

2023

Clay County District School Board

Financial Statements and
Independent Auditor's Report

June 30, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
CLAY COUNTY DISTRICT SCHOOL BOARD
GREEN COVE SPRINGS, FLORIDA**

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Clay County District School Board (the District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units' columns as of June 30, 2023. The financial statements for the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of a Matter

As described in Note 1 to the financial statements, in 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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Clay County District School Board and
Superintendent
Green Cove Springs, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General and Major Special Revenue Funds, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedules of District Contributions – FRS/HIS, Schedules of District's Proportionate Share of Net Pension Liability – FRS/HIS, and Notes to Required Supplementary Information 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 the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



March 18, 2024
Ocala, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the Clay County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2023. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

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

- As of June 30, 2023, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$329,410,024.91 (net position).
- In total, net position decreased by \$8,234,328.21 from the 2022-23 fiscal year, which represents a 2.45 percent decrease when compared to the 2021-22 fiscal year.
- General revenues total \$433,106,384.12, or 93.9 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$28,195,595.97, or 6.1 percent of all revenues.
- Expenses total \$469,536,308.30. Only \$28,195,595.97 of these expenses was offset by program specific charges, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$37,250,690.35, which is \$3,571,039.11 less than the prior fiscal year balance.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$9,024,060.45, which is 2.7 percent of total General Fund revenues.
- The District's capital assets increased by an amount of \$41,939,128.20, or 9.9 percent, as compared to the June 30, 2022, balance.
- The District's capital asset-related debt decreased by a net amount of \$4,738,325.61, or 13.7 percent, as compared to the June 30, 2022, balance.
- During the course of the 2022-23 fiscal year, the District amended its General Fund budget several times, which resulted in a decrease in total budgeted revenues of \$16,045,358.54, or 4.7 percent, due primarily from changes in estimated state funding levels.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position and the results of operations during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

- **Governmental Activities** – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the state's education finance program provide most of the resources that support these activities.
- **Component Units** – The St. Johns Classical Academy, Inc., the Florida Charter Educational Foundation, Inc., d/b/a Clay Charter Academy, the Northeast Florida Virtual Charter School Board, Inc., d/b/a Florida Cyber Charter Academy at Clay, and the Clay County Education Foundation, Inc. are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. A separate column is used to emphasize that they are legally separate from the District.

The Clay County Education Foundation, Inc. is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District.

The District's charter schools are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the *Florida Not For Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the District. Pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

The Clay School Board Leasing Corporation (Leasing Corporation), although a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. This blended component unit is presented as funds of the District. Separate financial statements for the Leasing Corporation are not published and a separate column is not used on the Statement of Net Position and Statement of Activities or within the basic financial statements.

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Food Service Fund, Special Revenue – Other Fund, Special Revenue – Federal Education Stabilization Fund, Debt Service – Other Fund, Capital Projects – Non-Voted Capital Improvement Fund, and Capital Projects – Other Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation (i.e., Other Governmental Funds).

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General and major Special Revenue Funds to demonstrate compliance with the budget.

Proprietary Funds. Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains two Internal Service Funds. Internal Service Funds are proprietary funds used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses its first Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, general liability, and property loss coverages. Additionally, the District uses its second Internal Service Fund to account for the District's self-insurance program for employees' medical insurance, purchased services, and insurance claims. The unrestricted net position of the Internal Service Funds combined totaled \$10,010,206.89 at June 30, 2023. Since these services predominantly benefit government-wide functions, the Internal Service Funds have been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's net pension liability, the District's contributions to pension plans, the District's total other postemployment benefits (OPEB) liability, and the District's progress in funding its obligation to provide OPEB to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2023, compared to net position as of June 30, 2022:

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-23	6-30-22
Current and Other Assets	\$ 134,025,550.50	\$ 158,845,415.54
Capital Assets	461,559,303.29	419,620,175.09
Total Assets	<u>595,584,853.79</u>	<u>578,465,590.63</u>
Deferred Outflows of Resources	<u>57,558,900.00</u>	<u>73,782,426.00</u>
Long-Term Liabilities	287,880,548.72	172,601,794.70
Other Liabilities	21,952,429.16	18,111,129.81
Total Liabilities	<u>309,832,977.88</u>	<u>190,712,924.51</u>
Deferred Inflows of Resources	<u>13,900,751.00</u>	<u>123,890,739.00</u>
Net Position:		
Net Investment in Capital Assets	422,476,134.18	380,407,561.66
Restricted	78,006,744.56	109,444,258.25
Unrestricted (Deficit)	(171,072,853.83)	(152,207,466.79)
Total Net Position	<u>\$ 329,410,024.91</u>	<u>\$ 337,644,353.12</u>

The decrease in Deferred Inflows of Resources is primarily due to the fluctuation in the net pension liability. As a participating employer in the Florida Retirement System (FRS), the District is required by Governmental Accounting Standards Board (GASB) Statement No. 68 to recognize its proportionate share of the collective net pension liability of the FRS cost-sharing multiple-employer defined benefits plans. Changes in the net pension liability are recognized through the statement of activities or reported as deferred outflows of resources or deferred inflows of resources on the statement of net position, depending on the nature of the change.

The largest portion of the District's net position (\$422,476,134.18) is investment in capital assets (e.g., land; building; furniture, fixtures and equipment; and right-to-use assets), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position (\$78,006,744.56) represents resources that are subject to external restrictions on how they may be used.

The unrestricted net position is a deficit of \$171,072,853.83 due primarily to the District's proportionate share of the collective net liabilities required to be reported by GASB Statement No. 68 and due to GASB Statement No. 75. GASB Statement No. 75 addresses accounting and financial reporting for OPEB other than pensions provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; and requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statements for the OPEB that they provide. The District has sufficient current assets to meet its current obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-23	6-30-22
Program Revenues:		
Charges for Services	\$ 6,626,648.22	\$ 2,767,167.00
Operating Grants and Contributions	18,276,713.69	24,812,587.24
Capital Grants and Contributions	3,292,234.06	3,140,385.27
General Revenues:		
Property Tax Levied for Operational Purposes	78,220,461.58	72,807,361.39
Property Tax Levied for Capital Projects	23,943,895.69	20,751,847.24
Local Sales Taxes	17,825,454.44	16,869,417.00
Impact Fees	9,417,395.81	11,941,512.27
Grants and Contributions Not Restricted to Specific Programs	279,524,527.96	281,112,595.26
Unrestricted Investment Earnings	4,356,955.75	380,332.25
Miscellaneous	19,817,692.89	5,791,290.62
Total Revenues	461,301,980.09	440,374,495.54
Functions/Program Expenses:		
Instruction	259,445,168.60	224,487,310.69
Student Support Services	21,912,820.54	18,361,942.97
Instructional Media Services	5,086,514.73	4,713,217.34
Instruction and Curriculum Development Services	7,263,914.28	6,256,153.05
Instructional Staff Training	6,617,853.07	5,931,458.74
Instruction Related Technology	4,949,793.51	5,214,334.87
Board of Education	354,015.61	653,903.66
General Administration	1,845,567.56	1,638,483.07
School Administration	19,210,562.52	17,051,975.14
Facilities Acquisition and Construction	19,025,009.25	15,762,789.82
Fiscal Services	1,556,245.22	1,299,488.82
Food Services	24,727,595.71	21,171,978.50
Central Services	3,988,126.18	5,680,029.27
Student Transportation Services	17,328,334.76	13,614,846.22
Operation of Plant	29,315,631.09	25,909,381.20
Maintenance of Plant	8,013,763.94	6,607,154.99
Administrative Technology Services	1,736,157.98	1,654,639.23
Community Services	10,777,780.13	9,037,322.18
Interest on Long-Term Debt	1,776,850.96	1,204,840.83
Unallocated Depreciation/Amortization Expenses	24,604,602.66	16,417,829.80
Total Functions/Program Expenses	469,536,308.30	402,669,080.39
Change in Net Position	(8,234,328.21)	37,705,415.15
Net Position - Beginning of Year	337,644,353.12	3,041,873,111.48
Adjustment to Beginning Net Position (1)	-	(1,934,173.51)
Net Position - Beginning of Year, as Restated	337,644,353.12	299,938,937.97
Net Position - End of Year	\$ 329,410,024.91	\$ 337,644,353.12

(1) Adjustment to beginning net position is due to the implementation of GASB Statement No. 87, *Leases*, for the 2022 year, which is a change in accounting principle.

The State's Florida Education Finance Program (FEFP) and local property taxes provide the majority of the District's revenues for current operations. The FEFP funding formula is used to allocate State revenue sources for current District operations and utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The state's FEFP revenues and local property taxes are included in general revenues, which provide about 93.9 percent of total revenues, whereas program revenues provide only about 6.1 percent. The majority of program revenues (83 percent) are in the food services activity.

Under the General Revenues category, revenues increased by \$23,452,028.09, due to increases in Florida Education Finance Program revenues, Property Taxes Levied for Operational Purposes, Local Sales Taxes collected, and Property Taxes Levied for Capital Projects. Federal Education Stabilization Fund revenues decreased by \$2,818,299.45, or 11.9 percent from the 2021-22 fiscal year. Property Taxes Levied for Operational Purposes increased by \$5,413,100.19, or 7.4 percent from the 2021-22 fiscal year. Impact Fees decreased by \$2,524,116.46, or 21.1 percent from the 2021-22 fiscal year. Local Sales Taxes revenues increased by \$956,037.44, or 7.1 percent.

Overall, total governmental expenses increased by \$66,867,227.91, or 16.61 percent, during the 2022-23 fiscal year. Instruction expenses represent 55.26 percent of total government expenses and increased by \$34,957,857.91, or 15.7 percent from the previous fiscal year. Student Support Services increased by \$3,550,877.57, or 19.3 percent from the previous fiscal year. Food Services increased by \$3,555,617.21, or 16.8 percent from the previous fiscal year. Student Transportation Services increased by \$3,713,488.54, or 27.3 percent from the previous fiscal year. Operation of Plant increased by \$3,406,249.89, or 13.1 percent from the previous fiscal year. Unallocated Depreciation/Amortization Expenses increased by \$8,186,772.86, or 49.9 percent from the previous fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 in assessing the District's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds decreased by \$32,374,881.80 during the fiscal year to \$93,493,448.11 at June 30, 2023. Of the total fund balance, \$5,528,761.83, is assigned; \$9,024,060.45, is unassigned; \$1,899,921.31, is non-spendable; and \$76,981,344.52, is restricted. Only the \$9,024,060.45, or 9.7 percent is unassigned and available for spending at the District's discretion.

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$9,024,060.45, while the total fund balance is \$37,250,690.35. As a measure of the General Fund's liquidity, it may be useful to compare the total unassigned and assigned fund balances to General Fund total revenues. The total unassigned and assigned fund balance is \$14,552,822.80, or 4.4 percent of the total General Fund revenues, while the total fund balance \$37,250,690.35 represents 11.2 percent of such revenues.

Total fund balance decreased by \$3,571,039.11, or 8.75 percent, during the fiscal year. The key factors impacting the change in fund balance are increases in Instruction by \$11,745,895.90 (5.6 percent); Facilities Acquisition and Construction by \$2,637,641.78 (50.4 percent); Student Transportation Services by \$1,432,416.78 (11.9 percent) and Plant Operations by \$2,248,449.76 (8.7 percent). Also, a contributing factor is the increase in Fixed Capital Outlay with Facilities Acquisition and Construction increases of \$4,286,678.52 or 1099.2 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Special Revenue – Other Fund has total revenues and expenditures of \$16,597,877.61 each, and the funding was mainly used for instruction. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Special Revenue – Food Service Fund is used to account for and report all food service activities. This fund had revenues and expenditures of \$23,656,538.06, and \$24,209,776.25, respectively, and ended the fiscal year with a fund balance of \$9,959,354.54, including inventories of \$567,261.46 that represent the non-spendable fund balance, and the remaining \$9,392,093.08 fund balance is restricted for food service operations. The total fund balance decreased \$553,238.19 during the fiscal year due to the food service operations.

The Special Revenue – Federal Education Stabilization Fund is used to account for federal grants administered through the state's cash advance system and had total revenues of \$20,869,912.62 and \$20,810,552.62 of expenditures. The funding was provided and used to prevent, prepare for, and respond to the coronavirus COVID-19 disease pandemic. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Debt Service – Other Debt Service Fund is used to account for financial resources used to pay debt principal, interest, and related costs for the certificates of participation and capital lease liabilities. The Fund maintained a small fund balance of \$144,076.06 at June 30, 2023, which is restricted for debt service payments.

Capital Projects – Non-Voted Capital Improvement Fund has a total fund balance of \$22,158,888.96, which is restricted for the acquisition, construction, and maintenance of capital assets. This fund has revenues of \$23,944,007.90, expenditures of \$22,163,852.96, and encumbrances of \$13,172,208.90 for specific projects at June 30, 2023. Total fund balance decreased by \$8,257,293.13 in the current fiscal year. Expenditures were mainly for renovation/construction of school facilities and the purchase of furniture, fixtures, and equipment including the construction of a new elementary school (Spring Park Elementary) that will open in August 2023. Transfers out were to provide for debt service payments, to fund equipment purchases, to pay property insurance premiums, and to provide funding for certain expenditures of the District's maintenance and facilities departments.

The Capital Projects – Other Capital Projects Fund is mainly used to account for the financial resources received from local impact fees, local sales taxes, and other miscellaneous sources to be used for educational capital outlay needs, including new construction and renovation and remodeling projects. The total fund balance decreased by \$17,493,532.19, or 48.7 percent, to \$18,451,525.25 at June 30, 2023. Expenditures were mainly for construction of a new elementary school (Spring Park Elementary) and renovation of classrooms, cafeteria, and media center at Keystone Heights Elementary School. Transfers out of \$5,662,526.29 were to provide for debt service payments. Of the total fund balance, \$7,170,095.54, has been encumbered for specific projects.

Proprietary Funds

The District reports the following proprietary fund type:

Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, general liability, and property loss coverages are being provided on a self-insured basis up to specified limits. The District established a risk management Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, general liability,

MANAGEMENT'S DISCUSSION AND ANALYSIS

and property loss coverages. Also, the District established an Internal Service Fund to account for the District's self-insurance program for employees' medical insurance, purchased services, and insurance claims. At June 30, 2023, the Internal Service Fund has a net position of \$10,010,206.89, representing an increase of \$2,717,136.68, in net position as compared to the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2022-23 fiscal year, the District amended its General Fund budget several times, which resulted in a decrease in total budgeted revenues of \$16,045,358.54, or 4.7 percent. Budget revisions to estimated revenue occurred primarily from changes in estimated state funding levels. Similarly, final budgeted expenditures increased by \$19,320,615.46, or 5.6 percent over the original budgeted amounts. The budget revisions were necessary to adjust planned expenditures based on actual resources and resource needs.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

At June 30, 2023, the District had capital assets, net of accumulated depreciation of \$461,559,303.29 as compared to \$420,354,042.49 at June 30, 2022. These capital assets include land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures, and equipment, motor vehicles, right-to-use assets, subscription-based information technology arrangements, and audio-visual materials and computer software. Capital assets increased by an amount of \$65,753,814.46 (excluding accumulated depreciation), or 9 percent during the 2022-23 fiscal year. Major capital asset events during the 2022-23 fiscal year included construction on a new elementary school, Spring Park Elementary, and on a classroom addition and cafeteria renovation at Keystone Heights Elementary. Additional information on the District's capital assets can be found in subsequent notes to the financial statements.

Long-Term Debt

At June 30, 2023, the District had capital asset-related long-term debt outstanding of \$29,760,752.59 composed of bonds payable, lease payables, software subscription arrangements, and certificates of participation. During the 2022-23 fiscal year, capital asset-related debt decreased by \$4,738,325.61, or 13.7 percent from the June 30, 2022 balance, from the redemption of debt principal. Additional information on the District's long-term debt can be found in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Assistant Superintendent for Business Services, Clay County District School Board, 900 Walnut Street, Green Cove Springs, Florida 32043.

FINANCIAL STATEMENTS

CLAY COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	\$ 109,870,268.18	\$ 4,136,501.00
Investments	204.56	1,778,669.00
Accounts Receivable	1,994,365.74	823,239.00
Due from Other Agencies	15,072,737.45	164,484.00
Inventories	1,899,921.31	32,441.00
Capital Credits Receivable	5,128,693.26	-
Prepaid Items	59,360.00	188,351.00
Capital Assets:		
Non-Depreciable Capital Assets	79,956,194.64	1,727,190.00
Depreciable Capital Assets, Net	381,603,108.65	26,915,667.00
Total Assets	595,584,853.79	35,766,542.00
Deferred Outflows of Resources		
Net Carrying Amount of Debt Refunding	-	1,309,515.00
Other Postemployment Benefits	1,938,166.00	-
Pensions	55,620,734.00	-
Total Deferred Outflows of Resources	57,558,900.00	1,309,515.00
Liabilities		
Salaries and Benefits Payable	4,709,383.43	600,059.00
Payroll Deductions and Withholdings	1,688,517.85	-
Accounts Payable	3,072,488.37	475,181.00
Sales Tax Payable	1,253.72	-
Construction Contracts Payable	3,023,788.73	-
Construction Contracts Payable - Retainage	1,968,627.80	-
Accrued Health Claims Payable	2,457,104.00	-
Unearned Revenue	278,885.11	2,347.00
Matured Certificates of Participation Payable	4,330,000.00	-
Matured Interest Payable	422,380.15	-
Long-Term Liabilities:		
Portion Due Within One Year	9,719,138.61	678,934.00
Portion Due After One Year	278,161,410.11	36,512,334.00
Total Liabilities	309,832,977.88	38,268,855.00
Deferred Inflows of Resources		
Other Postemployment Benefits	2,727,630.00	-
Pensions	11,173,121.00	-
Total Deferred Inflows of Resources	13,900,751.00	-
Net Position		
Net Investment in Capital Assets	422,476,134.18	(6,901,372.00)
Restricted for:		
State Required Carryover Programs	11,758,961.05	-
Debt Service	513,974.79	1,070,289.00
Capital Projects	41,759,101.29	162.00
Food Service	9,959,354.54	-
Student Groups	4,409,105.72	-
Other Purposes	9,606,247.17	662,427.00
Unrestricted (Deficit)	(171,072,853.83)	3,975,696.00
Total Net Position	\$ 329,410,024.91	\$ (1,192,798.00)

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
Instruction	\$ 259,445,168.60	\$ 819,669.92	\$ -
Student Support Services	21,912,820.54	-	-
Instructional Media Services	5,086,514.73	-	-
Instruction and Curriculum Development Services	7,263,914.28	-	-
Instructional Staff Training Services	6,617,853.07	-	-
Instruction-Related Technology	4,949,793.51	-	-
School Board	354,015.61	-	-
General Administration	1,845,567.56	-	-
School Administration	19,210,562.52	-	-
Facilities Acquisition and Construction	19,025,009.25	-	-
Fiscal Services	1,556,245.22	-	-
Food Services	24,727,595.71	5,131,065.12	18,276,713.69
Central Services	3,988,126.18	-	-
Student Transportation Services	17,328,334.76	-	-
Operation of Plant	29,315,631.09	-	-
Maintenance of Plant	8,013,763.94	-	-
Administrative Technology Services	1,736,157.98	-	-
Community Services	10,777,780.13	675,913.18	-
Unallocated Interest on Long-Term Debt	1,776,850.96	-	-
Unallocated Depreciation/Amortization Expense*	24,604,602.66	-	-
Total Governmental Activities	\$ 469,536,308.30	\$ 6,626,648.22	\$ 18,276,713.69
Component Units			
Charter Schools and Foundation	\$ 17,717,345.00	\$ 908,553.00	\$ 1,268,871.00

General Revenues

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Tax

Impact Fees

Grants and Contributions Not Restricted to

Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

See accompanying notes.

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions	Primary Government	Component Units
	Governmental Activities	
\$ -	\$ (258,625,498.68)	\$ -
-	(21,912,820.54)	-
-	(5,086,514.73)	-
-	(7,263,914.28)	-
-	(6,617,853.07)	-
-	(4,949,793.51)	-
-	(354,015.61)	-
-	(1,845,567.56)	-
-	(19,210,562.52)	-
3,231,124.29	(15,793,884.96)	-
-	(1,556,245.22)	-
-	(1,319,816.90)	-
-	(3,988,126.18)	-
-	(17,328,334.76)	-
-	(29,315,631.09)	-
-	(8,013,763.94)	-
-	(1,736,157.98)	-
-	(10,101,866.95)	-
61,109.77	(1,715,741.19)	-
-	(24,604,602.66)	-
<u>\$ 3,292,234.06</u>	<u>(441,340,712.33)</u>	<u>-</u>
<u>\$ 965,999.00</u>	<u>-</u>	<u>(14,573,922.00)</u>
	78,220,461.58	-
	23,943,895.69	-
	17,825,454.44	-
	9,417,395.81	-
	279,524,527.96	14,775,612.00
	4,356,955.75	79,004.00
	19,817,692.89	-
	<u>433,106,384.12</u>	<u>14,854,616.00</u>
	(8,234,328.21)	280,694.00
	337,644,353.12	(1,473,492.00)
	<u>\$ 329,410,024.91</u>	<u>\$ (1,192,798.00)</u>

See accompanying notes.

CLAY COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Food Service Fund	Special Revenue Other Fund
Assets			
Cash and Cash Equivalents	\$ 30,026,951.07	\$ 11,393,044.79	\$ 90,141.72
Investments	-	-	-
Accounts Receivable	1,994,364.05	-	-
Due from Other Funds	12,468,221.24	-	43,874.37
Due from Other Agencies	970,875.27	1,547,808.21	4,159,733.37
Prepaid	-	-	-
Inventories	1,332,659.85	567,261.46	-
Total Assets	<u>46,793,071.48</u>	<u>13,508,114.46</u>	<u>4,293,749.46</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Salaries and Benefits Payable	4,709,383.43	-	-
Payroll Deductions and Withholdings	1,688,517.85	-	-
Accounts Payable	2,274,741.58	33,762.95	261,007.70
Sales Tax Payable	1,253.72	-	-
Construction Contracts Payable	-	-	-
Construction Contracts Payable - Retainage	4,622.05	-	-
Due to Other Funds	-	3,293,222.77	3,975,630.85
Unearned Revenue	-	221,774.20	57,110.91
Matured Certificates of Participation Payable	-	-	-
Matured Interest Payable	-	-	-
Total Liabilities	<u>8,678,518.63</u>	<u>3,548,759.92</u>	<u>4,293,749.46</u>
Deferred Inflows of Resources			
Unavailable Revenue	863,862.50	-	-
Total Deferred Inflows of Resources	<u>863,862.50</u>	<u>-</u>	<u>-</u>
Fund Balances			
Non-Spendable:			
Inventory	1,332,659.85	567,261.46	-
Prepaid	-	-	-
Restricted:			
State Required Carryover Programs	11,758,961.05	-	-
Local Sales Tax and Other Tax Levy	9,606,247.17	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Food Services	-	9,392,093.08	-
Student Groups	-	-	-
Assigned:			
Special Education Programs	314,615.35	-	-
Purchase Obligations	2,788,419.25	-	-
Local Programs and Other Purposes	836,814.73	-	-
Insurance Premium Buydowns	1,588,912.50	-	-
Unassigned	9,024,060.45	-	-
Total Fund Balances	<u>37,250,690.35</u>	<u>9,959,354.54</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 46,793,071.48</u>	<u>\$ 13,508,114.46</u>	<u>\$ 4,293,749.46</u>

See accompanying notes.

Special Revenue Federal Education Stabilization Fund	Debt Service Other Debt Service Fund	Capital Projects Non-Voted Capital Improvement Fund	Capital Projects Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,442.57	\$ 4,896,456.21	\$ 24,096,465.00	\$ 18,083,246.86	\$ 6,668,905.28	\$ 95,258,653.50
-	-	-	-	204.56	204.56
-	-	-	-	1.69	1,994,365.74
-	-	-	-	-	12,512,095.61
4,765,300.37	-	26,705.54	3,599,989.70	2,324.99	15,072,737.45
59,360.00	-	-	-	-	59,360.00
-	-	-	-	-	1,899,921.31
<u>4,828,102.94</u>	<u>4,896,456.21</u>	<u>24,123,170.54</u>	<u>21,683,236.56</u>	<u>6,671,436.52</u>	<u>126,797,338.17</u>
-	-	-	-	-	4,709,383.43
-	-	-	-	-	1,688,517.85
477,444.35	-	-	-	-	3,046,956.58
-	-	-	-	-	1,253.72
-	-	1,089,958.94	1,933,829.79	-	3,023,788.73
-	-	145,318.31	670,431.14	1,148,256.30	1,968,627.80
4,291,298.59	-	729,004.33	169,311.80	53,627.27	12,512,095.61
-	-	-	-	-	278,885.11
-	4,330,000.00	-	-	-	4,330,000.00
-	422,380.15	-	-	-	422,380.15
<u>4,768,742.94</u>	<u>4,752,380.15</u>	<u>1,964,281.58</u>	<u>2,773,572.73</u>	<u>1,201,883.57</u>	<u>31,981,888.98</u>
-	-	-	458,138.58	-	1,322,001.08
-	-	-	458,138.58	-	1,322,001.08
-	-	-	-	-	1,899,921.31
59,360.00	-	-	-	-	59,360.00
-	-	-	-	-	11,758,961.05
-	-	-	-	-	9,606,247.17
-	144,076.06	-	-	369,898.73	513,974.79
-	-	22,158,888.96	18,451,525.25	690,548.50	41,300,962.71
-	-	-	-	-	9,392,093.08
-	-	-	-	4,409,105.72	4,409,105.72
-	-	-	-	-	314,615.35
-	-	-	-	-	2,788,419.25
-	-	-	-	-	836,814.73
-	-	-	-	-	1,588,912.50
-	-	-	-	-	9,024,060.45
<u>59,360.00</u>	<u>144,076.06</u>	<u>22,158,888.96</u>	<u>18,451,525.25</u>	<u>5,469,552.95</u>	<u>93,493,448.11</u>
<u>\$ 4,828,102.94</u>	<u>\$ 4,896,456.21</u>	<u>\$ 24,123,170.54</u>	<u>\$ 21,683,236.56</u>	<u>\$ 6,671,436.52</u>	<u>\$ 126,797,338.17</u>

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balances - Governmental Funds	\$	93,493,448.11
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		461,559,303.29
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		10,010,206.89
Capital credits are not available to liquidate liabilities in governmental funds, but are accrued in governmental activities in the statement of net position.		5,128,693.26
Certain funding is not available to pay for current period expenditures and, therefore, is reported as unavailable revenue on the governmental fund statements. However, under full accrual, this amount increases net position in the statement of net position.		1,322,001.08
Deferred outflows of resources and deferred inflows of resources related to the other postemployment benefits are applicable to future periods and, therefore, are not reported in governmental funds:		
Deferred Outflows	\$ 1,938,166.00	
Deferred Inflows	<u>(2,727,630.00)</u>	(789,464.00)
Deferred outflows of resources and deferred inflows of resources related to the cost-sharing pensions are applicable to future periods and, therefore, are not reported in governmental funds:		
Deferred Outflows	55,620,734.00	
Deferred Inflows	<u>(11,173,121.00)</u>	44,447,613.00
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:		
Lease Liability	(5,017,541.60)	
Software Subscription Arrangement Liability	(2,139,210.99)	
Bonds Payable	(1,560,000.00)	
Certificates of Participation Payable	(21,044,000.00)	
Compensated Absences Payable	(24,952,855.13)	
Net Pension Liability	(227,160,728.00)	
Other Postemployment Benefits Payable	<u>(3,887,441.00)</u>	(285,761,776.72)
Total Net Position - Governmental Activities	\$	<u><u>329,410,024.91</u></u>

See accompanying notes.

CLAY COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Food Service Fund	Special Revenue Other Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 1,087,980.11	\$ -	\$ 54,093.28
Federal Through State and Local	2,351,433.99	18,107,578.69	16,532,392.68
State	241,336,489.74	169,138.00	-
Local:			
Property Taxes	78,220,461.58	-	-
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Charges for Services - Food Service	-	5,131,065.12	-
Miscellaneous	10,584,041.31	248,756.25	11,391.65
Total Revenues	<u>333,580,406.73</u>	<u>23,656,538.06</u>	<u>16,597,877.61</u>
Expenditures			
Current - Education:			
Instruction	222,989,130.58	-	10,008,489.32
Student Support Services	18,543,505.13	-	1,531,403.58
Instructional Media Services	4,707,012.06	-	0.01
Instruction and Curriculum Development Services	4,474,381.70	-	2,130,294.53
Instructional Staff Training Services	3,392,004.31	-	1,915,658.53
Instruction-Related Technology	4,602,746.43	-	3,931.59
School Board	896,990.50	-	-
General Administration	617,403.91	-	586,626.55
School Administration	17,853,944.57	-	46,391.64
Facilities Acquisition and Construction	7,875,800.16	-	-
Fiscal Services	1,416,557.71	-	-
Food Services	326,214.56	23,351,859.30	-
Central Services	3,695,782.72	-	3,168.31
Student Transportation Services	13,432,172.55	-	65,056.86
Operation of Plant	27,994,172.60	-	446.79
Maintenance of Plant	7,547,157.88	-	-
Administrative Technology Services	1,613,047.12	-	-
Community Services	279,872.13	-	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	4,676,676.46	-	-
Other Capital Outlay	3,674,037.47	857,916.95	306,409.90
Debt Service:			
Principal	854,272.72	-	-
Interest and Fiscal Charges	10,259.00	-	-
(Total Expenditures)	<u>351,473,142.27</u>	<u>24,209,776.25</u>	<u>16,597,877.61</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,892,735.54)</u>	<u>(553,238.19)</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers In	11,896,902.82	-	-
Proceeds from Sale of Capital Assets	71,545.52	-	-
Subscription Arrangements	2,259,616.31	-	-
Insurance Loss Recoveries	93,631.78	-	-
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	<u>14,321,696.43</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,571,039.11)</u>	<u>(553,238.19)</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>40,821,729.46</u>	<u>10,512,592.73</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 37,250,690.35</u>	<u>\$ 9,959,354.54</u>	<u>\$ -</u>

See accompanying notes.

Special Revenue Federal Education Stabilization Fund	Debt Service Other Debt Service Fund	Capital Projects Non-Voted Capital Improvement Fund	Capital Projects Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,142,073.39
20,869,912.62	-	-	-	-	57,861,317.98
-	-	-	1,539,854.75	1,811,346.28	244,856,828.77
-	-	23,943,895.69	-	-	102,164,357.27
-	-	-	17,825,454.44	-	17,825,454.44
-	-	-	9,417,395.84	-	9,417,395.84
-	-	-	685,838.92	-	5,816,904.04
-	3,840.04	112.21	-	10,363,764.37	21,211,905.83
<u>20,869,912.62</u>	<u>3,840.04</u>	<u>23,944,007.90</u>	<u>29,468,543.95</u>	<u>12,175,110.65</u>	<u>460,296,237.56</u>
13,157,399.42	-	-	-	-	246,155,019.32
549,497.73	-	-	-	-	20,624,406.44
95,754.73	-	-	-	-	4,802,766.80
222,041.67	-	-	-	-	6,826,717.90
905,656.76	-	-	-	-	6,213,319.60
74,684.25	-	-	-	-	4,681,362.27
3,229.50	-	-	-	-	900,220.00
600,514.35	-	-	-	-	1,804,544.81
342,434.65	-	-	-	-	18,242,770.86
1,668,600.02	-	3,849,857.81	6,247,643.18	-	19,641,901.17
25,836.00	-	-	-	-	1,442,393.71
404,027.18	-	-	-	-	24,082,101.04
70,431.25	-	-	-	-	3,769,382.28
816,602.51	-	-	-	-	14,313,831.92
366,093.18	-	-	-	-	28,360,712.57
134,024.25	-	-	-	-	7,681,182.13
24,221.25	-	-	-	-	1,637,268.37
14,408.77	-	-	-	10,465,462.13	10,759,743.03
1,071,160.10	-	18,201,675.15	35,051,906.67	3,996,896.53	62,998,314.91
263,935.05	-	-	-	-	5,102,299.37
-	5,839,384.91	109,284.29	-	195,000.00	6,997,941.92
-	959,703.69	3,035.71	-	84,714.15	1,057,712.55
<u>20,810,552.62</u>	<u>6,799,088.60</u>	<u>22,163,852.96</u>	<u>41,299,549.85</u>	<u>14,742,072.81</u>	<u>498,095,912.97</u>
<u>59,360</u>	<u>(6,795,248.56)</u>	<u>1,780,154.94</u>	<u>(11,831,005.90)</u>	<u>(2,566,962.16)</u>	<u>(37,799,675.41)</u>
-	6,803,071.54	-	-	-	18,699,974.36
-	-	-	-	-	71,545.52
-	-	-	-	-	2,259,616.31
-	-	-	-	-	93,631.78
-	-	(10,037,448.07)	(5,662,526.29)	-	(15,699,974.36)
-	6,803,071.54	(10,037,448.07)	(5,662,526.29)	-	5,424,793.61
59,360.00	7,822.98	(8,257,293.13)	(17,493,532.19)	(2,566,962.16)	(32,374,881.80)
-	136,253.08	30,416,182.09	35,945,057.44	8,036,515.11	125,868,329.91
<u>\$ 59,360</u>	<u>\$ 144,076.06</u>	<u>\$ 22,158,888.96</u>	<u>\$ 18,451,525.25</u>	<u>\$ 5,469,552.95</u>	<u>\$ 93,493,448.11</u>

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Governmental Funds \$ (32,374,881.80)

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Governmental funds report capital outlays as expenditures; however, in the
statement of activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount of
depreciation expense in excess of capital outlays in the current period. 41,194,890.79

Capital assets donated to the District increase net position in the
government-wide financial statements, but are not financial resources
and, therefore, are not reported in the governmental funds. 10,370.01

Certain funds due from other agencies were not available and, therefore, not
recognized as revenues in the governmental fund statements. However, these
funds were recognized as revenues under the full accrual basis of accounting
in the statement of activities. 510,885.63

Long-term debt proceeds provide current financial resources to the
governmental funds, but issuing debt increases long-term liabilities in the
statement of net position. Repayment of long-term debt is an expenditure
in the governmental funds, but the repayment reduces long-term liabilities
in the statement of net position. This is the amount by which proceeds
exceed repayments in the current fiscal year:

New Lease Liabilities	\$ (2,259,616.31)	
Long-Term Debt Repayments	<u>6,997,941.92</u>	4,738,325.61

In the statement of activities, the cost of compensated absences is
measured by the amounts earned during the year, while in the
governmental funds, expenditures are recognized based on the amounts
actually paid for compensated absences. This is the net amount of
compensated absences earned in excess of the amount used in the
current period. 2,693,408.77

Internal service funds are used by management to charge the cost of
certain activities to individual funds. The net revenue of internal service
funds is reported with governmental activities. 2,717,136.68

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Capital credits revenues are accrued in the statement of activities, but do not provide current financial resources and are not reported as revenues in the governmental funds. This is the net increase in capital credits receivable in the current fiscal year. \$ 3,740.12

Governmental funds reported District other postemployment benefits (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 OPEB expenses.

Change in OPEB Liability	\$ 763,937.00	
Change in Deferred Outflows of Resources - OPEB	(262,425.00)	
Change in Deferred Inflows of Resources - OPEB	<u>(480,037.00)</u>	21,475.00

Pension expenses related to the changes in net pension liability as reported in the statement of activities does not require the use of current financial resources and is not reported in the governmental funds.

FRS Pension Contribution	20,212,260.00	
HIS Pension Contribution	3,740,594.00	
FRS Pension Expense	(45,151,640.02)	
HIS Pension Expense	<u>(6,550,893.00)</u>	<u>(27,749,679.02)</u>

Change in Net Position - Governmental Activities **\$ (8,234,328.21)**

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	Governmental Activities Internal Service Funds
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 14,611,614.68
Total Assets	14,611,614.68
Liabilities	
Current Liabilities:	
Accounts Payable	25,531.79
Estimated Insurance Claims Payable	828,439.86
Estimated Health Claims Payable	2,457,104.00
Total Current Liabilities	3,311,075.65
Non-Current Liabilities:	
Estimated Insurance Claims Payable	1,290,332.14
Total Liabilities	4,601,407.79
Net Position	
Unrestricted	\$ 10,010,206.89

See accompanying notes.

CLAY COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities Internal Service Funds</u>
Operating Revenues	
Charges for Service - Insurance Premiums	\$ 34,565,040.65
Other Revenue	102,896.08
Total Operating Revenues	<u>34,667,936.73</u>
 Operating Expenses	
Salaries and Benefits	62,701.44
Insurance Claims	21,307,652.53
Excess Insurance Premiums	1,309,239.83
State Assessments	17,015.96
Purchased Services	6,569,761.05
Total Operating Expenses	<u>29,266,370.81</u>
 Operating Income	 <u>5,401,565.92</u>
 Non-Operating Revenues	
Investment Income	315,570.76
Transfer Out	<u>(3,000,000.00)</u>
Total Non-Operating Revenues	<u>(2,684,429.24)</u>
 Net Income (Loss)	 2,717,136.68
 Total Net Position, Beginning of Year	 <u>7,293,070.21</u>
 Total Net Position, End of Year	 <u>\$ 10,010,206.89</u>

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities Internal Service Funds</u>
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$ 34,667,937.73
Cash Payments to Vendors for Goods and Services	(7,870,486.05)
Cash Payments to Insurance Claims	(18,368,592.53)
Cash Payments to Employees for Services	(62,701.44)
Net Cash Provided by Operating Activities	<u>8,366,157.71</u>
Cash Flows from Non-Capital Financing Activities	
Transfers to Other Funds	(3,000,000.00)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(3,000,000.00)</u>
Cash Flows from Investing Activities	
Interest and Dividends Received	315,570.76
Net Cash Provided by Investing Activities	<u>315,570.76</u>
Net Increase in Cash and Cash Equivalents	5,681,728.47
Cash and Cash Equivalents, Beginning of Year	<u>8,929,886.21</u>
Cash and Cash Equivalents, End of Year	<u>\$ 14,611,614.68</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>	
Operating Income	\$ 5,401,565.92
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:	
Increase (Decrease) in Accounts Payable	25,531.79
Increase (Decrease) in Estimated Insurance Claims Payable	2,939,060.00
Total Adjustments	<u>2,964,591.79</u>
Net Cash Provided by Operating Activities	<u>\$ 8,366,157.71</u>

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. Government activities are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions. The primary government is reported separately from certain legal 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 Clay County District School Board's (the District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation/amortization expense associated with the District's transportation department is allocated to the pupil transportation function, while remaining depreciation/amortization expense is not readily associated with a particular function and is reported as unallocated.

Reporting Entity

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

Criteria for determining if other entities are potential component units which 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 entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading.

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

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

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

■ **Discretely Presented Component Units**—The component unit columns in the government-wide financial statements include the financial data of the District’s other component units. A separate column is used to emphasize that they are legally separate from the District. During the 2022-2023 fiscal year, the component unit column consists of three charter schools as follows:

- The Clay County Education Foundation, Inc. (the Foundation) is a separate not-for-profit corporation organized and operated as a direct support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.
- The Charter entities consist of: St. Johns Classical Academy, the Florida Charter Educational Foundation, Inc., d/b/a Clay Charter Academy, and Northeast Florida Virtual Charter School Board, Inc., d/b/a Florida Cyber Charter Academy at Clay. The Charter entities are organized as not-for-profit corporations pursuant to Chapter 617, Florida Statutes, the *Florida Not For Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the District. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools, and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter schools’ audited financial statements for the fiscal year ended June 30, 2023. The audit reports are filed in the District’s administrative offices.

Basis of Presentation

■ **Government-Wide Financial Statements**

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

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

■ **Fund Financial Statements**

The fund financial statements provide information about the District’s funds, including the fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary fund – are presented. The emphasis of fund financial statements is on major funds, and each major fund is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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—Food Services Fund**—to account for the proceeds of federal grants and related programs for the Food and Nutrition Services program, that are legally restricted to expenditure for specified purposes.
- **Special Revenue—Other Fund**—to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Because revenues of grants accounted for in the Special Revenue—Other Funds are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances.
- **Special Revenue—Federal Education Stabilization Fund**—to account for the proceeds of specific revenue sources that are legally restricted to expenditure for purposes that address the impacts of COVID-19. Federal *Coronavirus Aid, Relief, and Economic Security Act* and *American Rescue Plan Act* funding provided through the state is emergency relief to school districts. Because revenues of grants accounted for in the Special Revenue Funds are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances.
- **Debt Service—Other Debt Service Fund**—to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the long-term certificates of participation.
- **Capital Projects—Non-Voted Capital Improvement Fund**—to account for the financial resources generated by the non-voted capital improvement tax levy, Section 1011.71(2), Florida Statutes, to be used for educational capital outlay needs, including new construction projects, maintenance, renovation and remodeling projects, replacement equipment, motor vehicle purchases, property and casualty insurance premiums, bus purchases, and debt service payments on certificates of participation.
- **Capital Projects—Other Capital Projects Fund**—to account for the financial resources received from local sales taxes, local impact fees, and other miscellaneous sources, to be used for educational capital outlay needs and debt service payments on certificates of participation.

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

- **Internal Service Fund**—to account for the District’s individual self-insurance programs.

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

CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the government-wide financial statements.

Measurement Focus and Basis of Accounting

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

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

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

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounts. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and short-term, highly liquid investments with original maturities of three months or less. Investments classified as cash equivalents include mutual funds, Florida Public Assets for Liquidity Management (FL PALM), and the State Board of Administration (SBA) in the Local Government Surplus Funds Trust Fund (Florida PRIME).

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

Investments

Investments consist of amounts placed in SBA debt service accounts for investments of debt service moneys and amounts placed with SBA for participation in Florida PRIME investment pools created by Section 218.405, Florida Statutes, amounts placed in FL PALM, and those made locally. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

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

Investments made locally consist of amounts placed in money market mutual funds under a trust agreement in connection with certificates of participation financing arrangements and are reported at fair value.

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

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on the first-in, first-out basis, except that maintenance inventories are stated at weighted-average and United States Department of Agriculture surplus commodities 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 cost of inventories are recorded as expenditures when used rather than purchased.

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

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use assets, the measurement is discussed further in Note 1). Donated assets are recorded at the acquisition value of similar assets at the date of donation. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction. Land, improvements other than buildings, and buildings acquired or constructed prior to July 1, 1968, are stated at appraised value when historical cost could not be determined.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	25 Years
Buildings and Fixed Equipment	25-50 Years
Furniture, Fixtures and Equipment	7 Years
Motor Vehicles	10 Years
Lease Assets	5-10 Years
Subscription-Based IT Arrangements	3-5 Years
Audio Visual Materials and Computer Software	5-15 Years

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

Leases

The District is a lessee for non-cancellable leases of vehicles and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct cost. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based IT Arrangements (SBITA)

The District recognizes a SBITA liability and an intangible right-to-use asset in the government-wide financial statements.

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

At the commencement of a SBITA, the District initially measures the liability at the present value of payments expected to be made during the subscription term. Subsequently, the liability is reduced by the principal portion of the subscription payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the commencement date, plus certain initial implementation cost. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

SBTIA assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

Matured Certificates of Participation Payable

Certificate of participation principal and interest payments are due twice each year. The principal and interest payment expected to be liquidated with current available financial resources as of June 30th each year is recognized as matured certificates of participation payable and matured interest payable in the governmental fund financial statements.

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. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Changes in long-term liabilities for the current year are reported in a subsequent note.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

of resources (expenses/expenditure) until then. The District has two items that qualify for reporting in this category. The deferred outflows of resources related to pensions and other postemployment benefits, which are discussed in a subsequent note.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applied to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The deferred inflows of resources related to pensions and other postemployment benefits, which are discussed in a subsequent note. The District has one type of item, unavailable revenue, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balances at June 30, 2023.

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as committed. Board policy 5.02 provides that the assigned fund balance includes amounts which are assigned for the intended use of the Board or by delegation to the Superintendent or Superintendent's designee. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

REVENUES AND EXPENDITURES/EXPENSES

Program Revenue

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

State Revenue Sources

Revenues from state sources for current operations are primarily from 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 for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. 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 categorical 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 categorical educational programs. The FDOE generally requires that categorical 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 funds financial statements for the balance of categorical 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. Accordingly, the District recognizes the allocation of Public Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received.

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

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

The Board adopted the 2022 tax levy on September 8, 2022. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1 and become 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 Clay County Tax Collector at fiscal year-end but not yet remitted to the District.

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

Capital Outlay Surtax

In November 2020, the voters of Clay County approved a one-half cent school capital outlay surtax on sales in the County for 30 years, effective January 1, 2021, in accordance with Section 212.055(6), Florida Statutes. The surtax proceeds are to be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of public facilities which have a useful life expectancy of 5 or more years; any land acquisition, land improvement, design, and engineering costs related thereto.

Educational Impact Fees

Clay County imposes an educational impact fee based on an ordinance adopted by the County Commission in 2003. This ordinance was most recently amended in September 2016 when Ordinance 2017-29 revised the timing of when impact fee payments were required to be made. The educational impact fee is collected by Clay County for most new residential construction. The fees are collected by Clay County and each municipality within Clay County based on an inter-local agreement. The fees shall be used solely for the purpose of providing capital improvements to the public educational system necessitated by new residential development and shall not be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include, but are not limited to, land acquisition, facility design and construction costs, furniture and equipment, and payment of principal, interest, and related costs of indebtedness necessitated by new residential development.

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Voted Additional Millage

In August 2018, the voters of Clay County approved a one-mill ad valorem tax increase in the county for four years, effective July 1, 2019, to fund essential operating expenses in accordance with Section 1011.71(9), Florida Statutes. In August 2022, the voters once again approved the one-mill ad valorem tax for four years, effective July 1, 2023. Revenues will be used to fund school safety and security for all schools and to provide for necessary operating expenses for the district.

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.

Compensated Absences

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

Proprietary Funds Operating and Non-Operating Revenues and Expenses

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Change in Estimate - For the year ended June 30, 2023, the District changed the useful life estimate for portable buildings. The change is being applied prospectively, beginning July 1, 2022. The effect of this change in the current period is an increase of \$4,830,600 in governmental activities Unallocated Depreciation/Amortization Expense.

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Accounting Change

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this statement is to improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. It establishes the requirement to recognize a lease liability and a corresponding right-to-use subscription asset.

Note 2 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial Credit Risk

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

Note 3 - INVESTMENTS

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

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Cash Deposits with Financial Institutions	N/A	\$ 31,860,071.64
Mutual Funds:		
First American Treasury Obligations (A)(B)	16 Day Average	4,752,380.12
State Board of Administration:		
Florida PRIME (B)	28 Day Average	63,784,495.41
Debt Service Accounts	6 Months	204.56
Florida Public Assets for		
Liquidity Management (B)	25 Day Average	<u>9,473,321.01</u>
Total Cash and Investments Reported in Government-Wide Financial Statements		<u>\$ 109,870,472.74</u>

- Notes: (A) At June 30, 2023, investments totaling \$4,752,380.12 were held under a trust agreement in connection with Certificates of Participation financing arrangements.
(B) Investments reported as cash equivalents for financial statement reporting purposes.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investments in SBA debt service accounts are valued using Level 1 inputs.

CLAY COUNTY DISTRICT SCHOOL BOARD
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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 does not specifically limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates, but generally requires shorter-term investment maturities that are matched with cash flow needs to avoid selling securities prior to maturity.

The trust agreement in connection with certificates of participation financing arrangements does not specifically limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. The FL PALM and the First American Treasury Obligations money market mutual fund are designed to maintain a \$1 per share net asset value and provide immediate liquidity to meet cash flow needs.

Florida PRIME, FL PALM, and First American Money Market Mutual Funds use a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

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

As of June 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

With regard to liquidity fees, Section 218.409(4), Florida Statutes, provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and propose of such fees. At present, no such disclosure has been made.

FL PALM has daily liquidity with unlimited investments and redemptions. The trustees of the fund can suspend the right of withdrawal or postpone the date of payment if the trustees determine that there is an emergency that makes the sale of a portfolio's securities or determination of its net asset value not reasonably practical. The District's investment in FL PALM meets the requirement of GASB Statement No. 79 and is valued at amortized cost.

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to Florida PRIME, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act* as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District's investment policy limits investments to the SBA Local Government Surplus Funds Trust Fund Investment Pool, which effective July 1, 2009, is known as Florida PRIME, or any intergovernmental investment pool; Securities and Exchange Commission registered money market funds with the highest credit quality rating; interest-bearing time deposits or savings accounts held in qualified public depositories; direct obligations of the United States Treasury; federal agencies and instrumentalities, any open-end or closed-end management-type investment company or registered investment trust investing in, or repurchase agreements collateralized by, obligations of the United States Government or any agency or instrumentality; and commercial paper and bankers' acceptances with quality credit ratings.

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

The District's investment in Florida PRIME is rated AAAM by Standard & Poor's.

The District's investments in the First American Treasury Obligations money market fund is rated AAAM by Standard & Poor's, Aaa-mf by Moody's Investor Services, and AAAMmf by Fitch.

The District's investment in FL PALM is rated AAAM by Standard & Poor's.

Custodial Credit Risk

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

The District's investments in the mutual funds are held by the safekeeping agent in the name of the District.

Note 4 - RECEIVABLES

Capital Credit Receivable

The District participates in a non-profit electric cooperative established under Chapter 425, Florida Statutes. In accordance with this statute, revenues in excess of operating expenses, unless otherwise determined by a vote of the membership, are distributed by the cooperative on a pro rata basis to its

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members. The policy of Clay Electric Cooperative, Inc. is to credit the excess revenues to the members' accounts. Annually, Clay Electric Cooperative, Inc. makes payments for designated prior years' capital credits. During the 2022-2023 fiscal year, the District received \$140,471.24 related to portions of capital credits earned from the 1993 through 2010 fiscal years. At June 30, 2023, the accumulated credits to the District's accounts were \$5,128,693.26.

Due From Other Agencies

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. The following is a schedule of the amounts Due From Other Agencies at June 30, 2023:

<u>FUND/SOURCE</u>	<u>AMOUNT</u>
Major Governmental Funds	
General:	
State of Florida:	
Agency for Healthcare Administration Medicaid	\$ 131,414.63
Computer Science Certification Grant	8,450.26
Driving Choice Grant Program	186,692.00
Florida State Guard	40,320.00
Florida Teacher of the Year Program	35,046.92
Florida Youth Challenge Academy Division of Military Affairs Program	143,750.00
Voluntary Prekindergarten Program	88,350.59
Youth Mental Health Grant	54,489.00
U.S. Department of Defense:	
Navy Junior Reserve Officers Training Corps	114,720.39
Clay County Board of County Commissioners:	
Traffic Education Program	75,000.00
Clay County Tax Collector:	
Local Property Taxes	92,641.48
Special Revenue - Food Service:	
State of Florida:	
Reimbursement for School Meals	1,547,808.21
Special Revenue - Other:	
State of Florida:	
Cash Advance Reporting System	4,150,638.59
U.S. Department of Defense Education Activities:	
Achievement at Military Connected Schools	9,094.78
Special Revenue - Federal Education Stabilization:	
State of Florida:	
Cash Advance Reporting System	4,765,300.37
Capital Projects - Non-Voted Capital Improvement:	
Clay County Tax Collector:	
Local Property Taxes	26,705.54
Capital Projects - Other Capital Projects:	
Clay County Board of County Commissioners:	
Local Impact Fees	841,116.20
State of Florida:	
Gas Tax Refunds	43,726.46
Local Sales Surtax	2,256,252.29
Education Facilities Security Grants	458,894.75
Non-Major - Other Governmental Funds	
State of Florida:	
Capital Outlay and Debt Service	2,324.99
TOTAL	<u>\$ 15,072,737.45</u>

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Note 5 - CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 30,044,945.69	\$ -	\$ -	\$ 30,044,945.69
Construction in Progress	4,287,297.32	62,114,577.46	16,490,625.83	49,911,248.95
Total Capital Assets Not Being Depreciated	<u>34,332,243.01</u>	<u>62,114,577.46</u>	<u>16,490,625.83</u>	<u>79,956,194.64</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	30,562,551.72	765,563.31	-	31,328,115.03
Buildings and Fixed Equipment	579,061,833.29	15,725,062.55	25,010.00	594,761,885.84
Furniture, Fixtures and Equipment	25,633,421.99	2,648,062.06	1,160,435.53	27,121,048.52
Motor Vehicles	21,664,872.46	562,341.30	1,050,318.07	21,176,895.69
Right-to-Use Leased Motor Vehicles	7,732,790.46	-	-	7,732,790.46
Right-to-Use Leased Equipment	553,984.74	-	-	553,984.74
Subscription-Based IT Arrangement	733,867.40	2,259,616.31	8,750.00	2,984,733.71
Audio Visual Materials and Computer Software	5,422,694.17	526,387.13	112,656.23	5,836,425.07
Total Capital Assets Being Depreciated	<u>671,366,016.23</u>	<u>22,487,032.66</u>	<u>2,357,169.83</u>	<u>691,495,879.06</u>
Less Accumulated Depreciation/Amortization for:				
Improvements Other Than Buildings	22,066,880.47	1,031,839.65	-	23,098,720.12
Buildings and Fixed Equipment	227,610,869.80	18,914,949.18	25,010.00	246,500,808.98
Furniture, Fixtures and Equipment	17,200,652.32	1,473,141.17	1,160,435.53	17,513,357.96
Motor Vehicles	13,612,498.98	2,301,120.84	1,050,318.07	14,863,301.75
Right-to-Use Leased Motor Vehicles	1,678,001.55	1,678,001.55	-	3,356,003.10
Right-to-Use Leased Equipment	110,796.95	110,796.95	-	221,593.90
Subscription-Based IT Arrangement	-	752,133.60	8,750.00	743,383.60
Audio Visual Materials and Computer Software	3,064,516.68	643,740.55	112,656.23	3,595,601.00
Total Accumulated Depreciation/Amortization	<u>285,344,216.75</u>	<u>26,905,723.49</u>	<u>2,357,169.83</u>	<u>309,892,770.41</u>
Total Capital Assets Being Depreciated, Net	<u>386,021,799.48</u>	<u>(4,418,690.83)</u>	<u>-</u>	<u>381,603,108.65</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 420,354,042.49</u>	<u>\$ 57,695,886.63</u>	<u>\$ 16,490,625.83</u>	<u>\$ 461,559,303.29</u>

Depreciation/amortization expense was charged to functions as follows:

Function	Amount
Governmental Activities	
Pupil Transportation Services	\$ 2,301,120.84
Unallocated	<u>24,604,602.65</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 26,905,723.49</u>

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Note 6 - RETIREMENT PLANS

FRS – Defined Benefit Pension Plans

General Information about FRS

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

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

The District's FRS and HIS pension expense totaled \$27,749,679 for the fiscal year ended June 30, 2023.

FRS Pension Plan

Plan Description - The FRS Pension Plan (the 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 Class* - Members of FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* - Members who hold specified elective offices in local government.
- *Special Risk Class* - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early

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retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the 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 from the DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided - Benefits under the Plan are computed on the basis of age and/or years of service, average final compensations, 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>% Value</u>
<i>Regular Class Members Initially Enrolled Before July 1, 2011</i>	
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
<i>Regular Class Members Initially Enrolled On or After July 1, 2011</i>	
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
<i>Elected County Officers</i>	3.00
<i>Special Risk Class</i>	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. 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 2022-2023 fiscal year were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3.00	11.91
Florida Retirement System, Special Risk	3.00	27.83
Florida Retirement System, Elected County Officers	3.00	57.00
Deferred Retirement Option Program – Applicable to Members from All of the Above Classes or Plans	0.00	18.60
Florida Retirement System, Reemployed Retiree	(B)	(B)

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

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

The District's contributions, including employee contributions, to the Plan totaled \$20,212,260 for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of \$165,155,084 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-2022 fiscal year contributions relative to the 2021-2022 fiscal year contributions of all participating members. At June 30, 2022, the District's proportionate share was .443869391 percent, which was an increase of .004906335 from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$24,939,380. 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	\$ 7,843,913	\$ -
Change of Assumptions	20,339,540	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	10,905,168	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	10,001,757	718,627
District FRS Contributions Subsequent to the Measurement Date	<u>20,212,260</u>	<u>-</u>
Total	<u>\$ 69,302,638</u>	<u>\$ 718,627</u>

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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 \$20,212,260, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ 11,772,200
2025	6,137,302
2026	(522,118)
2027	29,376,682
2028	1,607,685
Total	\$ 48,371,751

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

Inflation	2.40 Percent
Salary Increases	3.25 Percent, Average, Including Inflation
Investment Rate of Return	6.70 Percent, Net of Pension Plan Investment Expense, Including Inflation

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

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

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100.00%			
Assumed Inflation - Mean			2.4%	1.3%

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

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

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

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District’s Proportionate Share of the Net Pension Liability	\$ 285,624,361	\$ 165,155,084	\$ 64,428,433

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

HIS Pension Plan

Plan Description - The HIS Pension Plan (the 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, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include federal Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District’s contributions to the HIS Plan totaled \$3,740,594 for the fiscal year ended June 30, 2023.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a net pension liability of \$62,005,644 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-2022 fiscal year contributions relative to the total 2021-2022 fiscal year contributions of all participating members. At June 30, 2022, the District's proportionate share was 0.585422981 percent, which was an increase of 0.00055007 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the District recognized the HIS Plan pension expense of \$2,810,299. 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	\$ 1,882,018	\$ 272,830
Change of Assumptions	3,554,203	9,592,233
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	89,771	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	1,004,362	589,431
District FRS Contributions Subsequent to the Measurement Date	<u>3,740,594</u>	<u>-</u>
Total	<u>\$ 10,270,948</u>	<u>\$ 10,454,494</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$3,740,594, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (1,173,782)
2025	(509,516)
2026	(49,888)
2027	(339,761)
2028	(1,255,207)
Thereafter	(595,986)
Total	<u>\$ (3,924,140)</u>

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

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Inflation	2.40 Percent
Salary Increases	3.25 Percent, Average, Including Inflation
Municipal Bond Rate	3.54 Percent

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

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

Discount Rate - The discount rate used to measure the total pension liability was 3.54 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 2.16 percent to 3.54 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.54 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.54 percent) or 1 percentage-point higher (4.54 percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
District's Proportionate Share of the Net Pension Liability	\$ 70,939,548	\$ 62,005,644	\$ 54,613,023

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

FRS - Defined Contribution Pension Plans

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible 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

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are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2022-2023 fiscal year were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	9.30
FRS, Elected County Officers	14.34
FRS, Special Risk Class	17.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District’s Investment Plan pension contributions totaled \$7,077,011.57 for the fiscal year ended June 30, 2023.

Note 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description - The Other Postemployment Health Care Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District’s health insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy

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for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. Retirees are assumed to enroll in the federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity. 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 healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy described above.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	60
Active Employees	<u>2,591</u>
Total	<u><u>2,651</u></u>

Total OPEB Liability - The District's total OPEB liability of \$3,887,441 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

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

Salary Increases	4.50 Percent	
Discount Rate	4.09 Percent	
Healthcare Cost Trend Rates	6.04 and 6.56 Percent, for Pre and Post-65, Decreasing Annually to an Ultimate Rate of 4.50 Percent for 2029 and Later	

The discount rate was based on the 20-Year Municipal Bond AA Index closest to, but not later than, the measurement date.

Mortality rates were based on PUB TH-2010 employees and healthy annuitants mortality table projected generationally using Scale MP-2021.

The District selected the economic, demographic, and healthcare claim cost assumptions used in the OPEB Plan valuation. The actuary provided guidance with respect to the mortality, health claims, medical trend, plan participation, and spousal assumptions. All other assumptions were selected by the District and align with the FRS Pension valuation.

Changes in the Total OPEB Liability

Description	Amount
Balance at June 30, 2022	<u>\$ 4,651,378</u>
Changes for the Year:	
Service Cost	163,039
Interest	191,227
Differences Between Expected and Actual Experience	(819,770)
Changes in Assumptions or Other Inputs	(17,791)
Benefit Payments	<u>(280,642)</u>
Net Changes	<u>(763,937)</u>
Balance at June 30, 2023	<u><u>\$ 3,887,441</u></u>

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Changes of assumptions and other inputs reflect a change in the discount rate from 4.09 percent in 2022 to 4.13 percent in 2023.

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 (3.13 percent) or 1 percentage-point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 4,285,426	\$ 3,887,441	\$ 3,538,213

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - 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 (5.51 percent decreasing to 3.50 percent) or 1 percentage-point higher (7.51 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB Liability	\$ 3,419,470	\$ 3,887,441	\$ 4,455,048

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$259,167. 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	\$ 670,591	\$ 1,504,694
Change of Assumptions or Other Inputs	1,267,575	1,222,936
Total	\$ 1,938,166	\$ 2,727,630

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ (95,099)
2025	(95,099)
2026	(95,099)
2027	(95,099)
2028	(95,099)
Thereafter	(313,969)
Total	\$ (789,464)

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Note 8 - COMMITMENTS AND CONTINGENCY

Construction Contracts

The following is a schedule of major construction contract commitments at June 30, 2023:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed Amount</u>	<u>Balance Committed</u>
Spring Park Elementary School			
New Elementary School:			
Architect	\$ 1,526,094.35	\$ 1,373,628.92	\$ 152,465.43
Engineer	1,464,304.91	-	1,464,304.91
General Contractor	24,287,831.00	22,808,517.04	1,479,313.96
Direct Materials	11,169,247.00	8,017,422.19	3,151,824.81
Lakeside Junior High School			
Restroom Renovations:			
Architect	60,388.40	45,753.80	14,634.60
General Contractor	731,730.00	307,472.50	424,257.50
Keystone Heights Elementary School			
Cafeteria and Classroom Addition:			
Architect	1,676,130.98	1,639,145.48	36,985.50
General Contractor	16,789,543.41	12,331,252.24	4,458,291.17
Direct Materials	5,299,431.04	3,388,056.78	1,911,374.26
Total	<u>\$ 63,004,701.09</u>	<u>\$ 49,911,248.95</u>	<u>\$ 13,093,452.14</u>

Encumbrances

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

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

<u>Fund</u>	<u>Encumbrance Amount</u>
General	\$ 7,908,535.05
Special Revenue - Food Services	884,641.60
Special Revenue - Other Federal Programs	265,236.34
Federal Education Stabilization	4,764,527.51
Non-Voted Capital Improvement	13,172,208.90
Other Capital Projects	7,170,095.54
Capital Outlay and Debt Service	215,909.79
Total	<u>\$ 34,381,154.73</u>

Note 9 - RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, general liability, and property loss coverages are being provided on a self-insured

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basis up to specified limits. The District established a Risk Management Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, general liability, and property loss coverages. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

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

The District's liability is limited to \$100,000 to \$200,000 per claim and \$200,000 per occurrence for automobile liability, general liability, and property loss coverages. The District's liability for workers' compensation is limited from \$125,000 to \$500,000 per occurrence, depending on the year of occurrence.

A liability in the amount of \$2,118,772 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2023.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's workers' compensation, automobile liability, general liability, and property loss program:

<u>Fiscal Year</u>	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimated Liability</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2021-2022	\$ 1,608,648.00	\$ 959,767.04	\$ (931,599.04)	\$ 1,636,816.00
2022-2023	1,636,816.00	2,174,734.92	(1,692,778.92)	2,118,772.00

The District's health and hospitalization self-insurance program, which includes medical and prescription drug coverage, is being provided on a self-insured basis up to specified limits. The District has entered into an agreement with an insurance carrier wherein the total premium is divided, and the District retains on deposit a portion of the premium in a minimum premium account. The insurance carrier draws on this account to pay claims submitted by District employees and dependents.

The District has entered into an agreement with an insurance company to provide specific excess coverage for claims amounts above \$300,000 per insured per year. The District's liability was limited by aggregate excess insurance for amounts above \$2 million.

A liability in the amount of \$2,457,104 was actuarially determined for estimated insurance claims payable for claims incurred but not reported for health and hospitalization coverage.

The following schedule represents the changes in claims liability for the past fiscal year (started in 2022-2023) for the District's health and hospitalization self-insurance program:

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<u>Fiscal Year</u>	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimated Liability</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2022-2023	\$ -	\$24,554,442.04	\$ (22,097,338.04)	\$ 2,457,104.00

The program is administered through the Internal Service Funds.

Other coverages deemed necessary by the Board were provided through purchased commercial insurance with minimum deductibles for each line of coverage.

Note 10 - LEASES

Lease arrangements consist of ninety (90) 77-passenger school buses and ten (10) 65-passenger school buses. The value of the right-to-use buses is \$7,732,790.46 with accumulated amortization of \$3,356,003.09. The District has the option to purchase the buses for \$1.00 at the end of the lease. There is also a lease for GPS equipment and software. The value of the right-to-use equipment and software is \$553,984.74 with accumulated amortization of \$221,593.89.

Lease agreements are summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>	<u>Balance June 30, 2023</u>
Buses	09/10/19	7 Years	\$ 1,615,559.42	1.7140%	\$ 7,732,790.46	\$ 4,685,161.15
GPS and Software	07/01/21	5 Years	112,320.00	0.6873%	553,984.74	332,380.45
Total Lease Agreements						<u>\$ 5,017,541.60</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,727,879.55	\$ 1,645,291.19	\$ 82,588.36
2025	1,727,879.55	1,672,361.79	55,517.76
2026	<u>1,727,879.55</u>	<u>1,699,888.62</u>	<u>27,990.93</u>
Total Minimum Lease Payments	<u>\$ 5,183,638.65</u>	<u>\$ 5,017,541.60</u>	<u>\$ 166,097.05</u>

Note 11 - SBITA

The District has several software arrangements that require recognition under GASB Statement No. 96. The software amortization expense is included with depreciation expense. The assets will be amortized over the lease term, which ranges from two to six years.

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Software Description	Commencement Date	Term	Right-to-Use Asset Value	Accumulated Amortization	Imputed Rate
Workflow	7/1/22	16 Months	\$ 5,309.95	\$ 3,800.36	1.85%
Bus Planning	7/1/22	2 Years	49,421.32	24,710.66	2.19%
Suite Enterprise	11/3/22	2 Years	190,911.60	63,106.89	3.25%
Site Improvement	10/1/22	3 Years	20,454.35	5,113.59	3.38%
Energy Management	7/1/22	2 Years	661,577.55	330,788.77	2.19%
Documentation	7/1/22	3 Years	8,808.58	2,936.19	2.35%
Accounting	8/1/22	6 Years	2,048,250.36	312,927.14	2.70%

\$2,984,733.71 has been recorded as intangible right-to-use software arrangements in capital assets. Due to the implementation of GASB Statement No. 96, these software subscription arrangements met the criteria of a SBITA; thus, requiring it to be recorded by the District as intangible assets and a SBITA liability. These assets will be amortized over the lease terms which range from 16 months to 6 years, the term of the arrangement. There are no residual value guarantees in the arrangement provisions.

A summary of the principal and interest amounts for the remaining arrangements includes the following principal and interest payments:

Total SBITA Payments to Maturity			
Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 764,572.00	\$ 53,170.00	\$ 817,742.00
2025	337,628.00	37,058.00	374,686.00
2026	336,518.00	27,954.00	364,472.00
2027	345,589.00	18,883.00	364,472.00
2028	354,903.99	9,567.00	364,470.99
Totals	<u>\$ 2,139,210.99</u>	<u>\$ 146,632.00</u>	<u>\$ 2,285,842.99</u>

Note 12 - CERTIFICATES OF PARTICIPATION

Certificates of Participation at June 30, 2023, are as follows:

2020's Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2012, Refunding	\$ 10,420,000	3.5 - 5.0	2028	\$ 24,930,000
Series 2014, Refunding, Direct Placement	9,912,000	2.79	2027	17,540,000
Series 2017, Refunding, Direct Placement	712,000	1.71	2025	8,817,000
Total Certificates of Participation	<u>\$ 21,044,000</u>			<u>\$ 51,287,000</u>

The District entered into a master financing arrangement on May 15, 1997; the arrangement was characterized as a lease-purchase agreement with the Leasing Corporation whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

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NOTES TO THE FINANCIAL STATEMENTS
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As a condition of the financing arrangement, the District has given ground leases on District property to the Leasing Corporation, with a rental fee of \$10 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the certificates for a period of time specified by the arrangements.

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

<u>Certificates</u>	<u>Description of Properties</u>
Series 2012, Refunding	Construction of a Lake Asbury Junior High School and an Oakleaf High School.
Series 2014, Refunding, Direct Placement	Construction of Oakleaf Junior High School.
Series 2017, Refunding, Direct Placement	Construction of Fleming Island High School.

The lease payments are payable by the District semiannually on July 1 and January 1, and must be remitted by the District as of the 15th day of the month preceding the payment dates.

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,931,862.50	\$ 3,500,000.00	\$ 431,862.50
2025	3,926,862.50	3,670,000.00	256,862.50
2026	763,412.50	635,000.00	128,412.50
2027	769,600.00	665,000.00	104,600.00
2028	<u>2,028,000.00</u>	<u>1,950,000.00</u>	<u>78,000.00</u>
Total Minimum Lease Payments	<u>\$ 11,419,737.50</u>	<u>\$ 10,420,000.00</u>	<u>\$ 999,737.50</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,243,720.00	\$ 955,000.00	\$ 288,720.00
2025	1,243,866.30	978,000.00	265,866.30
2026	4,529,478.90	4,287,000.00	242,478.90
2027	<u>4,526,871.60</u>	<u>4,404,000.00</u>	<u>122,871.60</u>
Total Minimum Lease Payments	<u>\$ 11,543,936.80</u>	<u>\$ 10,624,000.00</u>	<u>\$ 919,936.80</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 13 - BONDS PAYABLE

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

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
District Revenue Bonds:			
Series 2010, Refunding	\$ 1,560,000	4.375 - 5.00	2032
Total Bonds Payable	<u>\$ 1,560,000</u>		

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

■ **District Revenue Bonds**

These bonds were issued to refund the District Revenue Bonds, Series 1995, and to finance costs of various capital improvements in the District. These bonds are authorized by Chapter 65-1383, Laws of Florida, and Chapter 70-631, Laws of Florida, which provide that the bonds be secured by the portion of the racetrack and jai alai fronton funds distributed annually to Clay County from the state's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the Board has established a sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of \$2,395,178.78 of sales tax distribution revenues in connection with the District Revenue Bond, Series 2010, described above. During the 2022-2023 fiscal year, the District recognized sales tax distribution revenues totaling \$223,250 and expended \$215,473.76 (97 percent) of these revenues for debt services directly collateralized by these revenues. The pledged sales tax distribution revenues are committed until final maturity of the debt in 2032. Approximately 97 percent of this revenue stream has been pledged in connection with debt services on the revenue bond.

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
District Revenue Bonds:			
2024	\$ 219,668.76	\$ 145,000.00	\$ 74,668.76
2025	218,325.00	150,000.00	68,325.00
2026	216,575.00	155,000.00	61,575.00
2027	219,212.50	165,000.00	54,212.50
2028	216,375.00	170,000.00	46,375.00
2029-2032	<u>873,550.00</u>	<u>775,000.00</u>	<u>98,550.00</u>
Total District Revenue Bonds	<u>\$ 1,963,706.26</u>	<u>\$ 1,560,000.00</u>	<u>\$ 403,706.26</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 14 - CHANGES IN LONG-TERM LIABILITIES

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

	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023	Due In One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 1,755,000.00	\$ -	\$ 195,000.00	\$ 1,560,000.00	\$ 145,000.00
Certificates of Participation Payable:					
Direct Placement	11,554,000.00	-	930,000.00	10,624,000.00	955,000.00
Other	13,820,000.00	-	3,400,000.00	10,420,000.00	3,500,000.00
Total Certificates of Participation Payable	25,374,000.00	-	4,330,000.00	21,044,000.00	4,455,000.00
Lease Payable - Vehicles	6,194,546.06	-	1,509,384.91	4,685,161.15	1,535,255.75
Lease Payable - Equipment	441,664.74	-	109,284.29	332,380.45	110,035.44
Software Subscription Arrangement	733,867.40	2,259,616.31	854,272.72	2,139,210.99	764,572.00
Compensated Absences Payable	27,646,263.90	-	2,693,408.77	24,952,855.13	1,649,636.56
Net Pension Liability	104,902,126.00	122,258,602.00	-	227,160,728.00	-
Total OPEB Liability	4,651,378.00	354,266.00	1,118,203.00	3,887,441.00	231,199.00
Estimated Insurance Claims Payable	1,636,816.00	2,174,734.92	1,692,778.92	2,118,772.00	828,439.86
Total Governmental Activities	\$ 173,335,662.10	\$127,047,219.23	\$ 12,502,332.61	\$ 287,880,548.72	\$ 9,719,138.61

For the governmental activities, compensated absences and other postemployment healthcare benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund.

Note 15 - FUND BALANCE REPORTING

In addition to the non-spendable fund balance, the District reports its governmental fund balances as spendable fund balances, based on a hierarchy of spending constraints.

■ **Non-Spendable Fund Balance**

Non-spendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.

■ **Restricted Fund Balance**

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

■ **Unassigned Fund Balance**

The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This residual balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 16 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Major Governmental Funds:		
General	\$ 12,468,221.24	\$ -
Capital Projects:		
Non-Voted Capital Improvement	-	729,004.33
Other Capital Projects	-	169,311.80
Special Revenue:		
Food Service	-	3,293,222.77
Other Federal Programs	43,874.37	3,975,630.85
Federal Education Stabilization Fund	-	4,291,298.59
Non-Major Governmental Fund		
Capital Outlay and Debt Service	-	2,274.05
Student Activity Fund - Internal Accounts	-	51,353.22
Total	<u>\$ 12,512,095.61</u>	<u>\$ 12,512,095.61</u>

The outstanding interfund balances result mainly from expenditures and reimbursements timing differences being adjusted between funds. The interfund amounts represent temporary loans from one fund to another and are expected to be repaid within 1 year.

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General	\$ 11,896,902.82	\$ -
Debt Service:		
Other Debt Service	6,803,071.54	-
Capital Projects:		
Non-Voted Capital Improvement	-	10,037,448.07
Other Capital Projects	-	5,662,526.29
Proprietary Funds:	-	3,000,000.00
Total	<u>\$ 18,699,974.36</u>	<u>\$ 18,699,974.36</u>

Interfund transfers represent permanent transfers of moneys between funds. The transfers out of the Capital Projects Funds were to provide for debt service payments, to fund equipment purchases, to fund property and casualty insurance premiums, and to fund certain facilities and maintenance expenditures of the District's General Fund.

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 17 - SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District’s state revenue for the 2022-2023 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 198,103,790.00
Categorical Educational Program - Class Size Reduction	40,503,466.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,584,526.00
Charter School Capital Outlay	840,925.00
Voluntary Prekindergarten Program	762,682.45
Workforce Development Program	743,202.00
Education Facilities Securities Grants	616,194.86
Miscellaneous	<u>1,702,042.46</u>
Total	<u>\$ 244,856,828.77</u>

Accounting policies relating to certain state revenue sources are described in Note 1.

Note 18 - PROPERTY TAXES

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

<u>General Fund</u>	<u>Millages</u>	<u>Taxes Levied</u>
Non-Voted School Tax:		
Required Local Effort	3.171	\$ 50,469,415
Basic Discretionary Local Effort	0.748	11,905,116
Voted School Tax:		
Additional Operating	1.000	15,915,930
<u>Capital Projects Funds</u>		
Non-Voted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>23,873,896</u>
Total	<u><u>6.419</u></u>	<u><u>\$ 102,164,357</u></u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 19 - INTERNAL SERVICE FUNDS

The following is a summary of financial information as reporting in the internal service funds for the 2022-2023 fiscal year:

	Group Health Insurance	Workers' Compensation, Property and Casualty Insurance	Total
Total Assets	\$ 10,003,159.69	\$ 4,608,454.99	\$ 14,611,614.68
Liabilities			
Accounts Payable	14,735.02	10,796.77	25,531.79
Estimated Insurance Claims Payable	-	2,118,772.00	2,118,772.00
Estimated Health Claims Payable	2,457,104.00	-	2,457,104.00
Total Liabilities	<u>2,471,839.02</u>	<u>2,129,568.77</u>	<u>4,601,407.79</u>
Net Position	<u>\$ 7,531,320.67</u>	<u>\$ 2,478,886.22</u>	<u>\$ 10,010,206.89</u>
Operating Revenues			
Charges for Service - Insurance Premiums	\$ 32,708,458.52	\$ 1,856,582.13	\$ 34,565,040.65
Other Revenue	102,896.08	-	102,896.08
Total Operating Revenues	<u>32,811,354.60</u>	<u>1,856,582.13</u>	<u>34,667,936.73</u>
Total Expenses	<u>25,329,554.33</u>	<u>3,936,816.48</u>	<u>29,266,370.81</u>
Operating Income	<u>7,481,800.27</u>	<u>(2,080,234.35)</u>	<u>5,401,565.92</u>
Non-Operating Revenues			
Investment Income	49,520.40	266,050.36	315,570.76
Transfer Out	-	(3,000,000.00)	(3,000,000.00)
Total Non-Operating Revenues	<u>49,520.40</u>	<u>(2,733,949.64)</u>	<u>(2,684,429.24)</u>
Change in Net Position	<u>7,531,320.67</u>	<u>(4,814,183.99)</u>	<u>2,717,136.68</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CLAY COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal Direct	\$ 875,000.00	\$ 875,000.00	\$ 1,087,980.11	\$ 212,980.11
Federal Through State and Local	2,300,000.00	1,925,533.00	2,351,433.99	425,900.99
State	255,099,024.00	254,619,637.00	241,336,489.74	(13,283,147.26)
Local:				
Property Taxes	79,178,883.68	63,204,384.00	78,220,461.58	15,016,077.58
Miscellaneous	4,253,839.86	5,036,835.00	10,584,041.31	5,547,206.31
Total Revenues	<u>341,706,747.54</u>	<u>325,661,389.00</u>	<u>333,580,406.73</u>	<u>7,919,017.73</u>
Expenditures				
Current - Education:				
Instruction	219,865,384.10	229,219,946.36	222,989,130.58	6,230,815.78
Student Personnel Services	18,156,563.51	18,842,237.22	18,543,505.13	298,732.09
Instructional Media Services	4,644,256.03	4,730,951.00	4,707,012.06	23,938.94
Instruction and Curriculum				
Development Services	4,722,052.66	4,532,339.67	4,474,381.70	57,957.97
Instructional Staff Training Services	2,855,556.89	3,432,666.93	3,392,004.31	40,662.62
Instruction-Related Technology	5,722,175.14	5,712,264.49	4,602,746.43	1,109,518.06
School Board	1,045,176.20	1,084,991.00	896,990.50	188,000.50
General Administration	485,955.38	625,955.00	617,403.91	8,551.09
School Administration	17,206,614.91	17,891,584.70	17,853,944.57	37,640.13
Facilities Acquisition and Construction	7,409,344.39	12,505,932.54	7,875,800.16	4,630,132.38
Fiscal Services	1,813,394.37	1,666,852.00	1,416,557.71	250,294.29
Food Services	145,385.15	327,725.00	326,214.56	1,510.44
Central Services	4,897,565.81	5,115,409.00	3,695,782.72	1,419,626.28
Student Transportation Services	12,448,063.92	14,104,308.25	13,432,172.55	672,135.70
Operation of Plant	29,500,307.86	30,015,658.94	27,994,172.60	2,021,486.34
Maintenance of Plant	7,378,613.03	7,883,091.28	7,547,157.88	335,933.40
Administrative Technology Services	1,646,968.36	1,614,055.00	1,613,047.12	1,007.88
Community Services	639,724.21	597,749.00	279,872.13	317,876.87
Fixed Capital Outlay:				
Facilities Acquisition and Construction	4,676,676.46	4,676,676.46	4,676,676.46	-
Other Capital Outlay	1,414,421.16	1,414,421.16	3,674,037.47	(2,259,616.31)
Debt Service:				
Principal	-	-	854,272.72	(854,272.72)
Interest and Fiscal Charges	-	-	10,259.00	(10,259.00)
(Total Expenditures)	<u>346,674,199.54</u>	<u>365,994,815.00</u>	<u>351,473,142.27</u>	<u>14,521,672.73</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,967,452.00)</u>	<u>(40,333,426.00)</u>	<u>(17,892,735.54)</u>	<u>22,440,690.46</u>
Other Financing Sources (Uses)				
Transfers In	7,394,750.00	7,394,750.00	11,896,902.82	4,502,152.82
Proceeds from Sale of Capital Assets	1,100,000.00	100,000.00	71,545.52	(28,454.48)
Subscription Arrangements	-	-	2,259,616.31	2,259,616.31
Loss Recoveries	5,000.00	5,000.00	93,631.78	88,631.78
Total Other Financing Sources (Uses)	<u>8,499,750.00</u>	<u>7,499,750.00</u>	<u>14,321,696.43</u>	<u>6,821,946.43</u>
Net Change in Fund Balances	3,532,298.00	(32,833,676.00)	(3,571,039.11)	29,262,636.89
Fund Balances, Beginning of Year	40,821,729.46	40,821,729.46	40,821,729.46	-
Fund Balances, End of Year	<u>\$ 44,354,027.46</u>	<u>\$ 7,988,053.46</u>	<u>\$ 37,250,690.35</u>	<u>\$ 29,262,636.89</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue - Food Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 15,425,750.00	\$ 15,425,750.00	\$ 18,107,578.69	\$ 2,681,828.69
State	145,000.00	145,000.00	169,138.00	24,138.00
Local:				
Charges for Services - Food Service	4,190,300.00	4,190,300.00	5,131,065.12	940,765.12
Miscellaneous	15,000.00	15,000.00	248,756.25	233,756.25
Total Revenues	<u>19,776,050.00</u>	<u>19,776,050.00</u>	<u>23,656,538.06</u>	<u>3,880,488.06</u>
Expenditures				
Food Services	19,855,003.15	25,419,426.05	23,351,859.30	2,067,566.75
Fixed Capital Outlay:				
Other Capital Outlay	857,916.95	857,916.95	857,916.95	-
(Total Expenditures)	<u>20,712,920.10</u>	<u>26,277,343.00</u>	<u>24,209,776.25</u>	<u>2,067,566.75</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(936,870.10)</u>	<u>(6,501,293.00)</u>	<u>(553,238.19)</u>	<u>5,948,054.81</u>
Net Change in Fund Balances	(936,870.10)	(6,501,293.00)	(553,238.19)	5,948,054.81
Fund Balances, Beginning of Year	10,512,592.73	10,512,592.73	10,512,592.73	-
Fund Balances, End of Year	<u>\$ 9,575,722.63</u>	<u>\$ 4,011,299.73</u>	<u>\$ 9,959,354.54</u>	<u>\$ 5,948,054.81</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal Direct	\$ 363,349.96	\$ 347,482.00	\$ 54,093.28	\$ (293,388.72)
Federal Through State and Local	19,739,994.45	23,457,545.00	16,532,392.68	(6,925,152.32)
Miscellaneous	-	15,868.00	11,391.65	(4,476.35)
Total Revenues	<u>20,103,344.41</u>	<u>23,820,895.00</u>	<u>16,597,877.61</u>	<u>(7,223,017.39)</u>
Expenditures				
Current - Education:				
Instruction	12,862,406.58	14,872,282.63	10,008,489.32	4,863,793.31
Student Personnel Services	1,648,440.03	1,916,884.20	1,531,403.58	385,480.62
Instructional Media Services	-	-	0.01	(0.01)
Instruction and Curriculum				
Development Services	2,083,653.79	2,439,447.00	2,130,294.53	309,152.47
Instructional Staff Training Services	2,445,108.52	3,299,430.27	1,915,658.53	1,383,771.74
Instruction-Related Technology		3,932.00	3,931.59	0.41
General Administration	568,511.99	777,385.00	586,626.55	190,758.45
School Administration	85,008.49	46,398.00	46,391.64	6.36
Central Services		80,277.00	3,168.31	77,108.69
Student Transportation Services	102,903.31	76,847.00	65,056.86	11,790.14
Operation of Plant	901.80	1,636.00	446.79	1,189.21
Fixed Capital Outlay:				
Other Capital Outlay	306,409.90	306,409.90	306,409.90	-
(Total Expenditures)	<u>20,103,344.41</u>	<u>23,820,929.00</u>	<u>16,597,877.61</u>	<u>7,223,051.39</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(34.00)</u>	<u>-</u>	<u>34.00</u>
Net Change in Fund Balances	-	(34.00)	-	34.00
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ (34.00)</u>	<u>\$ -</u>	<u>\$ 34.00</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue - Federal Education Stabilization Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 32,623,171.53	\$ 37,197,755.00	\$ 20,869,912.62	\$ (16,327,842.38)
Total Revenues	<u>32,623,171.53</u>	<u>37,197,755.00</u>	<u>20,869,912.62</u>	<u>(16,327,842.38)</u>
Expenditures				
Current - Education:				
Instruction	21,231,225.62	23,321,213.95	13,157,399.42	10,163,814.53
Student Personnel Services	1,140,066.00	892,900.00	549,497.73	343,402.27
Instructional Media Services	-	95,750.00	95,754.73	(4.73)
Instruction and Curriculum				
Development Services	16,927.00	360,343.00	222,041.67	138,301.33
Instructional Staff Training Services	603,132.11	1,318,723.00	905,656.76	413,066.24
Instruction-Related Technology	-	74,684.00	74,684.25	(0.25)
School Board	-	3,230.00	3,229.50	0.50
General Administration	995,933.99	875,966.00	600,514.35	275,451.65
School Administration	-	342,428.00	342,434.65	(6.65)
Facilities Acquisition and Construction	7,100,261.15	6,240,536.90	1,668,600.02	4,571,936.88
Fiscal Services	-	25,836.00	25,836.00	-
Food Services	-	404,439.00	404,027.18	411.82
Central Services	31,893.40	107,251.00	70,431.25	36,819.75
Student Transportation Services	149,753.21	1,249,012.00	816,602.51	432,409.49
Operation of Plant	18,883.90	377,279.00	366,093.18	11,185.82
Maintenance of Plant	-	134,024.00	134,024.25	(0.25)
Administrative Technology Services	-	24,221.00	24,221.25	(0.25)
Community Services	-	14,823.00	14,408.77	414.23
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,071,160.10	1,071,160.10	1,071,160.10	-
Other Capital Outlay	263,935.05	263,935.05	263,935.05	-
(Total Expenditures)	<u>32,623,171.53</u>	<u>37,197,755.00</u>	<u>20,810,552.62</u>	<u>16,387,202.38</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>59,360.00</u>	<u>59,360.00</u>
Net Change in Fund Balances	-	-	59,360.00	59,360.00
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,360.00</u>	<u>\$ 59,360.00</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 163,039	\$ 249,638	\$ 238,888	\$ 447,382	\$ 386,770	\$ 418,487
Interest on the Total OPEB Plan Liability	191,227	106,609	101,440	200,672	171,035	133,076
Difference Between Expected and Actual Experiences	(819,770)	-	(442,738)	469,785	(784,077)	570,023
Changes of Assumptions	(17,791)	(1,062,151)	794,173	(298,330)	1,194,874	(273,607)
Benefit Payments	(280,642)	(248,351)	(240,912)	(797,760)	(448,703)	(964,632)
Net Change in Total OPEB Plan Liability	<u>(763,937)</u>	<u>(954,255)</u>	<u>450,851</u>	<u>21,749</u>	<u>519,899</u>	<u>(116,653)</u>
Total OPEB Plan Liability, Beginning	<u>4,651,378</u>	<u>5,605,633</u>	<u>5,154,782</u>	<u>5,133,033</u>	<u>4,613,134</u>	<u>4,729,787</u>
Total OPEB Plan Liability, Ending	<u><u>\$ 3,887,441</u></u>	<u><u>\$ 4,651,378</u></u>	<u><u>\$ 5,605,633</u></u>	<u><u>\$ 5,154,782</u></u>	<u><u>\$ 5,133,033</u></u>	<u><u>\$ 4,613,134</u></u>
Covered-Employee Payroll	\$ 123,291,452	\$ 116,811,604	\$ 111,362,251	\$ 164,035,159	\$ 124,672,310	\$ 123,080,806
Total OPEB Liability as Percentage of Covered- Employee Payroll	3.15%	3.98%	5.03%	3.14%	4.12%	3.75%

* The District Implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. As a result, this schedule will present 10 years as information is available.

**CLAY COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – FRS/HIS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required FRS Contributions	\$ 20,212,260	\$ 18,940,715	\$ 16,722,596	\$ 13,410,842	\$ 12,086,721	\$ 11,220,981	\$ 10,449,452	\$ 10,097,942	\$ 11,169,189	\$ 10,229,631
FRS Contributions in Relation to the Contractually Required Contribution	20,212,260	18,940,715	16,722,596	13,410,842	12,086,721	11,220,981	10,449,452	10,097,942	11,169,189	10,229,631
FRS Contributions Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 225,324,948	\$ 213,536,838	\$ 207,071,651	\$ 202,201,335	\$ 190,978,921	\$ 186,148,834	\$ 186,245,454	\$ 182,993,112	\$ 186,699,223	\$ 157,292,662
FRS Contributions as a Percentage of Covered Payroll	8.97%	8.87%	8.08%	6.63%	6.33%	6.03%	5.61%	5.52%	5.98%	6.50%

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required HIS Contributions	\$ 3,740,594	\$ 3,542,302	\$ 3,437,888	\$ 3,356,499	\$ 3,169,486	\$ 3,090,671	\$ 3,074,448	\$ 3,036,702	\$ 2,351,792	\$ 2,142,039
HIS Contributions in Relation to the Contractually Required Contribution	3,740,594	3,542,302	3,437,888	3,356,499	3,169,486	3,090,671	3,074,448	3,036,702	2,351,792	2,142,039
HIS Contributions Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 225,324,948	\$ 213,536,838	\$ 207,071,651	\$ 202,201,335	\$ 190,978,921	\$ 186,148,834	\$ 186,245,454	\$ 182,993,112	\$ 186,699,223	\$ 186,136,123
HIS Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.65%	1.66%	1.26%	1.15%

**CLAY COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY – FRS/HIS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the FRS Net Pension Liability	0.443869391%	0.438963056%	0.403630173%	0.389803501%	0.393729747%	0.401400834%	0.414077561%	0.458113222%	0.467015927%	0.474202722%
District's Proportionate Share of the FRS Net Pension Liability	\$ 165,155,084	\$ 33,158,670	\$ 174,939,265	\$ 134,242,899	\$ 118,593,441	\$ 118,731,673	\$ 104,554,909	\$ 59,171,467	\$ 28,494,839	\$ 81,631,394
District's Covered Payroll	213,536,838	207,071,651	202,201,335	190,978,922	186,148,834	186,245,454	182,993,112	186,699,223	186,136,123	184,215,903
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	77.34%	16.01%	86.52%	70.29%	63.71%	63.75%	57.14%	31.69%	15.31%	44.31%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the HIS Net Pension Liability	0.585422981%	0.584872911%	0.582469578%	0.570780091%	0.569916461%	0.580929845%	0.592453790%	0.615229877%	0.625291587%	0.634342458%
District's Proportionate Share of the HIS Net Pension Liability	\$ 62,005,644	\$ 71,743,456	\$ 71,118,587	\$ 63,864,580	\$ 60,320,598	\$ 62,115,699	\$ 69,048,010	\$ 62,743,770	\$ 58,466,289	\$ 55,227,851
District's Covered Payroll	213,536,838	207,071,651	202,201,335	190,978,922	186,148,834	186,245,454	182,993,112	186,699,223	186,136,123	184,215,903
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	29.04%	34.65%	35.17%	33.44%	32.40%	33.35%	37.73%	33.61%	31.41%	29.98%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%

**CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

BUDGETARY BASIS OF ACCOUNTING

The Clay County District School Board (the Board) follows procedures established by state statutes and State Board of Education (SBE) rules in establishing budget balances for governmental funds, as described below:

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

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

No assets are accumulated in a trust that meet the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

Changes of Assumption – The municipal rate used to determine total OPEB liability was increased from 4.09% to 4.13%.

SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM PENSION PLAN

Changes of Assumption – The long-term expected rate of return decreased from 6.8% to 6.7%.

SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS - HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes of Assumption – The municipal rate used to determine total pension liability was increased from 2.16% to 3.54%. The demographic assumptions for the Special Risk class were updated to reflect plan changes. The election assumption for vested terminated members was updated from 20% to 50% to reflect receipt experience.

**ADDITIONAL ELEMENTS OF REPORTS PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, ISSUED
BY THE COMPTROLLER GENERAL OF THE UNITED STATES; THE
PROVISIONS OF OFFICE OF MANAGEMENT AND BUDGET (OMB)
UNIFORM GUIDANCE; AND *RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA***

**CLAY COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor Number	Amount of Expenditures (1)(2)
United States Department of Agriculture			
Pass-Through			
Florida Department of Agriculture and Consumer Services:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	23002	\$ 2,457,539.56
National School Lunch Program	10.555 (3)	22001, 22003	15,532,484.80
Summer Food Service Program for Children	10.559	21006, 21007	117,554.33
Total Child Nutrition Cluster			<u>18,107,578.69</u>
Total United States Department of Agriculture			<u>18,107,578.69</u>
United States Department of Defense			
Invitational Grants for Military - Connected Schools	12.557	HE 1254-19-1-0023	54,093.28
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	681,852.39
Total United States Department of Defense			<u>735,945.67</u>
United States Department of Education			
Impact Aid	84.041	SO41B221240	607,965.00
Special Education Cluster:			
Pass-Through			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	9,516,151.71
Special Education - Preschool Grants	84.173	267	248,281.91
Total Special Education Cluster			<u>9,764,433.62</u>
Pass-Through			
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	366,835.98
Title I Grants to Local Educational Agencies	84.010	126, 212	4,743,579.00
Career and Technical Education - Basic			
Grants to States	84.048	161	358,581.36
Education for Homeless Children and Youth	84.196	127	93,354.00
Charter Schools	84.282	298	814.00
Twenty-First Century Community Learning Centers	84.287	244	94,268.88
English Language Acquisition State Grants	84.365	102	231,085.48
Supporting Effective Instruction			
State Grants	84.367	224	1,312,957.32
Student Support and Academic Enrichment Program			
	84.424	241	332,580.81
Education Stabilization Fund:			
Elementary and Secondary School Emergency Relief Fund			
	COVID-19, 84.425D	124, 128	3,476,278.20
ESSER III - American Rescue Plan	COVID-19, 84.425U	121	16,547,997.47
ESSER III - American Rescue Plan			
Homeless Children and Youth	COVID-19, 84.425W	122	31,570.83
Total Education Stabilization Fund	84.425		<u>20,055,846.50</u>
Total United States Department of Education			<u>37,962,301.95</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Grantor Number	Amount of Expenditures (1)(2)
United States Department of Health and Human Services			
Pass-Through			
Early Learning Coalition of North Florida:			
Child Care and Development Block Grant	93.575	N/A	\$ 29,274.32
Child Care and Development Block Grant	COVID-19,93.575	N/A	7,357.24
Lutheran Services Florida, Inc.:			
Block Grants for Community Mental Health Services	93.958	N/A	434,866.65
Total United States Department of Health and Human Services			471,498.21
Total Expenditures of Federal Awards			\$ 57,277,324.52

Notes:

Basis of Presentation:

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

Summary of Significant Accounting Policies:

- (2) 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.

Non-Cash Assistance:

- (3) National School Lunch Program - Includes \$1,909,819.88 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

Indirect Cost Rate Election:

- (4) The District received a negotiated indirect cost rate for federal awards and state projects; therefore, the District did not elect to charge de minimus rate of 10% for determining indirect cost amounts.

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

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clay County District School Board (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 18, 2024. Other auditors audited the financial statements of the aggregate discretely presented component unit as described in our report on the District's financial statements. This report does not include the results of the other auditor's 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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Green Cove Springs, Florida

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of the 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.



March 18, 2024
Ocala, Florida

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

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Clay County District School Board's (the District) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Superintendent
Green Cove Springs, Florida

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

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

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

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

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



March 18, 2024
Ocala, Florida

**CLAY COUNTY DISTRICT SCHOOL BOARD - GREEN COVE SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor’s Report Issued on Compliance for the Major Federal Program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of Major Federal Programs:	
	Title I, Part A (AL No. 84.010)
	Education Stabilization Fund (AL No. 84.425)
Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$1,718,320
Auditee qualified as low-risk auditee?	Yes

CLAY COUNTY DISTRICT SCHOOL BOARD - GREEN COVE SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to the Basic Financial Statements Required to be Reported Under Generally Accepted Government Auditing Standards (GAGAS)

The audit disclosed no findings, which are required to be reported under GAGAS.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

STATUS OF PRIOR AUDIT FINDINGS

No matters reported.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

We have examined the Clay County District School Board's (the District) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended June 30, 2023, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion the District's compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2023.

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



March 18, 2024
Ocala, Florida

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MANAGEMENT LETTER

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Clay County District School Board (the District), as of and for the year ended June 30, 2023, and have issued our report thereon March 18, 2024. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditor's and such information related to that audit is reported on separately by those auditors.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program, and on Internal Control Over Compliance required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, with are dated March 18, 2024, should be considered in conjunction with this management letter.

Prior Year 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 financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

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Clay County District School Board and
Superintendent
Green Cove Springs, Florida

MANAGEMENT LETTER

Financial Condition and Management

- Section 10.804(1)(f)2., *Rules of the Auditor General*, requires a statement be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.804(1)(f)5.a and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.
- Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have such recommendations.

Transparency

- Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that 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 that we address non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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



March 18, 2024
Ocala, Florida

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Dr. Susan M. Legutko, who being duly sworn, deposes and says on oath that:

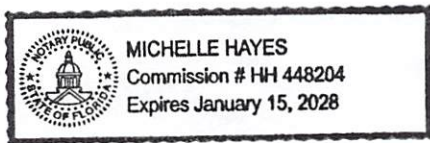
1. I am the Assistant Superintendent, Business Affairs of Clay County District Schools which is a local governmental entity of the State of Florida;
2. The Board of County Commissioners of Clay County, Florida adopted certain ordinances by which it has imposed and subsequently modified public school impact fees. In 2003, the County Commission adopted Ordinance 2003-30 imposing public school impact fees. Ordinance 2003-30 was most recently amended in September 2017 when Ordinance 2017-29 revised the timing of when impact fee payments were required to be made, in May 2014 when Ordinance 2014-10 revised certain provisions related to impact fee credits for donations of land and construction of improvements or additions, and in September 2013 when Ordinance 2013-17 established, in part, revised fees to be collected.
3. Clay County District Schools has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Assistant Superintendent, Business Affairs of
Clay County District Schools

STATE OF FLORIDA
COUNTY OF CLAY

SWORN TO AND SUBSCRIBED before me this 3rd day of March, 2024.



Michelle Hayes
NOTARY PUBLIC
Print Name Michelle Hayes

Personally known _____ or produced identification ✓

Type of identification produced: Driver's License

My Commission Expires: January 15, 2028

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