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2021



District School Board of Martin County
Annual Comprehensive

Financial Report

For the Fiscal Year Ended June 30, 2021
Prepared by the Finance Department

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



For the Fiscal Year Ended June 30, 2021



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION





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THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

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



January 25, 2022

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

State law requires that all school districts publish after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”), and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to this requirement, we hereby issue the Annual Comprehensive Financial Report (“ACFR”) of the District School Board of Martin County, Florida (the “District”) for the fiscal year ended June 30, 2021.

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

The audit firm of Cherry Bekaert LLP has audited the District’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of the Federal grantor agencies. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1996 and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing the Single Audit engagement require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards.

Dr. John D. Millay, Superintendent

School Board Members: Tony Anderson • Victoria Defenthaler • Michael DiTerlizzi • Marsha Powers • Christia Li Roberts

“To Educate all Students for Success”

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

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

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

PROFILE OF THE GOVERNMENT

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

The geographic boundaries of the District are those of Martin County, Florida. During the 2020-21 fiscal year, the District operated 22 schools, including 12 elementary schools, 5 middle schools, 3 high schools, and 2 special schools. The District operates 2 specialized schools for special needs students and sponsors 2 charter schools, the Hope Center for Autism and Treasure Coast Classical Academy, which are considered component units. The Board also awarded a charter to Indian River State College ("IRSC") for the Clark Advanced Learning Center. The school is operated under the direction of IRSC and is not considered a component unit of the District. In the fiscal year 2020-21, the District provided general, special, vocational, and other education programs to 18,057 unweighted full-time equivalent students.

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

MAJOR INITIATIVES

The District was successful in passing two voter referenda during the 2018-19 fiscal year. Voter approved millage provides operational funding for salary stipends to instructional personnel and initiatives supporting student instruction and student safety during its four-year term. The voter approved sales tax provides much needed capital funding to replace two elementary schools (Jensen Beach Elementary School and Palm City Elementary School) and several other large capital projects at various schools, along with funding school safety initiatives and other school infrastructure needs during its seven-year term.

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

ACCOMPLISHMENTS

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

- *FOCUS* - a secure, online grade book that provides parents with instant information on how their student is performing in school;
- *Connect* - an outbound calling system capable of sending recorded community outreach, attendance, or emergency phone messages to thousands of parents and staff members in just minutes in both English and Spanish;
- *iReady* – a diagnostic and instructional product for students in elementary school and middle school English Language Arts classes to support mastery of the Florida Standards.
- *Decision Ed* – a data warehouse and analytics solution that allows users to visualize important data related to student success and achievement using business intelligence capabilities. All District data will be housed in the DecisionEd data warehouse, including student data, staff data, finance data, professional development data, etc.
- *Edivate (blended learning platform)* – a resource that enables districts to meet all employees’ diverse learning needs. Educators drive their own learning with relevant, just-in-time content or address areas of need identified in observations and evaluations. Additional options allow users to collaborate across grade levels and school sites as well as create custom content.
- *SCOIR* – a college admissions network that connects students, families, high schools, and college for a better admissions experience. SCOIR helps students find post-secondary options based on their interest and academic progress and then guides them through the application process.
- *Performance Matters* – PowerSchool Unified Classroom™ Performance Matters enables schools and districts to build and deliver formative and comprehensive assessments. Performance Matters enables teaches and school/district administrators the ability to do the following:

- Access items and assessments-aligned to state standards
- Identify learning loss and monitor student progress to ensure that instruction remains data-driven
- Create and share reports throughout our learning community.

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

- The District remains an “A” rated district according to the Florida Department of Education
- The District remains an Academically High Performing School District according to the Florida Department of Education.
- The District is fully accredited by AdvancED, the parent organization of the Southern Association of Colleges and Schools Council on Accreditation and School Improvement.
- The District is an AVID (Advancement via Individual Determination) district where high schools, two middle schools, and one elementary school participate in a system to assist in closing opportunity and achievement gaps of all students. Additionally, the AVID tools of engagement, rigor, and inquiry strategies are used throughout the school district. Instructional coaches are trained in AVID strategies.
- The District’s Career and Technical Education (CTE) programs continue to expand. Air Conditioning, Refrigeration, and Heating (HVAC) Technology is now offered at both South Fork and Martin County high schools. Spectrum Academy has opened an Aerospace Technology program, and all three high schools have increased their Health Care program by one instructor.
- College & Career Readiness: Each high school has assembled a Career Pathway center in their counseling department and has identified a Career Pathway lead counselor to disseminate information regarding post-secondary training. There is a graduation coach assigned to each of the 3 high schools. The graduation coach maintains a database of students who are at-risk to not graduate from high school, tracks the progress of the students, meets with the students and their families, and provides interventions and recommendations to assist the student in graduating. Highly rigorous coursework and diploma opportunities are available for students in each of our high schools. Students may earn an AICE, IB, or AP diploma in addition to their standard Florida high school diploma.
- The District implemented the “Laptops for Learning” program, putting a laptop in the hands of each high school student. Additionally, a device was provided for every student who needed one to continue learning throughout the pandemic. This program is being supported by layers of professional development for teachers and administrators both site-specific and district wide.
- Due to COVID-19, only Athletics, Safety Patrol and Summer Volunteers could volunteer on campus in 2020-2021. This reduced the number of volunteers and hours served from the prior year. In addition, the Florida Department of Education did not recognize service awards during the 2020-2021 school year. Despite the limitations, the District’s strong network of 149 volunteers logged over 9,183 hours serving the District in 2020-2021.
- The Martin County School District has strong relationships with its community partners, including The Education Foundation of Martin County, Children’s Services Council, United Way, Character Counts!, Tykes and Teens, CareerSource and many more.
- The Student Supporting Schools (S3) program is a student enterprise that enhances educational experiences by providing information technology (IT) and customer support opportunities. Given the proliferation of devices that an Educational Technology Department is responsible for supporting, high school students are recruited, hired, and trained--as part-time employees--to augment schools by providing Level 1 technical support.

FINANCIAL PLANNING

Providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size, and equity. The District's school building ages range from 1932 to 2009. The District has a master facility plan to rebuild, remodel, and expand schools and sites, which will take place over several years.

Recruiting and retaining District teachers and other staff members is a high priority for the Board and the Superintendent, as evidenced by the operating millage initiative passed by Martin County voters on August 28, 2018 which will provide salary stipends to teachers for four years.

FINANCIAL POLICIES

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

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

BUDGETARY CONTROLS

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

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

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

REPORTING ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the fifteenth consecutive year that the District has received this prestigious award. The Certificate is a national award, recognizing conformance with the highest standards

for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

Certificate of Excellence in Financial Reporting - The Association of School Business Officials International (ASBO) also awards a Certificate of Excellence in Financial Reporting to governments who meet the reporting requirements and submit their reports for review and consideration. The District received its fourteenth consecutive award for Certificate of Excellence in Financial Reporting, for the fiscal year 2019-20. The Certificate of Excellence in Financial Reporting awarded by ASBO certifies that the ACFR substantially conforms to the accounting and reporting standards adopted by ASBO. In addition, District School Board of Martin County's Fiscal Year 2020 Annual Consolidated Financial Report (ACFR) was posted on the ASBO website as an example for members who are considering preparing an ACFR.

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

ACKNOWLEDGEMENTS

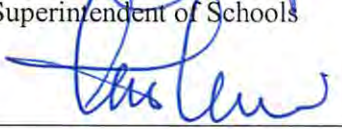
A comprehensive financial report of this nature could not have been prepared without the efficient and dedicated efforts of the Finance Department staff. We would like to express appreciation to all members of the Finance Department and those other staff members who assisted in providing a wealth of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

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

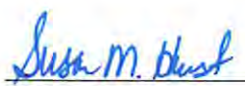
Respectfully,



Dr. John B. Millay
Superintendent of Schools



Carter Morrison
Assistant Superintendent of Finance



Susan Hurst
Accounting Manager

District School Board of Martin County, Florida



Dr. John D. Millay
Superintendent



Christia Li Roberts
School Board Member
District 1



Marsha Powers
School Board Chair
District 2



Victoria Defenthaler
School Board Member
District 3



Tony Anderson
School Board Vice Chair
District 4



Michael DiTerlizzi
School Board Member
District 5



2020-21 Fiscal Year
Superintendent and School Board Members

District School Board of Martin County, Florida

LIST OF PRINCIPAL OFFICIALS – APPOINTED



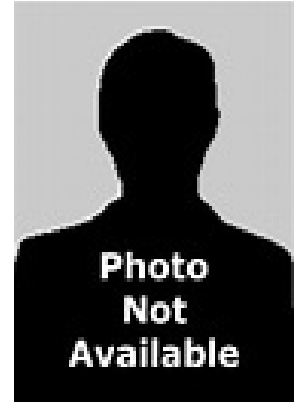
Dr. Ginger Featherstone
Deputy
Superintendent



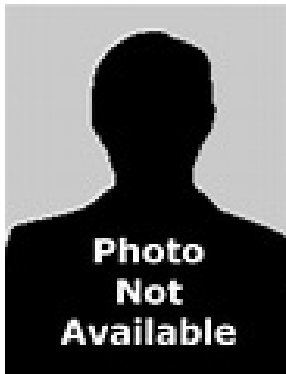
Dr. Tracey Miller
Chief Academic Officer



Vacant
Chief Operations
Officer



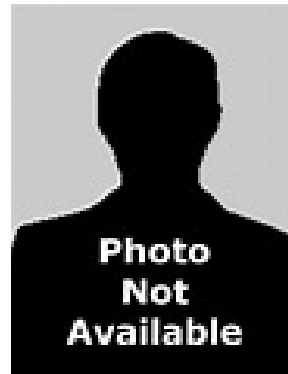
Carter Morrison
Chief Financial Officer



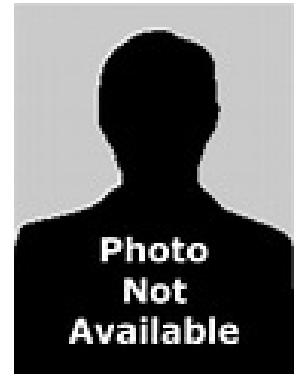
Vacant
Chief Human Resources
Officer



Jennifer DeShazo
Director, Public
Information and
Community Relations



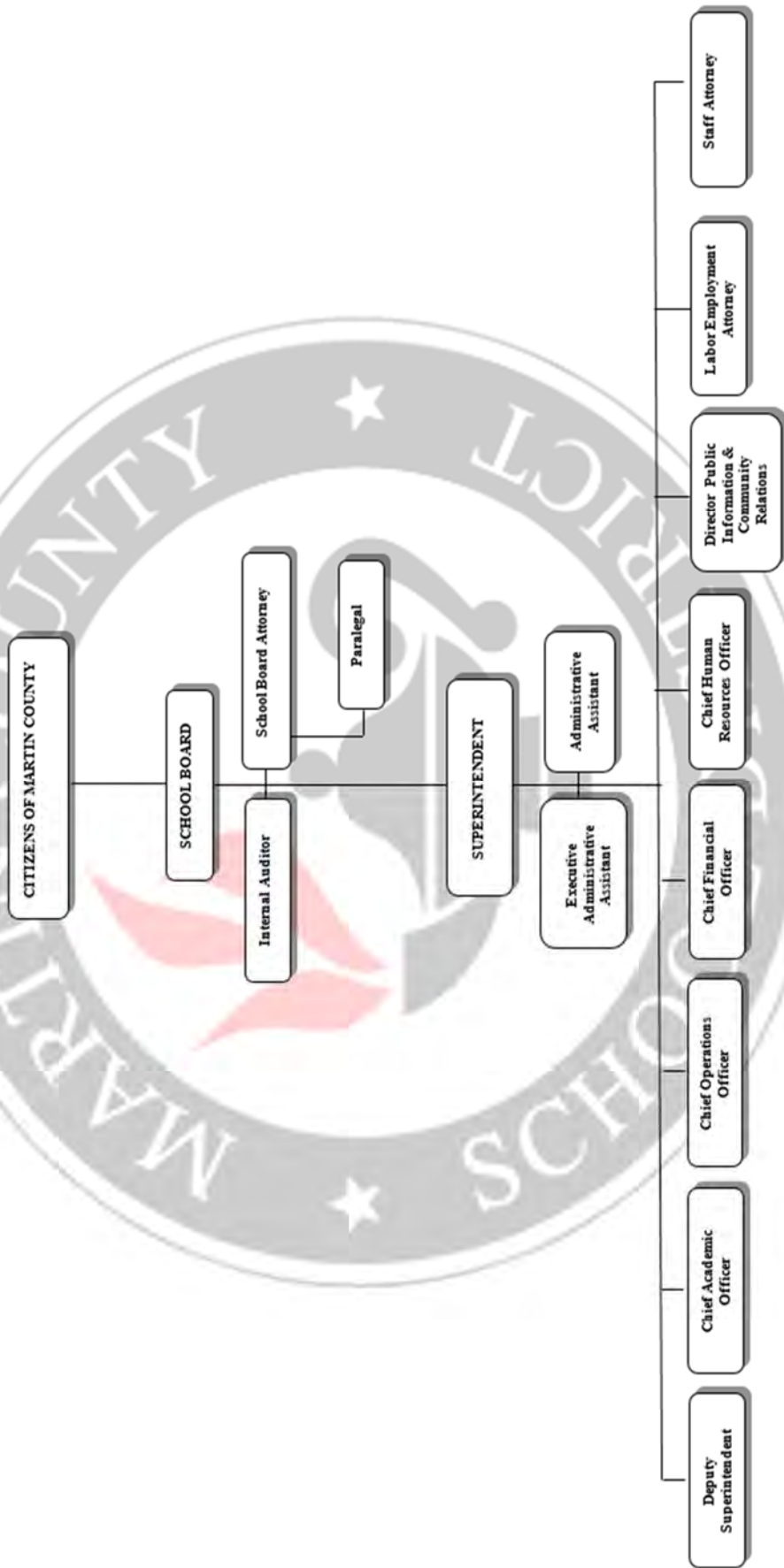
Vacant
Labor Employment
Attorney



Vacant
Staff Attorney



School District of Martin County
Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**District School Board of Martin County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

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

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director



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FINANCIAL SECTION





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Report of Independent Auditor

The Honorable Members
District School Board of Martin County Florida
Stuart, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Martin County (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units nor the school internal funds, which represent 100% of the component units assets, net position, and revenues and 9%, 82%, 8%, 10%, respectively, of the assets, liabilities, net position and fund balance, and additions and revenues of the aggregate remaining fund in the accompanying financial statements. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the fiduciary funds and the discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof, and the budgetary comparisons for the general fund, the other federal programs special revenue fund, and federal education stabilization special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I to the financial statements, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the 2020-21 fiscal year with amounts reported for the 2019-20 fiscal year. Our opinions are not modified with respect to this matter.

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 other postemployment benefits and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 fund statements and schedules, and statistical section, as listed in the table of contents, 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules 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 the other auditors. In our opinion, based on our audit, the procedures performed as described above, and on the report of other auditors, the combining and individual fund statements and 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 the 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 Auditing Standards*, we have also issued our report dated January 25, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cheryl Behrman" followed by a small flourish.

Orlando, Florida
January 25, 2022



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Martin County has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis of the District's financial activities, identify changes in the District's financial position, identify material deviations from the approved budget, and highlight significant issues in individual funds.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

- The *statement of net position* presents information on most of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is strengthening or weakening.
- The *statement of activities* presents information showing how the government's net position changed during the 2020-21 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The statement of activities presents functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include educational programs (basic, vocational, adult, and exceptional education), and school support functions such as transportation, facilities, and administration.

The government-wide financial statements include not only the District itself (known as the primary government), but also Hope Center for Autism, Inc., and Treasure Coast Classical Academy, Inc., charter schools. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for the component units are reported separately from the financial information presented for the primary government. The Martin County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note VII B. Due to the substantive economic relationship between the Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the

long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General, Special Revenue – Other Federal Programs, Special Revenue – Federal Education Stabilization Fund, Capital Projects – Local Capital Improvement Tax, and Capital Projects – Other Capital Projects Funds. Data from the other five governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

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

Fiduciary Funds

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

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

Notes to the Basic Financial Statements

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

Other Information

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-21 fiscal year are as follows:

Government-wide Statements

- The District's assets and deferred outflows exceed its liabilities and deferred inflows as of June 30, 2021, by \$350.0 million (*net position*).
- The District's total net position increased by \$24.9 million, which is a 7.6 percent increase from the 2019-20 fiscal year. This change is primarily attributable to restricted assets held in the capital projects funds.
- General revenues total \$251.7 million, or 94.6 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$14.3 million, or 5.4 percent of all revenues. The taxes levied in total for operational, capital, and local sales tax purposes increased over prior year by approximately \$5.0 million or 2.9 percent.
- Expenses total \$241.2 million; \$14.3 million of these expenses are offset by program specific charges, with the remainder paid from the general revenues. Total revenues exceed total expenses by \$24.9 million.

Fund Statements

- As of June 30, 2021, the District's governmental funds report combined ending fund balances of \$167.5 million, an increase of \$33.1 million.
- As of June 30, 2021, assigned and unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriations by the Board, totals \$23.9 million or 13.5 percent of total General Fund revenues before carryforward of prior year encumbrances and other obligations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District’s net position as of June 30, 2021, compared to the net position as of June 30, 2020:

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

	Governmental Activities		Percent Change
	<u>2021</u>	<u>2020</u>	
Current and other assets	\$ 181,740,377	\$ 141,696,821	28.3%
Capital assets	364,348,605	363,855,496	0.1%
Total assets	<u>546,088,982</u>	<u>505,552,317</u>	8.0%
Net carrying amount of debt refunding	885,019	965,475	-8.3%
Other postemployment benefits obligation	5,079,853	1,890,873	168.7%
Pensions	49,937,882	37,744,216	32.3%
Total deferred outflows of resources	<u>55,902,754</u>	<u>40,600,564</u>	37.7%
Other liabilities	13,851,956	6,163,502	124.7%
Long-term liabilities	224,815,784	194,242,088	15.7%
Total liabilities	<u>238,667,740</u>	<u>200,405,590</u>	19.1%
Deferred revenue	8,863	-	0.0%
Other postemployment benefits obligation	7,804,715	9,264,547	-15.8%
Pensions	5,534,776	11,376,985	-51.4%
Total deferred inflows of resources	<u>13,348,354</u>	<u>20,641,532</u>	-35.3%
Net position:			
Net investment in capital assets	337,477,794	334,763,659	0.8%
Restricted	143,417,968	115,193,303	24.5%
Unrestricted (deficit)	(130,920,120)	(124,851,203)	4.9%
Total net position	<u>\$ 349,975,642</u>	<u>\$ 325,105,759</u>	7.6%

The largest portion of the District’s net position, \$337.5 million, reflects its investment in capital assets (e.g., land, buildings, furniture, fixtures, and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the District’s net position, \$143.4 million, represents resources that are subject to external restrictions on how they may be used. The District’s unrestricted net position balance is negative because of the District’s future liabilities for employee compensated absences, other postemployment benefits, and pension plan obligations; however, the District has sufficient current assets to meet its current obligations.

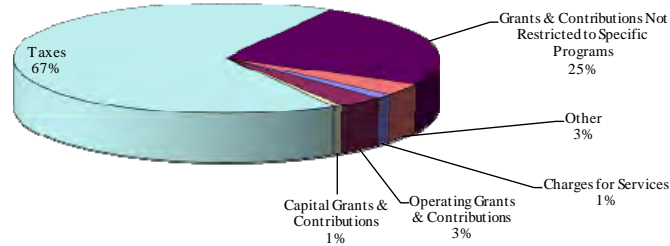
Restricted net position increased \$28.2 million from June 30, 2020, to June 30, 2021. This net position represents restrictions from specific revenue sources and grants. The deficit in unrestricted net position in the governmental type activities increased by \$6.1 million, primarily due to increased current restricted assets and increased liabilities for compensated absences and pension plan obligations.

The key elements of the changes in the District’s net position for the fiscal years ended June 30, 2021, and June 30, 2020 are as follows:

	Governmental Activities		Percent Change
	<u>2021</u>	<u>2020</u>	
Revenues			
Program revenues:			
Charges for services	\$ 3,464,479	\$ 5,238,006	-33.9%
Operating grants and contributions	9,041,860	6,739,592	34.2%
Capital grants and contributions	1,819,462	1,831,620	-0.7%
Total program revenues	<u>14,325,801</u>	<u>13,809,218</u>	<u>3.7%</u>
General revenues:			
Property taxes, levied for operational purposes	120,681,324	120,182,574	0.4%
Property taxes, levied for capital purposes	36,592,987	34,880,430	4.9%
Local sales taxes	20,217,349	17,397,137	16.2%
Grants and contributions not restricted to specific programs	65,125,300	58,456,112	11.4%
Other	9,117,470	8,373,829	8.9%
Total general revenues	<u>251,734,430</u>	<u>239,290,082</u>	<u>5.2%</u>
Total revenues	<u>266,060,231</u>	<u>253,099,300</u>	<u>5.1%</u>

	Governmental Activities		Percent Change
	<u>2021</u>	<u>2020</u>	
Expenses			
Instruction	122,342,200	125,975,065	-2.9%
Student support services	12,568,519	11,201,303	12.2%
Instructional media services	2,657,396	2,590,118	2.6%
Instructional and curriculum development services	4,635,229	4,173,462	11.1%
Instructional staff training services	3,402,489	3,651,351	-6.8%
Instruction related technology	3,691,522	4,539,097	-18.7%
School board	565,678	494,932	14.3%
General administration	1,362,550	1,028,170	32.5%
School administration	11,918,340	10,930,260	9.0%
Facilities acquisition and construction	13,651,957	10,026,634	36.2%
Fiscal services	1,673,690	1,231,564	35.9%
Food services	10,329,941	9,186,052	12.5%
Central services	6,624,742	5,177,426	28.0%
Student transportation services	7,515,990	7,969,970	-5.7%
Operation of plant	26,079,529	23,325,249	11.8%
Maintenance of plant	5,876,687	5,108,318	15.0%
Administrative technology services	2,632,270	5,282,908	-50.2%
Community services	2,779,266	3,301,462	-15.8%
Unallocated interest on long-term debt	882,353	1,301,376	-32.2%
Total expenses	<u>241,190,348</u>	<u>236,494,717</u>	<u>2.0%</u>
Change in net position	24,869,883	16,604,583	
Net position - beginning	<u>325,105,759</u>	<u>308,501,176</u>	
Net position - ending	<u>\$ 349,975,642</u>	<u>\$ 325,105,759</u>	<u>7.6%</u>

Revenues by Source - Governmental Activities



Major changes in revenues were caused by the following:

- Charges for services – Decreased by 33.9 percent overall and decreased in all areas except Instruction. Due to the pandemic, many students chose the option of remote learning and did not require after school Extended Day and/or other services they would have used and paid for in most school years. In addition, many field trips and athletic events were either not planned or cancelled in response to COVID-19.
- Property taxes, levied for operational and capital purposes – Increased by 0.4 percent and 4.9 percent, respectively. This increase was due to an increase in the certified taxable value of property, or assessed value, by 4.5 percent over the prior year.
- Local sales taxes – This revenue source, the voter approved half cent sales surtax, is in its third year of implementation and increased 16.2 percent.
- Grants and Other revenues – Grants and Other revenues increased by 11.4 percent and 8.9 percent, respectively.

Major changes in expenses were caused by the following:

- Instruction related technology – Decreased by 18.7 percent or \$847,575 primarily due to the purchase of laptops for remote learning in the prior year.
- General Administration – Increased by 32.5 percent or \$334,380 primarily due to the Federal Education Stabilization Fund indirect cost expense. This is a new grant for fiscal year 2020-2021.
- Facilities acquisition and construction – Increased by 36.2 percent or \$3.6 million due to District-wide security enhancements, several HVAC projects, and various construction related projects at Martin County High School and Jensen Beach High School.
- Fiscal services – Increased by 35.9 percent or \$442,126 due to corrections made to various liability accounts.
- Central services – Increased by 28.0 percent or \$1.4 million primarily due to benefit consulting and rebate payments.
- Administrative technology services – Decreased by 50.2 percent or \$2.7 million due to the completion of a districtwide Wi-Fi expansion from the prior year.

FUND FINANCIAL ANALYSIS

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

Major Governmental Funds

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

District School Board of Martin County, Florida Fund Balance

	<u>2021</u>	<u>2020</u>
Fund balance:		
Nonspendable	\$ 804,133	\$ 1,055,595
Restricted	142,799,040	114,710,032
Assigned	10,669,888	8,409,731
Unassigned	<u>13,218,494</u>	<u>10,239,951</u>
Total fund balance	<u>\$ 167,491,555</u>	<u>\$ 134,415,309</u>

As of the end of the 2020-21 fiscal year, the District's governmental funds reported combined ending fund balances of \$167.5 million, an increase of \$33.1 million in comparison with the prior fiscal year.

Major Funds

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

The General Fund is the chief operating fund of the District. The General Fund has an increase in fund balance of \$3.9 million, primarily due to increases in state revenue and transfers to the General Fund from the Capital Projects – Local Capital Improvement Tax Fund. The total fund balance is \$42.0 million, of which approximately \$13.2 million is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both assigned fund balance and unassigned fund balance to total fund revenues. Assigned/unassigned fund balance represents 13.6 percent of total General Fund operating revenue before carryovers and prior year encumbrances, while total fund balance represents 23.8 percent of that same amount.

The Special Revenue – Other Federal Programs Fund accounts for the financial resources of certain Federal grant programs. Revenues and expenditures totaled \$11.8 million, a 1.1 percent decrease from 2019-20 fiscal year, primarily due to decreased expenditures due to the pandemic. Because revenues are recognized to the extent of allowable expenditures, this fund does not generally accumulate fund balance.

The Special Revenue – Federal Education Stabilization Fund is a new grant for FY2020-2021 and accounts for the financial resources of certain Federal grants associated with COVID-19 relief funding. Revenues and expenditures totaled \$3.9 million.

The Capital Projects – Local Capital Improvement Tax Fund has an increase in fund balance of \$8.3 million to a total fund balance of \$64.2 million, which is restricted for acquisition, construction, and maintenance of capital assets. The increase is primarily due to major projects expenditures taking place in the subsequent period. Projects are currently in architectural and engineering stage.

The Capital Projects – Other Capital Projects Fund has an increase in fund balance of \$19.0 million to a total fund balance of \$50.8 million, which is restricted for acquisition, construction, and maintenance of capital assets. Projects to be funded with the sales tax are currently in architectural and engineering stage.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2020-21 fiscal year, the District amended its General Fund budget monthly. Budget revisions were due primarily to the need to record prior year carryforward budgets and adjust planned expenditures to meet actual needs throughout the year.

Actual expenditures are \$15,382,929, or 7.7 percent, less than final budgeted amounts. Unexpended amounts were primarily due to carryover of budgeted voted millage stipends to teachers and other union represented personnel which were paid in July 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation, as of June 30, 2021, total \$364.3 million. Capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital lease; and audio-visual materials and software. The District experienced an increase of net capital assets compared to the previous fiscal year of approximately 0.1 percent.

Major capital assets events during the 2020-2021 fiscal year include;

- Projects completed;
 - Instructional Center – Administrative Office Renovations
 - Jensen Beach High School – Partial Roof Replacement
 - Jensen Beach High School – Tennis Court Replacement
 - Jensen Beach High School – Ballfield Improvements
 - Martin County High School – Guardhouse and Security Fencing
 - Willoughby Learning Center – HVAC Replacement

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

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

	2021	2020	Percent Change
Land	\$ 12,401,732	\$ 12,401,732	0.0%
Construction in progress	6,641,706	5,459,350	21.7%
Improvements other than buildings	10,239,675	9,020,472	13.5%
Buildings and fixed equipment	327,710,286	329,033,805	-0.4%
Furniture, fixtures, and equipment	3,048,333	3,074,757	-0.9%
Motor vehicles	3,767,184	4,197,669	-10.3%
Property under capital lease	539,689	667,711	-19.2%
Total capital assets (net of depreciation)	<u>\$ 364,348,605</u>	<u>\$ 363,855,496</u>	0.1%

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

Long-Term Debt

As of June 30, 2021, the District has total long-term debt outstanding of \$27.5 million, comprised of Certificates of Participation (COPS) Series 2014A, State Board of Education (SBE) Bonds, and capital leases.

District School Board of Martin County, Florida Outstanding Debt

	<u>2021</u>	<u>2020</u>
COPS	\$ 24,227,213	\$ 25,927,414
State School (SBE) Bonds Payable	2,807,000	3,576,000
Obligations under Capital Lease	<u>490,692</u>	<u>553,898</u>
	<u>\$ 27,524,905</u>	<u>\$ 30,057,312</u>

The District's outstanding debt decreased \$2.5 million during the 2020-21 fiscal year. The decrease was due to scheduled principal payments. Additional information on the District's debt may be found in Note VII of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local property taxes are the District's primary source of revenue. The required local effort (RLE) for the 2021-22 fiscal year is projected to be 3.575 mills (a decrease of 0.124 mills), the discretionary millage is projected to be 0.748 mills, the capital outlay millage is projected to be 1.500 mills, and the additional voted millage for operations remains 0.500 mills. General Fund revenues and other financing sources are projected to be at \$179.5 million, and expenditures and other financing uses are expected to be \$186.4 million.

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

- The unemployment rate for Martin County is currently 4.5 percent, which is a decrease from the rate of 8.6 percent a year ago.
- Student enrollment (K-12) decreased from 18,734 in the 2020 Fourth Calculations to 18,057 in the 2021 Fourth Calculations.
- The Martin County population grew from 161,258 in the prior year to 161,516 according to U.S. Census estimates.

REQUESTS FOR INFORMATION

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



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BASIC FINANCIAL STATEMENTS



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Net Position
June 30, 2021

	Primary Government	
	Governmental Activities	Component Units
Assets		
Unrestricted:		
Cash and cash equivalents	\$ 155,439,862	\$ 1,548,852
Investments	13,707,622	-
Accounts receivable	489,639	14,002
Deposits	-	2,078
Due from other governmental agencies	8,825,602	448,205
Inventories	700,649	-
Prepaid items	103,484	12,411
Other current assets	-	2,833
Net Pension Asset	388,003	-
Restricted:		
Cash	-	117,797
Cash with fiscal agent	2,085,516	-
Capital assets not being depreciated:		
Land	12,401,732	2,769,084
Construction in progress	6,641,706	-
Capital assets net of accumulated depreciation:		
Improvements other than buildings	10,239,675	11,685
Buildings and fixed equipment	327,710,286	15,638,927
Leasehold improvements	-	1,015,429
Furniture, fixtures, and equipment	3,048,333	485,497
Motor vehicles	3,767,184	-
Property under capital lease	539,689	-
Audio visual materials and software	-	73,623
Total assets	546,088,982	22,140,423
Deferred outflows of resources		
Net carrying amount of debt refunding	885,019	-
Other postemployment benefits obligation	5,079,853	-
Pensions	49,937,882	-
Total deferred outflows of resources	55,902,754	-
Liabilities		
Salaries and benefits payable	7,121,270	-
Accounts payable	6,247,481	852,120
Construction contracts payable - retainage	230,925	-
Unearned revenue	252,280	-
Long-term liabilities:		
Portion due in one year:		
Notes payable	-	226,703
Obligations under capital lease	163,053	-
Bonds payable	776,000	-
Certificates of participation payable	1,780,201	-
Compensated absences payable	745,013	-
Net pension liability	425,494	-
Other postemployment benefits obligation	1,826,811	-
Portion due in more than one year:		
Notes payable	-	21,113,297
Obligations under capital lease	327,639	-
Bonds payable	2,031,000	-
Certificates of participation payable	22,447,012	-
Compensated absences payable	10,357,959	-
Net pension liability	139,743,546	-
Other postemployment benefits obligation	44,192,056	-
Total liabilities	238,667,740	22,192,120
Deferred inflows of resources		
Deferred revenue	8,863	-
Other postemployment benefits obligation	7,804,715	-
Pensions	5,534,776	-
Total deferred inflows of resources	13,348,354	-
Net position		
Net investment in capital assets	337,477,794	(1,045,755)
Restricted for:		
State required carryover programs	4,179,245	-
Capital projects	118,988,788	-
Debt service	2,150,948	4,367
Food service	4,334,551	-
Other	13,764,436	-
Unrestricted net position (deficit)	(130,920,120)	989,691
Total net position	\$ 349,975,642	\$ (51,697)

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Activities
For the Fiscal Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
Instruction	\$ 122,342,200	\$ 256,913	\$ -	\$ -
Student support services	12,568,519	-	-	-
Instructional media services	2,657,396	-	-	-
Instruction and curriculum development services	4,635,229	-	-	-
Instructional staff training services	3,402,489	-	-	-
Instruction related technology	3,691,522	-	-	-
School board	565,678	-	-	-
General administration	1,362,550	-	-	-
School administration	11,918,340	-	-	-
Facilities services	13,651,957	-	-	686,340
Fiscal services	1,673,690	-	-	-
Food services	10,329,941	743,143	9,041,860	-
Central services	6,624,742	-	-	-
Student transportation services	7,515,990	168,715	-	-
Operation of plant	26,079,529	-	-	-
Maintenance of plant	5,876,687	-	-	163,720
Administrative technology services	2,632,270	-	-	-
Community services	2,779,266	2,295,708	-	-
Unallocated interest on long-term debt	882,353	-	-	969,402
Total primary government	<u>\$ 241,190,348</u>	<u>\$ 3,464,479</u>	<u>\$ 9,041,860</u>	<u>\$ 1,819,462</u>
Component units:				
Charter Schools	<u>\$ 12,163,618</u>	<u>\$ 97,805</u>	<u>\$ 933,251</u>	<u>\$ 39,677</u>
General revenues:				
Taxes:				
Property taxes, levied for operational purposes				
Property taxes, levied for capital purposes				
Local sales taxes, levied for capital purposes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Change in net position				
Total net position - beginning				
Total net position - ending				

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

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

Primary Government Governmental Activities	Component Units
\$ (122,085,287)	\$ -
(12,568,519)	-
(2,657,396)	-
(4,635,229)	-
(3,402,489)	-
(3,691,522)	-
(565,678)	-
(1,362,550)	-
(11,918,340)	-
(12,965,617)	-
(1,673,690)	-
(544,938)	-
(6,624,742)	-
(7,347,275)	-
(26,079,529)	-
(5,712,967)	-
(2,632,270)	-
(483,558)	-
87,049	-
<u>\$ (226,864,547)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ (11,092,885)</u>
\$ 120,681,324	\$ -
36,592,987	-
20,217,349	-
65,125,300	11,761,464
150,672	2
8,966,798	-
<u>251,734,430</u>	<u>11,761,466</u>
24,869,883	668,581
325,105,759	(720,278)
<u>\$ 349,975,642</u>	<u>\$ (51,697)</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue - Other Federal Programs Fund
Assets		
Cash and cash equivalents	\$ 47,025,412	\$ -
Investments	-	-
Accounts receivable	417,824	2,734
Due from other governmental agencies	165,163	2,463,760
Due from other funds	3,988,092	-
Inventories	470,897	-
Prepaid items	103,484	-
Restricted cash with fiscal agent	-	-
Total assets	\$ 52,170,872	\$ 2,466,494
Liabilities and fund balances		
Liabilities:		
Salaries and benefits payable	\$ 6,598,050	\$ 303,966
Accounts payable	3,302,101	204,711
Constructions contracts payable - retainage	-	-
Due to other funds	-	1,957,817
Unearned revenue	252,280	-
Total liabilities	10,152,431	2,466,494
Fund balances:		
Nonspendable	574,381	-
Restricted	17,555,678	-
Assigned	10,669,888	-
Unassigned	13,218,494	-
Total fund balances	42,018,441	-
Total liabilities and fund balances	\$ 52,170,872	\$ 2,466,494

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

Special Revenue - Federal Education Stabilization Fund	Local Capital Improvement Tax Fund	Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 52,608,477	\$ 47,979,714	\$ 7,826,259	\$ 155,439,862
-	13,642,190	-	65,432	13,707,622
-	49,155	-	19,926	489,639
2,325,703	17	3,602,879	268,080	8,825,602
-	-	-	-	3,988,092
-	-	-	229,752	700,649
-	-	-	-	103,484
-	-	-	2,085,516	2,085,516
<u>\$ 2,325,703</u>	<u>\$ 66,299,839</u>	<u>\$ 51,582,593</u>	<u>\$ 10,494,965</u>	<u>\$ 185,340,466</u>
\$ 199,498	\$ -	\$ -	\$ 19,756	\$ 7,121,270
87,067	1,873,323	734,325	45,954	6,247,481
-	230,925	-	-	230,925
2,030,275	-	-	-	3,988,092
8,863	-	-	-	261,143
<u>2,325,703</u>	<u>2,104,248</u>	<u>734,325</u>	<u>65,710</u>	<u>17,848,911</u>
-	-	-	229,752	804,133
-	64,195,591	50,848,268	10,199,503	142,799,040
-	-	-	-	10,669,888
-	-	-	-	13,218,494
<u>-</u>	<u>64,195,591</u>	<u>50,848,268</u>	<u>10,429,255</u>	<u>167,491,555</u>
<u>\$ 2,325,703</u>	<u>\$ 66,299,839</u>	<u>\$ 51,582,593</u>	<u>\$ 10,494,965</u>	<u>\$ 185,340,466</u>



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2021

Total fund balances - governmental funds \$ 167,491,555

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

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

Capital assets not being depreciated	\$ 19,043,438	
Capital assets being depreciated	<u>345,305,167</u>	364,348,605

Net pension asset is not reported in the governmental funds. 388,003

The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements, but is not reported in the governmental funds. 885,019

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

Deferred outflows of resources related to pensions	\$ 49,937,882	
Deferred inflows of resources related to pensions	<u>(5,534,776)</u>	44,403,106

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

Deferred outflows of resources related to OPEB	\$ 5,079,853	
Deferred inflows of resources related to OPEB	<u>(7,804,715)</u>	(2,724,862)

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

Certificates of participation payable	\$ (24,227,213)	
Obligations under capital lease	(490,692)	
Bonds payable	(2,807,000)	
Compensated absences payable	(11,102,972)	
Other postemployment benefits obligation	(46,018,867)	
Net pension liability	<u>(140,169,040)</u>	(224,815,784)

Total net position - governmental activities \$ 349,975,642

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Education Stabilization Fund
Revenues			
Federal direct	\$ 311,821	\$ 1,356,165	\$ 8,400
Federal through state and local	811,442	10,446,689	3,854,771
State	47,540,656	-	-
Local:			
Taxes	120,681,327	-	-
Charges for services - food services	-	-	-
Impact fees	-	-	-
Miscellaneous	6,973,255	-	-
Total revenues	<u>176,318,501</u>	<u>11,802,854</u>	<u>3,863,171</u>
Expenditures			
Current:			
Instruction	108,231,838	4,527,453	1,959,690
Student support services	8,046,325	3,408,032	203,250
Instructional media services	2,275,148	-	19,174
Instruction and curriculum development services	2,126,095	2,014,426	167,838
Instructional staff training services	1,628,227	1,385,980	148,344
Instruction related technology	3,124,416	-	6,729
School board	525,786	-	-
General administration	1,222,038	401,980	128,130
School administration	10,614,056	-	59,177
Facilities acquisition and construction	1,520,665	-	2,122
Fiscal services	1,549,211	-	2,392
Food services	96,040	-	56,809
Central services	5,628,183	696	23,372
Student transportation services	5,526,804	171	192,838
Operation of plant	20,599,344	47,723	656,862
Maintenance of plant	5,022,641	-	33,019
Administrative technology services	1,778,707	-	1,302
Community services	2,430,061	2,177	148,246
Capital outlay:			
Facilities acquisition and construction	-	-	-
Other capital outlay	1,382,804	14,216	53,877
Debt service:			
Principal	-	-	-
Interest and fees	-	-	-
Paying agent fees	-	-	-
Total expenditures	<u>183,328,389</u>	<u>11,802,854</u>	<u>3,863,171</u>
Excess of revenues over (under) expenditures	<u>(7,009,888)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Inception of capital lease	256,697	-	-
Insurance loss recoveries	3,012	-	-
Transfers in	10,700,136	-	-
Transfers out	(6,443)	-	-
Total other financing sources (uses)	<u>10,953,402</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,943,514	-	-
Fund balances - beginning	<u>38,074,927</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 42,018,441</u>	<u>\$ -</u>	<u>\$ -</u>

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

Capital Projects - Local Capital Improvement Tax Fund	Capital Projects - Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,676,386
-	-	9,456,830	24,569,732
-	311,075	1,888,772	49,740,503
36,592,987	20,217,350	-	177,491,664
-	-	743,143	743,143
-	5,556,116	-	5,556,116
61,288	35,593	15,644	7,085,780
<u>36,654,275</u>	<u>26,120,134</u>	<u>12,104,389</u>	<u>266,863,324</u>
-	-	-	114,718,981
-	-	-	11,657,607
-	-	-	2,294,322
-	-	-	4,308,359
-	-	-	3,162,551
-	-	-	3,131,145
-	-	-	525,786
-	-	-	1,752,148
-	-	-	10,673,233
9,431,593	448,085	-	11,402,465
-	-	-	1,551,603
-	-	9,003,484	9,156,333
-	-	-	5,652,251
-	-	-	5,719,813
-	-	-	21,303,929
-	-	-	5,055,660
-	-	-	1,780,009
-	-	-	2,580,484
5,949,405	5,556,343	-	11,505,748
1,150,867	-	186,389	2,788,153
-	-	2,279,000	2,279,000
-	-	1,197,049	1,197,049
-	-	5,207	5,207
<u>16,531,865</u>	<u>6,004,428</u>	<u>12,671,129</u>	<u>234,201,836</u>
<u>20,122,410</u>	<u>20,115,706</u>	<u>(566,740)</u>	<u>32,661,488</u>
-	-	-	256,697
155,049	-	-	158,061
-	-	2,598,098	13,298,234
<u>(11,999,686)</u>	<u>(1,128,385)</u>	<u>(163,720)</u>	<u>(13,298,234)</u>
<u>(11,844,637)</u>	<u>(1,128,385)</u>	<u>2,434,378</u>	<u>414,758</u>
8,277,773	18,987,321	1,867,638	33,076,246
<u>55,917,818</u>	<u>31,860,947</u>	<u>8,561,617</u>	<u>134,415,309</u>
<u>\$ 64,195,591</u>	<u>\$ 50,848,268</u>	<u>\$ 10,429,255</u>	<u>\$ 167,491,555</u>



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ 33,076,246

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

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

Capital outlay	\$ 14,293,901	
Less, depreciation expense	<u>(13,710,628)</u>	583,273

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (88,795)

The District's portion of equity held in the risk management consortium was recognized in the government-wide statement of activities, but not in the governmental funds. This is the decrease in the District's equity in the consortium due to the change in estimate. (577,797)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for leave used. This is the net amount of vacation and sick leave earned in excess of the amount paid in the current period. 2,192,640

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Premiums and refunding costs are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements. The difference is the amount by which repayments exceeded proceeds in the current period.

Refunded COPs redeemed	\$ 1,510,000	
Refunded COPs premiums amortized	190,201	
Inception of capital lease	(256,697)	
Capital lease repayments	319,903	
Bonds repayment	<u>769,000</u>	2,532,407

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

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

Increase in OPEB Liability	\$ (4,138,929)	
Increase in Deferred Outflows of Resources - OPEB	3,188,980	
Decrease in Deferred Inflows of Resources - OPEB	<u>1,460,485</u>	510,536

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

Pension contributions	\$ 10,918,730	
Pension expense	<u>(24,196,901)</u>	(13,278,171)

Change in net position of governmental activities \$ 24,869,883

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal direct	\$ 339,000	\$ 339,000	\$ 311,821	\$ (27,179)
Federal through state and local	540,686	508,127	811,442	303,315
State	48,178,880	47,477,714	47,540,656	62,942
Local				
Taxes	120,324,756	120,324,756	120,681,327	356,571
Miscellaneous	7,634,598	7,743,678	6,973,255	(770,423)
Total revenues	<u>177,017,920</u>	<u>176,393,275</u>	<u>176,318,501</u>	<u>(74,774)</u>
Expenditures				
Current:				
Instruction				
Salaries	69,762,056	67,493,896	65,681,230	1,812,666
Employee benefits	21,423,626	21,439,474	20,108,201	1,331,273
Purchased services	14,505,277	15,401,793	15,736,542	(334,749)
Materials and supplies	6,775,531	7,505,537	2,348,057	5,157,480
Capital outlay	7,273,520	2,306,071	2,006,183	299,888
Other	2,546,980	2,411,462	2,351,625	59,837
Total instruction	<u>122,286,990</u>	<u>116,558,233</u>	<u>108,231,838</u>	<u>8,326,395</u>
Student support services				
Salaries	6,321,768	6,285,092	6,013,329	271,763
Employee benefits	1,900,328	1,951,664	1,799,314	152,350
Purchased services	411,162	265,884	120,576	145,308
Energy services	-	91	171	(80)
Materials and supplies	302,914	273,720	81,528	192,192
Capital outlay	973	40,600	699	39,901
Other	5,102	41,416	30,708	10,708
Total student support services	<u>8,942,247</u>	<u>8,858,467</u>	<u>8,046,325</u>	<u>812,142</u>
Instructional media services				
Salaries	1,588,860	1,688,724	1,637,886	50,838
Employee benefits	525,540	533,861	488,830	45,031
Purchased services	11,411	8,423	7,020	1,403
Materials and supplies	38,102	38,471	26,636	11,835
Capital outlay	245,784	172,927	105,881	67,046
Other	-	8,325	8,895	(570)
Total instructional media services	<u>2,409,697</u>	<u>2,450,731</u>	<u>2,275,148</u>	<u>175,583</u>
Instruction and curriculum development services				
Salaries	1,497,261	1,587,496	1,595,880	(8,384)
Employee benefits	481,206	509,754	499,613	10,141
Purchased services	28,459	19,697	2,227	17,470
Energy services	200	200	-	200
Materials and supplies	4,170	25,835	24,082	1,753
Capital outlay	3,000	1,893	1,734	159
Other	2,559	2,559	2,559	-
Total instruction and curriculum development services	<u>2,016,855</u>	<u>2,147,434</u>	<u>2,126,095</u>	<u>21,339</u>

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Instructional staff training services				
Salaries	\$ 1,198,563	\$ 1,257,255	\$ 1,108,213	\$ 149,042
Employee benefits	282,135	319,925	279,917	40,008
Purchased services	781,609	521,305	154,500	366,805
Materials and supplies	239,956	164,766	53,568	111,198
Capital outlay	3,000	900	900	-
Other	35,886	76,529	31,129	45,400
Total instructional staff training services	2,541,149	2,340,680	1,628,227	712,453
Instruction related technology				
Salaries	1,880,020	2,007,304	1,833,827	173,477
Employee benefits	668,571	605,496	540,968	64,528
Purchased services	498,818	448,852	148,278	300,574
Materials and supplies	149,916	89,899	18,535	71,364
Capital outlay	1,684,344	1,089,957	582,808	507,149
Other	2,125	1,543	-	1,543
Total instruction related technology	4,883,794	4,243,051	3,124,416	1,118,635
School board				
Salaries	275,220	200,654	186,815	13,839
Employee benefits	179,107	146,292	135,518	10,774
Purchased services	230,046	226,327	177,964	48,363
Materials and supplies	4,550	3,190	3,184	6
Other	327,818	23,263	22,305	958
Total school board	1,016,741	599,726	525,786	73,940
General administration				
Salaries	763,787	723,967	703,357	20,610
Employee benefits	268,252	279,603	256,346	23,257
Purchased services	297,850	221,951	243,660	(21,709)
Energy services	570	307	186	121
Materials and supplies	5,934	5,347	5,319	28
Capital outlay	252	-	-	-
Other	14,800	13,897	13,170	727
Total general administration	1,351,445	1,245,072	1,222,038	23,034
School administration				
Salaries	8,062,695	8,084,770	7,940,582	144,188
Employee benefits	2,323,618	2,590,236	2,463,846	126,390
Purchased services	30,882	38,667	12,646	26,021
Materials and supplies	14,355	17,240	10,539	6,701
Capital outlay	319,415	76,221	57,310	18,911
Other	48,803	144,888	129,133	15,755
Total school administration	10,799,768	10,952,022	10,614,056	337,966

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Facilities acquisition and construction				
Salaries	\$ 724,935	\$ 694,719	\$ 673,766	\$ 20,953
Employee benefits	259,165	254,317	244,264	10,053
Purchased services	5,700	5,951	2,651	3,300
Materials and supplies	2,650	6,821	6,925	(104)
Capital outlay	6,448	-	-	-
Other	165,304	593,066	593,059	7
Total facilities acquisition and construction	1,164,202	1,554,874	1,520,665	34,209
Fiscal services				
Salaries	853,120	873,576	845,887	27,689
Employee benefits	266,442	280,270	267,567	12,703
Purchased services	51,700	40,975	44,087	(3,112)
Energy services	150	392	392	-
Materials and supplies	15,100	8,956	9,581	(625)
Capital outlay	384,738	28,323	6,876	21,447
Other	7,300	656,847	374,821	282,026
Total fiscal services	1,578,550	1,889,339	1,549,211	340,128
Food services				
Salaries	75,425	75,426	75,426	-
Employee benefits	20,614	20,614	20,614	-
Total food services	96,039	96,040	96,040	-
Central services				
Salaries	1,985,539	2,442,754	2,268,295	174,459
Employee benefits	1,544,053	2,183,403	2,146,846	36,557
Purchased services	971,475	929,490	736,820	192,670
Energy services	8,000	8,795	8,737	58
Materials and supplies	656,238	675,136	362,679	312,457
Capital outlay	395,177	143,790	80,973	62,817
Other	16,680	27,447	23,833	3,614
Total central services	5,577,162	6,410,815	5,628,183	782,632
Student transportation services				
Salaries	2,966,477	2,982,684	2,951,888	30,796
Employee benefits	1,464,869	1,381,694	1,313,656	68,038
Purchased services	669,047	435,372	333,084	102,288
Energy services	627,199	465,508	378,682	86,826
Materials and supplies	329,481	256,805	165,444	91,361
Capital outlay	548,403	439,522	307,703	131,819
Other	587,085	590,250	76,347	513,903
Total student transportation services	7,192,561	6,551,835	5,526,804	1,025,031
Operation of plant				
Salaries	5,603,286	5,592,737	4,912,432	680,305
Employee benefits	2,653,769	2,819,168	2,426,815	392,353
Purchased services	7,056,151	6,502,452	6,704,034	(201,582)
Energy services	4,983,535	4,992,269	5,085,965	(93,696)
Materials and supplies	1,440,553	1,266,984	1,116,270	150,714
Capital outlay	1,228,782	478,239	347,188	131,051
Other	36,300	38,067	6,640	31,427
Total operation of plant	23,002,376	21,689,916	20,599,344	1,090,572

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Maintenance of plant				
Salaries	\$ 2,960,300	\$ 3,126,086	\$ 3,089,699	\$ 36,387
Employee benefits	1,196,097	1,346,699	1,279,818	66,881
Purchased services	173,108	206,793	173,407	33,386
Materials and supplies	502,466	524,427	476,651	47,776
Capital outlay	27,483	237,600	2,870	234,730
Other	215	215	196	19
Total maintenance of plant	4,859,669	5,441,820	5,022,641	419,179
Administrative technology services				
Salaries	658,374	559,866	543,836	16,030
Employee benefits	192,800	169,468	158,321	11,147
Purchased services	33,279	23,962	7,857	16,105
Energy services	-	1,207	1,522	-
Materials and supplies	12,000	6,516	1,914	4,602
Capital outlay	4,342,902	1,201,978	1,065,257	136,721
Total administrative technology services	5,239,355	1,962,997	1,778,707	184,605
Community services				
Salaries	2,215,368	2,163,593	1,831,580	332,013
Employee benefits	524,985	557,555	487,939	69,616
Purchased services	159,891	161,891	23,956	137,935
Materials and supplies	248,356	254,319	42,454	211,865
Capital outlay	33,758	33,758	-	33,758
Other	528,965	547,150	44,132	503,018
Total community services	3,711,323	3,718,266	2,430,061	1,288,205
Total current operating	208,669,923	198,711,318	181,945,585	16,765,733
Capital outlay:				
Other capital outlay	4,305,700	-	1,382,804	(1,382,804)
Total capital outlay	4,305,700	-	1,382,804	(1,382,804)
Total expenditures	212,975,623	198,711,318	183,328,389	15,382,929
Excess (deficiency) of revenues over (under) expenditures	(35,957,703)	(22,318,043)	(7,009,888)	15,308,155
Other financing sources (uses)				
Insurance loss recoveries	-	3,012	3,012	-
Inception of capital lease	-	-	256,697	256,697
Transfers in	20,384,280	10,700,136	10,700,136	-
Transfers out	-	(6,443)	(6,443)	-
Total other financing sources (uses)	20,384,280	10,696,705	10,953,402	256,697
Net change in fund balances	(15,573,423)	(11,621,338)	3,943,514	15,564,852
Fund balances - beginning	37,809,714	38,074,927	38,074,927	-
Fund balances - ending	\$ 22,236,291	\$ 26,453,589	\$ 42,018,441	\$ 15,564,852

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal direct	\$ 752,087	\$ 2,665,343	\$ 1,356,165	\$ 1,309,178
Federal through state and local	9,651,889	13,399,014	10,446,689	2,952,325
Total revenues	<u>10,403,976</u>	<u>16,064,357</u>	<u>11,802,854</u>	<u>4,261,503</u>
Expenditures				
Current:				
Instruction				
Salaries	1,396,891	2,937,866	2,260,947	676,919
Employee benefits	507,098	1,043,791	747,582	296,209
Purchased services	914,442	1,332,219	900,866	431,353
Materials and supplies	1,526,794	852,054	549,213	302,841
Capital outlay	31,885	141,691	52,451	89,240
Other	17,610	31,785	16,394	15,391
Total instruction	<u>4,394,720</u>	<u>6,339,406</u>	<u>4,527,453</u>	<u>1,811,953</u>
Student support services				
Salaries	1,788,247	3,052,783	2,414,190	638,593
Employee benefits	566,520	1,010,604	805,211	205,393
Purchased services	211,530	216,824	135,611	81,213
Materials and supplies	69,407	61,141	29,557	31,584
Capital outlay	-	900	-	900
Other	13,316	32,366	23,463	8,903
Total student support services	<u>2,649,020</u>	<u>4,374,618</u>	<u>3,408,032</u>	<u>966,586</u>
Instruction and curriculum development services				
Salaries	969,911	1,962,752	1,516,633	446,119
Employee benefits	317,302	576,728	443,656	133,072
Purchased services	65,443	45,192	19,503	25,689
Energy services	26	-	-	-
Materials and supplies	33,829	26,110	19,730	6,380
Capital outlay	434	-	-	-
Other	4,773	16,494	14,904	1,590
Total instruction and curriculum development services	<u>1,391,718</u>	<u>2,627,276</u>	<u>2,014,426</u>	<u>612,850</u>
Instructional staff training services				
Salaries	968,193	1,347,020	875,692	471,328
Employee benefits	259,720	348,167	243,359	104,808
Purchased services	272,941	324,118	224,478	99,640
Materials and supplies	10,871	26,617	18,630	7,987
Other	32,835	35,216	23,821	11,395
Total instructional staff training services	<u>1,544,560</u>	<u>2,081,138</u>	<u>1,385,980</u>	<u>695,158</u>
Instruction related technology				
Capital outlay	5,700	-	-	-
Total general administration	<u>5,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
General administration				
Other	159,600	426,466	401,980	24,486
Total general administration	<u>159,600</u>	<u>426,466</u>	<u>401,980</u>	<u>24,486</u>

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
School administration				
Purchased Services	\$ 6,971	\$ -	\$ -	\$ -
Total school administration	6,971	-	-	-
Food services				
Other	267	907	-	907
Total food services	267	907	-	907
Central services				
Purchased services	26,250	23,063	696	22,367
Total food services	26,250	23,063	696	22,367
Student transportation services				
Purchased services	25,703	23,181	-	23,181
Energy services	671	748	171	577
Capital outlay	833	84,563	-	84,563
Total student transportation services	27,207	108,492	171	108,321
Operation of plant				
Purchased services	20,391	69,711	39,876	29,835
Materials and supplies	2,708	8,665	7,847	818
Total operation of plant	23,099	78,376	47,723	30,653
Community services				
Purchased services	-	1,778	1,200	578
Materials and supplies	1,522	2,837	977	1,860
Total community services	1,522	4,615	2,177	2,438
Capital outlay				
Other capital outlay	173,342	-	14,216	(14,216)
Total capital outlay	173,342	-	14,216	(14,216)
Total expenditures	10,403,976	16,064,357	11,802,854	4,261,503
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Federal Education Stabilization Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal direct	\$ -	\$ 17,262	\$ 8,400	\$ 8,862
Federal through state and local	3,440,728	16,336,976	3,854,771	12,482,205
Total revenues	3,440,728	16,354,238	3,863,171	12,491,067
Expenditures				
Current:				
Instruction				
Salaries	818,150	1,027,639	1,025,418	2,221
Employee benefits	300,607	125,530	112,594	12,936
Purchased services	714,139	726,427	535,714	190,713
Materials and supplies	381,860	679,483	278,477	401,006
Capital outlay	25,000	68,403	7,290	61,113
Other	-	197	197	-
Total instruction	2,239,756	2,627,679	1,959,690	667,989
Student support services				
Salaries	241,200	167,709	164,675	3,034
Employee benefits	72,856	27,641	27,025	616
Purchased services	-	13,550	11,550	2,000
Total student support services	314,056	208,900	203,250	5,650
Instructional media services				
Salaries	-	19,174	19,174	-
Total instructional media services	-	19,174	19,174	-
Instruction and curriculum development services				
Salaries	100,000	200,407	112,334	88,073
Employee benefits	16,581	51,282	24,410	26,872
Purchased services	-	60,808	29,370	31,438
Materials and supplies	-	8,086	300	7,786
Capital outlay	-	2,140	1,424	716
Total instruction and curriculum development services	116,581	322,723	167,838	154,885
Instructional staff training services				
Salaries	106,250	97,141	77,193	19,948
Employee benefits	5,990	17,583	14,154	3,429
Purchased services	163,200	74,413	56,997	17,416
Materials and supplies	-	4,302	-	4,302
Total instructional staff training services	275,440	193,439	148,344	45,095
Instruction related technology				
Salaries	-	6,729	6,729	-
Total instruction-related technology	-	6,729	6,729	-
General administration				
Materials and supplies	-	4,666	4,666	-
Other	157,086	10,393,483	123,464	10,270,019
Total general administration	157,086	10,398,149	128,130	10,270,019

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

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Federal Education Stabilization Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
School administration				
Salaries	\$ -	\$ -	\$ 59,177	\$ 59,177
Purchased services	-	59,177	-	(59,177)
Total school administration	-	59,177	59,177	-
Facilities acquisition and construction				
Salaries	-	2,122	2,122	-
Total facilities services	-	2,122	2,122	-
Fiscal services				
Salaries	-	2,392	2,392	-
Total fiscal services	-	2,392	2,392	-
Food services				
Salaries	-	44,517	44,517	-
Employees benefits	-	12,292	12,292	-
Total food services	-	56,809	56,809	-
Central services				
Salaries	-	12,002	12,002	-
Purchased services	-	11,370	11,370	-
Total central services	-	23,372	23,372	-
Student transportation services				
Salaries	-	171,329	171,329	-
Employee benefits	-	18,900	18,900	-
Purchased services	26,940	2,609	2,609	-
Total student transportation services	26,940	192,838	192,838	-
Operation of plant				
Salaries	-	873,267	271,826	601,441
Employees benefits	-	329,533	-	329,533
Purchased services	-	28,000	-	28,000
Materials and supplies	308,000	827,368	385,036	442,332
Total operation of plant	308,000	2,058,168	656,862	1,401,306
Maintenance of plant				
Salaries	2,500	33,019	33,019	-
Employee benefits	369	-	-	-
Total maintenance of plant	2,869	33,019	33,019	-
Administrative technology services				
Salaries	-	1,302	1,302	-
Total administrative technology services	-	1,302	1,302	-
Community services				
Salaries	-	135,746	135,746	-
Employees benefits	-	11,405	11,405	-
Other	-	1,095	1,095	-
Total community services	-	148,246	148,246	-
Capital outlay				
Other capital outlay	-	-	53,877	(53,877)
Total capital outlay	-	-	53,877	(53,877)
Total expenditures	3,440,728	16,354,238	3,863,171	12,491,067
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Pension Trust Fund	Private - Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 93,502	\$ 261,297	\$ 2,088,017
Investments			
Mutual funds	9,704,547	-	-
Inventory	-	-	1,479
Total assets	\$ 9,798,049	\$ 261,297	\$ 2,089,496
Net position			
Restricted for:			
Pensions	\$ 9,798,049	\$ -	\$ -
Held in trust for scholarships	-	261,297	-
Individuals and organizations	-	-	2,089,496
Net position	\$ 9,798,049	\$ 261,297	\$ 2,089,496

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Pension Trust Fund	Private - Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Student group collections	\$ -	\$ -	\$ 2,757,370
Reimbursement of purchased services	60,219	-	-
Total contributions	<u>60,219</u>	<u>-</u>	<u>2,757,370</u>
Investment Earnings and Losses:			
Interest and dividends	189,472	310	-
Gain on sale of investments	644,833	-	-
Net increase in the fair value of investments	1,400,081	-	-
Total additions	<u>2,294,605</u>	<u>310</u>	<u>2,757,370</u>
DEDUCTIONS			
Administrative expenses	695,702	-	-
Student group disbursements	-	-	2,857,107
Total deductions	<u>695,702</u>	<u>-</u>	<u>2,857,107</u>
Change in net position	1,598,903	310	(99,737)
Net Position - beginning	8,199,146	260,987	-
Adjustment to beginning net position	-	-	2,189,233
Net position - beginning, as restated	<u>8,199,146</u>	<u>260,987</u>	<u>2,189,233</u>
Net Position - ending	<u>\$ 9,798,049</u>	<u>\$ 261,297</u>	<u>\$ 2,089,496</u>

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



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District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2021

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District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2021

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NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Criteria for determining if other entities are 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 School Board are such that the exclusion would cause the District's basic financial statements to be misleading. Based on these criteria, the following component units are included within the District's reporting entity:

Blended Component Unit

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

Discretely Presented Component Unit

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

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

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

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

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

1. Government-wide Financial Statements

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

Government-wide financial statements include separate columns for the primary government and its component units. *Governmental activities* are supported by taxes and intergovernmental revenues. The primary government is reported separately from the legally separate *component units* for which the primary government is financially accountable.

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

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

2. Fund Financial Statements

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

Fund financial statements for the District's governmental and fiduciary funds are presented after the government-wide financial statements. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. The fiduciary fund statements include financial information for the custodial funds, the pension trust fund, and private purpose trust funds.

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

The District reports the following major governmental funds:

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

Additionally, the District reports the following fiduciary fund types:

- Pension Trust Fund – to account for resources used to finance the Early Retirement Plan (ERP).
- Private-Purpose Trust Funds – to account for resources of the following scholarship trust funds: M.H. Correll Research Trust Fund; T.L. Showalter Scholarship Trust Fund; J.M. Phillips, Jr., Memorial Trust Fund; Clara Neuman Scholarship Trust Fund; Dr. Tom Goodman Scholarship Trust Fund; Cecele S. Gryl Trust Fund; and Nonendowment Scholarship Trust Fund.
- Custodial Funds – to account for resources of the school internal funds which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

Noncurrent Governmental Assets/Liabilities

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

C. Measurement Focus and Basis of Accounting

1. Government-wide Financial Statements

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

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

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

2. Governmental Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

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

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

3. Fiduciary Fund Financial Statements

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

4. Component Units

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

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

1. Deposits and Investments

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

The Board has a formal investment policy. The purpose of this policy is to set forth the investment objectives and parameters for the management of the District's public funds. These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. The District's investment policy limits investments to a maximum of 5 years or less.

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

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. The second highest priority is liquidity of funds, and the third highest priority is investment income.

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Section 218.45, Florida Statutes, limits the types of investments that the District can invest in unless specifically authorized in the District's investment policy. The District has a formal investment policy that allows for the following investments: Florida PRIME, United States Government securities, United States Government agencies, Federal instrumentalities (United States Government sponsored agencies), interest bearing time deposit or money market accounts, repurchase agreements, commercial paper, bankers' acceptances, municipal obligations, registered investment companies (money market mutual funds), and intergovernmental investment pools.

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

The Florida PRIME investment pool operates under investment guidelines established by Section 215,47, Florida Statues. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7 like external investment pool, as of June 30, 2021, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The District also invests in the FL PALM Portfolio, a SEC 2a7 like external investment pool. This investment pool only invests in high quality money market instruments. The Florida PRIME and FL PALM investments are reported amortized cost.

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

2. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Warehouse inventories are stated at weighted average unit cost. Food service inventories are stated at the last invoice cost, which approximates the first-in, first-out basis, except that United States Department of Agriculture surplus donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when consumed on government-wide financial statements and as expenditures when purchased on fund financial statements. However, inventory and prepaid balances are offset on the balance sheet by nonspendable fund balance accounts to indicate that they do not constitute available expendable resources, even though they are components of current assets.

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

3. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000 and having a useful life of 2 years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date of donation. Buildings and capital equipment totaling \$21,138,038 acquired or constructed prior to the 1979-80 fiscal year are stated at estimated historical cost using FDOE average square foot construction costs for the year of acquisition or construction.

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

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

<u>Assets</u>	<u>Years</u>
Improvements Other than Building	10 - 40
Buildings and Fixed Equipment	50
Furniture, Fixtures, and Equipment	3 - 15
Motor Vehicles	5 - 10
Property Under Capital Lease	6
Audio Visual Materials and Computer Software	3 - 5

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

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 first is the deferred charge on refunding reported in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third, deferred outflows of resources related to pensions and OPEB, are discussed in subsequent notes.

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

5. Compensated Absences

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

6. Other Long-Term Liabilities

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

7. Pensions

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

8. Other Postemployment Benefits Obligation

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

E. Revenue Sources

1. State Revenue Sources

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

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

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

2. District Property Taxes

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

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

The Board adopted the 2020 tax levy on September 8, 2020. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

Millage and taxes levied for the current year are presented in Note III.

3. Federal Revenue Sources

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

4. Educational Impact Fees

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

5. Voted Additional Millage

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

6. Capital Outlay Surtax

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

F. FUND BALANCE REPORTING

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, establishes hierarchy for fund balance classifications and the constraints imposed on the uses of the resources. The District reports its governmental fund balances in the following categories, as applicable:

Nonspendable

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

Restricted

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

Committed

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e. the Board). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District did not have any committed fund balance as of June 30, 2021.

Assigned

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

Unassigned

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

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The following is a schedule of fund balances by category as of June 30, 2021:

	Major Funds				Total Governmental Funds
	General	Capital Projects - Local Capital Improvement Tax	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	
Fund Balances					
Nonspendable:					
Inventories	\$ 470,897	\$ -	\$ -	\$ 229,752	\$ 700,649
Prepaid Items	103,484	-	-	-	103,484
Spendable:					
Restricted:					
State Req. Carryover	4,179,245	-	-	-	4,179,245
Food Service	-	-	-	4,334,551	4,334,551
Debt Service	-	-	-	2,150,948	2,150,948
Capital Projects	-	64,195,591	50,848,268	3,714,004	118,757,863
Voted Millage Initiatives	12,109,339	-	-	-	12,109,339
Other Purposes	1,267,094	-	-	-	1,267,094
Assigned					
Self-insurance	3,227,559	-	-	-	3,227,559
Other assigned	7,442,329	-	-	-	7,442,329
Unassigned	13,218,494	-	-	-	13,218,494
Total Fund Balances	\$ 42,018,441	\$ 64,195,591	\$ 50,848,268	\$ 10,429,255	\$ 167,491,555

Minimum Fund Balance Policy

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

G. ACCOUNTING CHANGE

Governmental Accounting Standards Board Statement No. 84. The District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The District considers the school internal funds to meet the criteria for reporting as fiduciary activities in the custodial funds. In accordance with GASB Statement No. 84, payables are only presented to the extent the District is compelled to pay at fiscal year-end. As such, accounts payable were reduced and the beginning net position of the custodial funds was increased by \$2,189,233.

H. USE OF ESTIMATES

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

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Basis of Accounting

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

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

NOTE III - PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2020 tax roll for the 2020-21 fiscal year:

<u>Tax Roll</u>	<u>Millages</u>	<u>Taxes Levied</u>
General Fund		
Nonvoted School Tax:		
Required Local Effort	3.699	\$ 93,718,684
Basic Discretionary Local Effort	0.748	18,951,494
Voted Additional Millage Levy	0.500	12,668,111
Capital Projects Funds		
Nonvoted Tax:		
Local Capital Improvements	1.500	38,004,332
Total	<u>6.447</u>	<u>\$163,342,621</u>

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NOTE IV – INVESTMENTS

As of June 30, 2021, the District had the following investments and maturities:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration:		
Florida Prime ⁽¹⁾	50 Day Average	\$ 52,271,093
Debt Service Accounts ⁽²⁾	6 Months	65,431
PFM Funds Government Series Money Market Fund ⁽¹⁾	46 Day Average	-
Wells Fargo Advantage Government Money Market Fund ⁽¹⁾	32 Day Average	-
Florida Palm Public Assets ⁽¹⁾	56 Day Average	23,408,953
Wells Fargo Cash with Fiscal Agent ⁽³⁾	23 Day Average	2,085,516
US Bank Money Market Fund ⁽¹⁾	28 Day Average	4,461
Corporate Short Term Obligations ⁽¹⁾	N/A	1,348,961
U.S. Government Issues ⁽²⁾	N/A	13,642,190
US Bank Money Market Fund ⁽¹⁾	28 Day Average	93,502
Mutual Funds - Equity ⁽²⁾	N/A	7,203,336
Mutual Funds - Fixed Income ⁽²⁾	N/A	2,501,211
Total Investments, Primary Government		<u>\$ 102,624,654</u>

Notes:

(1) These investments are classified as cash and cash equivalents on the basic financial statements.

(2) The quoted prices for identical assets in the active market was used to determine the fair value (Level 1 inputs).

(3) These investments are being held by fiscal agent for debt payment due July 1, 2021.

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

	<u>Statement of Net Position</u>
Fair Value of Investments	\$ 102,624,654
Cash in Bank	<u>80,755,709</u>
Total	<u>\$ 183,380,363</u>
Cash and Cash Equivalents - Statement of Net Position	\$ 155,439,862
Cash with Fiscal Agents - Statement of Net Position	2,085,516
Cash and Cash Equivalents - Fiduciary Funds	<u>2,442,816</u>
Total Cash and Cash Equivalents	159,968,194
Investments - Statement of Net Position	13,707,622
Investments - Fiduciary Funds	<u>9,704,547</u>
Total Investments	<u>23,412,169</u>
Total	<u>\$ 183,380,363</u>

Fair Value Measurement

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy provides that investments of current operating funds shall have maturities of no longer than twelve (12) months. Investments of reserves, project funds, debt proceeds, and other non-operating funds ("core fund") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes "weighted average maturity" as a measurement of interest rate risk and as of June 30, 2021, the investment portfolio had a weighted average maturity of 0.14 years.

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on the liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund, to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene and emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such 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, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

Credit Risk

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

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

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

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

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

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

As of June 30, 2021, the District's money market funds were individually rated AAAM by Standard & Poor's. The FL PALM was rated AAAM by Standard & Poor's and fixed income and equity mutual funds are not rated. Florida PRIME was rated AAAM by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investments in obligations of the United States Government agencies and instrumentalities and corporate debt securities are held by the safekeeping agent, in the name of the District. As of June 30, 2021, the District's investment portfolios were held with a third-party custodian as required by the District's investment policy.

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

Concentration of Credit Risk

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

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

NOTE V – DUE FROM OTHER GOVERNMENTAL AGENCIES

As of June 30, 2021, the District has a total of \$8,825,602 due from other agencies as follows:

- General Fund – \$165,163
\$140,891 is due from the Department of Education for the Early Learning Coalition Program.
\$22,448 is due from the Department of Children and Families for Medicaid Reimbursement.
\$1,767 is due from the U.S. Department of Defense for the JROTC Army program.
\$57 is due from the Martin County Tax Collector for bank interest.
- Special Revenue – Food Services Fund - \$268,080
\$268,080 is due from the Department of Agriculture for the Summer Feeding Program.
- Special Revenue – Other Federal Programs Fund - \$2,463,760
\$2,463,760 is due from the Federal government for various grants and programs.
- Special Revenue – Federal Education Stabilization Fund - \$2,325,703
\$2,325,703 is due from the Federal government for various grants and programs.
- Capital Project – Local Capital Improvement Tax Fund - \$17
\$17 is due from the Martin County Tax Collector for bank interest.
- Capital Project – Other Capital Projects Fund - \$3,602,879
\$1,634,691 is due from the State of Florida for local sales tax levy collections.
\$1,959,423 is due from the Martin County Tax Collector for impact fee collections.
\$8,765 is due from Florida Department of Revenue for the Fuel Tax Refund.

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NOTE VI - CAPITAL ASSETS

Changes in capital assets are presented in the table below:

Government Activities	Balance 7/1/2020	Additions	Deletions	Transfers (1)	Balance 6/30/2021
<u>Capital Assets Not being Depreciated:</u>					
Land	\$ 12,401,732	\$ -	\$ -	\$ -	\$ 12,401,732
Construction in Progress	5,459,350	6,537,071	-	(5,354,715)	6,641,706
Subtotal	17,861,082	6,537,071	-	(5,354,715)	19,043,438
<u>Capital Assets being Depreciated:</u>					
Improvements Other than Buildings	24,713,999	1,955,820	-	-	26,669,819
Buildings and Fixed Equipment	490,613,886	2,996,274	-	5,354,715	498,964,875
Furniture, Fixtures, and Equipment	31,425,550	1,497,955	644,132	-	32,279,373
Motor Vehicles	13,680,436	1,048,715	706,859	-	14,022,292
Property Under Capital Lease	976,904	256,697	311,815	-	921,786
Audio Visual Materials and Software	4,441,040	-	-	-	4,441,040
Subtotal	565,851,815	7,755,461	1,662,806	5,354,715	577,299,185
<u>Less Accumulated Depreciation for:</u>					
Improvements Other than Buildings	15,693,527	736,617	-	-	16,430,144
Buildings and Fixed Equipment	161,580,081	9,674,508	-	-	171,254,589
Furniture, Fixtures, and Equipment	28,350,793	1,487,553	607,306	-	29,231,040
Motor Vehicles	9,482,767	1,479,200	706,859	-	10,255,108
Property Under Capital Lease	309,193	332,750	259,846	-	382,097
Audio Visual Materials and Software	4,441,040	-	-	-	4,441,040
Total Accumulated Depreciation	219,857,401	13,710,628	1,574,011	-	231,994,018
Depreciable Capital Assets - Net	345,994,414	(5,955,167)	88,795	5,354,715	345,305,167
Governmental Activities Capital Assets, Net	\$ 363,855,496	\$ 581,904	\$ 88,795	\$ -	\$ 364,348,605

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

The class and amount of property under capital lease is presented on Note VII A.

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

Instruction	\$ 3,570,478
Student Support Services	26,463
Instructional Media Services	189,008
Instructional Related Technology	322,820
General Administration	2,911
School Administration	435,343
Facilities Services	2,233,998
Fiscal Services	4,369
Food Services	914,634
Central Services	331,408
Student Transportation Services	1,362,224
Operation of Plant	3,159,295
Maintenance of Plant	437,460
Administrative Technology Services	717,214
Community Services	3,003
Total Depreciation Expense	<u>\$ 13,710,628</u>

NOTE VII – LONG-TERM OBLIGATIONS

A. OBLIGATIONS UNDER CAPITAL LEASE

The class and amount of property being acquired under capital lease are as follows:

	<u>Asset Balance</u>
Copy Machines	\$921,786

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

Capital Lease			
<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 177,628	\$ 163,053	\$ 14,575
2023	173,889	165,053	8,836
2024	131,799	128,151	3,648
2025	32,439	31,740	699
2026	2,703	2,695	8
Total	<u>\$ 518,458</u>	<u>\$ 490,692</u>	<u>\$ 27,766</u>

The stated interest rates are 3.5 percent.

B. CERTIFICATES OF PARTICIPATION

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

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$1 per year. The property covered by the ground lease is, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the site included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to 30 years from the date of inception of the arrangement. The initial terms of the lease agreement for the Series 2005A is 20 years commencing on December 2005. The initial term of the Series 2014A, Refunding is 18 years.

The District property included in the ground lease under this arrangement is the Dr. David L. Anderson Middle School.

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

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

Certificates of Participation

Fiscal Year	Principal	Interest	Total
2022	\$ 1,590,000	\$ 951,281	\$ 2,541,281
2023	1,670,000	869,781	2,539,781
2024	1,750,000	784,281	2,534,281
2025	1,835,000	694,656	2,529,656
2026	1,925,000	600,657	2,525,657
2027-2031	8,570,000	1,591,647	10,161,647
2032	4,795,000	242,626	5,037,626
Total minimum lease payments	22,135,000	5,734,929	27,869,929
Plus: unamortized premium	2,092,213	-	2,092,213
Total certificates of participation	\$ 24,227,213	\$ 5,734,929	\$ 29,962,142

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C. BONDS PAYABLE

Bonds payable as of June 30, 2021, are as follows:

<u>Bond Type</u>	<u>Interest Rate</u>	<u>Annual Maturity to</u>	<u>Amount Outstanding</u>
State School Bonds:			
Series 2011A	3% - 5%	2023	\$ 415,000
Series 2014A	5%	2024	682,000
Series 2017A	3% - 5%	2028	1,581,000
Series 2020A	5%	2022	<u>129,000</u>
Total bonds payable			<u>\$ 2,807,000</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.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2021, are as follows:

Bonds Payable

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 776,000	\$ 130,370	\$ 906,370
2023	701,000	95,570	796,570
2024	530,000	64,820	594,820
2025	306,000	38,320	344,320
2026	332,000	23,020	355,020
2027-2028	<u>162,000</u>	<u>8,940</u>	<u>170,940</u>
Total	<u>\$ 2,807,000</u>	<u>\$ 361,040</u>	<u>\$ 3,168,040</u>

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D. CHANGES IN LONG-TERM LIABILITIES

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

Governmental Activities	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021	Due in One Year
Certificates of Participation	\$ 23,645,000	\$ -	\$ 1,510,000	\$ 22,135,000	\$ 1,590,000
Unamortized Premiums	2,282,414	-	190,201	2,092,213	190,201
Total Certificates of Participation Payable	25,927,414	-	1,700,201	24,227,213	1,780,201
Obligations Under Capital Lease	553,898	256,697	319,903	490,692	163,053
Bonds Payable	3,576,000	-	769,000	2,807,000	776,000
Compensated Absences Payable	13,295,612	6,587,006	8,779,646	11,102,972	745,013
Other Postemployment Benefits Obligation	41,879,937	6,029,803	1,890,873	46,018,867	1,826,811
Net Pension Liability	109,009,227	73,902,694	42,742,881	140,169,040	425,494
Total Governmental Activities	\$ 194,242,088	\$ 86,776,200	\$ 56,202,504	\$ 224,815,784	\$ 5,716,572

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

NOTE VIII - INTERFUND TRANSFERS AND ACTIVITIES

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

	Transfers In	Transfers Out
Major Funds:		
General	\$ 10,700,136	\$ 6,443
Capital Projects:		
Local Capital Improvement Tax	-	11,999,686
Other Capital Projects	-	1,128,385
Nonmajor Governmental Funds	2,598,098	163,720
Total	\$ 13,298,234	\$ 13,298,234

The purpose of the transfer out from the General Fund to the Food Service Fund was to provide funding received for the Childcare Feeding Program. The purpose of the transfer out from Capital Projects – Public Education Capital Outlay Fund to the General Fund was for charter school PECO required disbursements. The purpose of the transfer out from Local Capital Improvement Tax Fund to the General Fund was for vehicle and equipment acquisitions, maintenance, and property and casualty insurance. Transfers out from Capital Projects – Other Capital Outlay Fund to the General Fund was to provide the charter schools with their portion of the sales tax and safety grant proceeds. Transfers out from the Local Capital Improvement Tax Fund and the Capital Projects – Other Capital Outlay Fund to the Debt Service – Other Fund was made in order to make the required interest and principal payment for the Certificates of Participation, 2014A.

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Due to/from other funds consisted of the following balances as of June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 3,988,092	\$ -
Special Revenue:		
Other Federal Programs	-	1,957,817
Federal Education Stabilization	-	2,030,275
Total interfund	<u>\$ 3,988,092</u>	<u>\$ 3,988,092</u>

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

NOTE IX – EMPLOYEE BENEFITS

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

<u>Defined Benefit Pension Plans</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Florida Retirement System	\$ 99,354,348	\$ -	\$ 39,724,553	\$ 2,101,873	\$ 20,651,900
HIS Pension Plan	40,814,692	-	10,213,329	3,177,018	3,413,204
Early Retirement Plan	-	388,003	-	255,885	131,797
Total	<u>\$ 140,169,040</u>	<u>\$ 388,003</u>	<u>\$ 49,937,882</u>	<u>\$ 5,534,776</u>	<u>\$ 24,196,901</u>

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

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

Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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

The District's FRS and HIS pension expense totaled \$24.1 million for the fiscal year ended June 30, 2021.

FRS Pension Plan

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

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

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

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

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

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

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

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

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Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-21 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer ⁽¹⁾
FRS, Regular	3.00	10.00
FRS, Elected County Officers	3.00	49.18
FRS, Senior Management Service	3.00	27.29
DROP – Applicable to Members from all of the Above Classes	-	16.98
FRS, Reemployed Retiree	(2)	(2)

Notes:

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

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

The District’s contributions to the Plan totaled \$9,053,898 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2021, the District reported a liability of \$99,354,348 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District’s proportionate share of the net pension liability was based on the District’s 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. As of June 30, 2020, the District’s proportionate share was 0.229236201 percent, which was an increase of 0.014019094 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$20,651,900 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,802,493	\$ -
Change of assumptions	17,986,298	-
Net difference between projected and actual earnings on FRS pension plan investments	5,915,653	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	2,966,211	2,101,873
District FRS contributions subsequent to the measurement date	9,053,898	-
Total	\$ 39,724,553	\$ 2,101,873

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The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$9,053,898, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 5,627,912
2023	8,992,796
2024	7,769,315
2025	4,753,253
2026	<u>1,425,506</u>
Total	<u>\$ 28,568,782</u>

Actuarial Assumptions. The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2020, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	100%			
Assumed inflation - mean			2.4%	1.7%

Note:

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

Discount Rate. The discount rate used to measure the total pension liability was 6.8 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2020 valuation was updated from 6.9 percent to 6.8 percent.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	1% Decrease 5.8%	Current Discount Rate 6.8%	1% Increase 7.8%
District's proportionate share of the net pension liability	\$ 158,652,196	\$ 99,354,348	\$ 49,828,527

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

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$1,864,832 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2021, the District reported a net pension liability of \$40,814,692 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, and updated procedures were used to determine the net pension liability as of June 30, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. As of June 30, 2020, the District's proportionate share was 0.334277124 percent, which was an increase of 0.02244001 percent from its proportionate share measured as of June 30, 2019.

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For the fiscal year ended June 30, 2021, the District recognized the HIS Plan pension expense of \$3,413,204. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,669,568	\$ 31,486
Change of assumptions	4,388,742	2,373,215
Net difference between projected and actual earnings on HIS pension plan investments	32,587	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	2,257,601	772,317
District HIS contributions subsequent to the measurement date	<u>1,864,832</u>	<u>-</u>
Total	<u>\$ 10,213,330</u>	<u>\$ 3,177,018</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$1,864,832, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 1,163,328
2023	1,026,484
2024	436,350
2025	710,872
2026	886,688
Thereafter	<u>947,758</u>
Total	<u>\$ 5,171,480</u>

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	2.21 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projected Scale BB.

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

Discount Rate. The discount rate used to measure the total pension liability was 2.21 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.50 percent to 2.21 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.21 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21 percent) or 1 percentage point higher (3.21 percent) than the current rate:

	1% Decrease <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase <u>3.21%</u>
District's proportionate share of the net pension liability	\$ 47,179,963	\$ 40,814,692	\$ 35,604,737

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

B. FRS – Defined Contribution Pension Plan

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

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

District School Board of Martin County, Florida
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Allocations to the Investment Plan member accounts during the 2020-21 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District’s Investment Plan pension expense totaled \$3.1 million for the fiscal year ended June 30, 2021.

C. EARLY RETIREMENT PLAN

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

Benefits Provided.

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
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Employees Covered by Benefit Terms.

As of June 30, 2020, employee membership data related to the Plan were as follows:

Summary of Population Statistics

Inactive ERP Members or Beneficiaries Currently Receiving Benefits	67
Inactive ERP Members Entitled to But Not Yet Received Benefits	-
Active ERP Members	-
Total ERP Members	<u>67</u>

The ERP is closed to new entrants.

Contributions.

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

All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose. No contributions were made in the current year.

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

Investments.

Investment Policy

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 28.29 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset).

The District's net pension liability (asset) was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to determine the net pension liability (asset) as of June 30, 2020.

District School Board of Martin County, Florida
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The components of the net pension liability (asset) of the ERP as of June 30, 2021, were as follows:

Total Pension Liability	\$	7,811,143
Plan Fiduciary Net Position		<u>8,199,146</u>
Net Pension Liability (Asset)	\$	<u>(388,003)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		104.97%

Actuarial Assumptions.

The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurements:

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

Mortality rates were based on RP-2000 Healthy Annuitant Mortality Tables with generational mortality projections from year 2000 using SOA projection scale BB. 100 percent White Collar Annuitant rates are used for female members, a blend of 50 percent White Collar rates with 50 percent Blue Collar rates are used for male participants.

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

The long-term real expected rate of return of the ERP is 5.5 percent. The geometric real rates of return for each major asset class included in the ERP target allocation as of June 30, 2021, are summarized in the following table:

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

District School Board of Martin County, Florida
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<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	7.50%
International Equity	7.60%
Emerging Markets Equity	7.90%
Core Fixed Income	3.80%
Investment Grade Corporate	4.20%
High Yield	6.00%
Emerging Markets Debt	6.10%

Discount Rate.

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

Changes in the Net Pension Liability (Asset).

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balances at June 30, 2020	\$ 7,859,797	\$ 8,400,010	\$ (540,213)
Changes for the year:			
Interest	413,757		413,757
Differences between expected and actual experience	211,472		211,472
Assumption changes			
Contributions - employer			
Net investment income		497,713	(497,713)
Benefit payments, including refunds of employee contributions	(673,883)	(673,883)	-
Administrative expense		(24,694)	24,694
Net changes	(48,654)	(200,864)	152,210
Balances at June 30, 2021	\$ 7,811,143	\$ 8,199,146	\$ (388,003)

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.

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

	1% Decrease	Current	1% Increase
	4.5%	Discount Rate	6.5%
	4.5%	5.5%	6.5%
Net Pension Liability (Asset)	\$ 272,978	\$ (388,003)	\$ (964,440)

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

For the year ended June 30, 2021, the District recognized pension expense of \$131,797.

As of June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the ERP from the following sources:

Description	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 255,885
Total	\$ -	\$ 255,885

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

Fiscal Year Ending June 30	Amount
2022	\$ (143,734)
2023	(76,417)
2024	(24,751)
2025	(10,983)
Total	\$ (255,885)

D. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, the District must offer similar health care benefits for retired employees as it does to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees for health, dental, vision, and life insurance benefits. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. All of the District’s employees may become eligible for those benefits if they reach normal retirement age (as defined by the pension or investment option) and have at least 6 years of service with the District and are activating their pension upon separation from service. Also, in accordance with union contracts and District policy, the District pays 25 percent of this benefit for employees with 15 years of service, 50 percent for employees with 20 years of service, 75 percent for employees with 25 years of service, and 100 percent for employees with 30 years of service for those employees that retire and are under the age of 65 and not eligible for Medicare. For retirees over the age 65 or Medicare eligible, with 15 or more years of service with the District that were hired on or before June 30, 2011 and either (1) receive medical insurance benefit through the District as of December 31, 2015, or (2) the employee retires on or after December 31, 2015, will receive a District Health Insurance Subsidy in the amount of \$5 per month for each year of service for a maximum of 30 years. All service must be within the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides self-insured health and hospitalization plan for medical and prescription drug benefits and fully-insured life insurance coverage benefits for retirees and their dependents. The OPEB Plan provides an explicit subsidy as described above.

Employees Covered by Benefit Terms. As of June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	926
Active Employees	<u>2,348</u>
Total	<u><u>3,274</u></u>

Total OPEB Liability. The District’s total OPEB liability of \$46,018,866 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2021

Actuarial Assumptions and Other Inputs:

Valuation Date: June 30, 2019

Measurement Date: June 30, 2020

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Roll Forward Procedures	The Total OPEB Liability was rolled forward 12 months from the Valuation Date to the Measurement Date using standard actuarial techniques.
Inflation	2.25%
Discount Rate	2.45%
Salary Increases	Salary increase rates used in the July 1, 2020 actuarial valuation of the FRS; 3.6 percent – 8.0 percent, including inflation.
Retirement Age	Retirement rates used in the July 1, 2020 actuarial valuation of the FRS. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Mortality	Mortality tables used in the July 1, 2020 actuarial valuation of the FRS. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at negative (-) 8.9 percent, followed by 6.25 percent and gradually decreasing to an ultimate trend rate of 3.99 percent.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.

Changes to the Total OPEB Liability. Below are the details regarding the total OPEB liability for the period from June 30, 2020, to June 30, 2021:

Total OPEB Liability – at 6/30/2020	\$ 41,879,937
Service cost	1,065,449
Interest on the Total OPEB Liability	1,314,598
Changes in assumptions and other inputs	3,649,755
Benefit payments	<u>(1,890,873)</u>
Net change in Total OPEB Liability	<u>4,138,929</u>
Total OPEB Liability – at 6/30/2021	<u>\$ 46,018,866</u>

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
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The changes of assumptions and other inputs were based on the following:

- The discount rate changed from 3.13 percent as of the beginning of the measurement period to 2.45 percent as of June 30, 2020.
- The salary increase rates were changed to reflect revisions made by FRS for its July 1, 2020 Actuarial Valuation.
- The load for modeling the excise (“Cadillac”) tax on healthcare plans was removed, as the excise tax no longer applies.

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

1% Decrease	Current Discount Rate Assumption	1% Increase
1.45%	2.45%	3.45%
\$ 52,598,470	\$ 46,018,866	\$ 40,558,118

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

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 44,752,691	\$ 46,018,866	\$ 47,479,667

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2021, the District recognized OPEB expense of \$1,316,928. On June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 920,105
Changes in assumptions and other inputs	3,253,042	6,884,610
Benefits paid after the measurement date	1,826,811	-
Total	\$ 5,079,853	\$ 7,804,715

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2021

The total amount reported as deferred outflows of resources related to OPEB, totaling \$1,826,811 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Years Ending June 30,</u>	
2022	\$ (1,063,119)
2023	(1,063,119)
2024	(1,063,119)
2025	(1,007,972)
2026	(506,715)
Thereafter	<u>152,371</u>
Total	<u>\$ (4,551,673)</u>

NOTE X – OTHER INFORMATION

A. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District’s State revenue sources for the 2020-21 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 23,669,715
Categorical Program (Class Size Reduction)	21,575,697
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,655,742
Workforce Development Program	1,109,196
Voluntary Prekindergarten	862,450
Gross Receipts Tax (Public Education Capital Outlay)	163,720
Miscellaneous	<u>703,983</u>
Total	<u>\$ 49,740,503</u>

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

B. RISK MANAGEMENT PROGRAMS

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

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

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except named wind and flood). The named wind/hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence and a maximum of \$25,000,000 per occurrence. The deductible for all other wind events is \$100,000. Special hazard flood area deductibles are \$500,000 per building and \$500,000 contents plus \$100,000-time element per occurrence. The flood deductible outside a special flood hazard area is \$100,000. SCERMP's purchased excess property loss limit during the 2020-21 fiscal year was \$100 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2020-21 fiscal year was \$1 million. SCERMP purchases excess liability coverage through a commercial insurance carrier, which covers workers' compensation losses in excess of the self-insured retention. Employers' liability is included subject to a maximum of \$2,000,000 per occurrence.

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

During the 2020-21 fiscal year, the Board provided health and prescription insurance through purchased commercial insurance. Dental and vision coverage were also provided through purchased commercial insurance under a separate agreement.

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2021

C. SIGNIFICANT COMMITMENTS

Encumbrances

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

The following is a schedule of encumbrances as of June 30, 2021:

Major Funds						
General	Capital Projects - Local Capital Improvement Tax	Capital Projects - Other Capital Projects	Special Revenue - Other Federal Programs	Special Revenue - Federal Education Stabilization Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 320,048	\$ 3,754,625	\$ 1,575,141	\$ 20,189	\$ 129,237	\$ 201,713	\$ 6,000,953

Construction Contracts

Encumbrances include the following construction contract commitments remaining as of June 30, 2021:

Project		Contract Amount	Completed to Date
Instructional Center Administrative Board Room Renovations	Architect	\$ 578,211	\$ 333,957
Jensen Beach Elementary School Replacement	Architect	1,349,411	996,751
Jensen Beach Elementary School Replacement	Contractor	70,000	35,000
Jensen Beach High School Thermal Energy Storage	Architect	34,400	32,200
Jensen Beach High School Thermal Energy Storage	Contractor	2,528,776	2,078,321
Palm City Elementary School Replacement	Architect	1,262,624	932,749
Palm City Elementary School Replacement	Contractor	70,000	30,000
South Fork High School Athletic Complex	Architect	923,832	365,832
Stuart Middle School	Architect	929,160	718,701
Administration/Media/Food Svc Buildings	Contractor	1,005,682	898,483
		<u>\$ 8,752,096</u>	<u>\$ 6,421,994</u>

D. SUBSEQUENT EVENT

Certificates of Participation, Series 2021

On July 1, 2021, the District issued \$40,000,000 Certificates of Participation, Series 2021 ("Certificates"). The Certificates were issued to provide funds for the purpose of (1) financing the costs of the acquisition, construction, installation and/or equipping certain educational and related facilities in the District including replacement/renovation of Jensen Beach Elementary and Palm City Elementary Schools and (2) paying the costs of issuance of the Series 2021 Certificates.



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OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

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



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 1,065,449	\$ 1,202,488	\$ 1,167,839
Interest	1,314,598	1,745,521	1,695,732
Difference between expected and actual experience *	-	(1,212,201)	-
Changes in assumptions and other inputs	3,649,755	(5,920,096)	(387,213)
Benefit Payments	<u>(1,890,873)</u>	<u>(1,904,213)</u>	<u>(1,946,032)</u>
Net change in total OPEB liability	4,138,929	(6,088,501)	530,326
Total OPEB liability - beginning	41,879,937	47,968,438	47,438,112
Total OPEB liability - ending	<u>\$ 46,018,866</u>	<u>\$ 41,879,937</u>	<u>\$ 47,968,438</u>
Covered-employee payroll	\$ 121,922,430	\$ 99,240,446	\$ 93,440,036
Net OPEB liability as a percentage of covered-employee payroll	37.74%	42.20%	51.34%

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

Changes of Assumptions:

The discount rate was changed from 3.13 percent as of the beginning of the measurement period to 2.45 percent as of June 30, 2020.

The salary increase rates were changed to reflect revisions made by FRS for its July 1, 2020 Actuarial Valuation.

The load for modeling the excise ("Cadillac") tax on healthcare plans was removed, as the excise tax no longer applies.

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Changes in Net Pension and Related Ratios
Early Retirement Plan
Last 7 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability				
Interest	\$ 413,757	\$ 423,734	\$ 450,442	\$ 452,951
Difference between expected and actual experience Changes of assumptions	211,472	77,234	(267,516)	148,344
Benefit payments, including refunds of member contributions	(673,883)	(690,849)	(646,195)	(647,633)
Net change in total pension liability	<u>(48,654)</u>	<u>(189,881)</u>	<u>(463,269)</u>	<u>(46,338)</u>
Total pension liability - beginning	<u>7,859,797</u>	<u>8,049,678</u>	<u>8,512,947</u>	<u>8,559,285</u>
Total pension liability - ending (a)	<u><u>\$ 7,811,143</u></u>	<u><u>\$ 7,859,797</u></u>	<u><u>\$ 8,049,678</u></u>	<u><u>\$ 8,512,947</u></u>
Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ -	\$ 700,000
Net investment income	497,713	521,580	709,653	762,784
Benefit payments, including refunds of member contributions	(673,883)	(690,849)	(646,195)	(647,633)
Administrative expense	(24,694)	(16,217)	(13,500)	(5,000)
Net change in plan fiduciary net position	<u>(200,864)</u>	<u>(185,486)</u>	<u>49,958</u>	<u>810,151</u>
Plan fiduciary net position - beginning	<u>8,400,010</u>	<u>8,585,496</u>	<u>8,535,538</u>	<u>7,725,387</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 8,199,146</u></u>	<u><u>\$ 8,400,010</u></u>	<u><u>\$ 8,585,496</u></u>	<u><u>\$ 8,535,538</u></u>
Net pension liability (asset) - ending (a) - (b)	<u><u>\$ (388,003)</u></u>	<u><u>\$ (540,213)</u></u>	<u><u>\$ (535,818)</u></u>	<u><u>\$ (22,591)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	104.97%	106.87%	106.66%	100.27%
Covered payroll*	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

*There are no active participants in the Plan

District School Board of Martin County, Florida
Required Supplementary Information - Schedule of Changes in Net Pension and Related Ratios
Early Retirement Plan
Last 7 Fiscal Years

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 465,541	\$ 351,561	\$ 519,582
(50,552)	27,805	-
-	2,327,539	-
<u>(640,176)</u>	<u>(628,886)</u>	<u>(615,802)</u>
(225,187)	2,078,019	(96,220)
8,784,472	6,706,453	6,802,673
<u>\$ 8,559,285</u>	<u>\$ 8,784,472</u>	<u>\$ 6,706,453</u>
\$ 1,200,000	\$ 1,200,000	\$ 400,000
64,392	170,867	776,328
(640,176)	(628,886)	(615,802)
<u>(15,500)</u>	<u>(13,750)</u>	<u>(6,750)</u>
608,716	728,231	553,776
7,116,671	6,388,440	5,834,664
<u>\$ 7,725,387</u>	<u>\$ 7,116,671</u>	<u>\$ 6,388,440</u>
<u>\$ 833,898</u>	<u>\$ 1,667,801</u>	<u>\$ 318,013</u>
90.26%	81.01%	95.26%
\$ -	\$ -	\$ -
N/A	N/A	N/A

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ -	\$ 15,825	\$ 9,537	\$ 10,597	\$ 207,988
Contributions in relation to the actuarially determined contribution ⁽¹⁾	-	-	-	-	700,000
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 15,825</u>	<u>\$ 9,537</u>	<u>\$ 10,597</u>	<u>\$ (492,012)</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule of Contributions:

Valuation Date: July 1, 2020
Note: Actuarially determined contribution rates are calculated as of July 1, which is one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Dollar
Remaining Amortization Period	Amortized over an open 5-year period
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	Not applicable; there are no active participants
Investment Rate of Return	5.5% per year compounded annually, net investment expenses
Retirement Age	Not applicable; there are no active participants
Mortality	Mortality rates are the same as those used by the Florida Retirement System for the July 1, 2016 valuation and are taken from the RP-2000 Mortality Tables with generational improvement projections from year 2000 using Scale BB. Female participants: RP-2000 Healthy Female Annuitant rates with 100% White Collar adjustment; Male participants: RP-2000 Healthy Female Annuitant rates with 50% Annuitant White Collar and 50% Blue Collar adjustment.

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 252,718	\$ 637,322	\$ 393,798	\$ 169,813	\$ 157,234
1,200,000	1,200,000	400,000	-	-
<u>\$ (947,282)</u>	<u>\$ (562,678)</u>	<u>\$ (6,202)</u>	<u>\$ 169,813</u>	<u>\$ 157,234</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

Other Information:

(1) For years ended 6/30/2013, 6/30/2012, and 6/30/2011, contribution requirements have been met by application of the credit balance. Contribution requirements decreased in the early 2000's. Following that decline, the District contributed more than was required, which resulted in establishing a credit balance. The District started applying the credit balance to satisfy the funding contributions beginning with the fiscal year ending June 30, 2010. The credit balance was fully exhausted during the year ending June 30, 2013.

(2) For the years ended 6/30/2018 and 6/30/2019, the contribution deficiency reflected expected administrative expenses paid directly by the General Fund (outside of the trust).

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

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

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

	2020	2019	2018	2017	2016	2015	2014	2013
District's portion of the FRS net pension liability	0.229236201%	0.215217107%	0.226861414%	0.227195853%	0.229067379%	0.238509596%	0.246269244%	0.245973665%
District's proportionate share of the FRS net pension liability	\$ 99,354,348	\$ 74,117,775	\$ 68,331,834	\$ 67,203,009	\$ 57,839,693	\$ 30,806,713	\$ 15,026,044	\$ 42,343,015
District's covered payroll ⁽²⁾	\$ 115,736,635	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	85.85%	70.71%	65.61%	66.15%	58.51%	32.35%	15.59%	43.70%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.
- (3) Changes of Assumptions. The long-term expected rate of return used to determine total pension liability decreased from 6.9 percent to 6.8 percent from the June 30, 2019, measurement date to the June 30, 2020, measurement date causing an increase in the liability.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 9,053,898	\$ 7,616,503	\$ 6,673,283	\$ 6,465,368	\$ 5,914,467	\$ 5,586,173	\$ 5,815,067	\$ 5,394,342
FRS contributions in relation to the contractually required contribution	<u>(9,053,898)</u>	<u>(7,616,503)</u>	<u>(6,673,283)</u>	<u>(6,465,368)</u>	<u>(5,914,467)</u>	<u>(5,586,173)</u>	<u>(5,815,067)</u>	<u>(5,394,342)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll ⁽²⁾	\$ 112,408,963	\$ 115,736,635	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
FRS contributions as a percentage of covered payroll	8.05%	6.58%	6.37%	6.21%	5.82%	5.65%	6.11%	5.60%

Notes:

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District’s portion of the HIS net pension liability	0.334277124%	0.311837114%	0.318813073%	0.318610851%	0.320228973%	0.313878780%	0.324298459%	33.349468300%
District’s proportionate share of the HIS net pension liability	\$ 40,814,692	\$ 34,891,452	\$ 33,743,534	\$ 34,067,342	\$ 37,321,360	\$ 32,010,698	\$ 30,322,698	\$ 29,035,097
District’s covered payroll ⁽²⁾	\$ 115,736,635	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
District’s proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.27%	33.29%	32.40%	33.53%	37.75%	33.61%	31.47%	29.97%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.
- (3) Change of Assumptions. The municipal bond rate used to determine total pension liability was decreased from 3.87 percent to 3.50 percent.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 1,864,832	\$ 1,926,282	\$ 1,731,601	\$ 1,728,931	\$ 1,686,181	\$ 1,641,378	\$ 1,199,840	\$ 1,110,937
HIS contributions in relation to the contractually required contribution	<u>(1,864,832)</u>	<u>(1,926,282)</u>	<u>(1,731,601)</u>	<u>(1,728,931)</u>	<u>(1,686,181)</u>	<u>(1,641,378)</u>	<u>(1,199,840)</u>	<u>(1,110,937)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll ⁽²⁾	\$ 112,408,963	\$ 115,736,635	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.65%	1.66%	1.66%	1.66%	1.26%	1.15%

Notes:

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

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Debt Service Funds

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

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

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

Nonmajor Governmental Funds (continued)

Capital Projects Funds

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

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

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

Fiduciary Funds

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

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Special Revenue		Debt Service		
	Food Service Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	Debt Service - Other Fund	Total Nonmajor Debt Service Funds
Assets					
Cash and cash equivalents	\$ 4,112,255	\$ 4,112,255	\$ -	\$ -	\$ -
Investments	-	-	65,432	-	65,432
Accounts receivable	19,926	19,926	-	-	-
Cash with fiscal agent	-	-	-	2,085,516	2,085,516
Due from other governmental agencies	268,080	268,080	-	-	-
Inventories	229,752	229,752	-	-	-
Total assets	\$ 4,630,013	\$ 4,630,013	\$ 65,432	\$ 2,085,516	\$ 2,150,948
Liabilities and fund balances					
Liabilities:					
Salaries and benefits payable	\$ 19,756	\$ 19,756	\$ -	\$ -	\$ -
Accounts payable	45,954	45,954	-	-	-
Total liabilities	65,710	65,710	-	-	-
Fund balances:					
Nonspendable	229,752	229,752	-	-	-
Restricted	4,334,551	4,334,551	65,432	2,085,516	2,150,948
Total fund balances	4,564,303	4,564,303	65,432	2,085,516	2,150,948
Total liabilities and fund balances	\$ 4,630,013	\$ 4,630,013	\$ 65,432	\$ 2,085,516	\$ 2,150,948

Capital Projects			
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 3,714,004	\$ 3,714,004	\$ 7,826,259
-	-	-	65,432
-	-	-	19,926
-	-	-	2,085,516
-	-	-	268,080
-	-	-	229,752
<u>\$ -</u>	<u>\$ 3,714,004</u>	<u>\$ 3,714,004</u>	<u>\$ 10,494,965</u>
\$ -	\$ -	\$ -	\$ 19,756
-	-	-	45,954
-	-	-	65,710
-	-	-	229,752
-	3,714,004	3,714,004	10,199,503
-	3,714,004	3,714,004	10,429,255
<u>\$ -</u>	<u>\$ 3,714,004</u>	<u>\$ 3,714,004</u>	<u>\$ 10,494,965</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Food Service Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	Debt Service - Other Fund
Revenues				
Federal through state and local	\$ 9,456,830	\$ 9,456,830	\$ -	\$ -
State	93,740	93,740	917,932	-
Local:				
Charges for services - food services	743,143	743,143	-	-
Miscellaneous	11,945	11,945	-	73
Total revenues	<u>10,305,658</u>	<u>10,305,658</u>	<u>917,932</u>	<u>73</u>
Expenditures				
Current:				
Food services	9,003,484	9,003,484	-	-
Capital outlay:				
Facilities acquisition and construction				
Other capital outlay	186,389	186,389	-	-
Debt Service:				
Principal	-	-	769,000	1,510,000
Interest and fees	-	-	168,268	1,028,781
Paying agent fees	-	-	405	3,000
Total expenditures	<u>9,189,873</u>	<u>9,189,873</u>	<u>937,673</u>	<u>2,541,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,115,785</u>	<u>1,115,785</u>	<u>(19,741)</u>	<u>(2,541,708)</u>
Other financing sources (uses)				
Transfers in	6,431	6,431	-	2,591,667
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>6,431</u>	<u>6,431</u>	<u>-</u>	<u>2,591,667</u>
Net change in fund balances	<u>1,122,216</u>	<u>1,122,216</u>	<u>(19,741)</u>	<u>49,959</u>
Fund balances - beginning	<u>3,442,087</u>	<u>3,442,087</u>	<u>85,173</u>	<u>2,035,557</u>
Fund balances - ending	<u>\$ 4,564,303</u>	<u>\$ 4,564,303</u>	<u>\$ 65,432</u>	<u>\$ 2,085,516</u>

Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 9,456,830
163,720	713,380	877,100	1,888,772
-	-	-	743,143
-	3,626	3,626	15,644
<u>163,720</u>	<u>717,006</u>	<u>880,726</u>	<u>12,104,389</u>
-	-	-	9,003,484
-	-	-	186,389
-	-	-	2,279,000
-	-	-	1,197,049
-	1,802	1,802	5,207
<u>-</u>	<u>1,802</u>	<u>1,802</u>	<u>12,671,129</u>
163,720	715,204	878,924	(566,740)
-	-	-	2,598,098
<u>(163,720)</u>	<u>-</u>	<u>(163,720)</u>	<u>(163,720)</u>
<u>(163,720)</u>	<u>-</u>	<u>(163,720)</u>	<u>2,434,378</u>
-	715,204	715,204	1,867,638
-	2,998,800	2,998,800	8,561,617
<u>\$ -</u>	<u>\$ 3,714,004</u>	<u>\$ 3,714,004</u>	<u>\$ 10,429,255</u>



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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Special Revenue - Food Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Federal through state and local	\$ 6,392,405	\$ 6,808,924	\$ 9,456,830	\$ 2,647,906
State	94,260	94,260	93,740	(520)
Local				
Charges for services - food services	2,456,960	2,456,960	743,143	(1,713,817)
Miscellaneous	15,807	15,807	11,945	(3,862)
Total revenues	8,959,432	9,375,951	10,305,658	929,707
Expenditures				
Current:				
Food services				
Salaries	3,225,851	2,766,915	3,114,025	(347,110)
Employee benefits	1,105,403	1,240,973	1,235,529	5,444
Purchased services	121,888	109,784	81,272	28,512
Energy services	37,219	39,181	28,055	11,126
Materials and supplies	3,765,552	5,142,293	3,822,033	1,320,260
Capital outlay	126,176	480,606	183,212	297,394
Other	451,001	826,337	539,358	286,979
Total food services	8,833,090	10,606,089	9,003,484	1,602,605
Capital outlay				
Other capital outlay	358,509	-	186,389	(186,389)
Total capital outlay	358,509	-	186,389	(186,389)
Total expenditures	9,191,599	10,606,089	9,189,873	1,416,216
Excess (deficiency) of revenues over (under) expenditures	(232,167)	(1,230,138)	1,115,785	2,345,923
Other financing sources				
Transfers in	-	6,431	6,431	-
Total other financing sources	-	6,431	6,431	-
Net change in fund balance	(232,167)	(1,223,707)	1,122,216	2,345,923
Fund balance - beginning	3,428,431	3,269,452	3,442,087	172,635
Fund balance - ending	\$ 3,196,264	\$ 2,045,745	\$ 4,564,303	\$ 2,518,558

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Debt Service - State Board of Education Bonds Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 917,570	\$ 917,570	\$ 917,933	\$ 363
Total revenues	<u>917,570</u>	<u>917,570</u>	<u>917,933</u>	<u>363</u>
Expenditures				
Debt service:				
Principal	748,000	748,000	769,000	(21,000)
Interest and fees	169,570	169,570	168,268	1,302
Paying agent fees	-	-	405	(405)
Other debt service	-	-	-	-
Total expenditures	<u>917,570</u>	<u>917,570</u>	<u>937,673</u>	<u>(20,103)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(19,740)</u>	<u>19,740</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(19,740)</u>	<u>19,740</u>
Fund balance - beginning	<u>104,443</u>	<u>85,172</u>	<u>85,172</u>	<u>-</u>
Fund balance - ending	<u>\$ 104,443</u>	<u>\$ 85,172</u>	<u>\$ 65,432</u>	<u>\$ 19,740</u>

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

	Debt Service - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local	\$ -	\$ 72	\$ 72	\$ -
Total revenues	-	72	72	-
Expenditures				
Debt service:				
Principal	5,894,857	1,556,873	1,510,000	46,873
Interest and fees	2,553,377	1,028,781	1,028,781	-
Paying agent fees	6,000	6,000	3,000	3,000
Total expenditures	8,454,234	2,591,654	2,541,781	49,873
Excess (deficiency) of revenues over (under) expenditures	(8,454,234)	(2,591,582)	(2,541,709)	(49,873)
Other financing sources (uses)				
Transfers in	8,454,234	2,591,667	2,591,667	-
Total other financing sources (uses)	8,454,234	2,591,667	2,591,667	-
Net change in fund balance	-	85	49,958	(49,873)
Fund balance - beginning	-	2,035,558	2,035,558	-
Fund balance - ending	\$ -	\$ 2,035,643	\$ 2,085,516	\$ (49,873)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

Capital Projects - Public Education Capital Outlay Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 153,921	\$ 163,720	\$ 163,720	\$ -
Total revenues	153,921	163,720	163,720	-
Expenditures				
Current:				
Facilities acquisition and construction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	153,921	163,720	163,720	-
Net change in fund balance	153,921	163,720	163,720	-
Other financing sources (uses)				
Transfers out	(153,921)	(163,720)	(163,720)	-
Total other financing sources (uses)	(153,921)	(163,720)	(163,720)	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

Capital Projects - Capital Outlay and Debt Service Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 712,980	\$ 714,962	\$ 713,380	\$ (1,582)
Local	30,000	5,000	3,626	(1,374)
Total revenues	742,980	719,962	717,006	(2,956)
Expenditures				
Debt service:				
Paying agent fees	18,558	2,000	1,802	(198)
Total expenditures	18,558	2,000	1,802	(198)
Excess (deficiency) of revenues over (under) expenditures	724,422	717,962	715,204	(2,758)
Net change in fund balance	724,422	717,962	715,204	(2,758)
Fund balance - beginning	2,962,707	2,998,800	2,998,800	-
Fund balance - ending	\$ 3,687,129	\$ 3,716,762	\$ 3,714,004	\$ (2,758)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local				
Taxes	\$ 36,484,159	\$ 36,592,987	\$ 36,592,987	\$ 0
Interest	350,000	93,413	61,288	(32,125)
Total revenues	<u>36,834,159</u>	<u>36,686,400</u>	<u>36,654,275</u>	<u>(32,125)</u>
Expenditures				
Current:				
Facilities acquisition and construction	11,268,846	31,226,954	9,431,593	21,795,361
Capital outlay:				
Facilities acquisition and construction	18,417,906	47,646,415	5,949,405	41,697,010
Other capital outlay	-	-	1,150,867	(1,150,867)
Total expenditures	<u>29,686,752</u>	<u>78,873,369</u>	<u>16,531,865</u>	<u>62,341,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,147,407</u>	<u>(42,186,969)</u>	<u>20,122,410</u>	<u>62,309,379</u>
Other financing sources (uses)				
Insurance loss recoveries	-	155,049	155,049	-
Transfers out	(14,181,076)	(11,999,686)	(11,999,686)	-
Total other financing sources (uses)	<u>(14,181,076)</u>	<u>(11,844,637)</u>	<u>(11,844,637)</u>	<u>-</u>
Net change in fund balance	<u>(7,033,669)</u>	<u>(54,031,606)</u>	<u>8,277,773</u>	<u>62,309,379</u>
Fund balance - beginning	<u>7,033,669</u>	<u>55,917,818</u>	<u>55,917,818</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,886,212</u>	<u>\$ 64,195,591</u>	<u>\$ 62,309,379</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

Capital Projects - Other Capital Projects Fund (Major Fund)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal through state and local	\$ -	\$ -	\$ -	\$ -
State	-	316,131	311,075	(5,056)
Local				
Local sales taxes	16,000,000	20,217,350	20,217,350	-
Impact fees	1,600,000	5,556,117	5,556,116	-
Interest	194,000	42,332	35,593	(6,739)
Total revenues	<u>17,794,000</u>	<u>26,131,930</u>	<u>26,120,134</u>	<u>(11,795)</u>
Expenditures				
Current:				
Facilities acquisition and construction	4,691,572	8,025,118	448,085	7,577,033
Capital outlay:				
Facilities acquisition and construction	62,251,558	17,409,629	5,556,343	11,853,286
Debt service:				
Paying agent fees				
Total expenditures	<u>66,943,130</u>	<u>25,434,747</u>	<u>6,004,428</u>	<u>19,430,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,149,130)</u>	<u>697,183</u>	<u>20,115,706</u>	<u>19,418,523</u>
Other financing sources (uses)				
Proceeds of certificates of participation issued	54,800,000	-	-	-
Transfers out	(6,566,493)	(1,128,392)	(1,128,385)	7
Total other financing sources (uses)	<u>48,233,507</u>	<u>(1,128,392)</u>	<u>(1,128,385)</u>	<u>7</u>
Net change in fund balance	(915,623)	(431,209)	18,987,321	19,418,530
Fund balance - beginning	<u>12,982,376</u>	<u>32,126,159</u>	<u>31,860,947</u>	<u>(265,212)</u>
Fund balance - ending	<u>\$ 12,066,753</u>	<u>\$ 31,694,950</u>	<u>\$ 50,848,268</u>	<u>\$ 19,153,318</u>

FIDUCIARY FUNDS

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2021

	M.H. Correll Research Trust Fund	T.L. Showalter Scholarship Trust Fund	Nonendowment Scholarship Trust Fund	Dr. Tom Goodman Scholarship Trust Fund	Clara Neuman Scholarship Trust Fund	Cecele S. Gryl Scholarship Trust Fund	J.M. Phillips, Jr. Memorial Trust Fund	Total Private-Purpose Trust Funds
ASSETS								
Cash and cash equivalents	\$ 2,320	\$ 1,965	\$ 439	\$ 2,899	\$ 68,713	\$ 175,206	\$ 9,755	\$ 261,297
NET POSITION								
Held in trust for scholarships	\$ 2,320	\$ 1,965	\$ 439	\$ 2,899	\$ 68,713	\$ 175,206	\$ 9,755	\$ 261,297

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2021

	M.H. Correll Research Trust Fund	T.L. Showalter Scholarship Trust Fund	Nonendowment Scholarship Trust Fund	Dr. Tom Goodman Scholarship Trust Fund	Clara Neuman Scholarship Trust Fund	Cecele S. Gryl Scholarship Trust Fund	J.M. Phillips, Jr. Memorial Trust Fund	Total Private-Purpose Trust Funds
ADDITIONS								
Investment earnings and losses:								
Interest and dividends	\$ 3	\$ 2	\$ 1	\$ 3	\$ 81	\$ 208	\$ 12	\$ 310
Total additions	3	2	1	3	81	208	12	310
DEDUCTIONS								
Scholarships	-	-	-	-	-	-	-	-
Change in net position	3	2	1	3	81	208	12	310
Net position - beginning	2,317	1,963	438	2,896	68,632	174,998	9,743	260,987
Net position - ending	\$ 2,320	\$ 1,965	\$ 439	\$ 2,899	\$ 68,713	\$ 175,206	\$ 9,755	\$ 261,297



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COMPONENT UNITS

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Net Position
Component Units
For the Fiscal Year Ended June 30, 2021

	The Hope Center for Autism	Treasure Coast Classical Academy	Total Component Units
ASSETS			
Unrestricted:			
Cash and cash equivalents	\$ 309,411	\$ 1,239,441	\$ 1,548,852
Accounts receivable	3,947	10,055	14,002
Deposits	2,078	-	2,078
Due from other governmental agencies	-	448,205	448,205
Prepaid items	12,411	-	12,411
Other current assets	-	2,833	2,833
Restricted:			
Cash	-	117,797	117,797
Capital assets not being depreciated:			
Land	670,000	2,099,084	2,769,084
Capital assets net of accumulated depreciation:			
Improvements other than buildings	11,685	-	11,685
Buildings and fixed equipment	999,294	14,639,633	15,638,927
Leasehold improvements	1,015,429	-	1,015,429
Furniture, fixtures, and equipment	71,551	413,946	485,497
Audio visual materials and software	73,623	-	73,623
Total assets	3,169,429	18,970,994	22,140,423
LIABILITIES			
Accounts payable	136,642	715,478	852,120
Long-term liabilities:			
Portion due in one year:			
Notes payable	76,703	150,000	226,703
Portion due in more than one year:			
Notes payable	1,413,297	19,700,000	21,113,297
Total liabilities	1,626,642	20,565,478	22,192,120
NET POSITION			
Net investment in capital assets	1,501,582	(2,547,337)	(1,045,755)
Restricted for:			
Debt service	-	4,367	4,367
Unrestricted net position	41,205	948,486	989,691
Total net position (deficit)	\$ 1,542,787	\$ (1,594,484)	\$ (51,697)

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

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2021

	The Hope Center for Autism	Treasure Coast Classical Academy	Total Component Units
EXPENSES			
Instruction	\$ 1,545,765	\$ 4,492,642	\$ 6,038,407
Student support services	-	77,261	77,261
Instructional staff training services	10,484	-	10,484
Instructional related technology	13,093	21,752	34,845
School board	33,703	14,752	48,455
General administration	-	911,230	911,230
School administration	282,805	1,349,254	1,632,059
Fiscal services	47,754	19,575	67,329
Food services	-	318,058	318,058
Central services	77	-	77
Operation of plant	49,619	1,093,290	1,142,909
Maintenance of plant	57,167	6,078	63,245
Community services	10,650	83,126	93,776
Interest on long-term debt	80,092	1,390,250	1,470,342
Depreciation - unallocated	51,185	-	51,185
Debt issuance cost	-	10,000	10,000
Loss on disposal of assets	193,956	-	193,956
Total expenses	<u>2,376,350</u>	<u>9,787,268</u>	<u>12,163,618</u>
PROGRAM REVENUES			
Charges for services	16,113	81,692	97,805
Operating grants and contributions	209,510	723,741	933,251
Capital grants and contributions	39,677	-	39,677
Total program revenues	<u>265,300</u>	<u>805,433</u>	<u>1,070,733</u>
Net program expense	<u>(2,111,050)</u>	<u>(8,981,835)</u>	<u>(11,092,885)</u>
GENERAL REVENUES			
Grants and contributions not restricted to specific programs	2,594,192	9,167,272	11,761,464
Unrestricted investment earnings	2	-	2
Total general revenues	<u>2,594,194</u>	<u>9,167,272</u>	<u>11,761,466</u>
Change in net position	483,144	185,437	668,581
Total net position - beginning	<u>1,059,643</u>	<u>(1,779,921)</u>	<u>(720,278)</u>
Total net position (deficit) - ending	<u>\$ 1,542,787</u>	<u>\$ (1,594,484)</u>	<u>\$ (51,697)</u>

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



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STATISTICAL SECTION



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



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STATISTICAL SECTION

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

Contents

Financial Trends	128-137
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These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

Revenue Capacity	138-140
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These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.

Debt Capacity	141-143
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These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Economic Information	144-145
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Operating Information	146-161
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These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and activities it performs.

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

Fiscal Year Ending	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Primary Government:					
Net investment in capital assets	\$ 328,366,440	\$ 327,870,571	\$ 326,249,703	\$ 322,910,925	\$ 325,311,543
Restricted	30,311,138	25,931,065	29,868,235	37,837,728	43,862,351
Unrestricted	(57,672,174)	(68,567,035)	(76,418,952)	(148,470,981)	(141,220,840)
Total primary government net position	<u>\$ 301,005,404</u>	<u>\$ 285,234,601</u>	<u>\$ 279,698,986</u>	<u>\$ 212,277,672</u>	<u>\$ 227,953,054</u>

(Continued)

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

Source: District Records

Table 1

<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
\$ 340,881,686	\$ 337,942,651	\$ 328,447,748	\$ 334,763,659	\$ 337,477,794
40,754,281	51,606,645	93,411,168	115,193,303	143,417,968
<u>(144,327,737)</u>	<u>(108,557,428)</u>	<u>(113,357,740)</u>	<u>(124,851,203)</u>	<u>(130,920,120)</u>
<u>\$ 237,308,230</u>	<u>\$ 280,991,868</u>	<u>\$ 308,501,176</u>	<u>\$ 325,105,759</u>	<u>\$ 349,975,642</u>

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

Primary Government	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Expenses				
Governmental activities:				
Instruction	\$ 96,030,312	\$ 94,230,526	\$ 96,807,293	\$ 97,511,574
Student support services	9,903,132	9,835,181	10,244,916	9,560,480
Instructional media services	2,213,015	2,209,088	2,172,342	2,082,654
Instruction and curriculum development services	3,711,583	3,615,999	3,601,545	3,778,735
Instructional staff training services	2,895,164	2,365,365	2,785,963	2,962,444
Instruction related technology (3)	1,741,333	1,655,201	1,720,419	1,874,605
School board	729,644	902,968	566,506	597,054
General administration	729,721	659,120	503,988	496,860
School administration	10,316,230	9,598,008	10,222,149	10,164,576
Facilities acquisition and construction	26,041,389	29,581,334	22,916,304	21,355,569
Fiscal services	1,066,902	908,486	859,453	862,146
Food services	7,170,203	7,678,953	8,011,020	9,251,136
Central services (3)	4,822,277	5,086,568	5,293,707	7,162,409
Student transportation services	6,468,443	6,593,395	6,370,280	6,144,052
Operation of plant	13,838,429	14,098,913	13,942,964	14,125,494
Maintenance of plant	4,373,070	4,438,963	4,596,677	4,031,091
Administrative technology services (3)	563,865	614,590	639,763	636,857
Community services	2,740,540	2,931,948	2,840,225	2,901,806
Unallocated Interest on long-term debt	2,203,833	2,095,227	1,854,429	1,748,295
Total expenses	<u>197,559,085</u>	<u>199,099,833</u>	<u>195,949,943</u>	<u>197,247,837</u>
Governmental activities:				
Charges for services				
Instruction	429,597	434,820	330,051	348,719
Food services	2,808,455	2,573,283	2,542,053	2,125,725
Student transportation	-	-	-	18,407
Community services	2,765,234	2,847,631	3,088,660	3,188,209
Operating grants and contributions	4,830,648	5,385,431	5,693,100	6,152,078
Capital grants and contributions	1,994,232	1,650,204	1,795,600	2,114,250
Total program revenues	<u>12,828,166</u>	<u>12,891,369</u>	<u>13,449,464</u>	<u>13,947,388</u>
Primary government net expense	<u>\$ (184,730,919)</u>	<u>\$ (186,208,464)</u>	<u>\$ (182,500,479)</u>	<u>\$ (183,300,449)</u>
Governmental activities:				
Property taxes:				
Levied for operational purposes	\$ 89,175,396	\$ 93,749,587	\$ 101,934,042	\$ 103,006,102
Levied for capital projects	26,224,667	26,034,115	26,489,776	27,406,923
Local Sales Taxes, levied for capital projects	-	-	-	-
Grants and contributions not restricted				
to specific programs	45,362,980	45,816,980	44,246,019	46,504,240
Insurance loss recoveries	-	1,234,903	122,775	-
Miscellaneous	2,719,167	3,214,781	4,090,952	4,377,436
Unrestricted investment earnings	180,234	387,295	81,300	25,276
Total primary government	<u>\$ 163,662,444</u>	<u>\$ 170,437,661</u>	<u>\$ 176,964,864</u>	<u>\$ 181,319,977</u>
Change in Net Position				
Total primary government (2)(3)	<u>\$ (21,068,475)</u>	<u>\$ (15,770,803)</u>	<u>\$ (5,535,615)</u>	<u>\$ (1,980,472)</u>

(Continued)

Notes: (1) Includes all governmental fund types

(2) The District has no business type activities.

(3) 2018 Change to Net Position excludes restatement of net position (increase of \$32.8 million) due to implementation of GASB Statement No. 75.

Source: District Records

Table 2

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
\$	91,064,227	\$ 98,232,929	\$ 103,965,867	\$ 107,083,824	\$ 125,975,065	\$122,342,200
	9,645,370	9,913,317	9,919,459	12,863,313	11,201,303	12,568,519
	1,986,100	2,111,932	2,035,807	2,241,574	2,590,118	2,657,396
	3,420,636	3,546,755	3,755,736	4,069,759	4,173,462	4,635,229
	3,191,486	4,139,857	3,739,423	3,762,359	3,651,351	3,402,489
	2,072,750	2,291,725	2,044,763	3,945,897	4,539,097	3,691,522
	533,539	586,216	655,107	737,044	494,932	565,678
	813,862	957,873	1,032,663	1,083,747	1,028,170	1,362,550
	9,395,507	10,097,942	10,115,289	11,325,346	10,930,260	11,918,340
	22,250,987	23,601,930	20,657,069	7,410,384	10,026,634	13,651,957
	810,950	916,254	969,310	1,027,109	1,231,564	1,673,690
	9,426,056	8,749,431	9,574,971	9,863,728	9,186,052	10,329,941
	5,393,295	3,263,117	3,270,461	4,580,116	5,177,426	6,624,742
	6,254,283	6,895,393	7,863,478	8,270,131	7,969,970	7,515,990
	13,951,820	13,971,480	14,659,051	19,706,497	23,325,249	26,079,529
	3,981,788	4,102,677	4,427,980	5,320,678	5,108,318	5,876,687
	649,437	640,906	714,295	4,656,516	5,282,908	2,632,270
	3,008,816	3,104,925	3,296,315	3,519,625	3,301,462	2,779,266
	1,767,031	685,518	2,206,284	1,426,659	1,301,376	882,353
	<u>189,617,940</u>	<u>197,810,177</u>	<u>204,903,328</u>	<u>212,894,306</u>	<u>236,494,717</u>	<u>\$241,190,348</u>
	346,838	338,620	323,184	376,268	242,802	256,913
	2,113,026	2,188,619	1,958,193	2,550,733	1,974,756	743,143
	506,806	486,790	464,648	439,918	519,629	168,715
	3,330,594	3,418,558	3,591,924	3,474,241	2,500,819	2,295,708
	6,823,025	7,254,275	7,593,471	7,619,678	6,739,592	9,041,860
	2,104,279	2,351,112	2,112,878	2,174,065	1,831,620	1,819,462
	<u>15,224,568</u>	<u>16,037,974</u>	<u>16,044,298</u>	<u>16,634,903</u>	<u>13,809,218</u>	<u>14,325,801</u>
\$	<u>(174,393,372)</u>	<u>(181,772,203)</u>	<u>(188,859,030)</u>	<u>(196,259,403)</u>	<u>(222,685,499)</u>	<u>(226,864,547)</u>
\$	108,645,648	\$ 109,593,774	\$ 108,967,735	\$ 121,719,875	\$ 120,182,574	\$120,681,324
	29,116,037	30,549,792	32,352,956	34,060,575	34,880,430	36,592,987
	-	-	-	7,707,297	17,397,137	20,217,349
	45,755,151	47,640,526	52,784,580	51,588,381	58,456,112	65,125,300
	93,223	46,752	9,091	-	-	-
	6,283,568	2,935,484	4,623,476	6,564,124	6,402,380	8,966,798
	175,127	361,051	1,027,372	2,128,459	1,971,449	150,672
\$	<u>190,068,754</u>	<u>\$ 191,127,379</u>	<u>\$ 199,765,210</u>	<u>\$ 223,768,711</u>	<u>\$ 239,290,082</u>	<u>\$ 251,734,430</u>
\$	<u>15,675,382</u>	<u>\$ 9,355,176</u>	<u>\$ 10,906,180</u>	<u>\$ 27,509,308</u>	<u>\$ 16,604,583</u>	<u>\$ 24,869,883</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 534,622	\$ 593,201	\$ 433,231	\$ 462,129	\$ 424,315
Restricted	1,201,292	1,077,255	2,414,503	4,288,488	4,755,657
Committed	-	-	-	-	-
Assigned	6,545	97,986	100,738	214,301	809,842
Unassigned	5,372,118	3,177,357	5,291,075	5,885,978	11,176,878
Total General Fund	\$ 7,114,577	\$ 4,945,799	\$ 8,239,547	\$ 10,850,896	\$ 17,166,692
All Other Governmental Funds					
Nonspendable	\$ 65,937	\$ 901,705	\$ 526,316	\$ 207,199	\$ 118,881
Restricted	29,043,909	23,952,105	27,263,055	33,549,240	39,106,694
Total All Other Governmental Funds	\$ 29,109,846	\$ 24,853,810	\$ 27,789,371	\$ 33,756,439	\$ 39,225,575

(Continued)

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

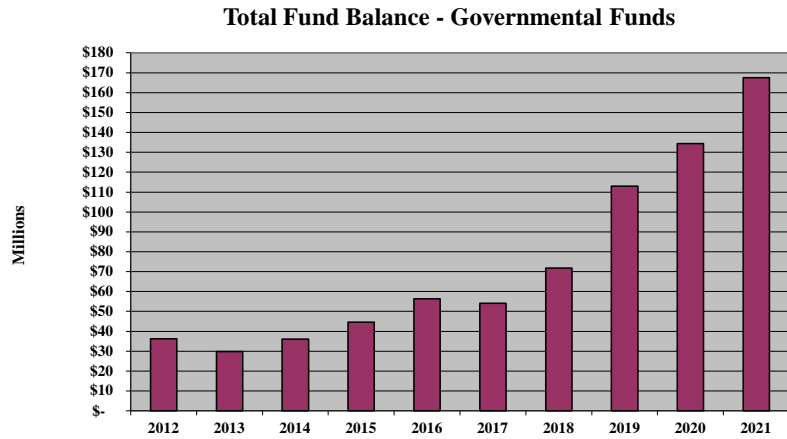


Table 3

Fiscal Year				
2017	2018	2019	2020	2021
\$ 370,268	\$ 436,711	\$ 413,063	\$ 572,324	\$ 574,381
6,975,527	4,654,500	15,598,552	18,852,921	17,555,678
-	-	-	-	-
691,938	-	4,805,389	8,409,731	10,669,888
13,012,098	19,687,081	14,434,108	10,239,951	13,218,494
<u>\$ 21,049,831</u>	<u>\$ 24,778,292</u>	<u>\$ 35,251,112</u>	<u>\$ 38,074,927</u>	<u>\$ 42,018,441</u>
\$ 142,548	\$ 201,057	\$ 213,839	\$ 483,271	\$ 229,752
32,879,220	46,751,088	77,598,777	95,857,111	125,243,362
<u>\$ 33,021,768</u>	<u>\$ 46,952,145</u>	<u>\$ 77,812,616</u>	<u>\$ 96,340,382</u>	<u>\$ 125,473,114</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Federal sources:				
Federal grants	\$ 13,059,853	\$ 12,336,627	\$ 11,820,371	\$ 12,551,259
Food services	4,755,475	5,223,047	5,606,130	6,063,754
Total federal sources	<u>17,815,328</u>	<u>17,559,674</u>	<u>17,426,501</u>	<u>18,615,013</u>
State sources:				
Florida education finance program	8,056,777	8,354,799	7,852,296	9,420,263
Public education capital outlay	122,073	94,689	159,095	480,018
Food services	106,461	81,804	86,971	88,324
State grants and other	26,087,224	26,682,036	26,209,856	26,166,950
Total state sources	<u>34,372,535</u>	<u>35,213,328</u>	<u>34,308,218</u>	<u>36,155,555</u>
Local sources:				
Ad valorem taxes	115,400,063	119,783,702	128,423,818	130,413,025
Sales taxes	-	-	-	-
Food service sales	2,808,455	2,573,283	2,542,053	2,125,725
Interest and other income	180,234	387,295	81,300	25,276
Other revenues	6,415,634	6,883,720	8,144,202	8,763,713
Total local sources	<u>124,804,386</u>	<u>129,628,000</u>	<u>139,191,373</u>	<u>141,327,739</u>
Total revenues	<u>176,992,249</u>	<u>182,401,002</u>	<u>190,926,092</u>	<u>196,098,307</u>
Expenditures				
Instruction	88,504,026	88,693,698	90,710,910	93,507,850
Student support services	9,126,374	9,386,355	9,529,655	9,156,836
Instructional media services	2,026,156	2,111,462	2,038,894	1,988,513
Instruction and curriculum development services	3,283,924	3,480,554	3,343,325	3,636,791
Instructional staff training services	2,687,875	2,275,235	2,631,378	2,844,947
Instructional related technology	1,607,734	1,537,181	1,608,656	1,804,347
School board	680,731	869,548	537,791	576,082
General administration	1,072,389	1,116,367	1,091,861	1,318,791
School administration	9,287,670	8,972,904	9,545,719	9,873,724
Facilities acquisition and construction	12,711,138	9,753,739	9,796,767	9,017,604
Fiscal services	974,087	844,077	801,605	842,342
Food services	6,858,976	7,306,448	7,613,617	7,879,963
Central services	4,304,803	4,695,849	4,778,260	5,866,846
Student transportation services	6,086,852	6,364,056	6,055,266	5,922,747
Operation of plant	13,220,275	13,570,654	13,468,400	13,801,238
Maintenance of plant	3,985,346	4,290,026	4,295,586	3,869,186
Administrative technology services	518,326	589,731	596,753	610,589
Community services	2,544,048	2,762,234	2,645,798	2,766,942
Capital Outlay:				
Facilities acquisition and construction	18,359,013	13,748,336	4,816,723	4,444,591
Other capital outlay	2,638,689	3,298,743	4,482,500	3,974,653
Debt Service:				
Principal	2,201,182	2,270,196	2,344,665	2,495,304
Interest and fiscal charges	2,203,832	2,123,326	2,084,375	1,826,722
Total expenditures	<u>\$ 194,883,446</u>	<u>\$ 190,060,719</u>	<u>\$ 184,818,504</u>	<u>\$ 188,026,608</u>

Table 4

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 12,662,980	\$ 13,342,437	\$ 12,053,294	\$ 13,523,928	\$ 13,058,178	\$16,789,288
6,734,741	7,163,417	7,499,712	7,371,040	6,645,333	9,456,830
19,397,721	20,505,854	19,553,006	20,894,968	19,703,511	26,246,118
8,361,358	9,704,266	13,594,744	12,593,805	19,662,843	23,669,715
464,248	695,334	456,571	513,259	153,921	163,720
88,284	90,585	94,059	93,713	94,259	93,740
26,370,844	26,249,875	28,792,550	27,286,380	27,412,790	25,813,328
35,284,734	36,740,060	42,937,924	40,487,157	47,323,813	49,740,503
137,761,685	140,143,566	141,320,691	155,780,450	155,063,004	157,274,314
-	-	-	7,707,297	17,397,137	20,217,350
2,113,026	2,188,619	1,958,193	2,550,733	1,974,756	743,143
175,127	361,050	1,027,372	2,128,459	1,971,448	152,326
11,321,469	8,120,462	9,556,918	11,202,096	10,086,006	12,489,570
151,371,307	150,813,697	153,863,174	179,369,035	186,492,351	190,876,703
206,053,762	208,059,611	216,354,104	240,751,160	253,519,675	266,863,324
91,841,224	94,633,719	98,041,607	99,831,153	114,196,329	114,718,981
9,720,589	9,554,623	9,823,241	12,443,580	10,963,343	11,657,607
2,003,013	2,031,317	2,002,944	1,981,212	2,357,746	2,294,322
3,454,552	3,409,858	3,715,791	3,922,248	4,035,830	4,308,359
3,223,616	4,011,572	3,705,345	3,641,765	3,583,816	3,162,551
2,090,021	2,216,722	2,022,120	3,193,337	3,917,058	3,131,145
538,202	569,729	650,691	720,504	485,826	525,786
1,354,848	1,501,054	1,300,413	1,273,770	1,219,268	1,752,148
9,476,272	9,682,962	9,988,366	10,474,991	10,161,570	10,673,233
9,548,817	9,349,452	11,204,728	5,429,244	8,309,669	11,402,465
819,918	882,103	957,252	988,863	1,197,999	1,551,603
8,630,343	8,883,264	9,131,595	9,189,519	8,614,459	9,156,333
5,265,628	4,148,310	3,585,782	4,364,008	4,728,084	5,652,251
6,291,268	6,681,816	6,399,115	6,567,026	6,363,228	5,719,813
14,018,057	13,704,119	14,577,478	16,262,935	19,732,411	21,303,929
4,024,239	3,957,440	4,244,993	4,680,541	4,504,586	5,055,660
655,930	610,367	703,145	3,832,637	4,417,807	1,780,009
3,024,389	3,019,374	3,257,799	3,405,381	3,206,228	2,580,484
11,021,858	22,078,106	4,358,477	1,244,524	13,613,101	11,505,748
3,653,484	6,134,075	4,366,845	2,606,984	3,693,926	2,788,153
2,374,874	2,369,882	2,448,720	2,195,691	2,175,000	2,279,000
1,767,031	3,649,991	1,510,936	1,426,659	1,637,875	1,202,256
\$ 194,798,173	\$ 213,079,855	\$ 197,997,383	\$ 199,676,572	\$ 233,115,159	\$ 234,201,836

(continued)

(continued)

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

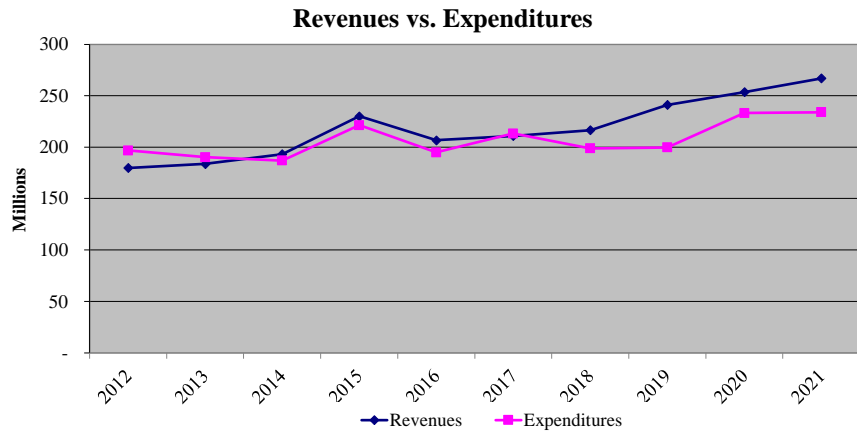
	Fiscal Year			
	2012	2013	2014	2015
Excess of revenues over (under) expenditures	\$ (17,891,197)	\$ (7,659,717)	\$ 6,107,588	\$ 8,071,699
Other Financing Sources (Uses)				
Loss recoveries	-	-	-	-
Long-term debt issued	-	-	-	-
Refunding COPS issued	-	-	-	29,020,000
Premium on refunding COPS	-	-	-	3,233,419
Refunding bonds issue	1,505,000	-	1,769,000	1,378,000
Payment to refunded debt escrow agent	(1,730,010)	-	(2,056,194)	(33,475,406)
Premium on sale/refunding of bonds/COP	229,483	-	286,140	131,078
Discount on sale of bonds/COP	-	-	-	195,392
Capital leases	-	-	-	-
FEMA and insurance loss recoveries	1,091,767	1,234,903	122,775	24,235
Transfers in	8,852,137	9,299,893	9,071,683	8,666,861
Transfers out	(8,852,137)	(9,299,893)	(9,071,683)	(8,666,861)
Total other financing sources (uses)	1,096,240	1,234,903	121,721	506,718
Net change in fund balances	\$ (16,794,957)	\$ (6,424,814)	\$ 6,229,309	\$ 8,578,417
Debt service as a percentage of noncapital expenditures	2.53%	2.61%	2.52%	2.47%

(Continued)

Notes: (1) Includes all governmental fund types

Source: District records

		Fiscal Year					
		2016	2017	2018	2019	2020	2021
\$		11,255,589	\$ (5,020,244)	\$ 18,356,721	\$ 41,074,588	\$ 20,404,516	\$ 32,661,488
		-	46,752	9,091	65,893	159,780	158,061
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	2,303,000	-	-	305,000	-
		-	-	(706,974)	-	-	-
		-	349,825	-	-	16,500	-
		-	-	-	-	-	-
		436,120	-	-	192,810	465,785	256,697
		93,223	-	-	-	-	-
		3,928,355	4,328,922	2,606,476	10,593,600	21,179,339	13,298,234
		(3,928,355)	(4,328,922)	(2,606,476)	(10,593,600)	(21,179,339)	(13,298,234)
		529,343	2,699,577	(697,883)	258,703	947,065	414,758
\$		11,784,932	\$ (2,320,667)	\$ 17,658,838	\$ 41,333,291	\$ 21,351,581	\$ 33,076,246
		2.56%	2.18%	2.09%	1.85%	1.77%	1.58%

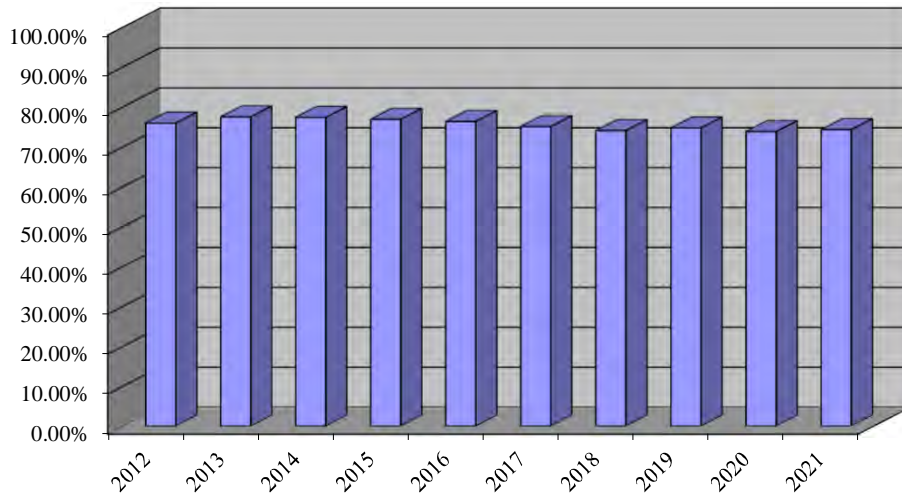


DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Assessed and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years
(Amounts expressed in thousands)
(Unaudited)

Fiscal Year	Real Property	Personal Property	Centrally Assessed Value	Estimated Actual Value ⁽¹⁾	Homestead and Other Exemptions	Total Taxable Valuation	Ratio of Taxable Value to Estimated Actual Value	Total Direct Rate
2012	\$ 21,379,718	\$ 2,378,906	\$ 47,993	\$23,806,617	\$ 5,735,774	\$ 18,070,843	75.91%	6.604
2013	20,400,691	2,691,034	43,327	23,135,052	5,212,197	17,922,855	77.47%	6.904
2014	20,772,257	2,751,732	46,969	23,570,958	5,342,376	18,228,582	77.33%	7.278
2015	21,852,301	2,694,830	56,763	24,603,894	5,689,530	18,914,364	76.88%	7.138
2016	23,402,997	2,851,740	58,634	26,313,371	6,231,593	20,081,778	76.32%	7.098
2017	25,152,586	2,886,913	63,522	28,103,021	7,008,453	21,094,568	75.06%	6.881
2018	27,000,054	3,151,616	65,573	30,217,243	7,848,711	22,368,532	74.03%	6.552
2019	27,996,759	3,411,348	67,194	31,475,301	7,963,063	23,512,238	74.70%	6.862
2020	29,724,203	2,984,729	66,464	32,775,396	8,591,603	24,183,793	73.79%	6.648
2021	30,891,318	3,109,494	66,583	34,067,395	8,763,751	25,303,644	74.28%	6.447

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

Ratio of Taxable Value to Estimated Actual Value

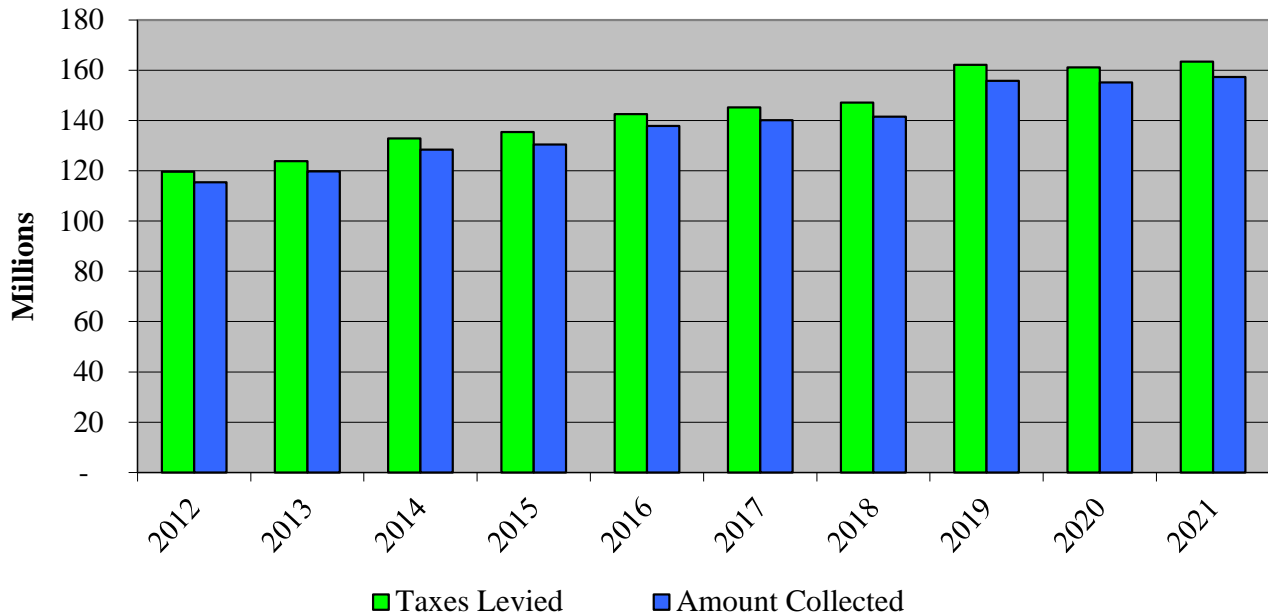


DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Property Tax Levies and Collections
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 119,608,739	\$ 115,341,118	96.43%	\$ 89,796	\$ 115,430,914	96.51%
2013	123,853,938	119,694,063	96.64%	97,536	119,791,599	96.72%
2014	132,828,984	128,330,239	96.61%	38,984	128,369,223	96.64%
2015	135,364,485	130,377,703	96.32%	57,559	130,435,262	96.36%
2016	142,540,457	137,707,714	96.61%	49,085	137,756,799	96.64%
2017	145,151,724	140,103,847	96.52%	48,461	140,152,308	96.56%
2018	147,044,991	141,320,691	96.11%	176,960	141,497,651	96.23%
2019	162,132,981	155,780,450	96.08%	-	155,780,450	96.08%
2020	161,149,073	154,947,483	96.15%	115,521	155,063,004	96.22%
2021	163,342,621	157,002,394	96.12%	271,920	157,274,314	96.28%

Source: Martin County Tax Collector and District records.

Property Tax Levies and Collections



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

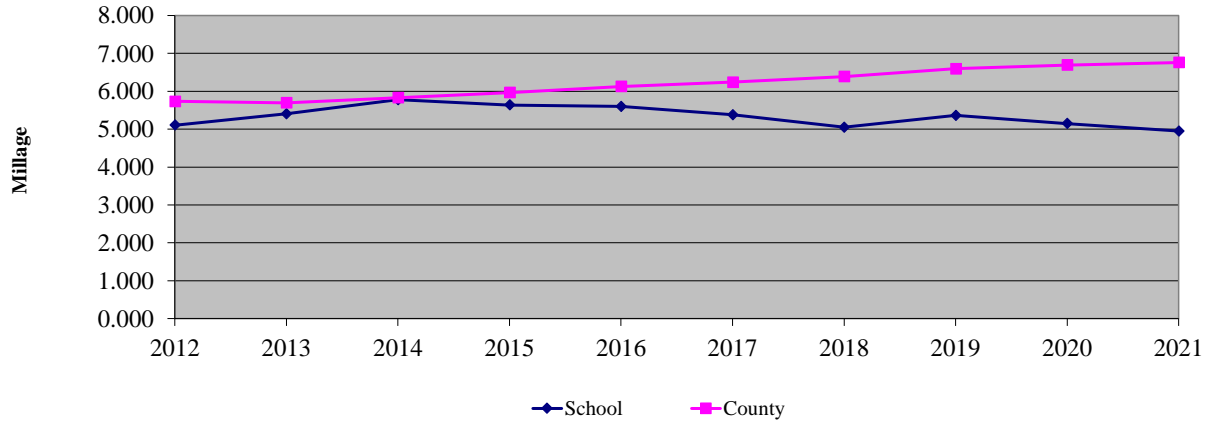
Fiscal Year	Direct Rates ⁽¹⁾			Overlapping Rates ⁽²⁾								
	District School Board of Martin County			Martin County			MSTU	City of Stuart	Jupiter Island	Sewall's Point	Ocean Breeze Park	Village of Indiantown
	Operating	Capital	Total	Operating	Debt Service	Other						
2012	5.104	1.500	6.604	5.7336	0.0368	0.8401	0.9636	4.6674	5.0794	2.2896	4.6799	0.0000
2013	5.404	1.500	6.904	5.6960	0.0373	0.8327	0.9755	4.9041	4.7229	2.2896	4.7910	0.0000
2014	5.778	1.500	7.278	5.8300	0.0368	0.8148	1.0240	4.8020	4.7047	2.3500	5.0619	0.0000
2015	5.638	1.500	7.138	5.9651	0.0000	0.7805	1.0486	4.8540	4.5813	2.6000	4.9472	0.0000
2016	5.598	1.500	7.098	6.1264	0.0000	0.7489	1.0660	4.8327	4.4270	2.8700	3.9814	0.0000
2017	5.381	1.500	6.881	6.2407	0.0000	0.7245	3.1737	4.8224	4.3087	2.8700	5.2177	0.0000
2018	5.052	1.500	6.552	6.3887	0.0000	0.7038	3.2339	4.7572	4.1724	2.8700	5.4750	0.0000
2019	5.362	1.500	6.862	6.5971	0.0000	0.6874	3.4247	4.9962	4.1027	2.8700	6.3826	4.2623
2020	5.148	1.500	6.648	6.6928	0.0000	0.6733	3.6646	5.3202	4.0391	2.8700	4.8008	1.6304
2021	4.947	1.500	6.447	6.7618	0.0000	0.6613	3.5152	5.2136	4.0214	2.8700	3.0800	1.6304

Notes:

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

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

County and School District Operating Millages



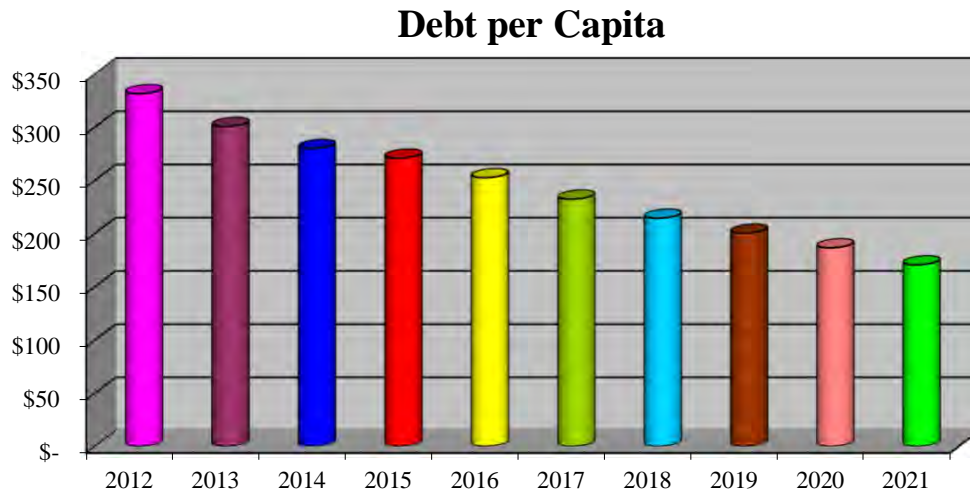
DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Ratios of Outstanding Debt by Type
Last 10 Fiscal Years
 (Amounts expressed in thousands, except per capita amount)
 (Unaudited)

Fiscal Year	State Board of Education Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2012	\$ 13,165	\$ 35,530	\$ 646	\$ 49,341	0.50%	\$ 331.19
2013	10,580	34,360	461	45,401	0.48%	300.42
2014	9,414	33,145	266	42,825	0.40%	279.68
2015	8,331	33,563	207	42,101	0.37%	270.64
2016	7,382	32,063	491	39,936	0.33%	252.24
2017	6,063	30,618	383	37,064	0.29%	232.08
2018	5,031	29,123	271	34,425	0.26%	214.16
2019	4,326	27,558	348	32,232	0.23%	200.20
2020	3,576	25,927	554	30,057	N/A	186.39
2021	2,807	24,227	491	27,525	N/A	170.42

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements. Total personal income is not available for 2020 and 2021.

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

Source: District records



DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Direct and Overlapping Governmental Activities Debt
June 30, 2021
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽²⁾	Estimated Share of Direct and Overlapping Debt
Martin County Board of County Commissioners ⁽¹⁾			
Revenue Bonds/Notes	\$ 93,067,288	100%	\$ 93,067,288
Capital Leases	28,350,115	100%	28,350,115
City of Stuart ⁽¹⁾			
Revenue Bond Loans and Notes	6,573,518	100%	6,573,518
General Obligation Bonds	5,265,000	100%	5,265,000
Town of Jupiter Island ⁽¹⁾			
General Obligation Notes Payable	5,747,039	100%	5,747,039
South Florida Water Management District ⁽¹⁾			
Certificate of Participation	387,761,158	2.15%	8,336,865
Subtotal, overlapping debt			147,339,825
District School Board of Martin County Direct Debt			27,524,905
Total direct and overlapping debt			\$ 174,864,730

Notes:

(1) Source: Each Entity's Comprehensive Annual Financial Report September 30, 2020 Fiscal Year.

(2) These percentages are estimated using assessed values of taxable property less homestead exemptions and other adjustments (taxable value). Applicable percentages were estimated by determining the portion of another governmental units' taxable value that is within the County's boundaries and dividing it by each unit's total taxable value

Source: District Records

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

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

Fiscal Year	Tax Year	Taxable Assessed Valuation ⁽¹⁾	Principal Payments ⁽²⁾	Interest Payments	Total Annual Lease Payments	Millage Levy to Provide 1.00 x Coverage ⁽³⁾
2012	2011	\$ 18,070,843	\$ 1,130,000	\$ 1,596,066	\$ 2,726,066	0.157 mills
2013	2012	17,922,855	1,170,000	1,552,891	2,722,891	0.158 mills
2014	2013	18,228,582	1,215,000	1,505,191	2,720,191	0.155 mills
2015	2014	18,914,364	1,265,000	1,071,600	2,336,600	0.129 mills
2016	2015	20,081,778	1,310,000	1,348,931	2,658,931	0.138 mills
2017	2016	21,094,568	1,255,000	1,297,630	2,552,630	0.126 mills
2018	2017	22,368,532	1,305,000	1,239,905	2,544,905	0.119 mills
2019	2018	23,512,238	1,375,000	1,172,906	2,547,906	0.113 mills
2020	2019	24,183,793	1,440,000	1,102,531	2,542,531	0.110 mills
2021	2020	25,303,644	1,510,000	1,028,781	2,538,781	0.105 mills

Notes:

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

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

(3) Millage rate calculated using 96 percent.

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

Source: District records

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

Fiscal Year	Estimated Population⁽¹⁾	Personal Income⁽²⁾ (thousands of dollars)	Per Capita Personal Income⁽²⁾	Student Membership⁽³⁾	Unemployment Rate⁽⁴⁾
2012	148,981	\$ 9,878,368	\$ 66,306	17,964	8.8
2013	151,126	9,371,074	62,008	18,267	7.6
2014	153,119	10,610,999	69,299	18,296	6.1
2015	155,559	11,301,145	72,649	18,583	5.2
2016	158,325	12,019,690	75,918	18,714	4.8
2017	159,701	12,945,767	81,063	18,748	4.2
2018	160,742	13,383,794	83,263	18,664	3.0
2019	161,000	13,748,480	85,394	18,759	2.7
2020	161,258	N/A	N/A	18,734	8.6
2021	161,516	N/A	N/A	18,057	4.5

N/A = Data not currently available

Sources:

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

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

Taxpayer	Current year (2020):			Nine years ago (2011):		
	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value
Florida Power & Light Company	1	\$ 2,177,532	6.39%	1	\$ 1,180,599	4.96%
Florida Southeast Connection	2	89,191	0.26%	-	-	-
Treasure Coast - JCP Associates Ltd.	3	75,567	0.22%	3	76,587	0.32%
Publix Super Markets, Inc.	4	69,805	0.20%	-	-	-
Jupiter Island Irrevocable Homestead Trust	5	46,655	0.14%	-	-	-
Florida East Coast Railway	6	43,066	0.13%	10	27,219	0.11%
Florida Gas Transmission	7	41,309	0.12%	-	-	-
Indiantown Cogeneration LP	8	38,492	0.11%	2	275,543	1.16%
PRCP-Stuart LLC	9	38,000	0.11%	-	-	-
Atrium Jensen Beach LLC	10	32,922	0.10%	-	-	-
Gulfstream Natural Gas	-	-	-	4	47,791	0.20%
Louis Drefus Citrus Inc.	-	-	-	5	38,678	0.16%
Jeffrey H. Sands	-	-	-	6	38,534	0.16%
Bellsouth Telecommunication, Inc.	-	-	-	7	36,768	0.15%
Lowe's Home Centers, Inc.	-	-	-	8	28,547	0.12%
Sandhill Cove Properties, Inc.	-	-	-	9	28,701	0.12%
Total		<u>\$ 2,652,539</u>	<u>7.78%</u>		<u>\$ 1,778,967</u>	<u>7.46%</u>

Note:

(1) Information for 2021 and 2012 was not available, so this schedule was prepared with the data of 2020 and 2011.

Source:

Martin County Comprehensive Annual Financial Report 09/30/2020.

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

	2012	2013	2014	2015
Instructional administrators	11	12	15	11
Non-instructional administrators	7	7	8	9
Consultants/supervisors of instruction	3	4	4	2
Principals	23	23	23	23
Assistant principals	32	31	31	35
Deans/Curriculum Coordinators	0	0	0	0
Elementary classroom teachers	455	460	463	464
Secondary classroom teachers	453	451	450	449
ESE teachers	231	233	233	250
Other teachers (adult)	58	54	41	27
Guidance counselors	35	38	35	36
Visiting teachers/Social workers	0	0	0	0
Psychologists	7	7	6	8
Librarians	20	20	20	19
Other professionals (instructional)	101	109	111	97
Other professionals (non-instructional)	85	84	76	79
Aides	290	287	288	294
Technicians	11	10	12	25
Clerical/secretarial	168	168	164	160
Service workers	297	299	288	299
Skilled crafts	32	32	33	27
Unskilled laborers	12	12	11	10
Total employees	<u>2,331</u>	<u>2,341</u>	<u>2,312</u>	<u>2,324</u>

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

Notes:

Employee data includes only full-time staff.

The number of personnel is total employees.

Table 13

2016	2017	2018	2019	2020	2021
11	12	11	12	12	11
10	11	11	12	16	16
2	2	3	3	3	4
23	22	23	23	24	25
35	36	37	35	38	38
0	0	0	0	2	2
473	480	470	471	505	490
456	454	464	464	470	458
252	250	216	243	242	233
28	26	25	37	31	25
37	39	37	39	42	43
0	0	0	6	6	6
7	8	7	8	8	8
20	20	20	19	20	21
100	110	116	112	107	94
82	84	83	85	88	88
286	304	299	295	335	297
24	26	29	28	28	34
165	167	168	178	192	196
287	274	269	333	444	366
31	28	31	29	27	27
11	9	9	9	11	10
2,340	2,362	2,328	2,441	2,651	2,492



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

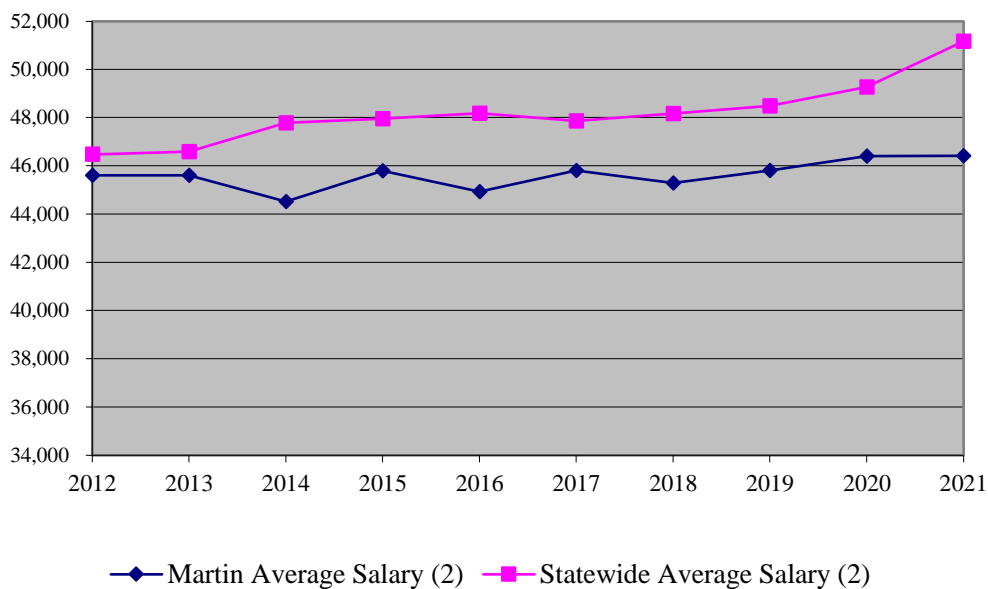
Fiscal Year	Minimum Salary⁽¹⁾	Maximum Salary⁽¹⁾	Martin Average Salary⁽²⁾	Statewide Average Salary⁽²⁾
2012	\$ 37,000	\$ 68,901	\$ 45,604	\$ 46,479
2013	37,000	68,901	45,603	46,583
2014	37,300	60,076	44,522	47,780
2015	37,500	60,076	45,786	47,950
2016	38,000	62,900	44,933	48,179
2017	38,000	62,900	45,800	47,858
2018	38,000	62,900	45,286	48,168
2019	38,300	66,200	45,807	48,486
2020	38,600	66,200	46,403	49,269
2021	38,600	66,200	46,416	51,167

Sources:

(1) District records

(2) Florida Department of Education

Teacher Average Salary



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

School	Fiscal Year			
	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾	2015 ⁽⁶⁾
<u>Elementary</u>				
Seawind Elementary (1993)				
Square feet	127,350	127,350	127,350	128,282
Capacity	764	764	764	764
Enrollment	721	687	711	743
JD Parker Elementary (2004/re-built) ⁽²⁾				
Square feet	125,691	125,691	125,691	125,691
Capacity	695	695	695	695
Enrollment	614	682	808	761
Palm City Elementary (1958)				
Square feet	102,532	103,422	103,422	103,422
Capacity	670	696	696	696
Enrollment	649	639	671	714
Port Salerno Elementary (2002/re-built) ⁽²⁾				
Square feet	115,120	126,076	126,076	126,076
Capacity	805	877	931	877
Enrollment	761	789	839	838
Hobe Sound Elementary (2004/re-built) ⁽²⁾				
Square feet	115,632	115,632	115,632	115,632
Capacity	776	776	776	776
Enrollment	665	647	701	654
Warfield Elementary (1959)				
Square feet	145,941	133,961	133,961	133,961
Capacity	1,048	886	886	886
Enrollment	704	730	785	789
Jensen Beach Elementary (1970)				
Square feet	100,468	102,196	102,196	102,960
Capacity	668	704	740	704
Enrollment	576	583	652	688
Pinewood Elementary (1988)				
Square feet	122,256	126,576	126,576	126,576
Capacity	756	784	784	784
Enrollment	754	742	833	851
Crystal Lake Elementary (1989)				
Square feet	103,681	108,079	108,079	108,079
Capacity	621	688	688	688
Enrollment	528	557	598	623

Table 15

Fiscal Year					
2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾
127,350	127,350	127,350	127,350	127,350	127,350
764	764	764	764	764	764
743	700	691	631	584	522
125,691	125,691	125,691	125,691	125,691	125,691
695	695	695	695	695	695
753	718	742	668	633	601
103,422	104,312	104,312	104,312	104,312	104,312
696	696	714	714	714	714
719	698	685	641	633	601
126,076	126,076	126,076	128,668	128,668	128,668
877	877	877	931	931	931
904	881	835	808	781	740
115,632	115,632	115,632	115,632	115,632	115,632
776	776	776	776	776	776
678	648	622	623	609	522
133,961	133,961	133,961	133,961	133,961	134,122
886	886	886	886	886	932
802	801	799	766	839	764
102,960	102,960	102,960	102,960	102,960	102,960
722	784	722	722	722	722
698	678	658	597	603	576
126,576	128,304	128,337	128,337	128,337	128,337
784	864	864	864	864	864
893	922	864	811	795	742
108,079	108,079	108,079	108,079	108,079	108,079
688	688	688	688	688	688
636	621	617	584	539	491

(continued)

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

School	Fiscal Year			
	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾	2015 ⁽⁶⁾
Bessey Creek Elementary (1995)				
Square feet	122,445	112,445	112,445	122,445
Capacity	599	599	599	599
Enrollment	525	544	579	591
Felix A. Williams Elementary (1993)				
Square feet	111,059	112,709	112,709	112,709
Capacity	635	671	671	671
Enrollment	631	662	694	708
Citrus Grove Elementary (2009)				
Square feet	124,838	124,838	124,838	124,838
Capacity	767	767	767	767
Enrollment	603	590	604	648

Notes:

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

Sources:

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

Table 15

Fiscal Year					
2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾
122,445	122,637	124,635	124,365	124,365	123,501
599	599	635	635	635	617
558	570	585	590	596	577
112,709	112,901	112,901	112,901	112,901	112,901
671	671	671	671	671	671
719	670	669	631	618	574
124,838	124,838	126,566	126,566	126,566	125,702
767	767	803	803	803	785
690	725	712	695	702	585

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

School	Fiscal Year			
	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾	2015 ⁽⁶⁾
<u>Middle</u>				
Dr. David L. Anderson Middle School (2005)				
Square feet	219,253	219,253	219,253	219,253
Capacity	1,184	1,184	1,184	1,184
Enrollment	956	941	989	988
Hidden Oaks Middle School (1991)				
Square feet	173,566	178,828	178,828	178,828
Capacity	1,210	1,329	1,329	1,329
Enrollment	1,086	1,048	1,094	1,064
Indiantown Middle School (1969)				
Square feet	155,404	155,404	155,404	158,860
Capacity	1,213	1,213	1,213	1,173
Enrollment	421	463	491	534
Murray Middle School (1961)				
Square feet	211,889	215,345	215,345	134,447
Capacity	1,177	1,256	1,256	1,312
Enrollment	747	815	851	795
Stuart Middle School (1971)				
Square feet	174,517	174,517	174,517	177,004
Capacity	1,156	1,179	1,179	1,179
Enrollment	927	967	1,032	1,054
<u>High</u>				
Martin County High School (1963)				
Square feet	396,341	417,947	417,947	421,184
Capacity	1,651	2,214	2,214	2,214
Enrollment	1,998	2,119	2,209	2,245
South Fork High School (1982)				
Square feet	313,984	317,078	317,078	319,898
Capacity	1,634	1,685	1,685	1,685
Enrollment	1,840	1,933	2,007	2,037
Jensen Beach High School (2002)				
Square feet	323,857	323,999	323,999	323,999
Capacity	1,554	1,554	1,554	1,554
Enrollment	1,634	1,771	1,805	1,878

Table 15

Fiscal Year					
2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾
219,253	219,253	219,253	219,253	219,253	219,253
1,184	1,184	1,184	1,184	1,184	1,184
1,020	1,011	1,056	1,083	1,101	1,036
178,828	178,828	178,828	178,828	178,828	178,828
1,329	1,329	1,329	1,329	1,329	1,329
1,090	1,045	1,112	1,046	1,012	934
158,860	133,803	133,803	136,668	13,668	13,668
1,173	1,173	854	870	870	870
547	592	631	641	658	628
131,296	132,395	132,395	132,438	132,438	132,438
999	999	999	999	999	999
798	756	790	744	653	569
177,004	177,004	180,298	181,298	181,298	181,298
1,179	1,179	1,197	1,159	1,159	1,159
1,025	1,007	985	899	865	779
421,184	465,200	463,290	379,776	379,776	379,776
2,214	2,214	2,037	2,037	2,037	2,037
2,318	2,292	2,316	2,212	2,126	2,088
319,898	319,898	319,898	319,898	319,898	319,898
1,685	1,685	1,685	1,685	1,685	1,685
1,990	1,914	1,937	1,986	1,831	1,819
323,999	323,999	323,999	323,999	323,999	323,999
1,554	1,554	1,554	1,554	1,554	1,554
1,735	1,663	1,648	1,510	1,452	1,368

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

School	Fiscal Year			
	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾	2015 ⁽⁶⁾
Other				
Spectrum JR/SR High School (1932)				
Square feet	15,655	19,159	19,159	19,159
Capacity	130	218	218	218
Enrollment	85	61	143	154
Willoughby Learning Center (1988)				
Square feet	44,105	44,155	44,155	44,155
Capacity	171	171	171	171
Enrollment	38	31	44	46

Notes:

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

Sources:

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

Table 15

Fiscal Year					
2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾	2021 ⁽⁶⁾
19,159	19,487	19,487	20,351	20,351	20,351
218	218	218	218	218	218
148	99	130	133	83	171
44,155	44,155	44,155	44,155	44,155	44,155
171	171	171	171	171	171
87	56	85	93	91	58

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

Current year (2020):			Percentage	
Employer	Rank	Employees	of Total	Product/Service
			County	
			Employment	
Cleveland Clinic, formerly known as Martin Memorial Health Systems	1	2,700	3.68%	Health Care
Martin County School District	2	2,441	3.33%	Government
Martin County Government	3	1,802	2.46%	Government
Seacoast National Bank	4	805	1.10%	Banking
Publix Super Markets	5	708	0.96%	Grocery Chain
NuCo2	6	700	0.95%	Chemical Wholesale
GL Staffing Services	7	700	0.95%	Staffing
Armellini Express Lines	8	650	0.89%	Transportation and Logistics
Visiting Nurses Association of Florida	9	600	0.82%	Health Care
State of Florida	10	505	0.69%	Government
Total		11,611	15.83%	
Nine years ago (2011):				
Cleveland Clinic, formerly known as Martin Memorial Health Systems	1	2,825	4.45%	Health Care
Martin County School District	2	2,566	4.04%	Government
Martin County Government	3	1,566	2.47%	Government
Publix Super Markets	4	1,276	2.01%	Grocery Chain
State of Florida	5	637	1.00%	Government
IVOX Solutions	6	532	0.84%	Business Support Services
Turbocombustor Technology	7	420	0.66%	Fabrication
Winn-Dixie Stores	8	329	0.52%	Grocery Chain
Liberator Medical Holdings Inc	9	319	0.50%	Health Care
Florida Power & Light	10	303	0.48%	Energy
Total		10,773	16.97%	

Note:

(1) Information for 2021 and 2012 was not available, so this schedule was prepared with the data of 2020 and 2011.

Source:

Martin County Comprehensive Financial Report 09/30/2020.

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

Fiscal Year	Operating Expenditures ⁽¹⁾	Student Memberships ⁽¹⁾	Cost per Student	Percentage Change	Teaching Staff ⁽²⁾	Student/Teacher Ratio
2012	\$ 155,162,209	17,964	\$ 8,637	-6.00%	1,360	13.2
2013	157,085,087	18,267	8,599	-0.45%	1,372	13.3
2014	159,360,627	18,296	8,710	1.28%	1,359	13.5
2015	163,500,791	18,583	8,798	1.00%	1,350	13.8
2016	163,407,720	18,714	8,732	-0.77%	1,373	13.6
2017	166,478,977	18,748	8,880	1.68%	1,387	13.5
2018	170,849,878	18,664	9,154	3.08%	1,355	13.8
2019	183,491,433	18,385	9,980	9.02%	1,399	13.1
2020	200,479,360	18,734	10,701	7.21%	1,431	13.1
2021	202,443,725	18,057	11,211	4.76%	1,378	13.1

Notes:

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

Sources:

(1) District records

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

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

	Fiscal Year			
	2012	2013	2014	2015
Days meals were served	180	180	180	180
Average number of free and reduced lunches served daily	6,201	6,260	6,138	6,939
Total number of free and reduced lunches served	1,116,133	1,126,823	1,104,795	1,249,031
Average daily subsidy received	\$ 27,011	\$ 29,471	\$ 31,628	\$ 34,178
Total subsidy received	\$ 4,861,936	\$ 5,304,851	\$ 5,693,100	\$ 6,152,078
Average number of lunches served daily	9,630	9,405	9,453	9,612
Total number of lunches served	1,733,429	1,692,924	1,701,459	1,730,235
Percentage of free and reduced lunches served to total meals	64.39%	66.56%	64.93%	72.19%
Average daily revenues	\$ 42,686	\$ 43,771	\$ 45,797	\$ 46,021
Total revenues	\$ 7,683,416	\$ 7,878,796	\$ 8,243,385	\$ 8,283,753
Average daily costs	\$ 38,313	\$ 40,992	\$ 42,718	\$ 46,289
Total costs	\$ 6,896,268	\$ 7,378,585	\$ 7,689,160	\$ 8,332,039

Note:

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

Source: District Records

Table 18

Fiscal Year					
2016	2017 ⁽¹⁾	2018 ⁽²⁾	2019	2020 ⁽³⁾	2021
180	178	173	180	131	180
7,270	7,556	7,827	7,574	7,501	7,102
1,308,652	1,344,882	1,354,034	1,363,383	982,639	1,278,291
\$ 37,906	\$ 40,754	\$ 43,349	\$ 40,950	\$ 37,021	\$ 36,599
\$ 6,823,024	\$ 7,254,275	\$ 7,499,412	\$ 7,371,040	\$ 4,849,702	\$ 6,587,889
9,811	9,784	10,145	9,893	9,856	7,586
1,765,894	1,741,463	1,755,017	1,780,769	1,291,088	1,365,513
74.11%	77.23%	77.15%	76.56%	76.11%	93.61%
\$ 49,700	\$ 53,136	\$ 55,246	\$ 55,902	\$ 48,513	\$ 57,254
\$ 8,946,005	\$ 9,458,281	\$ 9,557,632	\$ 10,062,318	\$ 8,732,369	\$ 10,305,659
\$ 53,597	\$ 54,772	\$ 53,956	\$ 53,608	\$ 49,266	\$ 51,055
\$ 9,647,508	\$ 9,749,351	\$ 9,334,334	\$ 9,649,395	\$ 8,867,833	\$ 9,189,872



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SINGLE AUDIT SECTION





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

Federal Reports and Schedules

Schedule of Expenditures of Federal Awards

Report of Independent Auditor's 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*

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

Schedule of Findings and Questioned Costs

Summary of Prior Audit Findings and Corrective Action Plan



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**DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass - Through Entity Identifying Number</u>	<u>Amount Provided to Subrecipients</u>	<u>Total Expenditures</u>
Clustered				
Child Nutrition Cluster:				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	20002	\$ -	\$ 98,981
National School Lunch Program	10.555	20001, 20003	-	931,445
COVID-19 National School Lunch Program	10.555	20001, 20003	-	508,710
Summer Food Service Program for Children	10.559	19006, 19007, 20006, 20007	-	7,267,167
Total Child Nutrition Cluster			-	8,806,303
Special Education Cluster:				
United States Department of Education:				
Special Education - Grants to States:	84.027			
Florida Department of Education		263	-	4,541,960
University of South Florida		None	-	22,365
Total Special Education - Grants to States	84.027		-	4,564,325
Special Education - Preschool Grants:				
Florida Department of Education	84.173	267	-	102,428
Total Special Education Cluster			-	4,666,753
Not Clustered				
United States Department of Agriculture:				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-5809	-	518,366
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	21004	-	132,061
Total United States Department of Agriculture			-	650,427
United States Department of Defense:				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	75,049
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	128,878
Total United States Department of Defense			-	203,927
United States Department of Education:				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	-	105,241
Title I Grants to Local Educational Agencies	84.010	212, 223	-	3,845,452
Migrant Education - State Grant Program	84.011	217	-	8,635
Career and Technical Education - Basic Grants to States	84.048	161	-	155,979
Title IX Part A Homeless Essa	84.196	127	-	2,674
Charter Schools, Title V, Part B	84.282	298	453,344	453,344
English Language Acquisition State Grants	84.365	102	-	324,964
Supporting Effective Instruction State Grants	84.367	224	-	608,582
Student Support and Academic Enrichment Program	84.424	241	-	297,430
Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act				
COVID-19 Governor's Emergency Education Relief	84.425C	123	-	373,881
COVID-19 Elementary and Secondary School Emergency Relief	84.425D	124	-	3,480,890
COVID-19 CARES Act Provider Relief	84.938	N/A	-	8,400
Total United States Department of Education			453,344	9,665,472
United States Department of Health and Human Services:				
Head Start	93.600	N/A	-	1,249,297
COVID-19 Head Start	93.600	N/A	-	77,362
Total Head Start			-	1,326,659
United States Department of Justice:				
Bureau of Justice Assistance				
STOP School Violence	16.839	N/A	-	29,507
Total Expenditures of Federal Awards			\$ 453,344	\$ 25,349,048

The accompanying notes are an integral part of this Schedule.

- (1) Basis of Presentation The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Martin County School District on programs of the Federal Government for the fiscal year ending June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.
- (2) Summary of Significant Account Policies Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance for National School Lunch Program Includes \$568,279.00 of donated food received during the fiscal year. Donated foods are valued at fair value determined at the time of donation.
- (5) Head Start Expenditures include \$592,421.20 for grant number/program year 04CH01170001/C3 and \$734,237.55 for grant number/program year 04CH011700-02-00.

**Report of Independent Auditor on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Members
District School Board of Martin County
Stuart, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Martin County (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units and a portion of the fiduciary funds that represents the District's School Internal Accounts custodial fund, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Cheryl Behrman" followed by a small mark.

Orlando, Florida
January 25, 2022

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

The Honorable Members of the District School Board of Martin County
Stuart, Florida

Report on Compliance for Each Major Federal Program

We have audited the District School Board of Martin County's (the "District's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The District's basic financial statements include the operations of discretely presented component units for which expenditures of federal awards, to the extent applicable, are not included in the District's schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of the discretely presented component units, since they were audited by other auditors.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 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 types of 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, 2021.

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 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Orlando, Florida
January 25, 2022

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

DISTRICT SCHOOL BOARD OF MARTIN COUNTY
SUMMARY OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2021

Summary of Prior Year Findings

There were no findings reported in the prior year; therefore, a summary of prior year findings is not required.

Corrective Action Plan

There are no audit findings reported in the Schedule of Findings and Questioned Costs for the year ended June 30, 2021; therefore, a Corrective Action Plan is not required.

Independent Auditor's Management Letter

To the Honorable Chairman and Members
District School Board of Martin County
Stuart, Florida

Report of the Financial Statements

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the School District Board of Martin County (the "District") as of and for the year ended June 30, 2021, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2022. We did not audit the financial statements of the discretely presented component units nor a portion of the fiduciary funds that represents the District's School Internal Accounts custodial fund; those financial statements were audited by other 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 Report of Independent Auditor 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*; Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance; Report of Independent Accountant on Compliance with Local Government Investment Policies; and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 25, 2022, 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 audit report. There were no findings in the preceding annual financial audit report.

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 met. In connection with our audit, the results of our tests did not indicate the District met 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 review of 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 any such recommendations.

District School Board of Martin County

Transparency

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined the District maintained on its website 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 noncompliance 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 of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.800, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cheryl Behrman

Orlando, Florida
January 25, 2022

Appendix A – Management Letter Comments

Implementation of New District ERP System

Observation 2020-001: The District has been in the process of implementing a new cloud-based Enterprise Resource Planning (“ERP”) system during the year ended June 30, 2020. In connection with this system implementation, the District was unable to completely configure the system so that all reconciling items on bank reconciliations could be fully identified and investigated prior to the end of the fiscal year. In addition, the District’s efforts necessary to implement the ERP system resulted in backlogs in processing transactions to the extent the District has been unable to fully record and track capital assets in the fixed asset module. As a consequence, \$5,730,497 of capital asset expenditures was not recorded as capital assets on the government-wide statement of net position.

Recommendation: The District should continue its efforts to expeditiously fully implement the new ERP system so that key reconciliations may be performed in a timely fashion and so capital assets are fully recorded and tracked in the fixed assets module.

Management Response: The District acknowledges and agrees that we should continue to fully implement the new ERP system. After June 30, 2020 and as of today, the District was able to identify all reconciling items on the bank reconciliations and is working diligently on recording all of the capital assets. We also continue to evaluate and refine all business processes and fully utilize the Oracle ERP system to its fullest capabilities and to provide ongoing training, documentation, and reporting for all stakeholders.



#MCSDPotential

The Martin County School District is committed to its mission of educating all students for success while also ensuring that every child is equipped to achieve his or her highest personal potential.

