746,938</u>	<u>792,988,647</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	4,733,819	16,289	-	4,750,108
Buildings and Fixed Equipment	229,222,840	14,544,055	44,982	243,721,913
Furniture, Fixtures, and Equipment	29,783,288	3,409,192	2,485,125	30,707,355
Motor Vehicles	28,173,484	1,415,275	78,026	29,510,733
Audio Visual Materials and Computer Software	3,050,135	1,855	69,752	2,982,238
Total Accumulated Depreciation	<u>294,963,566</u>	<u>19,386,666</u>	<u>2,677,885</u>	<u>311,672,347</u>
Total Capital Assets Being Depreciated, Net	<u>495,237,217</u>	<u>(13,851,864)</u>	<u>69,053</u>	<u>481,316,300</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 517,961,502</u></u>	<u><u>\$ (7,641,666)</u></u>	<u><u>\$ 2,976,792</u></u>	<u><u>\$ 507,343,044</u></u>

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Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 16,042,902
Student Personnel Services	11,868
Instructional Media Services	42,303
Instruction and Curriculum Development	11,266
Instructional Staff Training Services	21,144
Instruction Related Technology	21,143
General Administration	4,672
School Administration	30,647
Facility Services	618,430
Fiscal Services	6,106
Food Services	767,762
Central Services	33,140
Student Transportation Services	1,135,289
Operation of Plant	95,456
Maintenance of Plant	65,051
Administrative Technology Services	478,979
Community Services	508
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 19,386,666</u></b>

**E. Retirement Plans**

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

**General Information**

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 Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other

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relevant information, is available from the Florida Department of Management Services, Division of Retirement. The FRS Investment Plan is administered by the SBA and is reported in the SBA's annual financial statement and in the State of Florida Comprehensive Annual Financial Report.

The District's FRS and HIS pension expense totaled \$30,872,294 for the fiscal year ended June 30, 2019.

**Florida Retirement System (FRS) Defined Benefit Pension Plan**

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans 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 FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

*Benefits Provided.* Benefits under the FRS Pension 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

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on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned.

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Pension 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 2018-18 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3.00	8.26
Florida Retirement System, Elected County Officers	3.00	48.70
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.03
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) 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.

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

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The District's contributions to the Plan totaled \$15,325,199 for the fiscal year ended June 30, 2019.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2019, the District reported a liability of \$150,679,266 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was 0.500254558 percent, which was a decrease of 0.004320912 percent from its proportionate share measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the Plan pension expense of \$25,009,388. At June 30, 2019, 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	\$ 12,764,799	\$ 463,302
Change of assumptions	49,234,656	-
Net difference between projected and actual earnings on FRS pension plan investments	-	11,641,810
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	2,608,738
District FRS contributions subsequent to the measurement date	15,325,199	-
Total	<u>\$ 77,324,654</u>	<u>\$ 14,713,850</u>

The deferred outflows of resources related to pensions totaling \$15,325,199 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



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<u>Fiscal Year Ending June 30</u>	<u>Amortization</u>
2020	\$ 18,435,196
2021	12,523,039
2022	1,310,670
2023	8,466,678
2024	5,725,713
Thereafter	824,309
Total	<u>\$ 47,285,605</u>

*Actuarial Assumptions.* The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As a result of the 2018 actuarial experience study, the inflation rate assumption remained the same at 2.60 percent, the real payroll growth assumption remained the same at 0.65 percent, and the overall payroll growth rate assumption remained the same at 3.25 percent. The long-term expected rate of return decreased from 7.10 percent to 7.00 percent.

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

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Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.9%	2.9%	1.8%
Fixed Income	18.00%	4.4%	4.3%	4.0%
Global Equity	54.00%	7.6%	6.3%	17.0%
Real Estate (Property)	11.00%	6.6%	6.0%	11.3%
Private Equity	10.00%	10.7%	7.8%	26.5%
Strategic Investments	6.00%	6.0%	5.7%	8.6%
<b>Total</b>	<u>100.00%</u>			
Assumed inflation - Mean			2.6%	1.9%

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used in the 2018 valuation was updated from 7.1 percent to 7.0 percent.

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	<u>\$ 274,995,981</u>	<u>\$ 150,679,266</u>	<u>\$ 47,426,885</u>

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

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*Payables to the Pension Plan.* At June 30, 2019, the District reported a payable of \$261,807 for the outstanding amount of contributions to the pension plan required for fiscal year ended June 30, 2019.

**Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**

*Plan Description.* The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retired members of any state-administered retirement system in paying the costs of health insurance and is administered by the Florida Department of Management Services, Division of Retirement. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the Florida Retirement System, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 121, Florida Statutes.

*Benefits Provided.* For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can 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, 2019, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes.

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The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS 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 defined-benefit pension plan totaled \$3,966,010 for the fiscal year ended June 30, 2019.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2019, the District reported a net pension liability of \$75,591,807 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportionate share was 0.714200727 percent, which was an increase of 0.006308575 percent from its proportionate share measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized HIS Plan pension expense of \$5,862,906. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,157,277	\$ 128,427
Change of assumptions	8,406,743	7,992,198
Net difference between projected and actual earnings on HIS pension plan investments	45,629	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	2,174,641	1,216,650
District contributions subsequent to the measurement date	3,966,010	-
Total	<u>\$ 15,750,300</u>	<u>\$ 9,337,275</u>

The deferred outflows of resources totaling \$3,966,010 was related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Fiscal Year Ending June 30	Amortization
2020	\$ 1,274,256
2021	1,270,410
2022	1,078,363
2023	482,362
2024	(1,074,778)
Thereafter	(583,598)
Total	\$ 2,447,015

*Actuarial Assumptions.* The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.87 percent, Bond Buyer General Obligation 20-Bond Municipal Bond Index

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

While an experience study has 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 3.87 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2018 valuation was updated from 3.58 percent to 3.87 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 3.87 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
District's proportionate share of the net pension liability	\$ 86,094,638	\$ 75,591,807	\$ 66,837,088

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

*Payables to the Pension Plan.* At June 30, 2019, the District reported a payable of \$67,753 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2019.

**FRS – Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2018-19 fiscal year were as follows

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period,

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the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$1,223,699 for the fiscal year ended June 30, 2019.

*Payables to the Investment Plan.* At June 30, 2019, the District reported a payable of \$20,905 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2019.

**F. Other Postemployment Benefit Obligations**

The District follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for reporting the employers' OPEB Plan liability.

**Plan Description.** The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, prescription drug, dental, and vision coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity.

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**Summary of Membership Information.** The following table provides a summary of the number of participants in the plan as of the measurement date:

Retirees and Beneficiaries	422
Inactive, Nonretired Members	-
Active Plan Members	<u>5,529</u>
Total Plan Members	<u>5,951</u>

**Changes in the Total OPEB Plan Liability.** The following table shows the change in the District's OPEB Plan liability:

<u>Description</u>	<u>Amount</u>
Service Cost	\$ 1,261,070
Interest on the Total OPEB Plan Liability	982,553
Changes of Assumptions	(162,826)
Benefit Payments	<u>(1,496,366)</u>
Net Change in Total OPEB Plan Liability	584,431
Net OPEB Plan Liability, Beginning of Year	<u>27,086,919</u>
Net OPEB Plan Liability, End of Year	<u><u>\$ 27,671,350</u></u>

**Funded Status and Funding Progress.** As of June 30, 2019, the most recent valuation date, the total OPEB Plan liability was \$27,671,350, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered-employee payroll (annual payroll of active participating employees) was \$208,920,616, and the ratio of the total OPEB Plan liability to the covered-employee payroll was 13.24 percent.

The OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB Plan is financed on a pay-as-you-go basis.

**Actuarial Valuation Date.** For employee and retiree population purposes, June 30, 2017, was the actuarial valuation date. For development of per capita cost purposes and for valuation purposes, January 1, 2019, was used as the effective date of OPEB Plan provisions.

**Actuarial Valuation Methods and Assumptions.** Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined



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regarding the funded status of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Individual Entry Age Normal Cost Method with an increasing normal cost pattern consistent with the salary increase assumptions used in the July 1, 2017, actuarial valuation of the Florida Retirement (FRS) was used in the OPEB Plan liability calculation.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2017, actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OPEB Plan Actuarial Valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2017, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Mortality tables used in the July 1, 2017, actuarial valuation of the Florida Retirement System were used. They are based on the results of a statewide experience study covering the period 2008 through 2013.

The total OPEB Plan liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.7 percent to 7.8 percent, including inflation as used in the July 1, 2016 actuarial valuation of the Florida Retirement System

Healthcare cost trend rates were based on the Getzen Model, with trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.24% plus 0.20% increase for excise tax.

Aging factor expenses were based on the 2013 SOA Study "Health Care Costs – From Birth to Death". Administrative expenses are included in the per capita health costs.

**Discount Rate.** There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 3.62% (based on the daily rate closest to but not later than the measurement date of the "Fidelity General Obligation AA Index"). The discount rate changed from 3.56 percent as of June 30, 2017, to 3.62 percent as of June 30, 2018.

The District's annual OPEB expense totaled \$2,052,590 for the fiscal year ended June 30, 2019. At June 30, 2019, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ 1,563,489
District contributions subsequent to the measurement date	1,559,524	-
<b>Total</b>	<b>\$ 1,559,524</b>	<b>\$ 1,563,489</b>

The deferred outflows of resources related to OPEB totaling \$1,559,524 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amortization
2020	\$ 191,033
2021	191,033
2022	191,033
2023	191,033
2024	191,033
Thereafter	608,324
	<b>\$ 1,563,489</b>

**Sensitivity of the District's Total OPEB Plan Liability to Changes in the Discount Rate.**

The following presents the District's OPEB Plan liability calculated using the discount rate of 3.62 percent, as well as what the OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
OPEB Plan Liability	<u>\$ 30,562,284</u>	<u>\$ 27,671,350</u>	<u>\$ 25,160,662</u>

**Sensitivity of the District's Total OPEB Plan Liability to the Healthcare Cost Trend Rate**

**Assumption.** Regarding the sensitivity of the total OPEB liability, calculated using the assumed trend rates as well as what the OPEB Plan's total liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1 % Decrease (6.00% down to 3.44%)	Current Healthcare Cost Trend Rate Assumption	1 % Increase (8.00% down to 5.44%)
OPEB Plan Liability	<u>\$ 23,887,123</u>	<u>\$ 27,671,350</u>	<u>\$ 32,380,976</u>

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**G. Net Position - Net Investment in Capital Assets**

In the government-wide Statement of Net Position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capital assets, restricted net position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2019, is shown in the table below:

Description	Amount
Total Capital Assets, Net of Accumulated Depreciation	\$ 507,343,044
Less related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 62,660,000
Bonds Payable	3,228,000
Note Payable	16,849,901
Unamortized Debt Premiums	3,052,747
Deferred Amount on Refunding	(1,706,429)
Construction and Retainage Payable	296,172
Prepaid Insurance on Refunding Debt	(77,109)
Total Related Debt, Net of Unspent Proceeds	(84,303,282)
Net Investment in Capital Assets	\$ 423,039,762

**H. Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, general liability, property damage, and boiler and machinery coverage are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. Self-insured per occurrence retentions were \$500,000 for workers' compensation, \$300,000 for automobile and general liability, and \$100,000 or 2 percent named windstorm, for property. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

A liability in the amount of \$9,250,659 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2019.

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

Fiscal Year	Fiscal-Year Liability	Claims and Changes in Estimates	Payments	Fiscal Year-End
2017-18	\$ 9,744,208	\$ 2,216,522	\$ (2,429,003)	\$ 9,531,727
2018-19	9,531,727	2,108,613	(2,389,681)	9,250,659

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Health and hospitalization coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

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

**I. Long-Term Liabilities**

**1. Certificates of Participation**

Certificates of participation at June 30, 2019, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2012, Direct Placement	\$ 9,785,000	2.55	2023	\$ 23,005,000
Series 2014, Direct Placement	21,770,000	2.77	2025	37,380,000
Series 2015, Direct Placement	3,595,000	2.36	2023	6,975,000
Series 2015B	27,510,000	3.13	2027	32,860,000
Total Certificates of Participation	<u>\$ 62,660,000</u>			<u>\$ 100,220,000</u>

The District entered into financing arrangements, characterized as lease-purchase agreements, with the Marion County School Board Leasing Corporation (Leasing Corporation), a blended component unit, whereby the District secured the financing of various educational facilities. The financing was accomplished through the issuance, by the Leasing Corporation to third-party investors, of certificates of participation. All the certificates issued and outstanding are subject to a master ground and facilities lease-purchase agreement between the District and the Leasing Corporation, which ends on the date that all certificates are paid in full. The lease payments, which are used to make debt service payments on the certificates, are payable from funds appropriated annually by the District for such purpose from current funds or other funds legally available. The District is not legally required to annually appropriate funds to make the lease payments.

As a condition of the financing arrangements, the District has given a ground lease on District property acquired with proceeds from the certificates to the Leasing Corporation. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

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

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

Certificates	Description of Properties
Series 2012, Direct Placement	Forest High School Replacement Facility, Partial Refunding 2003
Series 2014, Direct Placement	Hammett Bowen, Jr., Elementary School; North Marion Middle School Cafeteria; Vanguard High School Classroom Additions and Cafeteria/Multi-Purpose Building, Refunding 2005B
Series 2015, Direct Placement	Sadlewood Elementary School, Refunding 2005
Series 2015B	South Ocala Elementary School, Howard Middle School, Lake Weir Partial Refunding 2007B

The lease payments are payable by the District semiannually on June 1 and December 1 for the certificates of participation.

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, 2019:

**Certificates of Participation:**

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 4,179,469	\$ 2,880,000	\$ 1,299,469
2021	4,180,469	3,025,000	1,155,469
2022	4,184,219	3,180,000	1,004,219
2023	4,180,219	3,335,000	845,219
2024	4,178,469	3,500,000	678,469
2025-2027	12,539,906	11,590,000	949,906
<b>Total Minimum Lease Payments</b>	<b>\$ 33,442,751</b>	<b>\$ 27,510,000</b>	<b>\$ 5,932,751</b>

**Certificates of Participation from Direct Placement:**

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 7,542,388	\$ 6,605,000	\$ 937,388
2021	7,548,157	6,785,000	763,157
2022	7,544,175	6,960,000	584,175
2023	7,545,559	7,145,000	400,559
2024	3,987,043	3,775,000	212,043
2025-2027	3,987,476	3,880,000	107,476
<b>Total Minimum Lease Payments</b>	<b>\$ 38,154,798</b>	<b>\$ 35,150,000</b>	<b>\$ 3,004,798</b>

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

**2. Bonds Payable**

Bonds payable at June 30, 2019, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>	<u>Original Amount</u>
State School Bonds:				
Series 2010A, Refunding	\$ 45,000	4-5	2021	\$ 180,000
Series 2011A, Refunding	520,000	3-5	2023	2,840,000
Series 2014A, Refunding	586,000	3-5	2025	895,000
Series 2014B, Refunding	14,000	2-5	2020	396,000
Total State School Bonds:	<u>1,165,000</u>			<u>4,311,000</u>
District Revenue Bonds				
from Direct Placement:				
Series 2013, Refunding	<u>2,063,000</u>	3.66	2031	<u>2,725,500</u>
Total Bonds Payable	<u>\$ 3,228,000</u>			<u>\$ 7,036,500</u>

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

➤ 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.

➤ District Revenue Bonds, Direct Placement

These bonds are authorized by Chapters 80-550 and 89-513, Laws of Florida, which provide that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Marion County from the State's Pari-mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds were distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes (2011)). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of \$2,590,202 of pari-mutuel tax proceeds in connection with the District Revenue Bonds of 2013, described above. During the 2018-19 fiscal year, the District recognized pari-mutuel tax proceeds totaling \$223,250 and expended \$198,720 (89 percent) of these revenues for debt service directly collateralized by these revenues. The pledged pari-mutuel tax proceeds are committed until final maturity of the debt on December 1, 2031. Approximately 100 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

Annual requirements to amortize all bonded debt outstanding as of June 30, 2019, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2020	\$ 285,030	\$ 235,000	\$ 50,030
2021	278,700	240,000	38,700
2022	256,700	230,000	26,700
2023	262,900	245,000	17,900
2024	113,550	105,000	8,550
2025	113,300	110,000	3,300
Total State School Bonds	<u>1,310,180</u>	<u>1,165,000</u>	<u>145,180</u>
District Revenue Bonds from Direct Placement:			
2020	198,218	125,000	73,218
2021	202,479	134,000	68,479
2022	200,519	137,000	63,519
2023	199,432	141,000	58,432
2024	197,216	144,000	53,216
2025-2029	996,401	816,000	180,401
2030-2032	595,937	566,000	29,937
Total District Revenue Bonds	<u>2,590,202</u>	<u>2,063,000</u>	<u>527,202</u>
Total	<u>\$ 3,900,382</u>	<u>\$ 3,228,000</u>	<u>\$ 672,382</u>

**3. Notes Payable, Direct Placement**

The notes payable from direct placement at June 30, 2019, are as follows:

<u>Notes Payable, Direct Placement</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>	<u>Original Amount</u>
Bus Purchase 2015	\$ 1,010,000	1.54	2020	\$ 4,946,000
Bus Purchase 2019	<u>15,839,901</u>	2.78	2029	<u>15,839,901</u>
Total Notes Payable	<u>\$ 16,849,901</u>			<u>\$ 20,785,901</u>

The District entered into a financing arrangement under the provisions of Section 1011.14, Florida Statutes, which authorizes district school boards to create obligations for a period of one year, in anticipation of budgeted revenues accruing on a current basis, without pledging the credit of the District or requiring future levy of taxes for certain purposes. These obligations may be extended from year to year, with the consent of the lender, for a period not to exceed four years, for a total of five years, including the initial year of the loan. These

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

obligations were undertaken to purchase 43 buses in the 2015-16 fiscal year and 150 buses in the 2019-20 fiscal year.

Amounts payable for the planned extended repayment of the Section 1011.14, Florida Statutes, notes payable are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,849,313	\$ 2,418,917	\$ 430,396
2021	1,823,351	1,432,224	391,127
2022	1,823,352	1,472,300	351,052
2023	1,823,352	1,513,496	309,856
2024	1,823,351	1,555,845	267,506
2025-2029	9,116,758	8,457,119	659,639
Total Notes Payable, Direct Placement	<u>19,259,477</u>	<u>16,849,901</u>	<u>2,409,576</u>

**4. Changes in Long-Term Liabilities**

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

<u>Description</u>	<u>Beginning Balance (a)</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Debt Related to Capital Assets:					
Certificates of Participation Payable	\$ 30,250,000	\$ -	\$ 2,740,000	\$ 27,510,000	\$ 2,880,000
Certificates of Participation Payable					
Direct Placement	41,585,000	-	6,435,000	35,150,000	6,605,000
Bonds Payable	1,450,000	-	285,000	1,165,000	235,000
Bonds Payable					
Direct Placement	2,184,000	-	121,000	2,063,000	125,000
Notes Payable, Direct Placement	2,005,000	15,839,901	995,000	16,849,901	2,418,917
Unamortized Premiums	3,465,357	-	412,610	3,052,747	-
Total Capital Asset Related Debt	<u>80,939,357</u>	<u>15,839,901</u>	<u>10,988,610</u>	<u>85,790,648</u>	<u>12,263,917</u>
Compensated Absences Payable	32,317,456	3,802,780	3,285,653	32,834,583	3,377,205
Other Postemployment Benefits Payable	27,086,919	2,243,623	1,659,192	27,671,350	1,559,524
Estimated Insurance Claims Payable	9,531,727	2,108,613	2,389,681	9,250,659	3,173,182
Net Pension Liability:					
Florida Retirement System	149,250,038	94,256,044	92,826,816	150,679,266	-
Health Insurance Subsidy	77,040,179	24,465,323	25,913,695	75,591,807	1,850,255
<b>Total Governmental Activities</b>	<u>\$ 376,165,676</u>	<u>\$ 142,716,284</u>	<u>\$ 137,063,647</u>	<u>\$ 381,818,313</u>	<u>\$ 22,224,083</u>

For the governmental activities, compensated absences, pensions and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the Internal Service Fund, as discussed in Note II.H.



**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

**5. Deferred Outflow / Inflow of Resources**

The components of deferred inflow and outflow are:

<u>Description</u>	<u>Beginning Balance (a)</u>	<u>Change</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>			
Non-pension Related Deferred Outflows:			
Deferred Amount on Refunding	\$ 2,006,743	\$ (300,314)	\$ 1,706,429
Other Post Employment Benefits	1,496,366	63,158	1,559,524
Total	<u>\$ 3,503,109</u>	<u>\$ (237,156)</u>	<u>\$ 3,265,953</u>
Pension Related Deferred Outflows:			
Florida Retirement System	\$ 78,125,572	\$ (800,918)	\$ 77,324,654
Health Insurance Subsidy	17,460,156	(1,709,856)	15,750,300
Total	<u>\$ 95,585,728</u>	<u>\$ (2,510,774)</u>	<u>\$ 93,074,954</u>
Pension Related Deferred Inflows:			
Florida Retirement System	\$ 7,259,805	\$ 7,454,045	\$ 14,713,850
Health Insurance Subsidy	7,701,865	1,635,410	9,337,275
Total	<u>\$ 14,961,670</u>	<u>\$ 9,089,455</u>	<u>\$ 24,051,125</u>
Non-pension Related Deferred Inflows:			
Other Post Employment Benefits	\$ 1,591,696	\$ (28,207)	\$ 1,563,489

**J. Fund Balance Reporting**

In addition to committed and assigned fund balance categories discussed in the **Fund Balance Policies** note disclosure, fund balances may be classified as follows:

- **Nonspendable Fund Balance.** Nonspendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.
- **Restricted Fund Balance.** Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance.
- **Unassigned Fund Balance.** The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance because it is not appropriate to report a positive unassigned fund balance in other government funds. It may be necessary to report a negative unassigned fund balance if expenditures exceed nonspendable, restricted, committed or assigned fund balances.

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

**K. Revenues**

**1. Schedule of State Revenue Sources**

The following is a schedule of the District's State revenue sources for the 2018-19 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 165,078,478
Categorical Educational Program - Class Size Reduction	43,560,385
Workforce Development Program	3,901,140
Voluntary Prekindergarten Program	1,395,089
Public Education Capital Outlay	895,910
School Recognition	678,616
Food Service Supplement	378,867
Charter School Capital Outlay	254,021
State License Tax	238,667
District Discretionary Lottery Funds	137,770
Workforce Education Performance Incentive	126,281
Motor Vehicle License Tax (Capital Outlay and Debt Service)	24,311
Miscellaneous	6,244,616
Total	<u>\$ 222,914,151</u>

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

**2. Property Taxes**

The following is a summary of millages and taxes budgeted from the 2018 tax roll for the 2018-19 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payment discounts and uncollectable amounts:

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Budgeted</u>
Nonvoted School Tax:		
Required Local Effort	4.063	\$ 76,298,677
Required Local Effort - Prior Period Adjustment	0.008	150,231
Basic Discretionary Local Effort	0.748	14,046,618
Voted School Tax:		
Operating	1.000	18,778,902
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvement	1.500	28,168,352
Total	<u>7.319</u>	<u>\$ 137,442,780</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Concluded)  
JUNE 30, 2019**

**L. Donor-Restricted Endowments**

The Silver River Museum Endowment was created to provide long-term funding for the continuation and enhancement of educational programs offered through the museum. The initial investment of \$410,000 must be invested for perpetuity and cannot be spent under any circumstances. Investments have appreciated to \$425,369 with \$15,369 available for expenditure. The Silver River Museum has sole access to the interest from the endowment.

**M. Interfund Receivables, Payables, and Transfers**

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

<u>Funds</u>	Interfund	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 5,885,188	\$ 18,701
Capital Projects:		
Local Capital Improvement Fund	-	18,376,141
Capital Projects:		
Other Capital Projects	-	9,901
Nonmajor Governmental	<u>12,773,576</u>	<u>254,021</u>
Total	<u>\$ 18,658,764</u>	<u>\$ 18,658,764</u>

Transfers from the Nonmajor Governmental Funds are for payments of principal and interest on certificates of participation and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

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

<u>Funds</u>	Interfund	
	<u>Due From</u>	<u>Due To</u>
Major:		
General	\$ 3,562,835	\$ -
Special Revenue - Other Federal Programs	-	3,562,835
Total	<u>\$ 3,562,835</u>	<u>\$ 3,562,835</u>

The interfund receivables and payables are temporary in nature and were to offset pooled cash positions.

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2019**

**III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Litigation**

The District is involved in various lawsuits arising in the ordinary course of operations. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated claims payable for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on insured risks. It is the opinion of management, in consultation with legal counsel that the final settlements of these matters will not result in a material adverse effect on the financial position of the District.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**MARION COUNTY DISTRICT SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FUND - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Federal Direct:				
Reserve Officers Training Corps	\$ 447,000	\$ 662,952	\$ 662,954	\$ 2
Federal Through State:				
Medicaid	2,600,000	2,520,840	2,520,840	-
National Forest Funds	100,000	243,634	243,634	-
Miscellaneous Federal Through State	1,300	1,797,761	1,072,970	(724,791)
<b>Total Federal Through State</b>	<u>2,701,300</u>	<u>4,562,235</u>	<u>3,837,444</u>	<u>(724,791)</u>
State:				
Florida Education Finance Program	169,853,933	165,078,478	165,078,478	-
Workforce Development Program	3,901,140	3,901,140	3,901,140	-
Workforce Education Performance Incentive	137,103	137,103	126,281	(10,822)
CO&DS Withheld for Administrative Expense	26,000	24,311	24,311	-
Discretionary Lottery Funds	71,484	137,770	137,770	-
Class Size Reduction - Operating Funds	43,910,927	43,560,385	43,560,385	-
School Recognition Funds	1,689,897	678,616	678,616	-
Voluntary Prekindergarten Program	1,561,743	1,395,089	1,395,089	-
Other State:				
State License Tax	250,000	238,667	238,667	-
Miscellaneous State Revenue	386,500	2,731,427	2,636,426	(95,001)
<b>Total State</b>	<u>221,788,727</u>	<u>217,882,986</u>	<u>217,777,163</u>	<u>(105,823)</u>
Local:				
District School Taxes	109,274,428	109,388,974	109,486,844	97,870
Tax Redemptions	400,000	496,165	567,106	70,941
Tuition	-	16,854	16,854	-
Rent	171,455	168,540	118,539	(50,001)
Investment Income	290,000	1,452,038	1,536,847	84,809
Net Increase in Fair Value of Investments	-	433,901	456,746	22,845
Gifts, Grants, and Bequests	40	102,424	102,384	(40)
Adult General Education Course Fees	65,000	65,000	36,190	(28,810)
Postsecondary Vocational Course Fees	1,488,629	1,529,973	1,000,582	(529,391)
Continuing Workforce Education Course Fees	9,500	9,500	-	(9,500)
Capital Improvement Fees	148,963	167,842	65,117	(102,725)
Postsecondary Lab Fees	1,341,565	1,541,258	1,049,667	(491,591)
Lifelong Learning Fees	888,234	636,590	386,820	(249,770)
General Education Testing	1,000	1,000	-	(1,000)
Financial Aid Fees	179,509	185,403	111,589	(73,814)
Other Student Fees	303,485	455,471	449,098	(6,373)
School Age Child Care Fees	3,962,148	4,378,335	4,378,335	-
Other Schools, Courses, and Classes Fees	4,200	4,200	3,485	(715)
Bus Fees	-	50,973	50,972	(1)
Transportation Services Rendered for School Activities	100,000	66,447	133,553	67,106
Sale of Junk	-	40,000	49,818	9,818
Receipt of Federal Indirect Cost Rate	1,000,000	1,000,000	1,408,547	408,547
Miscellaneous Local Revenues	2,175,590	4,407,462	4,512,328	104,866
Refunds of Prior Year Expenses	140	32,482	32,342	(140)
Collection of Lost or Damaged Textbooks	-	28,516	28,516	-
Receipts of Food Service Indirect Costs	600,000	602,245	602,243	(2)
<b>Total Local</b>	<u>122,403,886</u>	<u>127,261,593</u>	<u>126,584,522</u>	<u>(677,071)</u>
<b>Total Revenues</b>	<u>347,340,913</u>	<u>350,369,766</u>	<u>348,862,083</u>	<u>(1,507,683)</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FUND - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Expenditures</b>				
Current Education:				
Instruction:				
Salaries	\$ 141,264,462	\$ 142,969,740	\$ 141,750,313	\$ 1,219,427
Employee Benefits	44,714,093	45,813,030	44,167,365	1,645,665
Purchased Services	16,688,699	18,519,381	16,859,819	1,659,562
Energy Services	9,837	11,497	8,065	3,432
Materials and Supplies	16,322,634	15,184,479	9,397,907	5,786,572
Capital Outlay	2,539,742	3,943,247	2,505,768	1,437,479
Other	6,336,303	4,447,482	3,264,228	1,183,254
Total Instruction	<u>227,875,770</u>	<u>230,888,856</u>	<u>217,953,465</u>	<u>12,935,391</u>
Student Personnel Services:				
Salaries	15,030,077	16,090,106	15,347,272	742,834
Employee Benefits	4,937,977	5,305,080	4,815,548	489,532
Purchased Services	4,883,870	4,986,892	4,746,333	240,559
Energy Services	2,000	927	649	278
Materials and Supplies	1,107,908	149,828	62,872	86,956
Capital Outlay	14,339	28,302	27,186	1,116
Other	3,300	9,070	6,395	2,675
Total Student Personnel Services	<u>25,979,471</u>	<u>26,570,205</u>	<u>25,006,255</u>	<u>1,563,950</u>
Instructional Media Services:				
Salaries	2,833,442	2,878,885	2,828,775	50,110
Employee Benefits	953,880	985,879	893,891	91,988
Purchased Services	88,537	114,667	90,420	24,247
Energy Services	1,000	349	349	-
Materials and Supplies	118,302	33,061	19,732	13,329
Capital Outlay	378,436	364,161	246,821	117,340
Other	28,701	19,066	750	18,316
Total Instructional Media Services	<u>4,402,298</u>	<u>4,396,068</u>	<u>4,080,738</u>	<u>315,330</u>
Instruction and Curriculum Development:				
Salaries	3,342,443	3,066,043	2,953,008	113,035
Employee Benefits	908,739	992,540	771,231	221,309
Purchased Services	671,794	449,759	325,059	124,700
Energy Services	2,850	2,840	1,173	1,667
Materials and Supplies	119,839	42,778	33,239	9,539
Capital Outlay	17,965	40,181	34,453	5,728
Other	413,619	447,097	442,656	4,441
Total Instruction and Curriculum Development	<u>5,477,249</u>	<u>5,041,238</u>	<u>4,560,819</u>	<u>480,419</u>
Instructional Staff Training Services:				
Salaries	1,838,850	2,122,212	2,029,767	92,445
Employee Benefits	494,235	627,269	524,756	102,513
Purchased Services	241,944	452,529	256,435	196,094
Materials and Supplies	216,100	112,051	38,423	73,628
Capital Outlay	-	6,861	1,729	5,132
Other	550,809	747,854	276,995	470,859
Total Instructional Staff Training Services	<u>3,341,938</u>	<u>4,068,776</u>	<u>3,128,105</u>	<u>940,671</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FUND - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Expenditures (continued)</b>				
Current Education (continued):				
Instruction Related Technology:				
Salaries	\$ 1,409,213	\$ 1,268,061	\$ 1,255,352	\$ 12,709
Employee Benefits	492,398	454,459	412,103	42,356
Purchased Services	741,030	744,473	598,371	146,102
Energy Services	6,200	7,685	5,864	1,821
Materials and Supplies	27,025	28,241	16,518	11,723
Capital Outlay	167,152	163,348	123,250	40,098
Other	27,000	42,210	-	42,210
Total Instruction Related Technology	<u>2,870,018</u>	<u>2,708,477</u>	<u>2,411,458</u>	<u>297,019</u>
Board of Education:				
Salaries	449,454	411,719	411,718	1
Employee Benefits	251,048	266,885	186,442	80,443
Purchased Services	426,041	422,572	229,066	193,506
Materials and Supplies	10,230	10,104	2,273	7,831
Capital Outlay	3,700	4,250	555	3,695
Other	22,600	20,895	20,878	17
Total Board of Education	<u>1,163,073</u>	<u>1,136,425</u>	<u>850,932</u>	<u>285,493</u>
General Administration:				
Salaries	1,178,124	1,167,958	1,157,392	10,566
Employee Benefits	299,734	374,069	345,715	28,354
Purchased Services	319,967	330,361	202,370	127,991
Energy Services	-	468	38	430
Materials and Supplies	12,040	12,664	7,741	4,923
Capital Outlay	15,457	21,100	18,248	2,852
Other	96,298	117,514	36,583	80,931
Total General Administration	<u>1,921,620</u>	<u>2,024,134</u>	<u>1,768,087</u>	<u>256,047</u>
School Administration:				
Salaries	14,980,023	15,398,111	15,316,040	82,071
Employee Benefits	4,411,136	4,562,188	4,273,389	288,799
Purchased Services	337,255	242,192	177,068	65,124
Energy Services	600	600	-	600
Materials and Supplies	131,823	126,818	42,089	84,729
Capital Outlay	47,691	133,358	66,928	66,430
Other	21,850	23,609	18,894	4,715
Total School Administration	<u>19,930,378</u>	<u>20,486,876</u>	<u>19,894,408</u>	<u>592,468</u>
Facility Services:				
Salaries	537,785	546,044	535,964	10,080
Employee Benefits	171,986	172,071	160,730	11,341
Purchased Services	79,325	131,484	80,000	51,484
Energy Services	3,000	3,000	2,866	134
Materials and Supplies	11,300	10,599	6,350	4,249
Capital Outlay	386,364	693,093	11,573	681,520
Other	2,500	2,350	759	1,591
Total Facility Services	<u>1,192,260</u>	<u>1,558,641</u>	<u>798,242</u>	<u>760,399</u>



**MARION COUNTY DISTRICT SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FUND - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Continued)**

<b>Expenditures (continued)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Current Education (continued):</b>				
Fiscal Services:				
Salaries	\$ 2,193,207	\$ 2,107,439	\$ 1,905,915	\$ 201,524
Employee Benefits	575,490	593,096	536,020	57,076
Purchased Services	728,919	734,472	536,939	197,533
Energy Services	200	670	533	137
Materials and Supplies	111,050	100,729	17,943	82,786
Capital Outlay	20,700	21,787	19,212	2,575
Other	21,845	28,908	8,760	20,148
<b>Total Fiscal Services</b>	<b>3,651,411</b>	<b>3,587,101</b>	<b>3,025,322</b>	<b>561,779</b>
Central Services:				
Salaries	3,454,787	3,465,965	3,407,122	58,843
Employee Benefits	1,068,766	1,025,286	961,925	63,361
Purchased Services	527,916	518,273	380,367	137,906
Energy Services	25,600	25,417	17,600	7,817
Materials and Supplies	168,675	126,156	113,240	12,916
Capital Outlay	102,263	115,519	103,347	12,172
Other	75,361	120,475	73,445	47,030
<b>Total Central Services</b>	<b>5,423,368</b>	<b>5,397,091</b>	<b>5,057,046</b>	<b>340,045</b>
Student Transportation Services:				
Salaries	10,271,194	11,443,346	11,392,038	51,308
Employee Benefits	4,909,152	4,555,646	4,503,945	51,701
Purchased Services	1,448,718	1,470,805	1,394,334	76,471
Energy Services	2,154,338	2,419,082	2,326,177	92,905
Materials and Supplies	1,266,418	1,267,359	1,054,719	212,640
Capital Outlay	169,146	13,954	3,210	10,744
Other	21,250	18,827	6,736	12,091
<b>Total Student Transportation Services</b>	<b>20,240,216</b>	<b>21,189,019</b>	<b>20,681,159</b>	<b>507,860</b>
Operation of Plant:				
Salaries	7,769,317	7,383,227	7,301,025	82,202
Employee Benefits	3,124,892	3,123,669	2,657,327	466,342
Purchased Services	5,699,094	5,913,466	5,215,046	698,420
Energy Services	8,642,122	8,671,059	8,169,500	501,559
Materials and Supplies	1,140,188	1,061,280	1,016,362	44,918
Capital Outlay	63,996	54,542	53,950	592
Other	105,650	28,650	21,305	7,345
<b>Total Operation of Plant</b>	<b>26,545,259</b>	<b>26,235,893</b>	<b>24,434,515</b>	<b>1,801,378</b>
Maintenance of Plant:				
Salaries	5,391,409	5,316,494	5,167,148	149,346
Employee Benefits	1,900,385	1,795,682	1,613,317	182,365
Purchased Services	1,395,171	1,468,782	1,325,864	142,918
Energy Services	167,100	100,025	97,306	2,719
Materials and Supplies	1,245,844	1,233,305	1,228,659	4,646
Capital Outlay	20,668	608,485	20,407	588,078
Other	32,764	67,440	66,532	908
<b>Total Maintenance of Plant</b>	<b>10,153,341</b>	<b>10,590,213</b>	<b>9,519,233</b>	<b>1,070,980</b>

**MARION COUNTY DISTRICT SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR FUND - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Concluded)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Expenditures (concluded)</b>				
Current Education (concluded):				
Administrative Technology Services:				
Salaries	\$ 1,640,888	\$ 1,593,056	\$ 1,568,055	\$ 25,001
Employee Benefits	478,765	484,180	412,564	71,616
Purchased Services	3,187,602	3,162,919	2,256,434	906,485
Energy Services	2,000	4,901	4,668	233
Materials and Supplies	20,298	57,258	37,746	19,512
Capital Outlay	2,549,042	1,410,613	31,279	1,379,334
Other	20,250	31,550	23,314	8,236
Total Administrative Technology Services	<u>7,898,845</u>	<u>6,744,477</u>	<u>4,334,060</u>	<u>2,410,417</u>
Community Services:				
Salaries	3,322,811	3,421,888	3,116,903	304,985
Employee Benefits	868,035	901,747	784,563	117,184
Purchased Services	187,625	152,280	113,815	38,465
Energy Services	-	275	152	123
Materials and Supplies	101,066	113,463	95,048	18,415
Capital Outlay	14,941	30,452	29,217	1,235
Other	2,002	522	319	203
Total Community Services	<u>4,496,480</u>	<u>4,620,627</u>	<u>4,140,017</u>	<u>480,610</u>
Capital Outlay:				
Facility Acquisition and Construction	488,991	488,991	488,991	-
Other Capital Outlay	1,358,180	1,358,180	1,358,180	-
Total Capital Outlay	<u>1,847,171</u>	<u>1,847,171</u>	<u>1,847,171</u>	<u>-</u>
<b>Total Expenditures</b>	<u>374,410,166</u>	<u>379,091,288</u>	<u>353,491,032</u>	<u>25,600,256</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(27,069,253)</u>	<u>(28,721,522)</u>	<u>(4,628,949)</u>	<u>(27,107,939)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	158,718	158,718	-
Insurance Loss Recoveries	-	82,799	82,797	(2)
Transfers In	5,814,078	5,885,188	5,885,188	-
Transfers Out	(20,000)	(20,000)	(18,701)	1,299
<b>Total Other Financing Sources</b>	<u>5,794,078</u>	<u>6,106,705</u>	<u>6,108,002</u>	<u>1,297</u>
<b>Net Change in Fund Balance</b>	<u>(21,275,175)</u>	<u>(22,614,817)</u>	<u>1,479,053</u>	<u>(24,093,870)</u>
<b>Fund Balance - Beginning</b>	<u>48,131,517</u>	<u>48,131,517</u>	<u>48,131,517</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 26,856,342</u>	<u>\$ 25,516,700</u>	<u>\$ 49,610,570</u>	<u>\$ (24,093,870)</u>

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Other Federal Programs Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
<b>Federal Direct</b>				
Pell Grants	\$ 1,500,000	\$ 1,568,379	\$ 1,529,155	\$ (39,224)
<b>Federal Through State and Local</b>				
Career and Technical Education	661,553	804,803	736,360	(68,443)
Individuals with Disabilities Education Act (IDEA)	12,658,028	12,971,330	11,621,537	(1,349,793)
Adult General Education	491,326	491,326	467,975	(23,351)
English Literacy and Civics Education	44,714	44,714	42,048	(2,666)
Elementary and Secondary Education Act	19,979,160	24,955,938	18,624,668	(6,331,270)
Teacher and Principal Training and Recruiting	2,643,813	2,861,651	1,690,760	(1,170,891)
Language Instruction	294,291	454,696	334,527	(120,169)
Twenty-First Century Schools	1,052,805	3,080,105	1,707,558	(1,372,547)
Miscellaneous Federal Through State	1,664,386	1,730,772	943,935	(786,837)
Federal Through Local	88,125	131,370	97,146	(34,224)
<b>Total Federal Through State and Local</b>	<b>39,578,201</b>	<b>47,526,705</b>	<b>36,266,514</b>	<b>(11,260,191)</b>
<b>State</b>				
Miscellaneous State	30,946	722,307	274,272	(448,035)
<b>Local</b>				
Gifts, Grants, and Bequests	655,730	1,005,876	434,003	(571,873)
Adult General Education Course Fees	-	20,105	20,105	-
Other Miscellaneous Local	928	1,228	1,211	(17)
<b>Total Local</b>	<b>656,658</b>	<b>1,027,209</b>	<b>455,319</b>	<b>(571,890)</b>
<b>Total Revenues</b>	<b>41,765,805</b>	<b>50,844,600</b>	<b>38,525,260</b>	<b>(12,319,340)</b>
<b>Expenditures</b>				
<b>Current Education:</b>				
<b>Instruction:</b>				
Salaries	7,706,341	10,305,633	8,322,592	1,983,041
Employee Benefits	3,056,829	3,817,397	2,998,775	818,622
Purchased Services	2,877,847	3,236,241	2,571,553	664,688
Energy Services	-	4,000	739	3,261
Materials and Supplies	1,951,904	3,800,406	2,265,896	1,534,510
Capital Outlay	790,736	1,737,312	1,483,428	253,884
Other	136,103	176,677	71,284	105,393
<b>Total Instruction</b>	<b>16,519,760</b>	<b>23,077,666</b>	<b>17,714,267</b>	<b>5,363,399</b>
<b>Student Personnel Services:</b>				
Salaries	5,199,175	5,674,219	4,856,886	817,333
Employee Benefits	1,865,489	1,944,655	1,449,443	495,212
Purchased Services	384,821	312,093	145,814	166,279
Energy Services	9,320	6,320	1,519	4,801
Materials and Supplies	511,015	403,694	221,058	182,636
Capital Outlay	62,285	64,081	21,326	42,755
Other	8,416	5,952	5,285	667
<b>Total Student Personnel Services</b>	<b>8,040,521</b>	<b>8,411,014</b>	<b>6,701,331</b>	<b>1,709,683</b>

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
*(Concluded)*

	<b>Other Federal Programs Fund</b>			<b>Variance with Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Expenditures (concluded)</b>				
Current Education (concluded):				
Instructional Media Services:				
Salaries	\$ -	\$ 9,245	\$ -	\$ 9,245
Employee Benefits	-	1,603	-	1,603
Purchased Services	-	9,173	408	8,765
Materials and Supplies	22,650	28,342	19,142	9,200
Capital Outlay	93,663	111,645	56,038	55,607
Other	2,100	-	-	-
<b>Total Instructional Media Services</b>	<b>118,413</b>	<b>160,008</b>	<b>75,588</b>	<b>84,420</b>
Instruction and Curriculum Development:				
Salaries	1,726,521	2,009,613	1,675,835	333,778
Employee Benefits	500,414	605,253	453,199	152,054
Purchased Services	223,150	235,783	119,933	115,850
Materials and Supplies	88,916	203,869	88,321	115,548
Capital Outlay	17,819	49,547	23,839	25,708
Other	47,620	126,884	48,798	78,086
<b>Total Instruction and Curriculum Development</b>	<b>2,604,440</b>	<b>3,230,949</b>	<b>2,409,925</b>	<b>821,024</b>
Instructional Staff Training Services:				
Salaries	4,474,653	4,502,445	4,102,363	400,082
Employee Benefits	1,551,894	1,632,451	1,281,657	350,794
Purchased Services	1,486,622	2,215,676	1,391,398	824,278
Materials and Supplies	290,904	504,841	214,853	289,988
Capital Outlay	47,915	60,151	9,435	50,716
Other	2,007,073	1,689,865	698,765	991,100
<b>Total Instructional Staff Training Services</b>	<b>9,859,061</b>	<b>10,605,429</b>	<b>7,698,471</b>	<b>2,906,958</b>
Instruction-Related Technology				
Capital Outlay	18,546	3,546	-	3,546
General Administration:				
Materials and Supplies	-	5,269	1,853	3,416
Capital Outlay	-	1,774	-	1,774
Other	1,591,514	1,888,722	1,405,381	483,341
<b>Total General Administration</b>	<b>1,591,514</b>	<b>1,895,765</b>	<b>1,407,234</b>	<b>488,531</b>
School Administration:				
Salaries	6,650	63,450	58,293	5,157
Employee Benefits	1,155	22,823	15,030	7,793
<b>Total School Administration</b>	<b>7,805</b>	<b>86,273</b>	<b>73,323</b>	<b>12,950</b>
Facility Services:				
Purchased Services	18,044	18,045	11,416	6,629
Capital Outlay	350,669	373,226	-	373,226
<b>Total Facility Services</b>	<b>368,713</b>	<b>391,271</b>	<b>11,416</b>	<b>379,855</b>
Food Services:				
Purchased Services	-	630	-	630
Central Services:				
Employee Benefits	-	327	-	327
Purchased Services	7,000	7,000	-	7,000
Other	-	3,750	-	3,750
<b>Total Central Services</b>	<b>7,000</b>	<b>11,077</b>	<b>-</b>	<b>11,077</b>
Student Transportation Services:				
Salaries	161,496	258,022	81,112	176,910
Employee Benefits	26,018	45,566	17,231	28,335
Purchased Services	5,538	40,307	6,248	34,059
Energy Services	243,372	419,877	121,915	297,962
<b>Total Student Transportation Services</b>	<b>436,424</b>	<b>763,772</b>	<b>226,506</b>	<b>537,266</b>
Community Services:				
Other	1,500,000	1,513,592	1,513,591	1
Capital Outlay:				
Facilities Acquisition and Construction	65,250	65,250	65,250	-
Other Capital Outlay	628,358	628,358	628,358	-
<b>Total Expenditures</b>	<b>41,765,805</b>	<b>50,844,600</b>	<b>38,525,260</b>	<b>12,319,340</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Marion County District School Board  
Required Supplementary Information  
Schedule of Proportionate Share of Net Pension Liability  
Last 10 Fiscal Years\***

**Florida Retirement System**

	<u>2018</u>	<u>2017</u>
Marion County School Board's proportion of the net pension liability	0.500254558%	0.504575470%
Marion County School Board's proportionate share of the net pension liability	\$ 150,679,266	\$ 149,250,038
Marion County School Board's covered payroll	\$ 237,064,100	\$ 229,899,245
Marion County School Board's proportionate share of the net pension liability as a percentage of its covered payroll	63.56%	64.92%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%

**Health Insurance Subsidy**

	<u>2018</u>	<u>2017</u>
Marion County School Board's proportion of the net pension liability	0.714200727%	0.720509302%
Marion County School Board's proportionate share of the net pension liability	\$ 75,591,807	\$ 77,040,179
Marion County School Board's covered payroll	\$ 237,064,100	\$ 229,899,245
Marion County School Board's proportionate share of the net pension liability as a percentage of its covered payroll	31.89%	33.51%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%

\* The amounts presented for each fiscal year were determined as of 6/30. The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. As a result, this information is only available as of June 30, 2013.

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
0.507447693%	0.521988161%	0.524521642%	0.536352569%
\$ 128,130,941	\$ 67,421,772	\$ 32,003,534	\$ 92,330,148
\$ 223,856,707	\$ 208,929,545	\$ 203,238,439	\$ 202,248,189
57.24%	32.27%	15.75%	45.65%
84.88%	92.00%	96.09%	88.54%

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
0.725308478%	0.690189062%	0.683926637%	0.696145303%
\$ 84,531,698	\$ 70,388,427	\$ 63,948,809	\$ 60,608,602
\$ 223,856,707	\$ 208,929,545	\$ 203,238,439	\$ 202,248,189
37.76%	33.69%	31.46%	29.97%
0.97%	0.50%	0.99%	1.78%

**Marion County District School Board  
Required Supplementary Information  
Schedule of Contributions - Pension Plans  
Last 10 Fiscal Years\***

**Florida Retirement System**

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 15,325,199	\$ 14,269,459
Contributions in relation to the contractually required contribution	<u>\$ (15,325,199)</u>	<u>\$ (14,269,459)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Marion County School Board's covered payroll	\$ 238,892,291	\$ 237,064,100
Contributions as a percentage of covered payroll	6.42%	6.02%

**Health Insurance Subsidy**

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 3,966,010	\$ 3,877,158
Contributions in relation to the contractually required contribution	<u>\$ (3,966,010)</u>	<u>\$ (3,877,158)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Marion County School Board's covered payroll	\$ 238,892,291	\$ 237,064,100
Contributions as a percentage of covered payroll	1.66%	1.64%

\* The amounts presented for each fiscal year were determined as of 6/30. The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. As a result, this information is only available as of June 30, 2014.

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 13,201,646	\$ 12,450,461	\$ 12,726,515	\$ 11,489,250
\$ (13,201,646)	\$ (12,450,461)	\$ (12,726,515)	\$ (11,489,250)
\$ -	\$ -	\$ -	\$ -
\$ 229,899,245	\$ 223,856,707	\$ 208,929,545	\$ 203,238,439
5.74%	5.56%	6.09%	5.65%

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 3,816,327	\$ 3,716,021	\$ 2,638,332	\$ 2,342,903
\$ (3,816,327)	\$ (3,716,021)	\$ (2,638,332)	\$ (2,342,903)
\$ -	\$ -	\$ -	\$ -
\$ 229,899,245	\$ 223,856,707	\$ 208,929,545	\$ 203,238,439
1.66%	1.66%	1.26%	1.15%



**Marion County District School Board  
Required Supplementary Information  
Schedule of Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios  
Last 10 Fiscal Years\***

	<b>2018</b>	<b>2017</b>
Service Cost	\$ 1,261,070	\$ 1,371,357
Interest on the Total OPEB Plan Liability	982,553	840,553
Changes of Assumptions	(162,826)	(1,766,608)
Benefit Payments	(1,496,366)	(1,546,160)
Net Change in Total OPEB Plan Liability	584,431	(1,100,858)
Total OPEB Plan Liability, Beginning	27,086,919	28,187,777
Total OPEB Plan Liability, Ending	\$ 27,671,350	\$ 27,086,919
Total OPEB Plan Liability	\$ 27,671,350	\$ 27,086,919
Covered- Employee Payroll	\$ 208,920,616	\$ 201,855,668
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	13.24%	13.42%

\* The amounts presented for each fiscal year were determined as of June 30. The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. As a result, this schedule will present 10 years information as available.

**MARION COUNTY DISTRICT SCHOOL BOARD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

**Budgetary Compliance and Accountability**

The Board follows procedures established by Florida Statutes and SBE rules in establishing budget balances for governmental funds as described below.

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

**Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions**

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2018:

- FRS: The long-term expected rate of return decreased from 7.10 percent to 7.00 percent, and the active member mortality assumption was updated.
- HIS: The municipal bond rate used to determine total pension liability increased from 3.58 percent to 3.87 percent.

**Schedule of Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios**

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

Changes in assumptions and other inputs include the change in the discount rate from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.

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**SUPPLEMENTARY INFORMATION**  
**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**MARION COUNTY DISTRICT SCHOOL BOARD  
COMBINING BALANCE SHEET  
NONMAJOR FUNDS  
June 30, 2019**

	Special Revenue	Debt Service
	Food Service Fund	State Board of Education COBI Bonds Fund
<b>Assets</b>		
Cash	\$ 4,783,710	\$ -
Investments	3,994,725	25,794
Inventory	747,992	-
Prepaid Items	28	-
Accounts Receivable	12,569	-
Due From Other Agencies	203,515	-
<b>Total Assets</b>	<u>\$ 9,742,539</u>	<u>\$ 25,794</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Salaries and Benefits	\$ 47,791	\$ -
Payroll Deductions and Withholdings	6,764	-
Accounts Payable	57,611	-
Deposits Payable	107,247	-
Due to Other Agencies	1,779	-
<b>Total Liabilities</b>	<u>221,192</u>	<u>-</u>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	747,992	-
Prepaid Amounts	28	-
<b>Total Nonspendable Fund Balance</b>	<u>748,020</u>	<u>-</u>
Restricted for:		
Food Service	8,773,327	-
Debt Service	-	25,794
Capital Projects	-	-
<b>Total Restricted Fund Balance</b>	<u>8,773,327</u>	<u>25,794</u>
<b>Total Fund Balances</b>	<u>9,521,347</u>	<u>25,794</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 9,742,539</u>	<u>\$ 25,794</u>

Debt Service		Capital Projects		
Other Debt Service Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total	
\$ 565,318	\$ 9,995	\$ 2,921,919	\$	8,280,942
365	-	299		4,021,183
-	-	-		747,992
-	-	-		28
-	-	1		12,570
-	755,081	28,482		987,078
<u>\$ 565,683</u>	<u>\$ 765,076</u>	<u>\$ 2,950,701</u>	<u>\$</u>	<u>14,049,793</u>
\$ -	\$ -	\$ -	\$	47,791
-	-	-		6,764
-	-	-		57,611
-	-	-		107,247
-	-	-		1,779
-	-	-		221,192
-	-	-		747,992
-	-	-		28
-	-	-		748,020
-	-	-		8,773,327
565,683	-	-		591,477
-	765,076	2,950,701		3,715,777
<u>565,683</u>	<u>765,076</u>	<u>2,950,701</u>		<u>13,080,581</u>
<u>565,683</u>	<u>765,076</u>	<u>2,950,701</u>		<u>13,828,601</u>
<u>\$ 565,683</u>	<u>\$ 765,076</u>	<u>\$ 2,950,701</u>	<u>\$</u>	<u>14,049,793</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Special Revenue</u>	<u>Debt Service</u>
	<u>Food Service Fund</u>	<u>State Board of Education COBI Bonds Fund</u>
<b>Revenues</b>		
Intergovernmental:		
Federal through State	\$ 26,032,296	\$ -
State	376,867	340,510
Local:		
Other	2,273,712	-
<b>Total Revenues</b>	<u>28,682,875</u>	<u>340,510</u>
<b>Expenditures</b>		
Food Services	28,400,316	-
Capital Outlay:		
Facilities Acquisition and Construction	268,806	-
Other Capital Outlay	373,695	-
Debt Service:		
Retirement of Principal	-	285,000
Interest and Fiscal Charges	-	64,234
<b>Total Expenditures</b>	<u>29,042,817</u>	<u>349,234</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(359,942)</u>	<u>(8,724)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers In	18,701	-
Transfers Out	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>18,701</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(341,241)</u>	<u>(8,724)</u>
<b>Fund Balances - Beginning</b>	<u>9,862,588</u>	<u>34,518</u>
<b>Fund Balances - Ending</b>	<u>\$ 9,521,347</u>	<u>\$ 25,794</u>

Debt Service		Capital Projects		
Other Debt Service Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total	
\$ -	\$ -	\$ -	\$ 26,032,296	
223,250	1,149,931	1,286,649	3,377,207	
8,650	766	24,466	2,307,594	
231,900	1,150,697	1,311,115	31,717,097	
-	-	-	28,400,316	
-	882,327	-	1,151,133	
-	-	-	373,695	
10,291,000	-	-	10,576,000	
2,664,690	-	1,555	2,730,479	
12,955,690	882,327	1,555	43,231,623	
(12,723,790)	268,370	1,309,560	(11,514,526)	
12,754,875	-	-	12,773,576	
-	(254,021)	-	(254,021)	
12,754,875	(254,021)	-	12,519,555	
31,085	14,349	1,309,560	1,005,029	
534,598	750,727	1,641,141	12,823,572	
\$ 565,683	\$ 765,076	\$ 2,950,701	\$ 13,828,601	



**MARION COUNTY DISTRICT SCHOOL BOARD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUND - FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Food Service Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Federal Through State:			
National School Lunch Act	\$ 16,982,579	\$ 16,455,928	\$ (526,651)
School Breakfast Program	6,555,367	6,461,703	(93,664)
Miscellaneous Federal Revenues	3,188,931	3,114,665	(74,266)
Total Federal Through State	<u>26,726,877</u>	<u>26,032,296</u>	<u>(694,581)</u>
State:			
Breakfast Supplement	174,251	172,381	(1,870)
School Lunch Supplement	225,029	204,486	(20,543)
Total State	<u>399,280</u>	<u>376,867</u>	<u>(22,413)</u>
Local:			
Charges for Services - Food Service	2,854,247	2,069,602	(784,645)
Investment Income	134,606	132,020	(2,586)
Net Increase in Fair Value of Investments	45,310	45,310	-
Other	43,371	26,780	(16,591)
Total Local	<u>3,077,534</u>	<u>2,273,712</u>	<u>(803,822)</u>
<b>Total Revenues</b>	<u>30,203,691</u>	<u>28,682,875</u>	<u>(1,520,816)</u>
<b>Expenditures</b>			
Current Education:			
Food Services:			
Salaries	8,913,363	8,499,499	413,864
Employee Benefits	4,041,839	3,541,043	500,796
Purchased Services	1,212,680	782,213	430,467
Energy Services	586,290	457,953	128,337
Materials and Supplies	15,736,864	14,061,704	1,675,160
Capital Outlay	2,367,403	292,551	2,074,852
Other	1,364,158	765,353	598,805
Total Food Services	<u>34,222,597</u>	<u>28,400,316</u>	<u>5,822,281</u>
Capital Outlay:			
Facilities Acquisition and Construction	268,806	268,806	-
Other Capital Outlay	373,695	373,695	-
Total Capital Outlay	<u>642,501</u>	<u>642,501</u>	<u>-</u>
<b>Total Expenditures</b>	<u>34,865,098</u>	<u>29,042,817</u>	<u>5,822,281</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(4,661,407)</u>	<u>(359,942)</u>	<u>4,301,465</u>
<b>Other Financing Sources</b>			
Transfers In	20,000	18,701	(1,299)
<b>Net Change in Fund Balance</b>	<u>(4,641,407)</u>	<u>(341,241)</u>	<u>4,300,166</u>
<b>Fund Balance - Beginning</b>	<u>9,862,588</u>	<u>9,862,588</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 5,221,181</u>	<u>\$ 9,521,347</u>	<u>\$ (4,300,166)</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NONMAJOR DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>State Board of Education COBI Bonds Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
State:			
Debt Service for State Board of Education/COBI Bonds	\$ 349,080	\$ 339,777	\$ (9,303)
State Board of Education/COBI Bond Interest	733	733	-
<b>Total Revenues</b>	<u>349,813</u>	<u>340,510</u>	<u>(9,303)</u>
<b>Expenditures</b>			
Debt Service:			
Retirement of Principal	285,000	285,000	-
Interest and Fiscal Charges	64,235	64,234	(1)
<b>Total Expenditures</b>	<u>349,235</u>	<u>349,234</u>	<u>(1)</u>
<b>Net Change in Fund Balance</b>	578	(8,724)	(9,302)
<b>Fund Balance - Beginning</b>	<u>34,518</u>	<u>34,518</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 35,096</u>	<u>\$ 25,794</u>	<u>\$ (9,302)</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NONMAJOR DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Other Debt Service Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
State:			
Racing Commission Funds	\$ 223,250	\$ 223,250	\$ -
Local:			
Investment Income	8,653	8,650	(3)
<b>Total Revenues</b>	<u>231,903</u>	<u>231,900</u>	<u>(3)</u>
<b>Expenditures</b>			
Debt Service:			
Retirement of Principal	10,291,000	10,291,000	-
Interest and Fiscal Charges	2,669,145	2,664,690	4,455
<b>Total Expenditures</b>	<u>12,960,145</u>	<u>12,955,690</u>	<u>4,455</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(12,728,242)</u>	<u>(12,723,790)</u>	<u>4,452</u>
<b>Other Financing Sources</b>			
Transfers In	12,760,269	12,754,875	(5,394)
<b>Net Change in Fund Balance</b>	32,027	31,085	(942)
<b>Fund Balance - Beginning</b>	<u>534,598</u>	<u>534,598</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 566,625</u>	<u>\$ 565,683</u>	<u>\$ (942)</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Public Education Capital Outlay Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
State:			
Public Education Capital Outlay (PECO)	\$ 895,910	\$ 895,910	\$ -
Charter School Capital Outlay Funding	254,420	254,021	(399)
<b>Total State Sources</b>	<u>1,150,330</u>	<u>1,149,931</u>	<u>(399)</u>
Local:			
Investment Income	767	766	(1)
<b>Total Revenues</b>	<u>1,151,097</u>	<u>1,150,697</u>	<u>(400)</u>
<b>Expenditures</b>			
Capital Outlay:			
Facilities Acquisition and Construction:			
Improvements Other Than Buildings	143,842	132,696	11,146
Remodeling and Renovations	1,503,051	749,631	753,420
<b>Total Expenditures</b>	<u>1,646,893</u>	<u>882,327</u>	<u>764,566</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(495,796)</u>	<u>268,370</u>	<u>764,166</u>
<b>Other Financing Uses</b>			
Transfers Out	(254,420)	(254,021)	399
<b>Net Change in Fund Balance</b>	(750,216)	14,349	764,565
<b>Fund Balance - Beginning</b>	<u>750,727</u>	<u>750,727</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 511</u>	<u>\$ 765,076</u>	<u>\$ 764,565</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Capital Outlay and Debt Service Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
State:			
Capital Outlay/Debt Service Distributed	\$ 1,256,613	\$ 1,256,612	\$ (1)
Interest on Undistributed Capital Outlay and Debt Service	<u>30,038</u>	<u>30,037</u>	<u>(1)</u>
Total State	<u>1,286,651</u>	<u>1,286,649</u>	<u>(2)</u>
Local:			
Investment Income	<u>24,466</u>	<u>24,466</u>	<u>-</u>
<b>Total Revenues</b>	<u>1,311,117</u>	<u>1,311,115</u>	<u>(2)</u>
<b>Expenditures</b>			
Debt Service:			
Interest and Fiscal Charges	<u>1,555</u>	<u>1,555</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,555</u>	<u>1,555</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	1,309,562	1,309,560	(2)
<b>Fund Balance - Beginning</b>	<u>1,641,141</u>	<u>1,641,141</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 2,950,703</u>	<u>\$ 2,950,701</u>	<u>\$ (2)</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MAJOR CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Local Capital Improvement Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Local:				
District Local Capital Improvement Tax	\$ 28,168,352	\$ 28,223,127	\$ 28,223,127	\$ -
Tax Redemptions	-	138,852	138,851	(1)
Investment Income	-	445,466	445,460	(6)
Net Increase in Fair Value of Investments	-	37,275	37,273	(2)
<b>Total Revenues</b>	<u>28,168,352</u>	<u>28,844,720</u>	<u>28,844,711</u>	<u>(9)</u>
<b>Expenditures</b>				
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	8,765,527	8,667,174	639,086	8,028,088
Furniture, Fixtures and Equipment	277,834	153,730	144,559	9,171
Improvements Other Than Buildings	1,885,466	1,827,381	1,653,642	173,739
Remodeling and Renovations	5,915,735	6,090,076	1,455,015	4,635,061
Other Capital Outlay:				
Vehicles	357,945	357,945	280,866	77,079
<b>Total Expenditures</b>	<u>17,202,507</u>	<u>17,096,306</u>	<u>4,173,168</u>	<u>12,923,138</u>
<b>Excess of Revenues Over Expenditures</b>	<u>10,965,845</u>	<u>11,748,414</u>	<u>24,671,543</u>	<u>12,923,129</u>
<b>Other Financing Uses</b>				
Transfers Out	(18,381,535)	(18,381,535)	(18,376,141)	5,394
<b>Net Change in Fund Balance</b>	(7,415,690)	(6,633,121)	6,295,402	12,928,523
<b>Fund Balance - Beginning</b>	8,916,689	8,916,689	8,916,689	-
<b>Fund Balance - Ending</b>	<u>\$ 1,500,999</u>	<u>\$ 2,283,568</u>	<u>\$ 15,212,091</u>	<u>\$ 12,928,523</u>

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Other Capital Projects Fund</b>			<b>Variance with Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State:				
Miscellaneous State	\$ -	\$ 1,485,509	\$ 1,485,509	\$ -
Local:				
Investment Income	-	149,593	149,589	(4)
<b>Total Revenues</b>	<u>-</u>	<u>1,635,102</u>	<u>1,635,098</u>	<u>(4)</u>
<b>Expenditures</b>				
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	171,429	94,821	94,320	501
Furniture, Fixtures and Equipment	-	50,709	50,254	455
Land	880,000	880,000	622,074	257,926
Improvements Other Than Buildings	-	1,558,763	1,090,763	468,000
Total Facilities Acquisition and Construction	1,051,429	2,584,293	1,857,411	726,882
Debt Service:				
Interest and Fiscal Charges	-	37,500	37,500	-
<b>Total Expenditures</b>	<u>1,051,429</u>	<u>2,621,793</u>	<u>1,894,911</u>	<u>726,882</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,051,429</u>	<u>(986,691)</u>	<u>(259,813)</u>	<u>726,878</u>
<b>Other Financing Sources</b>				
Inception of Note Payable	-	15,839,901	15,839,901	-
Transfers Out	-	(38,910)	(9,901)	(29,009)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>15,800,991</u>	<u>15,830,000</u>	<u>(29,009)</u>
<b>Net Change in Fund Balance</b>	1,051,429	14,814,300	15,570,187	697,869
<b>Fund Balance - Beginning</b>	6,911,115	6,911,115	6,911,115	-
<b>Fund Balance - Ending</b>	<u>\$ 7,962,544</u>	<u>\$ 21,725,415</u>	<u>\$ 22,481,302</u>	<u>\$ 755,887</u>

**MARION COUNTY DISTRICT SCHOOL BOARD  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>School Internal Accounts - Student Activity Funds</b>			
	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2019</b>
<b>Assets</b>				
Cash	\$ 4,133,324	\$ 12,101,976	\$ 12,643,432	\$ 3,591,868
<b>Liabilities</b>				
School Internal Accounts Payable	\$ 4,133,324	\$ 12,101,976	\$ 12,643,432	\$ 3,591,868



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## **NONMAJOR COMPONENT UNITS**

### **Foundation**

Public Education Foundation of Marion County, Inc.

### **Charter Schools**

Marion Charter School, Inc.  
McIntosh Area Charter School, Incorporated  
Francis Marion Military Academy, Inc.  
Francis Marion Charter School, Inc.

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**MARION COUNTY DISTRICT SCHOOL BOARD  
NONMAJOR COMPONENT UNITS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<b>Public Education Foundation of Marion County, Inc.</b>	<b>Marion Charter School, Inc.</b>	<b>McIntosh Area Charter School, Incorporated</b>	<b>Francis Marion Military Academy, Inc.</b>	<b>Francis Marion Charter School, Inc.</b>	<b>Total</b>
<b>Assets</b>						
Current Assets:						
Cash	\$ 449,617	\$ 556,186	\$ 48,732	\$ 15,701	\$ 73,244	\$ 1,143,480
Accounts Receivable	58,757	10,318	3,937	-	9,408	82,420
Deposits Receivable	-	1,600	-	14,157	14,304	30,061
Inventories	335,208	-	-	-	-	335,208
Prepaid Items	38,049	1,205	4,521	-	12,050	55,825
<b>Total Current Assets</b>	<b>881,631</b>	<b>569,309</b>	<b>57,190</b>	<b>29,858</b>	<b>109,006</b>	<b>1,646,994</b>
Noncurrent Assets:						
Assets Held by Others	1,972,656	-	-	-	-	1,972,656
Investments	546,842	-	-	-	-	546,842
Capital Assets Not Being Depreciated	-	248,319	116,514	-	-	364,833
Capital Assets Being Depreciated, Net	7,872	343,443	274,451	124,083	36,490	786,339
<b>Total Noncurrent Assets</b>	<b>2,527,370</b>	<b>591,762</b>	<b>390,965</b>	<b>124,083</b>	<b>36,490</b>	<b>3,670,670</b>
<b>Total Assets</b>	<b>3,409,001</b>	<b>1,161,071</b>	<b>448,155</b>	<b>153,941</b>	<b>145,496</b>	<b>5,317,664</b>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Pension Liability	-	405,687	-	-	-	405,687
<b>Liabilities</b>						
Current Liabilities:						
Salaries and Benefits Payable	-	-	29,982	447	-	30,429
Accounts Payable	323,662	736	2,299	102,564	1,300	430,561
Credit Card Payable	-	-	-	3,423	-	3,423
Cash Overdraft	-	-	-	16,398	-	16,398
Other Postemployment Benefits	-	-	-	-	714	714
Long-term Liabilities						
Due Within One Year	-	17,665	12,127	-	-	29,792
<b>Total Current Liabilities</b>	<b>323,662</b>	<b>18,401</b>	<b>44,408</b>	<b>122,832</b>	<b>2,014</b>	<b>511,317</b>
Noncurrent Liabilities						
Due After One Year	-	871,421	-	39,841	-	911,262
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>871,421</b>	<b>-</b>	<b>39,841</b>	<b>-</b>	<b>911,262</b>
<b>Total Liabilities</b>	<b>323,662</b>	<b>889,822</b>	<b>44,408</b>	<b>162,673</b>	<b>2,014</b>	<b>1,422,579</b>
<b>Deferred Inflows of Resources</b>						
Deferred Revenue	-	87,493	-	-	-	87,493
<b>Net Position</b>						
Net Investment in Capital Assets	-	591,762	390,965	124,083	36,490	1,143,300
Restricted for:						
Capital Projects	-	54,628	20,648	-	-	75,276
Permanent Endowments:						
Nonexpendable	2,607,835	-	-	-	-	2,607,835
Unrestricted	477,504	(56,947)	(7,866)	(132,815)	106,992	386,868
<b>Total Net Position</b>	<b>\$ 3,085,339</b>	<b>\$ 589,443</b>	<b>\$ 403,747</b>	<b>\$ (8,732)</b>	<b>\$ 143,482</b>	<b>\$ 4,213,279</b>

**MARION COUNTY DISTRICT SCHOOL BOARD  
NONMAJOR COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Nonmajor Component Units</b>				
<b>Governmental Activities</b>				
Public Education Foundation of Marion County, Inc.:				
General Administration	\$ 323,838	\$ -	\$ -	\$ -
Community Services	1,623,975	-	-	-
Total Public Education Foundation of Marion County	<u>1,947,813</u>	<u>-</u>	<u>-</u>	<u>-</u>
Marion Charter School, Inc.:				
Instruction	1,187,891	22,952	-	-
Student Support Services	84,050	-	-	-
General Administration	473,652	-	-	130,964
Community Services	31,377	43,239	-	-
Unallocated Interest on Long-term Debt	990	-	-	990
Total Marion Charter School, Inc.	<u>1,777,960</u>	<u>66,191</u>	<u>-</u>	<u>131,954</u>
McIntosh Area Charter School, Incorporated:				
Instruction	352,274	7,685	-	-
General Administration	205,871	-	-	36,898
Maintenance of Plant	5,022	-	-	-
Community Services	12,925	9,655	-	-
Unallocated Interest on Long-term Debt	8	-	-	-
Total McIntosh Area Charter School, Incorporated	<u>576,100</u>	<u>17,340</u>	<u>-</u>	<u>36,898</u>
Francis Marion Military Academy, Inc.:				
Instruction	434,530	5,427	46,159	-
General Administration	681,843	-	-	-
Maintenance of Plant	1,452	-	-	-
Community Services	15,045	-	-	-
Unallocated Interest on Long-term Debt	469	-	-	-
Unallocated Depreciation/Amortization Expense	13,310	-	-	-
Total Francis Marion Military Academy, Inc.	<u>1,146,649</u>	<u>5,427</u>	<u>46,159</u>	<u>-</u>
Francis Marion Charter School, Inc.:				
Instruction	486,448	-	882,305	-
Student Support Services	13	-	-	-
Board	500	-	-	-
School Administration	219,354	-	-	-
Facilities Acquisition and Construction	142,883	-	-	85,169
Fiscal Services	20,705	-	-	-
Food Service	12,140	-	-	-
Student Transportation Services	43,029	-	31,221	-
Operation of Plant	42,121	-	-	-
Maintenance of Plant	2,380	-	-	-
Community Services	4,177	-	-	-
Unallocated Depreciation/Amortization Expense	4,153	-	-	-
Total Francis Marion Charter School, Inc.	<u>977,903</u>	<u>-</u>	<u>913,526</u>	<u>85,169</u>
<b>Total Nonmajor Component Units</b>	<u>\$ 6,426,425</u>	<u>\$ 88,958</u>	<u>\$ 959,685</u>	<u>\$ 254,021</u>

**General Revenues**

Grants and Contributions Not Restricted  
    To Specific Programs  
    Unrestricted Investment Earnings  
    Miscellaneous

**Total General Revenues**

Change in Net Position  
Net Position - Beginning  
**Net Position - Ending**

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

<b>Component Units</b>					
<b>Public Education Foundation of Marion County, Inc.</b>	<b>Marion Charter School, Inc.</b>	<b>McIntosh Area Charter School, Incorporated</b>	<b>Francis Marion Military Academy, Inc.</b>	<b>Francis Marion Charter School, Inc.</b>	<b>Total</b>
\$ (323,838)	\$ -	\$ -	\$ -	\$ -	\$ (323,838)
(1,623,975)	-	-	-	-	(1,623,975)
(1,947,813)	-	-	-	-	(1,947,813)
-	(1,164,939)	-	-	-	(1,164,939)
-	(84,050)	-	-	-	(84,050)
-	(342,688)	-	-	-	(342,688)
-	11,862	-	-	-	11,862
-	-	-	-	-	-
-	(1,579,815)	-	-	-	(1,579,815)
-	-	(344,589)	-	-	(344,589)
-	-	(168,973)	-	-	(168,973)
-	-	(5,022)	-	-	(5,022)
-	-	(3,270)	-	-	(3,270)
-	-	(8)	-	-	(8)
-	-	(521,862)	-	-	(521,862)
-	-	-	(382,944)	-	(382,944)
-	-	-	(681,843)	-	(681,843)
-	-	-	(1,452)	-	(1,452)
-	-	-	(15,045)	-	(15,045)
-	-	-	(469)	-	(469)
-	-	-	(13,310)	-	(13,310)
-	-	-	(1,095,063)	-	(1,095,063)
-	-	-	-	395,857	395,857
-	-	-	-	(13)	(13)
-	-	-	-	(500)	(500)
-	-	-	-	(219,354)	(219,354)
-	-	-	-	(57,714)	(57,714)
-	-	-	-	(20,705)	(20,705)
-	-	-	-	(12,140)	(12,140)
-	-	-	-	(11,808)	(11,808)
-	-	-	-	(42,121)	(42,121)
-	-	-	-	(2,380)	(2,380)
-	-	-	-	(4,177)	(4,177)
-	-	-	-	(4,153)	(4,153)
-	-	-	-	20,792	20,792
(1,947,813)	(1,579,815)	(521,862)	(1,095,063)	20,792	(5,123,761)
1,710,954	1,522,212	447,246	963,040	17,618	4,661,070
52,960	9	-	-	261	53,230
-	-	-	30,835	-	30,835
1,763,914	1,522,221	447,246	993,875	17,879	4,745,135
(183,899)	(57,594)	(74,616)	(101,188)	38,671	(378,626)
3,269,238	647,037	478,363	92,456	104,812	4,591,905
\$ 3,085,339	\$ 589,443	\$ 403,747	\$ (8,732)	\$ 143,483	\$ 4,213,279

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# STATISTICAL SECTION

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

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<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	97
<b>Revenue Capacity</b>	
These schedules present information to help the reader assess the District's most significant local revenue sources, which is property taxes.	102
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	108
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<b>Operating Information</b>	
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Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**NET POSITION BY COMPONENT - GOVERNMENT-WIDE**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
(UNAUDITED)

*Table 1*

	Fiscal Year Ending June 30:									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 385,274,585	\$ 397,845,050	\$ 401,984,084	\$ 424,639,560	\$ 421,531,025	\$ 424,703,252	\$ 427,231,115	\$ 430,615,015	\$ 437,935,375	\$ 423,039,762
Restricted	100,747,187	76,016,201	61,243,195	39,563,126	38,543,429	34,531,596	40,344,387	46,589,540	44,613,635	63,844,205
Unrestricted (Deficit)	(28,893,693)	(31,610,672)	(38,520,766)	(42,686,045)	(38,717,427)	(167,579,756)	(157,210,634)	(167,835,774)	(168,255,295)	(175,135,529)
<b>Total Governmental Net Position</b>	<b>\$ 457,128,079</b>	<b>\$ 442,250,579</b>	<b>\$ 424,706,513</b>	<b>\$ 421,516,641</b>	<b>\$ 421,357,027</b>	<b>\$ 291,655,092</b>	<b>\$ 310,364,868</b>	<b>\$ 309,368,781</b>	<b>\$ 314,293,715</b>	<b>\$ 311,748,438</b>

Note: Significant decrease was experienced in the 2015 fiscal year as a result of implementing GASB No. 68. Significant increase was experienced in the 2018 fiscal year as a result of implementing GASB No. 75.



**MARION COUNTY DISTRICT SCHOOL BOARD**  
**CHANGES IN FUND BALANCES, ALL GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
**(UNAUDITED)**

Table 3

	Fiscal Year Ending June 30:									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Federal Direct	\$ 1,609,243	\$ 2,379,764	\$ 2,072,312	\$ 2,148,187	\$ 1,942,361	\$ 1,728,450	\$ 1,619,918	\$ 1,695,939	\$ 1,935,630	\$ 2,192,109
Federal Through State and Local	69,840,822	80,060,063	53,587,286	50,650,606	51,211,480	58,177,326	60,105,303	59,417,244	62,274,217	66,136,254
State	160,672,169	162,937,531	160,825,072	172,104,392	192,098,173	197,617,736	205,444,106	210,760,097	217,584,733	222,914,151
Local	173,858,286	149,607,597	141,567,810	133,017,132	124,723,947	128,796,860	147,665,723	149,667,704	150,743,259	158,341,735
<b>Total Revenues</b>	<b>405,980,520</b>	<b>394,984,955</b>	<b>358,052,480</b>	<b>357,920,317</b>	<b>369,975,961</b>	<b>386,320,372</b>	<b>414,835,050</b>	<b>421,540,984</b>	<b>432,537,839</b>	<b>449,584,249</b>
<b>Expenditures</b>										
<b>Current - Education:</b>										
Instruction	202,978,125	208,115,441	193,742,555	190,865,971	188,985,303	200,451,377	211,215,617	218,901,901	224,983,150	235,667,732
Student Personnel Services	23,930,121	23,881,248	22,044,740	22,230,371	23,014,906	23,516,829	27,396,622	27,983,666	29,544,224	31,707,586
Instructional Media Services	4,814,832	4,967,925	4,295,754	4,070,111	3,641,443	3,783,824	5,044,413	4,938,520	4,162,027	4,156,326
Instruction and Curriculum Development	6,847,503	7,689,989	7,024,155	6,248,797	5,570,332	5,693,019	5,731,587	5,694,710	5,992,125	6,970,744
Instructional Staff Training Services	7,960,268	8,977,471	7,850,706	7,137,393	7,135,820	7,906,553	9,160,984	8,894,799	7,441,654	10,826,576
Instruction Related Technology (a)	2,645,417	2,763,705	2,241,295	2,082,139	2,141,157	2,484,038	2,684,933	2,609,382	2,727,366	2,411,458
Board of Education	562,013	639,789	599,619	601,336	627,489	583,585	695,662	680,803	766,962	850,932
General Administration	3,186,466	3,251,400	2,219,000	2,342,176	2,291,020	2,714,189	2,909,358	3,221,316	2,979,108	3,175,321
School Administration	18,017,619	18,454,258	16,527,237	16,969,889	16,935,587	17,196,999	18,847,423	19,373,799	20,294,615	19,967,731
Facility Services	18,438	8,439,024	6,425,156	733,226	2,597,831	792,509	725,667	984,702	766,708	809,658
Fiscal Services	2,614,061	2,700,701	2,489,566	2,504,775	2,423,416	2,603,285	2,810,974	2,886,882	3,190,641	3,025,322
Food Services	19,824,364	20,048,272	21,418,705	22,125,473	22,381,865	24,787,895	26,928,146	27,304,381	28,176,095	28,400,316
Central Services	4,065,784	4,140,917	3,800,660	3,639,891	3,919,053	4,363,118	4,105,026	4,266,224	4,514,340	5,057,046
Student Transportation Services	19,675,741	20,052,193	18,901,755	18,496,270	19,526,977	19,701,949	19,463,264	20,275,772	20,866,047	20,907,665
Operation of Plant	26,591,041	26,573,504	22,888,806	22,316,850	23,531,438	23,679,291	23,277,751	22,915,330	24,201,971	24,434,515
Maintenance of Plant	9,180,879	9,702,580	8,956,293	8,489,604	8,684,861	9,340,531	9,333,033	9,394,718	9,569,186	9,519,233
Administrative Technology Services (a)	4,167,870	4,297,042	3,853,533	4,723,110	3,971,669	5,132,497	4,897,878	4,854,618	4,822,408	4,334,060
Community Services	3,870,685	4,170,742	3,804,867	3,741,872	4,384,158	4,608,861	4,644,010	4,648,267	5,088,335	5,653,608
<b>Capital Outlay:</b>										
Facilities Acquisition and Construction	50,084,138	37,103,268	13,410,419	24,002,370	4,554,498	5,635,924	6,596,918	6,593,742	6,740,055	7,455,087
Other Capital Outlay	1,842,850	1,648,151	1,636,109	1,410,753	2,483,145	7,688,250	5,384,987	4,977,042	8,528,084	2,641,099
<b>Debt Service:</b>										
Principal	10,132,414	10,367,792	10,275,000	10,145,000	10,479,000	11,065,000	11,915,500	12,228,000	12,531,000	10,576,000
Interest and Fiscal Charges	7,382,505	7,150,589	6,992,311	5,906,887	5,567,168	4,300,873	3,505,439	3,544,310	3,137,518	2,716,343
Dues, Fees and Issuance Costs	377,219	19,700	75,916	70,035	215,027	134,022	424,808	19,271	16,824	51,636
<b>Total Expenditures</b>	<b>430,770,353</b>	<b>435,155,701</b>	<b>381,474,157</b>	<b>380,854,299</b>	<b>365,063,163</b>	<b>388,164,418</b>	<b>407,700,000</b>	<b>417,192,155</b>	<b>431,040,443</b>	<b>441,315,994</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(24,789,833)</b>	<b>(40,170,746)</b>	<b>(23,421,677)</b>	<b>(22,933,982)</b>	<b>4,912,798</b>	<b>(1,844,046)</b>	<b>7,135,050</b>	<b>4,348,829</b>	<b>1,497,396</b>	<b>8,268,255</b>

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**CHANGES IN FUND BALANCES, ALL GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
**(UNAUDITED)**

Table 3

	Fiscal Year Ending June 30:									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other Financing Sources (Uses)</b>										
Certificates of Participation Issued	\$ 21,420,000	\$ -	\$ -	\$ -	\$ 37,380,000	\$ -	\$ 32,860,000	\$ -	\$ -	\$ -
Loans Incurred	-	-	-	-	-	4,946,000	-	-	-	15,839,901
Bonds Issued	520,000	180,000	25,845,000	-	3,620,500	7,371,000	-	-	-	-
Premium on Debt	52,193	27,740	300,397	-	137,879	35,955	4,327,462	-	-	-
Discount on Debt Issued	(12,828)	-	-	-	-	-	-	-	-	-
Payments to Refunded Debt Escrow Agent	(21,606,898)	(208,420)	(24,875,279)	(1,158,933)	(39,919,642)	(8,349,299)	(36,775,929)	-	-	-
Proceeds from Sale of Capital Assets	96,680	-	-	-	-	-	-	-	-	158,718
Insurance Loss Recoveries	9,318	23,977	108,500	58,443	108,571	74,416	81,895	50,296	131,221	82,797
Transfers In	23,332,714	23,069,632	21,754,970	20,844,390	21,603,700	20,860,316	20,654,704	20,988,281	20,713,572	18,658,764
Transfers Out	(23,332,714)	(23,069,632)	(21,754,970)	(20,844,390)	(21,603,700)	(20,860,316)	(20,654,704)	(20,988,281)	(20,713,572)	(18,658,764)
<b>Total Other Financing Sources (Uses)</b>	<u>478,465</u>	<u>23,297</u>	<u>1,378,618</u>	<u>(1,100,490)</u>	<u>1,327,308</u>	<u>4,078,072</u>	<u>493,428</u>	<u>50,296</u>	<u>131,221</u>	<u>16,081,416</u>
<b>Net Change in Fund Balances</b>	<u>(24,311,368)</u>	<u>(40,147,449)</u>	<u>(22,043,059)</u>	<u>(24,034,472)</u>	<u>6,240,106</u>	<u>2,234,026</u>	<u>7,628,478</u>	<u>4,399,125</u>	<u>1,628,617</u>	<u>24,349,671</u>
<b>Fund Balances - Beginning</b>	<u>165,188,889</u>	<u>140,877,521</u>	<u>100,730,072</u>	<u>78,687,013</u>	<u>54,652,541</u>	<u>60,892,647</u>	<u>63,126,673</u>	<u>70,755,151</u>	<u>75,154,276</u>	<u>76,782,893</u>
<b>Fund Balances - Ending</b>	<u><u>140,877,521</u></u>	<u><u>100,730,072</u></u>	<u><u>78,687,013</u></u>	<u><u>54,652,541</u></u>	<u><u>60,892,647</u></u>	<u><u>63,126,673</u></u>	<u><u>70,755,151</u></u>	<u><u>75,154,276</u></u>	<u><u>76,782,893</u></u>	<u><u>101,132,564</u></u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.62%	4.42%	4.71%	4.52%	4.48%	4.10%	3.90%	3.89%	3.77%	3.08%

Source: Marion County District School Board, Finance Department Records

**MARION COUNTY DISTRICT SCHOOL BOARD  
FUND BALANCES, ALL GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
(UNAUDITED)

Table 4

	Fiscal Year Ending June 30:									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Nonspendable	\$ 3,410,988	\$ 2,364,515	\$ 2,258,504	\$ 2,262,561	\$ 2,644,114	\$ 2,423,202	\$ 3,158,561	\$ 2,297,751	\$ 4,209,538	\$ 2,582,526
Spendable:										
Restricted	2,317,781	1,615,396	2,240,303	3,007,480	4,422,676	3,745,725	8,423,116	12,015,801	15,044,294	12,385,071
Assigned	16,573,438	12,723,576	4,843,480	-	7,547,747	5,977,547	11,347,442	11,880,177	13,122,249	14,077,840
Unassigned	8,970,560	10,206,082	9,250,956	11,241,171	11,469,003	17,996,211	15,425,636	15,956,637	15,755,436	20,565,133
<b>Total General Fund</b>	<b>\$ 31,272,767</b>	<b>\$ 26,909,569</b>	<b>\$ 18,593,243</b>	<b>\$ 16,511,212</b>	<b>\$ 26,083,540</b>	<b>\$ 30,142,685</b>	<b>\$ 38,354,755</b>	<b>\$ 42,150,366</b>	<b>\$ 48,131,517</b>	<b>\$ 49,610,570</b>
<b>All Other Government Funds</b>										
Nonspendable	\$ 541,201	\$ 850,502	\$ 822,146	\$ 761,754	\$ 1,439,665	\$ 828,337	\$ 895,462	\$ 1,046,420	\$ 710,755	\$ 753,345
Spendable:										
Restricted	109,087,802	73,026,310	59,332,102	37,432,904	33,384,745	32,155,651	31,519,483	31,957,490	27,943,836	50,773,974
Unassigned (a)	(24,249)	(56,309)	(60,478)	(53,329)	(15,303)	-	(14,549)	-	(3,215)	(5,325)
<b>Total All Other Governmental Funds</b>	<b>\$ 109,604,754</b>	<b>\$ 73,820,503</b>	<b>\$ 60,093,770</b>	<b>\$ 38,141,329</b>	<b>\$ 34,809,107</b>	<b>\$ 32,983,988</b>	<b>\$ 32,400,396</b>	<b>\$ 33,003,910</b>	<b>\$ 28,651,376</b>	<b>\$ 51,521,994</b>
<b>Combined Governmental Funds</b>	<b>\$ 140,877,521</b>	<b>\$ 100,730,072</b>	<b>\$ 78,687,013</b>	<b>\$ 54,652,541</b>	<b>\$ 60,892,647</b>	<b>\$ 63,126,673</b>	<b>\$ 70,755,151</b>	<b>\$ 75,154,276</b>	<b>\$ 76,782,893</b>	<b>\$ 101,132,564</b>

(a) The District reported a negative unassigned fund balance for All Other Governmental Funds as a result of prepaid items exceeding the ending fund balances in the Special Revenue - Other Federal Programs Fund.

Source: Marion County District School Board, Finance Department Records

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
(UNAUDITED)

*Table 5*

Fiscal Year Ending June 30,	Property Taxes		Sales Surtax (a)	Impact Fees (b)	Total
	Operational Purposes	Capital Projects			
2010	\$ 114,728,839	\$ 28,787,837	\$ 9,238,526	\$ 740,445	\$ 153,495,647
2011	104,543,105	26,226,951	-	958,161	131,728,217
2012	99,086,319	23,954,343	-	220,642	123,261,304
2013	91,929,027	22,351,178	-	57,874	114,338,079
2014	86,908,625	22,325,029	-	26,953	109,260,607
2015	89,283,913	23,097,598	-	20,790	112,402,301
2016	106,567,312	23,979,076	-	3,967	130,550,355
2017	107,214,742	25,125,064	-	14,417	132,354,223
2018	107,111,618	26,507,997	-	7,934	133,627,549
2019	110,053,950	28,361,978	-	-	138,415,928

(a) A half-cent sales surtax was voted in by the citizens of Marion County effective January 1, 2005, for a period of five years.

(b) In response to the growing population and new home sales in Marion County, the Marion County Board of County Commissioners approved an impact fee on new home sales to begin on October 1, 2006, to aid funding for new schools. Due to a downturn in the local housing market, impact fees significantly declined in 2010. In 2011, the School Board suspended the collection of the fees.

Source: Marion County District School Board, Finance Department Records

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(UNAUDITED)

*Table 6*

<b>Fiscal Year Ending June 30,</b>	<b>Real Property</b>	<b>Tangible Property</b>	<b>Railroad Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value (a)</b>	<b>Total Direct Tax Rate</b>
2010	\$ 31,005,053,635	\$ 1,547,921,757	\$ 15,121,409	\$ 12,592,151,804	\$ 19,975,944,997	7.478
2011	27,141,206,875	1,424,892,450	13,690,221	10,703,365,015	17,876,424,531	7.487
2012	24,124,431,238	1,372,246,797	15,044,813	9,006,785,016	16,504,937,832	7.708
2013	21,713,674,702	1,325,660,677	18,381,187	7,642,130,994	15,415,585,572	7.671
2014	21,662,690,013	1,365,147,480	19,153,005	7,689,024,236	15,357,966,262	7.339
2015	22,545,666,860	1,421,016,339	20,017,720	8,095,173,721	15,891,527,198	7.298
2016	22,946,649,486	1,515,661,515	20,342,991	7,952,550,884	16,530,103,108	8.172
2017	24,484,911,443	1,516,452,408	21,820,066	8,770,140,613	17,253,043,304	7.902
2018	25,621,844,589	1,619,744,735	22,705,975	9,030,530,606	18,233,764,693	7.560
2019	27,451,399,920	1,767,960,000	24,223,011	9,717,810,402	19,525,772,529	7.319

(a) Assessed values are as of January 1.

Source: Marion County Property Appraiser - <http://www.pa.marion.fl.us/>



**MARION COUNTY DISTRICT SCHOOL BOARD  
PROPERTY TAX RATES (a) OF  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*Table 7*

	Fiscal Year Ending June 30:									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Direct</b>										
<b>Marion County District School Board</b>										
General Fund (Required Local Effort)	5.2300	5.2390	5.4600	5.4230	5.0910	5.0500	4.9240	4.6540	4.3120	4.0710
General Fund (Discretionary)	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Capital Projects Fund	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Additional Voted Millage	-	-	-	-	-	-	1.0000	1.0000	1.0000	1.0000
<b>Total School Board</b>	<b>7.4780</b>	<b>7.4870</b>	<b>7.7080</b>	<b>7.6710</b>	<b>7.3390</b>	<b>7.2980</b>	<b>8.1720</b>	<b>7.9020</b>	<b>7.5600</b>	<b>7.3190</b>
<b>Overlapping</b>										
<b>Board of County Commissioners</b>										
General Fund	3.1300	3.1900	3.1900	3.1900	3.1900	3.1900	3.1900	3.1900	3.3300	3.3300
Fine and Forfeiture Fund	0.5600	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Parks and Land Acquisition Debt Service Fund	0.0900	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600	0.0500	0.0400	-
Marion County Health Department Fund	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
<b>Total General County</b>	<b>3.9000</b>	<b>3.8900</b>	<b>3.8900</b>	<b>3.8900</b>	<b>3.9000</b>	<b>3.9000</b>	<b>3.9000</b>	<b>3.8900</b>	<b>4.0200</b>	<b>3.9800</b>
<b>Total County-Wide</b>	<b>11.3780</b>	<b>11.3770</b>	<b>11.5980</b>	<b>11.5610</b>	<b>11.2390</b>	<b>11.1980</b>	<b>12.0720</b>	<b>11.7920</b>	<b>11.5800</b>	<b>11.2990</b>
<b>Special Districts</b>										
Rainbow Lakes Estates MSD (b)	2.0000	2.0000	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500
Rainbow Lakes Estates MSTU (c)	0.3400	0.3400	0.3800	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
Marion Oaks MSTU For Fire Protection (c)	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
MSTU for Law Enforcement (c)	2.3300	2.8100	2.8100	2.8100	3.2100	3.4700	3.4700	3.4700	3.4700	3.7200
MSTU for EMS (c)	0.8300	0.8300	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700
Silver Springs Shores Special Tax District	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Hills of Ocala MSTU for Recreation (c)	0.1400	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800
<b>Southwest Florida Water Management District</b>	<b>0.6174</b>	<b>0.6078</b>	<b>0.3928</b>	<b>0.3928</b>	<b>0.3818</b>	<b>0.3658</b>	<b>0.3488</b>	<b>0.3317</b>	<b>0.3131</b>	<b>0.2955</b>
<b>St. Johns River Water Management District</b>	<b>0.4158</b>	<b>0.4158</b>	<b>0.3313</b>	<b>0.3313</b>	<b>0.3283</b>	<b>0.3164</b>	<b>0.3023</b>	<b>0.2885</b>	<b>0.2724</b>	<b>0.2562</b>
<b>Municipalities</b>										
Ocala	4.9664	5.6183	5.9332	6.1502	6.2502	6.1638	6.6177	6.6177	6.6177	6.6177
Ocala (Downtown Development District "A")	1.3967	1.5647	1.5862	1.6461	1.5967	1.4966	1.4966	1.7185	1.7185	1.7185
Ocala (Downtown Development District "B")	1.2163	1.5508	1.6191	1.6542	1.7013	1.6332	1.6332	1.6332	1.6332	1.6332
Ocala (Downtown Development District "C")	1.0062	1.1347	1.1772	1.2332	1.2810	1.2825	1.2825	1.5091	1.5091	1.5091
Bellevue	2.9544	3.3472	3.9912	3.9912	3.9912	3.9912	4.5000	4.5000	5.0000	5.0000
Dunnellon	6.4469	6.9101	7.1408	6.8013	7.1408	7.5000	7.5000	7.5000	6.5000	6.5000
McIntosh	1.9670	2.1344	2.2988	2.5546	2.5198	2.4087	2.3175	2.2078	2.2078	2.2078

- (a) Rates are stated per \$1,000 of assessed value. Rates were adopted after June 30 for all years presented. Collections on the related tax levy occur in the succeeding fiscal year.
- (b) MSD is an abbreviation for municipal service district.
- (c) MSTU is an abbreviation for municipal service taxing unit.

**MARION COUNTY DISTRICT SCHOOL BOARD  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Table 8**

Fiscal Year Ending June 30,	<u>Direct</u>	<u>Overlapping</u>	
	Marion County School Board Discretionary Sales Surtax (a)	Marion County Board of County Commissioner (c)	State of Florida Sales Tax (b)
2010	0.5%		6.0%
2011	-		6.0%
2012	-		6.0%
2013	-		6.0%
2014	-		6.0%
2015	-		6.0%
2016	-		6.0%
2017	-	1.0%	6.0%
2018	-	1.0%	6.0%
2019	-	1.0%	6.0%

- (a) The Marion County School Board discretionary sales tax rate of one half cent was voted in by the citizens of Marion County in November 2004, to be in effect for five years, commencing on January 1, 2005. The surtax had a designated purpose to construct certain school facilities in the county. The surtax expired on December 31, 2009.
- (b) The State of Florida sales tax rate is set as mandated by Florida State Statute to be six cents per one dollar.  
Source: Florida Department of Revenue - <http://dor.myflorida.com/dor/taxes/discretionary.html>
- (c) The Marion County Board of County Commissioner tax commenced January 1, 2017 and expires December 31, 2020.  
Source: Florida Department of Revenue - <http://floridarevenue.com>

**MARION COUNTY DISTRICT SCHOOL BOARD  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

**Table 9**

<b>Taxpayer</b>	<b>2019</b>			<b>2010</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>
	Duke Energy (Progress Energy)	\$ 227,382,247	1	1.16%		
Marion County Hospital District	157,501,361	2	0.81%			
Sumter Electric Cooperative, Inc.	128,739,475	3	0.66%	101,853,318	3	0.46%
Sabal Trail Transmission LLC.	95,278,798	4	0.49%			
FedEx Ground Package System Inc	91,783,701	5	0.47%			
Marion Community Hospital	75,453,734	6	0.39%	50,108,089	8	0.22%
Wal Mart	73,978,172	7	0.38%	72,302,279	4	0.32%
K-Mart	52,077,982	8	0.27%	60,475,537	5	0.27%
On Top of the World	48,945,208	9	0.25%	56,083,706	6	0.25%
Paddock Mall LLC.	46,325,395	10	0.24%			0.00%
Embarq (formerly Sprint-Florida, Inc.)				123,311,206	2	0.55%
Progress Energy Florida, Inc				134,527,919	1	0.60%
Pulte Home Corp.				38,206,666	10	0.17%
Deltona Corp				50,672,417	7	0.23%
Closetmaid Corporation				38,677,904	9	0.17%
<b>Total Principal Taxpayers</b>	<b>997,466,073</b>		<b>5.11%</b>	<b>726,219,041</b>		<b>3.26%</b>
<b>All Other Taxpayers</b>	<b>18,528,306,456</b>		<b>94.89%</b>	<b>21,554,483,690</b>		<b>96.74%</b>
<b>Total Taxable Valuation</b>	<b>\$ 19,525,772,529</b>		<b>100.00%</b>	<b>\$ 22,280,702,731</b>		<b>100.00%</b>

**MARION COUNTY DISTRICT SCHOOL BOARD  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*Table 10*

Fiscal Year Ending June 30,	Taxes Levied for the Fiscal Year (a)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (b)	Percentage of Levy		Amount (a)	Percentage of Levy
2010	\$ 150,217,728	\$ 143,516,676	95.54%	\$ 2,200,148	\$ 145,716,824	97.00%
2011	134,903,407	129,266,064	95.82%	1,503,993	130,770,057	96.94%
2012	127,785,556	122,361,191	95.76%	679,471	123,040,662	96.29%
2013	118,252,957	113,380,571	95.88%	899,634	114,280,205	96.64%
2014	112,712,184	108,509,196	96.27%	724,458	109,233,654	96.91%
2015	115,976,561	111,543,948	96.18%	646,105	112,190,053	96.74%
2016	135,084,154	129,816,507	96.10%	729,881	130,546,388	96.64%
2017	136,333,724	131,319,706	96.32%	1,020,100	132,339,806	97.07%
2018	137,847,456	132,792,498	96.33%	827,117	133,619,615	96.93%
2019	142,909,361	137,709,971	96.36%	705,957	138,415,928	96.86%

(a) Total taxable value as extended on the final certified tax roll.

(b) Net of allowable discounts. Florida law allows a 4 percent discount starting November and reducing 1 percent each month until February.

Sources: Marion County Property Appraiser  
Marion County School Board Superintendent's Annual Financial Report

**MARION COUNTY DISTRICT SCHOOL BOARD  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Table 11**

Fiscal Year Ending June 30,	Bonds Payable	Certificates of Participation	Notes Payable	Capital Lease	Deferred Amounts	Total	Total Debt Per Capita (a)	Total Debt as a Percentage of Personal Income (b)
2010	\$ 10,615,000	\$ 148,445,000	\$ -	\$ 482,792	\$ 593,898	\$ 160,136,690	\$ 483	1.57%
2011	9,590,000	139,570,000	-	-	586,144	149,746,144	451	1.47%
2012	9,425,000	131,360,000	-	-	2,098,067	142,883,067	426	1.38%
2013	7,185,000	122,335,000	-	-	1,965,489	131,485,489	392	1.21%
2014	6,966,500	115,075,000	-	-	196,175	122,237,675	360	1.03%
2015	5,057,500	105,135,000	4,946,000	-	1,784,586	116,923,086	342	1.01%
2016	4,584,000	93,700,000	3,949,000	-	4,290,577	106,523,577	312	0.96%
2017	4,116,000	82,905,000	2,984,000	-	3,877,967	93,882,967	272	0.81%
2018	3,634,000	71,835,000	2,005,000	-	3,465,357	80,939,357	232	0.67%
2019	3,228,000	62,660,000	16,849,901	-	3,052,747	85,790,648	242	0.68%

(a) See Table 12 for Population.

(b) See Table 16 for Personal Income.

Source: Marion County District School Board, Finance Department Records  
United States Department of Commerce, Bureau of Economic Analysis

**MARION COUNTY DISTRICT SCHOOL BOARD  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*Table 12*

<b>Fiscal Year Ending June 30,</b>	<b>Population (a)</b>	<b>Assessed Value (b)</b>	<b>Bonds Payable</b>	<b>Certificates of Participation</b>	<b>Deferred Amounts</b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>	<b>Net Bonded Debt as a Percentage of Personal Income (c)</b>
2010	331,800	\$ 19,975,944,997	\$ 10,615,000	\$ 148,445,000	\$ 593,898	\$ 159,653,898	\$ 554,960	\$ 159,098,938	0.80%	\$ 479.50	1.56%
2011	332,387	17,876,424,531	9,590,000	139,570,000	586,144	149,746,144	525,621	149,220,523	0.83%	448.94	1.46%
2012	335,697	16,504,937,832	9,425,000	131,360,000	2,098,067	142,883,067	1,102,538	141,780,529	0.86%	422.35	1.37%
2013	335,008	15,415,585,572	7,185,000	122,335,000	1,965,489	131,485,489	-	131,485,489	0.85%	392.48	1.21%
2014	340,018	15,357,966,262	6,966,500	115,075,000	196,175	122,237,675	1,116,930	121,120,745	0.79%	356.22	1.02%
2015	341,591	15,891,527,198	5,057,500	105,135,000	1,784,586	111,977,086	131,035	111,846,051	0.70%	327.43	0.96%
2016	341,205	16,530,103,108	4,584,000	93,700,000	4,290,577	102,574,577	202,753	102,371,824	0.62%	300.03	0.93%
2017	345,749	17,253,043,304	4,116,000	82,905,000	3,877,967	90,898,967	243,089	90,655,878	0.53%	262.20	0.78%
2018	349,267	18,233,764,693	3,634,000	71,835,000	3,465,357	78,934,357	307,891	78,626,466	0.43%	225.12	0.65%
2019	353,898	19,525,772,529	3,228,000	62,660,000	3,052,747	68,940,747	232,445	68,708,302	0.35%	194.15	0.54%

(a) Population is as of December 31 of the previous calendar year.

(b) Assessed values are as of January 1 for all years presented. Collections on the related tax levies occur in the succeeding fiscal year.

(c) See Table 16 for Personal Income.

Sources: Florida Office of Economic and Demographic Research, Demographic Estimating Conference, <http://edr.state.fl.us/Content/population-demographics/data/index-floridaproducts.cfm>

Marion County Property Appraiser - <http://www.pa.marion.fl.us/>

Marion County District School Board, Finance Department Records

**MARION COUNTY DISTRICT SCHOOL BOARD  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*Table 13*

	Fiscal Year Ending June 30:									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Assessed Value (a)</b>	<u>\$ 19,975,944,997</u>	<u>\$ 17,876,424,531</u>	<u>\$ 16,504,937,832</u>	<u>\$ 15,415,585,572</u>	<u>\$ 15,357,966,262</u>	<u>\$ 15,891,527,198</u>	<u>\$ 16,530,103,108</u>	<u>\$ 17,253,043,304</u>	<u>\$ 18,233,764,693</u>	<u>\$ 19,525,772,529</u>
<b>Debt Limit on Assessed Value (b)</b>	<u>\$ 19,975,944,997</u>	<u>\$ 17,876,424,531</u>	<u>\$ 16,504,937,832</u>	<u>\$ 15,415,585,572</u>	<u>\$ 15,357,966,262</u>	<u>\$ 15,891,527,198</u>	<u>\$ 16,530,103,108</u>	<u>\$ 17,253,043,304</u>	<u>\$ 18,233,764,693</u>	<u>\$ 19,525,772,529</u>
<b>Amount of Debt Applicable to Debt Limit:</b>										
Bonds Payable (c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Amount Available for Debt Service	-	-	-	-	-	-	-	-	-	-
Total Debt Applicable to the Debt Limit	-	-	-	-	-	-	-	-	-	-
<b>Legal Debt Margin</b>	<u>\$ 19,975,944,997</u>	<u>\$ 17,876,424,531</u>	<u>\$ 16,504,937,832</u>	<u>\$ 15,415,585,572</u>	<u>\$ 15,357,966,262</u>	<u>\$ 15,891,527,198</u>	<u>\$ 16,530,103,108</u>	<u>\$ 17,253,043,304</u>	<u>\$ 18,233,764,693</u>	<u>\$ 19,525,772,529</u>
<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

- (a) Assessed value is as of January 1.
- (b) The State of Florida does not have a limit on the amount of voter approved (general obligation) debt.
- (c) Includes General Obligation Bonds only.

Source: Marion County Property Appraiser - <http://www.pa.marion.fl.us/>

**MARION COUNTY DISTRICT SCHOOL BOARD  
 ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY  
 REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

*Table 14*

<b>Fiscal Year Ending June 30,</b>	<b>Taxable Assessed Value (a)</b>	<b>Annual Lease Payment</b>	<b>Millage Levy Required (b)</b>
2010	\$ 19,975,945	\$ 15,524,129	0.82
2011	17,876,425	15,508,904	0.91
2012	16,504,938	15,572,720	0.98
2013	15,415,586	14,543,870	0.98
2014	15,357,966	14,424,705	0.98
2015	15,891,527	14,251,527	0.93
2016	16,530,103	12,526,916	0.79
2017	17,253,043	14,092,738	0.85
2018	18,233,765	13,997,052	0.80
2019	19,525,773	11,718,593	0.63

(a) In thousands as of January 1.

(b) Millage rate calculated using 95% of the taxable assessed valuation prior to 2010-11 fiscal year and 96% after 2009-10 fiscal year.

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

Sources: Marion County Property Appraiser - <http://www.pa.marion.fl.us/>  
 Marion County District School Board, Finance Department Records



**MARION COUNTY DISTRICT SCHOOL BOARD  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

*Table 15*

Fiscal Year Ending June 30,	District Revenue Bonds						Coverage
	Pari-Mutuel Revenues	Miscellaneous Revenue	Debt Service		Other Dues & Fees		
			Principal	Interest			
2010	\$ 223,250	\$ 1,009	\$ 75,000	\$ 143,913	\$ 539	1.02	
2011	223,250	1,299	80,000	140,725	539	1.01	
2012	223,250	1,398	80,000	137,375	539	1.03	
2013	223,250	1,379	85,000	133,805	539	1.02	
2014 (a)	223,250	776	94,000	104,207	350	1.13	
2015	223,250	1,417	109,000	93,748	350	1.11	
2016	223,250	1,073	108,500	90,251	350	1.13	
2017	223,250	1,075	113,000	86,285	350	1.12	
2018	223,250	964	117,000	82,076	350	1.12	
2019	223,250	7,186	121,000	77,720	385	1.16	

(a) These bonds were refunded in 2014. Only the applicable debt service for the 2014 fiscal year is shown.

Source: Marion County School District Finance Department - Funds 2900 and 2910, District Revenue Bonds.

**MARION COUNTY DISTRICT SCHOOL BOARD  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Table 16**

Fiscal Year Ending June 30,	Population (a)	Personal Income (b) (in thousands)	Per Capita Personal Income	Unemployment Rate (c)		
				Marion County	Florida	United States
2010	331,303	\$ 10,215,839	\$ 30,835	13.9%	11.6%	9.6%
2011	331,745	10,216,751	30,797	12.6%	11.1%	9.3%
2012	332,989	10,351,583	31,087	10.5%	9.3%	8.2%
2013	335,008	10,876,674	32,467	7.8%	7.0%	7.6%
2014	337,455	11,920,530	35,325	7.8%	6.7%	6.1%
2015	341,205	11,617,618	34,049	6.6%	5.6%	5.3%
2016	345,749	11,047,141	31,951	5.8%	4.7%	4.9%
2017	349,267	11,601,952	33,218	4.8%	4.1%	4.4%
2018	353,898	12,133,659	34,286	4.5%	3.7%	4.1%
2019	358,821	12,708,667	35,418	4.1%	3.5%	4.0%

- (a) Population is as of December 31 of the previous calendar year.
- (b) The personal income and per capita is as of 2018 (the most recent year available) with projections for 2019.
- (c) The unemployment rates are as of July.

Sources: Florida Research and Economic Information Database - <http://fred.labormarketinfo.com>  
and [freida.labormarketinfo.com](http://freida.labormarketinfo.com)  
National Conference of State Legislatures  
Florida Demographic Estimating Conference, [http://www.edr.state.fl.us/content/population-demographics/data/county population](http://www.edr.state.fl.us/content/population-demographics/data/county%20population)  
Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Statistics  
Bureau of Economic Analysis

**MARION COUNTY DISTRICT SCHOOL BOARD  
PRINCIPAL EMPLOYERS, TEN LARGEST EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

**Table 17**

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Marion County Public Schools	5,894	1	4.40%	5,875	1	5.10%
AdventHealth Ocala (Former Munroe Regional Medical Center)	2,648	2	1.98%	2,481	3	2.15%
State of Florida (all departments)	2,600	3	1.94%	2,700	2	2.34%
Wal-Mart (Combined)	2,400	4	1.79%	2,370	4	2.06%
Ocala Health (Ocala Regional Medical Center & West Marion Community Hospital)	2,400	4	1.79%	1,300	7	1.13%
Lockheed Martin	1,500	5	1.12%	-	-	0.00%
Publix Supermarkets (combined)	1,488	6	1.11%	1,275	8	1.11%
Marion County Board of County Com.	1,368	7	1.02%	1,500	6	1.30%
City of Ocala (all departments)	989	8	0.74%	942	10	0.82%
Emergency One, Inc.	915	9	0.68%	-	-	0.00%
Chewy	800	10	0.60%	-	-	0.00%
AT&T				1,000	9	0.87%
U.S. Government				1,600	5	1.39%
<b>Totals</b>	<b>23,002</b>		<b>17.17%</b>	<b>21,043</b>		<b>18.27%</b>
All Others	111,031		82.84%	94,167		81.73%
<b>Total Employment</b>	<b>134,033</b>		<b>100.00%</b>	<b>115,210</b>		<b>100%</b>

Sources: Florida Research and Economic Database - <http://fred.labormarketinfo.com>  
Marion County Chamber and Economic Partnership - <http://www.ocalacep.com>

**MARION COUNTY DISTRICT SCHOOL BOARD  
NUMBER OF FULL TIME EMPLOYEES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*Table 18*

	<b>Fiscal Year Ending June 30:</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Instructors	2,891	2,961	2,852	2,811	2,734	2,749	2,947	2,903	2,894	2,856
Administrators	174	171	165	165	169	173	188	200	206	210
Non-Instructional	1,057	1,020	1,004	965	1,028	1,099	1,131	1,128	1,120	1,118
Educational Support	1,753	1,761	1,674	1,684	1,673	1,690	1,794	1,816	1,794	1,710
<b>Total Full Time Employees</b>	<b>5,875</b>	<b>5,913</b>	<b>5,695</b>	<b>5,625</b>	<b>5,604</b>	<b>5,711</b>	<b>6,060</b>	<b>6,047</b>	<b>6,014</b>	<b>5,894</b>

**Source:** Marion County District School Board, Payroll Department records

**MARION COUNTY DISTRICT SCHOOL BOARD  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*Table 19*

<b>Fiscal Year Ending June 30,</b>	<b>Number of Schools</b>	<b>Expenditures (a) (e)</b>	<b>Student Membership (b)</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Total All Employees</b>	<b>Teaching Staff</b>	<b>Student/ Teacher Ratio</b>	<b>Student Attendance Percentage (c)</b>	<b>Unweighted FTE (d)</b>	<b>Ratio of FTE to Instructors</b>	<b>Ratio of FTE to All Employees</b>
2010	49	\$ 362,794,059	41,173	\$ 8,811	n/a	5,875	2,891	14.2	95.41%	41,659	14.41	7.09
2011	49	331,924,409	41,331	8,031	-8.86%	5,913	2,961	14.0	93.33%	41,500	14.02	7.02
2012	49	310,639,993	41,415	7,501	-6.60%	5,695	2,852	14.5	93.39%	41,689	14.62	7.32
2013	49	308,758,317	41,589	7,424	-1.02%	5,625	2,811	14.8	93.34%	41,544	14.78	7.39
2014	49	313,829,453	41,632	7,538	1.54%	5,604	2,734	15.2	92.99%	41,407	15.15	7.39
2015	49	329,666,943	42,194	7,813	3.65%	5,711	2,749	15.3	93.33%	41,756	15.19	7.31
2016	49	352,048,821	42,474	8,289	6.09%	6,060	2,947	14.4	93.62%	42,192	14.32	6.96
2017	49	361,711,365	42,893	8,433	1.74%	6,047	2,903	14.8	93.34%	42,260	14.56	6.99
2018	49	368,310,853	42,881	8,589	1.85%	6,014	2,894	14.8	92.90%	42,808	14.79	7.12
2019	49	382,533,849	42,818	8,934	4.01%	5,894	2,856	15.0	92.92%	42,957	15.04	7.29

(a) Expenditures are General Fund and Special Revenue - Food Service Fund.

(b) Student membership is based on the 180 day count.

(c) Attendance is a calculation based on the average daily attendance.

(d) FTE is an abbreviation for full-time equivalent student.

(e) Expenditures for 2010 and 2011 include State Fiscal Stabilization and Education Jobs Funds which were provided to supplement State and local funding for operating costs.

Source: Marion County District School Board, Finance Department, Payroll Department, Student Records Department records

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**MARION COUNTY DISTRICT SCHOOL BOARD  
FOOD SERVICE OPERATING DATA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*Table 20*

	Fiscal Year Ending June 30:									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Days Meals Were Served	180	180	180	180	180	180	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	36,106	38,045	39,489	38,901	37,858	40,633	42,957	43,336	42,748	43,456
Number of Free and Reduced Meals Served	6,499,156	6,848,032	7,108,030	7,002,247	6,814,409	7,314,008	7,732,274	7,800,545	7,694,557	7,822,153
Average Daily Subsidy	\$ 87,589	\$ 90,968	\$ 95,717	\$ 99,581	\$ 107,516	\$ 119,137	\$ 128,714	\$ 134,018	\$ 132,461	\$ 136,443
Total Subsidy Received	\$ 15,765,930	\$ 16,374,206	\$ 17,229,038	\$ 17,924,530	\$ 19,352,795	\$ 21,444,731	\$ 23,168,602	\$ 24,123,199	\$ 23,842,990	\$ 24,559,824
Average Number of Meals Served Daily	45,808	47,869	48,868	47,342	49,658	50,407	46,282	46,968	45,522	47,197
Number of Meals Served	8,245,488	8,616,330	8,796,166	8,521,536	8,938,373	9,073,235	8,330,782	8,454,244	8,194,017	8,495,466
Percentage of Free and Reduced Meals Served to Total Meals Served	79%	79%	81%	82%	76%	81%	93%	92%	94%	92%
Average Daily Sales	\$ 121,164	\$ 123,899	\$ 128,579	\$ 130,665	\$ 133,740	\$ 143,356	\$ 155,188	\$ 157,171	\$ 154,298	\$ 159,349
Total Revenue	\$ 21,809,462	\$ 22,301,828	\$ 23,144,141	\$ 23,519,665	\$ 24,073,189	\$ 25,804,156	\$ 27,933,893	\$ 28,290,738	\$ 27,773,703	\$ 28,682,875
Average Daily Costs	\$ 112,828	\$ 113,623	\$ 124,341	\$ 125,570	\$ 135,218	\$ 148,114	\$ 154,023	\$ 154,894	\$ 161,523	\$ 161,349
Total Costs	\$ 20,309,079	\$ 20,452,132	\$ 22,381,392	\$ 22,602,560	\$ 24,339,287	\$ 26,660,543	\$ 27,724,111	\$ 27,880,978	\$ 29,074,135	\$ 29,042,817

Source: Marion County District School Board, Finance Department records

**MARION COUNTY DISTRICT SCHOOL BOARD**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
(UNAUDITED)

*Table 21*

	Year Acquired (a)	Square Footage (b)	Student Membership (c) Fiscal Year Ending June 30:									
			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Elementary Schools</b>												
Anthony	1925	57,628	371	340	357	361	340	343	394	385	377	436
Belleview	1963	67,530	658	645	659	693	728	661	656	711	688	712
Belleview-Santos	1953	112,560	869	800	782	752	548	535	559	556	544	513
College Park	1993	124,473	713	713	753	744	761	776	826	852	832	821
Dr. NH Jones	1959	107,211	739	751	740	712	648	648	643	649	662	682
Dunnellon	1993	103,758	743	648	706	686	718	706	600	573	594	554
East Marion	1974	84,726	725	718	748	725	687	695	669	700	699	694
Eighth Street	1914	35,591	317	298	342	322	342	334	398	416	416	407
Emerald Shores	1988	89,976	647	590	611	671	653	647	592	524	602	663
Evergreen	1988	111,305	619	624	584	596	580	573	544	551	600	405
Fessenden	1953	65,757	476	472	489	506	490	503	491	474	465	427
Fort McCoy School (d)	1986	177,679	578	569	524	520	530	514	533	521	490	551
Greenway	1995	122,462	974	925	927	919	720	726	756	742	724	711
Hammett Bowen, Jr.	2004	95,679	951	776	805	781	776	746	792	853	845	822
Harbour View	1991	115,704	731	756	727	683	755	816	800	862	841	848
Horizon Academy at Marion Oaks (d)	1988	190,765	477	158	153	149	141	112	158	157	134	212
Legacy	2011	103,987	-	-	-	-	593	703	727	712	791	828
Madison Street	1949	56,624	454	459	459	452	417	397	432	448	448	444
Maplewood	1990	130,536	895	856	838	818	712	738	783	781	797	761
Marion Oaks	2010	129,446	-	679	804	766	784	844	888	887	898	895
Oakcrest	1952	113,941	654	706	728	716	753	784	777	673	614	532
Ocala Springs	1985	92,444	636	624	601	584	599	648	616	611	638	675
Reddick-Collier	1935	107,162	418	411	386	375	349	334	298	354	382	399
Romeo	1991	112,182	744	764	789	738	756	726	708	731	763	763
Saddlewood	1998	129,949	674	746	766	823	835	897	871	822	896	919
Shady Hill	1985	103,723	609	605	622	600	611	658	665	721	657	678
South Ocala	1955	102,767	588	616	664	703	668	711	664	681	665	714
Sparr	1964	53,327	388	404	359	343	359	357	348	377	347	408
Stanton-Weirsdale	1955	74,253	505	527	511	499	494	533	595	594	575	518
Sunrise	1987	114,540	899	752	679	741	742	822	888	808	846	881
Ward-Highlands	1959	104,006	799	777	796	771	772	855	851	865	880	853
Wyomina Park	1948	71,395	495	549	541	608	662	685	649	721	602	560
<b>Total Elementary Schools</b>			<b>19,346</b>	<b>19,258</b>	<b>19,450</b>	<b>19,357</b>	<b>19,523</b>	<b>20,027</b>	<b>20,171</b>	<b>20,312</b>	<b>20,312</b>	<b>20,286</b>
<b>Middle Schools</b>												
Belleview	1992	188,723	1,071	1,070	1,092	1,067	1,015	944	1,047	1,135	1,262	1,303
Dunnellon	1936	117,731	636	672	648	646	619	653	611	638	613	633
Fort King	1962	124,328	1,187	1,202	1,131	1,121	1,083	1,032	1,058	1,072	1,087	1,062
Fort McCoy School (d)	1986	177,679	513	521	514	494	493	483	471	500	516	511
Horizon Academy at Marion Oaks (d)	1988	190,765	708	722	642	673	675	662	617	680	656	631
Howard	1954	165,397	975	918	1,025	1,125	1,211	1,181	1,096	1,050	1,050	1,040
Lake Weir	1953	163,567	1,262	1,261	1,263	1,272	1,311	1,297	1,213	1,085	1,094	1,073
Liberty	2005	195,448	1,027	1,086	1,036	1,131	1,083	1,132	1,127	1,164	1,278	1,296
North Marion	1973	160,380	779	764	792	823	816	784	812	810	846	792
Osceola	1924	91,248	892	930	947	955	938	909	893	938	936	958
<b>Total Middle Schools</b>			<b>9,050</b>	<b>9,146</b>	<b>9,090</b>	<b>9,307</b>	<b>9,244</b>	<b>9,077</b>	<b>8,945</b>	<b>9,072</b>	<b>9,338</b>	<b>9,299</b>



**MARION COUNTY DISTRICT SCHOOL BOARD  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Table 21**

	Year Acquired (a)	Square Footage (b)	Student Membership (c) Fiscal Year Ending June 30:									
			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>High Schools</b>												
Bellevue	1992	235,758	1,351	1,427	1,395	1,360	1,425	1,448	1,486	1,535	1,516	1,552
Dunnellon	1980	145,849	1,338	1,176	1,072	1,018	1,005	975	1,052	1,076	1,136	1,145
Forest	2001	302,822	2,233	2,091	2,012	2,014	1,964	1,984	2,066	2,057	2,110	2,133
Lake Weir	1974	236,533	1,556	1,503	1,523	1,555	1,557	1,562	1,474	1,482	1,455	1,401
Marion Technical Institute	1955	183,174	398	359	340	306	286	277	239	217	24	73
North Marion	1963	200,970	1,278	1,320	1,249	1,249	1,192	1,245	1,279	1,274	1,230	1,262
Vanguard	1969	201,774	1,558	1,666	1,687	1,596	1,616	1,571	1,607	1,627	1,644	1,589
West Port	1999	401,724	1,731	1,870	2,091	2,225	2,397	2,472	2,502	2,511	2,648	2,578
<b>Total High Schools</b>			<b>11,443</b>	<b>11,412</b>	<b>11,369</b>	<b>11,323</b>	<b>11,442</b>	<b>11,534</b>	<b>11,705</b>	<b>11,779</b>	<b>11,763</b>	<b>11,733</b>
<b>Charter Schools</b>												
Francis Marion Military Academy	n/a	n/a	100	149	167	150	134	94	104	175	156	161
Ocali Charter (Francis Marion Charter)	n/a	n/a	-	-	-	-	-	76	112	103	138	141
McIntosh Charter	n/a	n/a	97	94	92	91	86	83	78	79	77	67
Marion Charter	n/a	n/a	182	181	167	157	187	185	202	204	213	210
<b>Total Charter Schools</b>			<b>379</b>	<b>424</b>	<b>426</b>	<b>398</b>	<b>407</b>	<b>438</b>	<b>496</b>	<b>561</b>	<b>584</b>	<b>579</b>
<b>Special Programs</b>												
ARC (Age 3) PK	n/a	n/a	34	35	37	37	40	36	37	32	25	21
Drop Back In Academy	n/a	n/a	-	-	-	168	102	128	144	147		
Hillcrest School	1971	50,214	154	154	154	164	176	168	170	177	186	191
New Leaf (Kingsbury Academy)	n/a	n/a	188	198	188	182	165	185	159	138	169	179
Marion County Jail	n/a	n/a	11	16	17	14	15	25	21	21	19	-
Ocala Center for Success (M.Y.D.C.)	n/a	n/a	22	38	40	35	36	42	39	42	45	60
MJDC	n/a	n/a	32	26	14	10	14	20	11	29	34	27
Pace Center for Girls	n/a	n/a	51	50	54	59	56	67	64	73	71	60
ELC PK ESE (Pre-K Program ESE)	n/a	n/a	148	161	149	117	103	101	99	88	40	27
Silver River Marine Institute	n/a	n/a	242	284	264	307	267	304	309	314	249	294
Student Services (Homebound)	n/a	n/a	27	93	119	86	21	27	83	83	29	-
Teen Parent/Comm. Ed	n/a	n/a	36	9	12	4	5	4	7	-	11	
Marion Youth Academy												43
MCSO Adults												4
Teen Parent PK	n/a	n/a	10	27	32	21	16	11	14	25	6	15
<b>Total Special Programs</b>			<b>955</b>	<b>1,091</b>	<b>1,080</b>	<b>1,204</b>	<b>1,016</b>	<b>1,118</b>	<b>1,157</b>	<b>1,169</b>	<b>884</b>	<b>921</b>
<b>Total District</b>			<b>41,173</b>	<b>41,331</b>	<b>41,415</b>	<b>41,589</b>	<b>41,632</b>	<b>42,194</b>	<b>42,474</b>	<b>42,893</b>	<b>42,881</b>	<b>42,818</b>

- (a) Year acquired is generally the land acquisition year.
- (b) The square footage is for permanent buildings only and does not include relocatable units.
- (c) Student membership is based on the 180 day count.
- (d) Fort McCoy and Horizon Academy at Marion Oaks are both elementary and middle schools. The square footage is presented on both lines. The student enrollment is presented at each school individually.

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**ADDITIONAL ELEMENTS OF REPORT PREPARED IN  
ACCORDANCE WITH THE *GOVERNMENT AUDITING STANDARDS*  
AND THE PROVISIONS OF THE UNIFORM GUIDANCE**

**DISTRICT SCHOOL BOARD OF MARION COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>Clustered</b>				
<b>Child Nutrition Cluster:</b>				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	17002	\$ -	\$ 6,461,703
National School Lunch Program	10.555	17001, 17003	-	18,759,553
Summer Food Service Program for Children	10.559	16006, 16007, 17006, 17007	-	340,410
<b>Total Child Nutrition Cluster</b>			-	25,561,666
<b>Student Financial Assistance Cluster:</b>				
United States Department of Education:				
Federal Pell Grant Program	84.063	N/A	-	1,513,591
<b>Total Student Financial Assistance Cluster</b>			-	1,513,591
<b>Special Education Cluster:</b>				
United States Department of Education:				
Florida Department of Education				
Special Education - Grants to States:	84.027	262, 263	28,072	11,220,932
Special Education - Preschool Grants	84.173	266, 267	5,599	362,181
<b>Total Special Education Cluster</b>			33,671	11,583,113
<b>Non Clustered</b>				
<b>United States Department of Agriculture</b>				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-4502	-	158,218
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	17004	-	312,412
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.665	None	-	243,634
<b>Total United States Department of Agriculture</b>			-	714,264
<b>United States Department of Defense</b>				
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	265,785
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	224,352
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	104,253
<b>Total United States Department of Defense</b>			-	594,390
<b>United States Department of Justice:</b>				
University of South Carolina:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	16-3027	-	97,146
<b>National Endowment for the Humanities:</b>				
Museum Grants for African American History and Culture	45.309	N/A	-	15,563
<b>United States Department of Education:</b>				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	510,023
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	-	17,568,283
Migrant Education-State Grant Program	84.011	217	-	53,427
Career and Technical Education - Basic Grants to States	84.048	161	-	736,360
Safe and Drug-Free Schools and Communities - National Programs	84.184	none	-	68,565
Twenty-First Century Community Learning Centers	84.287	244	-	1,707,558
Special Education - State Personal Development	84.323	170	-	38,424
English Language Acquisition State Grants	84.365	102	-	334,527
Supporting Effective Instruction State Grant	84.367	224	-	1,690,760
School Improvement Grants	84.377	126	-	1,002,958
Student Support and Academic Enrichment Program	84.424	241	-	751,990
Disaster Recover Assistance for Education	84.938	105	-	1,045,508
<b>Total United States Department of Education</b>			-	25,508,383

**DISTRICT SCHOOL BOARD OF MARION COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(Concluded)**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>United States Department of Health and Human Services:</b>				
Disabilities Prevention	93.184	N/A	\$ -	\$ 9,969
University of South Florida: Temporary Assistance for Needy Families	93.558	5830-1467-11-G	-	181,975
			<u>-</u>	<u>191,944</u>
<b>United States Department of Emergency Management</b>				
Division of Emergency Management Disaster Grants - Public Assistance - Hurricane Irma	97.036	N/A	-	139,681
			<u>-</u>	<u>139,681</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 33,671</u>	<u>\$ 65,919,741</u>

Notes to Schedule of Expenditures of Federal Awards:

- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Marion County District School Board under programs of the Federal government for the fiscal year ended June 30, 2019. 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 and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance:
  - (A) National School Lunch Program - Includes \$1,849,339 of donated food received during the fiscal year. Donated foods are valued at fair value as determined time of donation.

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**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**

Marion County District School Board and  
Superintendent  
Ocala, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Marion County District School Board (the District), as of and for the year ended June 30, 2019, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2019. Other auditors audited the financial statements of the Marion Charter School and the McIntosh Area School, which represent 30%, 24%, and 37%, respectively of the total assets, net position, and revenues of the aggregate discretely presented component units. 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.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less than a material weakness, yet important enough to merit attention by those charged with governance.

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Marion County District School Board and  
Superintendent  
Ocala, Florida

**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**

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

  
December 6, 2019  
Ocala, Florida

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Marion County District School Board and  
Superintendent  
Ocala, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the Marion County District School Board’s (the District) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2019.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor’s Responsibility**

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

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

**Opinion on Each Major Federal Program**

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 year ended June 30, 2019.

**Certified Public Accountants**

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Marion County District School Board and  
Superintendent  
Ocala, Florida

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

**Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

  
December 6, 2019  
Ocala, Florida

**MARION COUNTY DISTRICT SCHOOL BOARD - OCALA, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

**Summary of Audit Results**

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant deficiency(ies) identified:	None reported
Non-compliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
Special Education Cluster:	
United States Department of Education:	
Florida Department of Education	
Special Education – Grants to States	CFDA 84.027
Special Education – Preschool Grants	CFDA 84.173
United States Department of Education:	
Supporting Effective Instruction State Grant	CFDA 84.367
Dollar threshold used to distinguish between Type A and Type B Federal Programs:	\$1,977,592
Audit qualified as a low-risk auditee pursuant to the Uniform Guidance?	Yes

**Other Issues**

No Summary Schedule of Prior Audit Findings is required because there are no prior audit findings related to Federal programs.

## MANAGEMENT LETTER

Marion County District School Board and  
Superintendent  
Ocala, Florida

### Report on the Financial Statements

We have audited the basic financial statements of the Marion County District School Board (the District), as of and for the fiscal year ended June 30, 2019, and have issued our report thereon December 6, 2019. Other auditors audited the financial statements of two of the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditor's and such information related to that audit is reported on separately by those auditors.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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); and Chapter 10.800, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountants' Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, with are dated December 6, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no prior year findings.

#### Certified Public Accountants

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Marion County District School Board and  
Superintendent  
Ocala, Florida

## MANAGEMENT LETTER

### Financial Condition and Management

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions(s) met. In connection, with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804 (1)(f)5.a. and 10.805 (7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by same.

Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have such recommendations.

### Transparency

Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the District maintains on its Web site the information specified in Section 1011.035, Florida Statutes. (Section 1011.035, Florida Statutes, provides the District School boards shall prominently post on their Web site a plain language version of each proposed, tentative, and official budget that described each budget item in terms that are easily understandable to the public). In connection with our audit, we determined that the District maintained on its Web site the information specified in Section 1011.035, Florida Statutes.

### Additional Matters

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention with those charged with governance. In connection with our audit, we did not note any such findings.

### Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the District School Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



December 6, 2019  
Ocala, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

Marion County District School Board and  
Superintendent  
Ocala, Florida

We have examined the Marion County District School Board (the District) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended June 30, 2019, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment on the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis of our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the District, its management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis, Gray and Company, LLP*

December 6, 2019  
Ocala, Florida

**Certified Public Accountants**

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MARION COUNTY  
DISTRICT SCHOOL BOARD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2019

<u>Audit Report No. and Federal Awards Finding No.</u>	<u>Program/Area</u>	<u>Brief Description</u>	<u>Status</u>	<u>Comments</u>
--	---------------------	--------------------------	---------------	-----------------

There were no Federal Awards or financial reporting findings in the June 30, 2018, audit.

Dr. Heidi Maier  
Superintendent

Nancy Stacy  
District 1

Beth McCall  
District 2

Eric Cummings  
District 3

Nancy Thrower  
District 4

Kelly King  
District 5





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# The School Board of Marion County, Florida



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