

2025

Alachua County District School Board

Financial Statements and
Independent Auditor's Report

June 30, 2025

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
GAINESVILLE, FLORIDA**

JUNE 30, 2025

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AND
INDEPENDENT AUDITOR'S REPORT**

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
GAINESVILLE, FLORIDA**

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Alachua County District School Board
and Superintendent
Gainesville, Florida

Report on Audit of the Financial Statements

Unmodified and Qualified 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 Alachua County District School Board (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
Other Federal Programs Fund	Unmodified
Non-Voted Capital Improvement Fund	Unmodified
Other Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on Aggregate Discretely Presented Component Units

In our opinion, based on our audit and the report of the other auditors, except for the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units, as of June 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, General Fund, Other Federal Programs Fund, Non-Voted Capital Improvement Fund, Other Capital Projects Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Alachua County District School Board
and Superintendent
Gainesville, Florida

INDEPENDENT AUDITOR'S REPORT

We did not audit the financial statements of the Alachua Learning Elementary, Inc., Alachua Learning Middle, Inc., Boulware Springs Charter School, Caring and Sharing Learning School, Inc., Einstein Montessori School, Inc., Expressions Learning Arts Academy, Inc., Florida School for Integrated Academics and Technology, Inc, Healthy Learning Academy, Inc., Micanopy Area Charter Schools, Inc., Micanopy Middle School, Inc., North Central FL Public Charter Schools, One Room School House Elementary, Inc., Resilience Charter School, Inc., and SF College Academy of Science and Technology (the Charter Schools), which comprise 100% of the assets and liabilities and 97% of the revenues and expenses of the discretely presented component units of the District. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Charter Schools, is based solely on the reports of the other auditors.

Basis for Qualified and Unmodified 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 qualified and unmodified audit opinions.

Matters Giving Rise to Qualified Opinions on Aggregate Discretely Presented Component Units

The financial statements of Constellation Charter School have not been audited. We were unable to obtain sufficient appropriate evidence to support Constellation Charter School's expenses because it discontinued operations in May 2025. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. The associated revenues and expenses represent approximately 3% of the total revenues and expenses of the aggregate discretely presented component units as a whole.

Change in Accounting Principle

As discussed in Note II.B to the financial statements, in the fiscal year ended June 30, 2025, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

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, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other postemployment benefit information on pages 5-12 and 62-71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although, not a part of the 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 generally accepted auditing standards, 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

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Gainesville, Florida

INDEPENDENT AUDITOR'S REPORT

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 accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Purvis Gray

March 31, 2026
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Alachua 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, 2025. 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 2024-25 fiscal year are as follows:

- The District's total net position is a surplus \$108.5 million, which represents an increase of \$41.1 million, or a 61.0 percent increase from the 2023-24 fiscal year. This increase includes a \$2.6 million reduction in beginning net position for the implementation of Governmental Accounting Standards Board (GASB) No. 101, *Compensated Absences*.
- General revenues total \$390.8 million, or 93.3 percent of all revenues in the 2024-25 fiscal year, as compared to \$394.9 million, or 93.6 percent for the 2023-24 fiscal year. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$28.0 million, or 6.7 percent as compared to \$27 million, or 6.4 percent in the prior year.
- The total assigned and unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$36.1 million at June 30, 2025, or 12.4 percent of General Fund expenditures as compared to \$34.6 million, or 12.2 percent at June 30, 2024.
- During the current fiscal year, General Fund expenditures exceeded revenues by \$7.6 million. This may be compared to last year's results in which General Fund expenditures exceeded revenues by \$4.1 million. Please note that the transfer from Capital Projects – Local Capital Improvement Fund to the General Fund, in the amount of \$13.2 million to cover maintenance expenditures is not classified as revenue in the General Fund.
- The District's total assets and deferred outflow of resources total \$477.3 million. The total liabilities and deferred inflows of resources is \$368.8 million. This result is a surplus of \$108.5 million as stated above in the District's total net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- 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 those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

consolidated financial information about the governmental 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, deferred outflows of resources, liabilities and deferred inflows of resources, using an economic resources measurement focus. The difference between: (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources, the net position, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in 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 District presents 15 charter schools as discretely presented component units. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units are reported separately from the financial information presented for the primary government. Separately issued financial statements of the charter schools are available at the District's administrative office.
- The Alachua County School Board Leasing Corporation (the Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the Board and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Over a period of time, changes in the District's net position are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets, including its school buildings and administrative facilities.

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 two broad categories discussed below.

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds use a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Other Federal Programs Fund, Capital Projects – Local Capital Improvement Fund, and Other Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

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 use the economic resources measurement focus and accrual basis of accounting. The District maintains one proprietary fund, an internal service fund, to account for its self-insurance program. Since this service predominantly benefits government-type functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

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

The District uses private-purpose trust funds to account for the District's early retirement program, the J. Dale Haynie Trust, and for a career service award program.

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.

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

The District participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by Florida Division of Retirement. As a participating employer, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The District also maintains a single employer Early Retirement Plan subject to GASB Statement No. 68 reporting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. The following is a summary of the District's net position as of June 30, 2025, compared to net position as of June 30, 2024.

Net Position, End of Year

	Governmental Activities	
	6-30-25	6-30-24
Current and Other Assets	\$ 182,208,028.90	\$ 189,465,331.18
Capital Assets	236,904,200.82	206,416,529.40
Total Assets	419,112,229.72	395,881,860.58
Total Deferred Outflows	58,147,456.58	60,080,339.24
Long-Term Liabilities	306,795,954.32	336,737,635.78
Other Liabilities	28,405,282.42	30,236,207.67
Total Liabilities	335,201,236.74	366,973,843.45
Total Deferred Inflows	33,604,060.88	21,599,392.52
Net Position:		
Net Investment in Capital		
Assets	145,514,325.57	100,292,178.87
Restricted	97,823,614.10	111,131,970.86
Unrestricted (Deficit)	(134,883,550.99)	(144,035,185.88)
Total Net Position	\$ 108,454,388.68	\$ 67,388,963.85

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, furniture and equipment), 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.

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

The restricted portion of the District's net position, \$97.8 million, represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position of \$134.8 million was mainly due as a result of accruing long-term liabilities related to the defined benefit pension plans, compensated absences, and Other Postemployment Benefits (OPEB). The largest accrual is the net pension liability totaling \$179.4 million as of June 30, 2025. The District reports the net pension liability according to the requirements of GASB Statement No. 68, *Accounting and Reporting for Pensions*.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2025, and June 30, 2024, are as follows:

- The increase in net investment in capital assets is due primarily to asset addition, construction in progress and debt retirement.
- The increase in Deferred Outflows and decrease in Deferred Inflows is the result of the FRS, HIS, and OPEB activities.

Governmental activities increased the District's net position by \$43.6 million during the 2024-25 fiscal year, detailed as follows:

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities	
	6-30-25	6-30-24
Program Revenues:		
Charges for Services	\$ 8,329,530.38	\$ 7,484,142.74
Operating Grants and Contributions	18,517,063.29	18,437,330.93
Capital Grants and Contributions	1,123,803.11	1,060,963.30
General Revenues:		
Property Taxes, Levied for Operational Purposes	123,226,757.88	117,414,201.31
Property Taxes, Levied for Debt Service	345.37	1,367.46
Property Taxes, Levied for Capital Projects	38,818,128.83	35,706,225.34
Local Sales Taxes:	29,986,358.14	29,081,362.43
Grants and Contributions Not Restricted to Specific Programs	180,509,829.82	194,734,316.14
Unrestricted Investment Earnings	7,404,714.02	7,620,860.49
Miscellaneous	10,897,515.05	10,349,821.57
Total Revenues	418,814,045.89	421,890,591.71
Functions/Program Expenses:		
Instruction	178,133,641.86	198,199,962.58
Pupil Personnel Services	20,106,199.69	23,911,359.99
Instructional Media Services	5,219,557.48	6,054,674.99
Instruction and Curriculum Development Services	9,180,435.68	10,002,546.20
Instructional Staff Training	4,888,180.00	5,361,775.31
Instruction Related Technology	5,104,184.55	5,223,461.37
Board of Education	1,470,001.23	1,546,263.01
General Administration	2,886,411.29	3,001,083.26
School Administration	20,170,021.18	21,891,931.89
Facilities Acquisition and Construction	15,169,966.56	11,304,637.85
Fiscal Services	2,478,615.02	2,701,011.18
Food Services	21,740,551.38	23,245,567.92
Central Services	4,406,387.48	5,258,289.74
Pupil Transportation Services	14,082,969.10	16,504,606.34
Operation of Plant	35,935,785.60	36,623,285.59
Maintenance of Plant	6,491,402.02	7,637,166.26
Administrative Technology Services	872,688.23	1,736,599.11
Community Services	10,254,457.61	11,068,723.41
Interest on Long-Term Debt	2,251,718.68	1,097,443.50
Unallocated Depreciation Expenses	14,321,130.15	14,493,984.13
Total Functions/Program Expenses	375,164,304.79	406,864,373.63
Increase (Decrease) in Net Position	43,649,741.10	15,026,218.08
Net Position - Beginning, Restated	64,804,647.58	52,362,745.77
Net Position - Ending	\$ 108,454,388.68	\$ 67,388,963.85

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula 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.

Instructional expenses represent 47.5 percent of total governmental expenses in the 2024-25 fiscal year. Instructional expenses decreased by \$20.1 million, or 10.1 percent, from the previous year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

General Fund: This fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance was \$30.5 million, while the total fund balance is \$46.9 million. The unassigned fund balance increased by \$0.2 million, while the total fund balance increased by \$5.7 million during the fiscal year. Key factors in this increase are as follows:

- Total expenditures increased by \$9.1 million due to the reduction of revenues in the Education Stabilization Fund causing more expenditures to be incurred by the general fund. Overall, staff reduction and attrition resulted in a decrease in employee salary and benefits.
- Total expenditures exceeded revenues by \$7.6 million. Please note that the transfer from Capital Projects – Local Capital Improvement Fund to the General Fund, in the amount of \$13.2 million to cover maintenance expenditures is not classified as revenue in the General Fund.

Special Revenue – Other Federal Programs: This fund had revenues and expenditures of \$21.5 million. Because revenues in this fund are recognized to the extent expenditures are incurred, this fund generally does not accumulate a fund balance.

Capital Projects – Local Capital Improvement Fund: Has a total fund balance of \$37.8 million, all of which is restricted for the acquisition, construction, and maintenance of capital assets.

Capital Projects – Other Fund: This fund, which is primarily comprised of the one-half cent discretionary sales surtax, has a total fund balance of \$29.3 million, all of which is restricted for the acquisition, land improvement, and construction of capital assets. The fund's primary use is the major construction projects for the schools selected for redevelopment and new building structures.

Proprietary Fund

Unrestricted net position of the Internal Service Fund totaled \$16.7 million at June 30, 2025, an increase of \$2.1 million from the previous fiscal year. This fund is used to account for the District's individual self-insurance program for employee's medical insurance, purchased services and insurance claims.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget and brings amendments to the Board when needed. These amendments are needed to adjust to actual revenues received and direct resources where needed. The Board approves the final amendment to the budget after year-end.

ALACHUA COUNTY DISTRICT SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$236.9 million (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under financed purchases; construction in progress; and computer software.

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

- Construction in progress at June 30, 2025, including various capitalized renovation and remodeling projects.
- Certificates of Final Inspection for projects including Westwood Middle Redesign and Redevelopment, Eastside High School Gym renovations, roof and HVAC.
- Construction in progress for comprehensive renovations at Littlewood Elementary that will be finalized next fiscal year.

Long-Term Debt

At June 30, 2025, the District has a total of \$87.1 million for outstanding capital asset-related debt. This amount is comprised of \$2.0 million of leases payable, \$75.8 million of certificates of participation payable, and \$9.3 million of unamortized premiums.

Other items classified as long-term liabilities in the government-wide financial statements include the compensated absences liability totaling \$29.0 million, other postemployment benefits payable totaling \$11.3 million, and net pension obligations totaling \$179.4 million.

Additional information on the District's long-term debt can be found in the Notes to the Financial Statements section.

OTHER MATTERS OF SIGNIFICANCE

The District will continue with current plans to reduce expenses and rebuild general fund reserves to meet the District's future obligations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Alachua County District School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: The Business Services Department, Alachua County Public Schools, 620 East University Avenue, Gainesville, Florida 32601.

FINANCIAL STATEMENTS

ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	\$ 154,530,862.53	\$ 5,925,103.00
Investments	10,421,022.78	3,270,976.00
Accounts Receivable, Net	2,191.00	609,802.00
Due from Other Agencies	13,061,295.50	868,741.00
Deposits Receivable	-	43,158.00
Prepaid Items	811,336.58	240,224.00
Leases Receivable	1,158,502.87	-
Inventory	2,222,817.64	-
Capital Assets:		
Non-Depreciable Capital Assets	49,591,195.24	1,292,664.00
Depreciable Capital Assets, Net	187,313,005.58	8,959,053.00
Total Assets	419,112,229.72	21,209,721.00
Deferred Outflows of Resources		
Net Carrying Amount of Debt Refunding	254,790.58	-
Pension	52,322,102.00	1,923,396.00
Other Postemployment Benefits	5,570,564.00	-
Total Deferred Outflows of Resources	58,147,456.58	1,923,396.00
Liabilities		
Accrued Salaries and Benefits	2,976,842.78	323,329.00
Payroll Deductions and Withholdings	9,101,144.45	21,377.00
Accounts Payable	8,487,297.14	407,747.00
Sales Tax Payable	461.39	-
Due to Other Agencies	298,514.49	850,544.00
Construction Contracts Payable	3,023,369.60	-
Construction Contracts Payable - Retained Percentage	1,476,591.38	-
Estimated Unpaid Claims - Self-Insurance Program	2,313,414.00	-
Unearned Revenue	727,647.19	-
Non-Current Liabilities:		
Due Within One Year	17,019,103.24	1,542,390.00
Due in More Than One Year	289,776,851.08	7,971,240.00
Total Liabilities	335,201,236.74	11,116,627.00
Deferred Inflows of Resources		
Leases	1,051,717.88	-
Pension	30,104,969.00	549,429.00
Other Postemployment Benefits	2,447,374.00	-
Total Deferred Inflows of Resources	33,604,060.88	549,429.00
Net Position		
Net Investment in Capital Assets	145,514,325.57	5,313,682.00
Restricted For:		
State Required Carryover Programs	634,295.99	-
Food Service	5,458,087.54	-
Debt Service	9,601,442.18	-
Capital Projects	69,015,765.04	358,352.00
Other Purposes	13,114,023.35	-
Unrestricted	(134,883,550.99)	5,795,027.00
Total Net Position	\$ 108,454,388.68	\$ 11,467,061.00

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges for Services</u>
Governmental Activities		
Instruction	\$ 178,133,641.86	\$ 10,990.72
Student Support Services	20,106,199.69	-
Instructional Media Services	5,219,557.48	-
Instruction and Curriculum Development Services	9,180,435.68	-
Instructional Staff Training Services	4,888,180.00	-
Instruction-Related Technology	5,104,184.55	-
Board	1,470,001.23	-
General Administration	2,886,411.29	-
School Administration	20,170,021.18	-
Facilities Acquisition and Construction	15,169,966.56	-
Fiscal Services	2,478,615.02	-
Food Services	21,740,551.38	2,207,998.34
Central Services	4,406,387.48	-
Student Transportation Services	14,082,969.10	274,373.74
Operation of Plant	35,935,785.60	-
Maintenance of Plant	6,491,402.02	-
Administrative Technology Services	872,688.23	-
Community Services	10,254,457.61	5,836,167.58
Interest on Long-Term Debt	2,251,718.68	-
Unallocated Depreciation/Amortization Expense*	14,321,130.15	-
Total Governmental Activities	<u>\$ 375,164,304.79</u>	<u>\$ 8,329,530.38</u>
Component Units		
Charter Schools	22,885,711.00	1,401,381.00
Total Component Units	<u>\$ 22,885,711.00</u>	<u>\$ 1,401,381.00</u>

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

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
\$ -	\$ -	\$ (178,122,651.14)	\$ -
-	-	(20,106,199.69)	-
-	-	(5,219,557.48)	-
-	-	(9,180,435.68)	-
-	-	(4,888,180.00)	-
-	-	(5,104,184.55)	-
-	-	(1,470,001.23)	-
-	-	(2,886,411.29)	-
-	-	(20,170,021.18)	-
-	1,123,803.11	(14,046,163.45)	-
-	-	(2,478,615.02)	-
18,517,063.29	-	(1,015,489.75)	-
-	-	(4,406,387.48)	-
-	-	(13,808,595.36)	-
-	-	(35,935,785.60)	-
-	-	(6,491,402.02)	-
-	-	(872,688.23)	-
-	-	(4,418,290.03)	-
-	-	(2,251,718.68)	-
-	-	(14,321,130.15)	-
<u>\$ 18,517,063.29</u>	<u>\$ 1,123,803.11</u>	<u>(347,193,908.01)</u>	<u>-</u>
1,884,771.00	1,364,203.00	-	(18,235,356.00)
<u>\$ 1,884,771.00</u>	<u>\$ 1,364,203.00</u>	<u>-</u>	<u>(18,235,356.00)</u>
General Revenues			
Taxes:			
Property Taxes, Levied for Operational Purposes		123,226,757.88	-
Property Taxes, Levied for Debt Service		345.37	-
Property Taxes, Levied for Capital Projects		38,818,128.83	-
Local Sales Tax		29,986,358.14	958,770.00
Grants and Contributions Not Restricted to			
Specific Programs		180,509,829.82	18,514,438.00
Investment Earnings		7,404,714.02	215,083.00
Miscellaneous		10,897,515.05	47,688.00
Total General Revenues		<u>390,843,649.11</u>	<u>19,735,979.00</u>
Change in Net Position		<u>43,649,741.10</u>	<u>1,500,623.00</u>
Net Position - July 1, 2024, as Previously Reported		67,388,963.85	9,966,438.00
Change in Accounting Principle (Note II.B)		(2,584,316.27)	-
Net Position - July 1, 2024, as Restated		64,804,647.58	9,966,438.00
Net Position - June 30, 2025		<u>\$ 108,454,388.68</u>	<u>\$ 11,467,061.00</u>

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	<u>General</u>	<u>Other Federal Programs</u>
Assets		
Cash and Cash Equivalents	\$ 55,025,542.34	\$ -
Investments	-	-
Accounts Receivable	-	-
Lease Receivable	1,158,502.87	-
Due from Other Agencies	2,601,443.44	3,044,110.38
Due from Other Funds	1,740,998.37	-
Prepaid Items	809,168.45	-
Inventory	871,585.28	-
Total Assets	<u>62,207,240.75</u>	<u>3,044,110.38</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accrued Salaries and Benefits	2,625,127.62	286,654.92
Payroll Deductions and Withholdings	8,039,015.63	665,889.34
Accounts Payable	3,035,696.53	510,785.75
Sales Tax Payable	461.39	-
Due to Other Funds	-	1,580,780.37
Construction Contracts Payable	-	-
Construction Contracts Retainage Payable	-	-
Unearned Revenue	24,277.91	-
Total Liabilities	<u>14,010,022.08</u>	<u>3,044,110.38</u>
Deferred Inflows of Resources		
Unavailable Revenue - Grants	227,341.45	-
Leases	1,051,717.88	-
Total Deferred Inflows of Resources	<u>1,279,059.33</u>	<u>-</u>
Fund Balances		
Non-Spendable	1,680,753.73	-
Restricted	9,153,927.34	-
Assigned	5,611,883.80	-
Unassigned	30,471,594.47	-
Total Fund Balances	<u>46,918,159.34</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 62,207,240.75</u>	<u>\$ 3,044,110.38</u>

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

Non-Voted Capital Improvement § 1011.71(2), F.S.	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 38,485,988.12	\$ 29,061,633.61	\$ 10,579,270.41	\$ 133,152,434.48
815,086.41	4,494.19	9,601,442.18	10,421,022.78
-	-	2,191.00	2,191.00
-	-	-	1,158,502.87
1,864.64	5,784,788.32	1,599,224.13	13,031,430.91
-	86,100.00	-	1,827,098.37
-	-	2,168.13	811,336.58
-	-	1,351,232.36	2,222,817.64
<u>39,302,939.17</u>	<u>34,937,016.12</u>	<u>23,135,528.21</u>	<u>162,626,834.63</u>
-	-	65,060.24	2,976,842.78
-	-	396,239.48	9,101,144.45
1,094,291.83	1,324,547.12	187,738.32	6,153,059.55
-	-	-	461.39
-	40,465.00	205,853.00	1,827,098.37
286,846.94	2,736,522.66	-	3,023,369.60
131,931.92	1,319,179.96	25,479.50	1,476,591.38
-	-	703,369.28	727,647.19
<u>1,513,070.69</u>	<u>5,420,714.74</u>	<u>1,583,739.82</u>	<u>25,571,657.71</u>
-	181,967.49	-	409,308.94
-	-	-	1,051,717.88
-	<u>181,967.49</u>	-	<u>1,461,026.82</u>
-	-	1,353,400.49	3,034,154.22
37,789,868.48	29,334,333.89	20,198,387.90	96,476,517.61
-	-	-	5,611,883.80
-	-	-	30,471,594.47
<u>37,789,868.48</u>	<u>29,334,333.89</u>	<u>21,551,788.39</u>	<u>135,594,150.10</u>
<u>\$ 39,302,939.17</u>	<u>\$ 34,937,016.12</u>	<u>\$ 23,135,528.21</u>	<u>\$ 162,626,834.63</u>

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balances - Governmental Funds		\$ 135,594,150.10
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:		
Capital Assets	\$ 682,876,495.57	
(Accumulated Depreciation/Amortization)	<u>(445,972,294.75)</u>	236,904,200.82
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 fund are included in governmental activities in the statement of net position.		
		16,747,569.56
Certain assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		
		409,308.94
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Long-term liabilities at year-end consist of:		
Certificates of Participation	(75,587,288.00)	
Lease Liability	(2,025,846.11)	
Premium on Certificates of Participation	(9,536,064.93)	
Compensated Absences Liability	(28,975,412.28)	
Total Other Postemployment Benefits Liability	(11,253,948.00)	
Net Pension Liability	<u>(179,417,395.00)</u>	(306,795,954.32)
Refunding losses reported for governmental activities are not financial resources and, therefore, not reported in the governmental funds.		
		254,790.58
The deferred outflows related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.		
Early Retirement Pension	448,594.00	
Florida Retirement System Pension	46,264,131.00	
Health Insurance Subsidy Pension	5,609,377.00	
Other Postemployment Benefits	<u>5,570,564.00</u>	57,892,666.00
The deferred inflows related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.		
Florida Retirement System Pension	(17,437,712.00)	
Health Insurance Subsidy Pension	(12,667,257.00)	
Other Postemployment Benefits	<u>(2,447,374.00)</u>	(32,552,343.00)
Total Net Position - Governmental Activities		<u><u>\$ 108,454,388.68</u></u>

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

ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>General</u>	<u>Other Federal Programs</u>
Revenues		
Federal Direct	\$ 258,592.60	\$ 31,662.71
Federal Through State and Local	831,691.75	21,450,809.21
State Sources	146,632,460.09	-
Local Sources:		
Property Taxes	123,226,757.88	-
Local Sales Taxes	-	-
Charges for Service - Food Service	-	-
Other Local Revenue	13,190,629.45	-
Total Local Sources	<u>136,417,387.33</u>	<u>-</u>
Total Revenues	<u>284,140,131.77</u>	<u>21,482,471.92</u>
Expenditures		
Current:		
Instruction	159,693,510.71	12,512,189.10
Student Support Services	18,373,656.12	1,824,597.84
Instructional Media Services	5,313,970.92	-
Instruction and Curriculum Development Services	6,982,956.43	2,257,988.25
Instructional Staff Training Services	1,537,804.75	3,171,363.81
Instruction-Related Technology	5,143,862.69	-
Board	1,463,369.78	12,850.00
General Administration	1,990,497.88	812,255.05
School Administration	19,891,517.45	516,826.29
Facilities Acquisition and Construction	2,560,698.94	-
Fiscal Services	2,526,837.97	-
Food Services	-	-
Central Services	4,272,971.24	141,344.02
Student Transportation Services	12,588,021.50	169,990.73
Operation of Plant	36,133,837.78	3,072.33
Maintenance of Plant	6,598,615.00	-
Administrative Technology Services	887,927.58	-
Community Services	4,605,901.03	-
Debt Service:		
Redemption of Principal	768,535.66	-
Interest	97,787.04	-
Capital Outlay:		
Facilities Acquisition and Construction	22,841.25	-
Other Capital Outlay	262,178.55	59,994.50
Total Expenditures	<u>291,717,300.27</u>	<u>21,482,471.92</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,577,168.50)</u>	<u>-</u>
Other Financing Sources (Uses)		
Loss Recoveries	98,148.10	-
Sale of Capital Assets	-	-
Transfers in	13,227,879.31	-
Transfers (out)	-	-
Total Other Financing Sources (Uses)	<u>13,326,027.41</u>	<u>-</u>
Net Change in Fund Balances	5,748,858.91	-
Fund Balances, July 1, 2024	41,169,300.43	-
Fund Balances, June 30, 2025	<u>\$ 46,918,159.34</u>	<u>\$ -</u>

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

Non-Voted Capital Improvement § 1011.71(2), F.S.	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 290,255.31
-	-	28,284,344.97	50,566,845.93
-	324,098.29	2,378,935.11	149,335,493.49
38,818,128.83	-	-	162,044,886.71
-	29,986,358.14	-	29,986,358.14
-	-	2,207,998.34	2,207,998.34
1,944,355.50	1,882,991.78	7,078,387.20	24,096,363.93
<u>40,762,484.33</u>	<u>31,869,349.92</u>	<u>9,286,385.54</u>	<u>218,335,607.12</u>
<u>40,762,484.33</u>	<u>32,193,448.21</u>	<u>39,949,665.62</u>	<u>418,528,201.85</u>
-	-	8,649,392.82	180,855,092.63
-	-	268,183.71	20,466,437.67
-	-	91.11	5,314,062.03
-	-	122,981.93	9,363,926.61
-	-	257,535.84	4,966,704.40
-	-	43,551.10	5,187,413.79
-	-	-	1,476,219.78
-	-	122,570.29	2,925,323.22
-	-	148,390.47	20,556,734.21
11,087,427.57	1,515,617.23	17,335.09	15,181,078.83
-	-	-	2,526,837.97
-	-	21,927,137.72	21,927,137.72
-	-	67,413.66	4,481,728.92
-	-	13,795.42	12,771,807.65
-	-	6,137.09	36,143,047.20
-	-	-	6,598,615.00
-	-	-	887,927.58
-	-	5,734,618.20	10,340,519.23
3,892,121.24	8,945,000.00	-	13,605,656.90
898,357.91	3,143,439.41	1,219.42	4,140,803.78
12,591,319.11	32,413,137.74	953,479.26	45,980,777.36
-	-	17,846.15	340,019.20
<u>28,469,225.83</u>	<u>46,017,194.38</u>	<u>38,351,679.28</u>	<u>426,037,871.68</u>
<u>12,293,258.50</u>	<u>(13,823,746.17)</u>	<u>1,597,986.34</u>	<u>(7,509,669.83)</u>
-	-	-	98,148.10
2,253.00	-	-	2,253.00
-	643.97	1,396,941.86	14,625,465.14
<u>(13,036,438.17)</u>	<u>(500,000.00)</u>	<u>(1,089,026.97)</u>	<u>(14,625,465.14)</u>
<u>(13,034,185.17)</u>	<u>(499,356.03)</u>	<u>307,914.89</u>	<u>100,401.10</u>
(740,926.67)	(14,323,102.20)	1,905,901.23	(7,409,268.73)
38,530,795.15	43,657,436.09	19,645,887.16	143,003,418.83
<u>\$ 37,789,868.48</u>	<u>\$ 29,334,333.89</u>	<u>\$ 21,551,788.39</u>	<u>\$ 135,594,150.10</u>

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds	\$	(7,409,268.73)
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 and reported as depreciation expense. This reconciling item is the amount by which depreciation expense exceeded capital purchases and donated assets:		
Capital Outlay Expenditures	\$ 46,320,796.56	
Depreciation/Amortization Expense	<u>(15,833,125.14)</u>	30,487,671.42
Certain accrued revenues reported in the statement of activities are not considered available current financial resources and, therefore, are not reported as revenue in the governmental funds until they become available.		
		185,442.54
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal Repayments:		
Certifications of Participation	12,837,121.24	
Leases	768,535.66	
Amortization of Premiums	<u>1,952,782.76</u>	15,558,439.66
Internal service funds are used by management to charge the cost of certain activities such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.		
		2,066,882.78
Refunding gains and losses result from a difference between the reacquisition cost of the refunded bonds and the net carrying amount. Refunding gains or losses are amortized over the life of the related debt in the statement of activities.		
		(63,697.66)
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 earned in excess of the amount of vacation and sick leave used in the current period.		
		368,265.09
Governmental funds report other postemployment benefit (OPEB) contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions, as determined through an actuarial valuation, is reported as an OPEB expense.		
		(460,443.00)
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits is reported as a pension expense. This is the difference between pension expense and contributions in the current fiscal year:		
Early Retirement Pension Contributions in Excess of Expense		6,586.00
Florida Retirement System Pension Contributions in Excess of Expense		858,945.00
Health Insurance Subsidy Pension Expense in Excess of Contributions		<u>2,050,918.00</u>
Change in Net Position of Governmental Activities	\$	<u><u>43,649,741.10</u></u>

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	Internal Service Fund
Assets	
Cash and Cash Equivalents	\$ 21,378,428.05
Due From Other Agencies	29,864.59
Total Assets	21,408,292.64
 Liabilities	
Accounts Payable	2,334,237.59
Due to Other Agencies	13,071.49
Estimated Unpaid Claims - Self-Insurance Program	2,313,414.00
Total Liabilities	4,660,723.08
 Net Position	
Unrestricted	16,747,569.56
Total Net Position	\$ 16,747,569.56

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Internal Service Fund
Operating Revenues	
Risk Management Premium Revenue	\$ 39,826,168.39
Total Operating Revenues	39,826,168.39
 Operating Expense	
Purchased Services	3,975,191.10
Insurance Claims	34,706,593.05
(Total Operating Expenses)	38,681,784.15
 Excess of Revenues Over Expenditures	1,144,384.24
 Non-Operating Revenues	
Investment Income	922,498.54
Total Non-Operating Revenues	922,498.54
 Change in Net Position	2,066,882.78
 Net Position, July 1, 2024	14,680,686.78
 Net Position, June 30, 2025	\$ 16,747,569.56

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Internal Service Fund
Cash Flows from Operating Activities	
Receipts from Customers	\$ 39,809,653.80
Cash Payments for Services	(3,543,678.51)
Cash Payments for Insurance Claims	(34,824,924.05)
Net Cash Provided by Operating Activities	1,441,051.24
 Cash Flows from Investing Activities	
Interest and Dividends Received	923,044.03
Net Cash Provided by Investing Activities	923,044.03
 Net Increase in Cash and Cash Equivalents	2,364,095.27
 Cash and Cash Equivalents, July 1, 2024	19,014,332.78
 Cash and Cash Equivalents, June 30, 2025	\$ 21,378,428.05
 <u>Reconciliation of Operating Income to Net</u>	
<u>Cash Provided by Operating Activities</u>	
Operating Income	\$ 1,144,384.24
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Due from Other Agencies	(16,514.59)
Increase in Accounts Payable	431,512.59
Decrease in Estimated Claims	(118,331.00)
Total Adjustments	296,667.00
Net Cash Provided by Operating Activities	\$ 1,441,051.24

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	Total Pension Trust Funds	Total Private-Purpose Trust Funds
Assets		
Cash and Cash Equivalents	\$ 626,318.65	\$ 431,966.48
Investments	5,110,933.74	-
Total Assets	5,737,252.39	431,966.48
 Net Position		
Restricted for Pension Benefits	5,737,252.39	-
Restricted for Scholarships and Other Purposes	-	431,966.48
Total Net Position	\$ 5,737,252.39	\$ 431,966.48

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Total Pension Trust Funds	Total Private-Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 226,404.00	\$ -
Investment Earnings:		
Interest, Dividends, and Other	139,365.61	18,841.28
Gain (Loss) on Sale of Investments	(6,621.33)	-
Net Increase in the Fair Value of Investments	369,161.00	-
Total Investment Earnings	501,905.28	18,841.28
Total Additions	728,309.28	18,841.28
Deductions		
Participant Benefits	693,331.97	-
Purchased Services	22,876.33	-
Total Deductions	716,208.30	-
Change in Net Position	12,100.98	18,841.28
Net Position, July 1, 2024	5,725,151.41	413,125.20
Net Position, June 30, 2025	\$ 5,737,252.39	\$ 431,966.48

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

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Alachua County School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation/amortization expense is not readily associated with a particular function and is reported as unallocated.

B. Reporting Entity

The Alachua County District School Board (the School 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 school district is the School Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Alachua County.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. 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 Alachua County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note III.I.1. Due to the substantive economic relationship between the Alachua County District School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Discretely Presented Component Units. The component units' columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District. The component unit columns in the basic financial statements include the financial data of 15 charter schools: Alachua Learning Elementary, Inc.; Alachua Learning Middle, Inc.; Boulware Springs Charter School; Caring and Sharing Learning School, Inc.; Constellation Charter School; Einstein Montessori School, Inc.; Expressions Learning Arts Academy, Inc.; Florida School for Integrated Academics and Technology, Inc; Healthy Learning Academy, Inc.; Micanopy Area Charter Schools, Inc.; Micanopy Middle School, Inc.; North Central FL Public Charter Schools; One Room School House Elementary, Inc.; Resilience Charter School, Inc.; and SF College Academy of Science and Technology.

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 charters approved by their sponsor, the School Board. 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 school's audited financial statements for the fiscal year ended June 30, 2025. The audit reports are filed in the District's administrative office at 620 East University Avenue, Gainesville, Florida 32601.

C. Basis of Presentation: Government-Wide Financial Statements

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

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

D. Basis of Presentation: Fund Financial Statements

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

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.

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

- Special Revenue – Other Fund – to account for certain Federal grant program resources.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, District-wide maintenance, new and replacement equipment purchases, motor vehicle purchases, payments for educational facilities and sites due under lease-purchase agreements (COPS); payments for renting and leasing education facilities and sites; payments of loan approved pursuant to Sections 1011.14 and 1011.15, Florida Statutes; and payment of the cost of leasing relocatable educational facilities.
- Capital Projects – Other Fund – to account for financial resources generated by the voter-approved half-cent sales surtax that was passed on the ballot in November 2018 and took effect in January 2019. Amounts generated by the surtax will be used to finance capital outlay for safety and security improvements; repair, renovation, and remodeling of Board-owned schools, including modernization of classrooms, science labs, and other spaces; technology; elimination of portable classrooms; new construction; land acquisitions and improvement; and other school facilities projects; with oversight by an independent citizens’ committee.

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

- Internal Service Fund – to account for the District’s individual self-insurance programs.
- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Fund – to account for resources of the J. Dale Haynie Trust Fund, the Diamond Sports Park, and the career services award program.

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

E. 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.

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized as soon as 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 are 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 revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 under leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in 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.

2. Investments

Investments consist of amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405 and 218.417, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

The District’s investment in Florida PRIME are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The District’s investment is measured at amortized cost, which approximates fair value.

Investments made locally, including investments held for the pension fund, consist of money market funds, mutual funds, and United States Government Securities and are reported at fair value.

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

3. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are valued at cost on the moving-average basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District’s food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

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

4. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$2,500 with a useful life greater than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

Capital assets are depreciated using the weighted-average composite method, except for assets under financed leases, which are depreciated/amortized under the straight-line method over the shorter of the lease term or the asset’s useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	9 – 40 Years
Buildings and Fixed Equipment	10 – 50 Years
Leased Buildings	2 – 7 Years
Furniture, Fixtures, and Equipment	3 – 15 Years
Leased Equipment	3 – 10 Years
Motor Vehicles	5 – 10 Years
Audio Visual Materials and Computer Software	3 – 5 Years

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

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

5. Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan 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.

6. Lessee Leases

The District is a lessee for non-cancellable leases of buildings and equipment. The District recognizes an intangible right-to-use lease asset (lease asset) and a lease liability 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 lease payments made. The lease asset 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 costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the District determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

7. Lessor Leases

The District is a lessor for various non-cancellable leases of building space for the installation and operation of solar panels and one cell tower lease. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the District determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

receivable are composed of fixed payments from the lessee. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

8. 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 debt premiums and discounts during the current period. The face amount of debt issued is 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.

9. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first two items, deferred inflows of resources related to pensions and OPEB are reported in the statement of net position and discussed in subsequent notes. The third item, deferred inflows related to leases, is reported in both the statement of net position and the governmental funds balance sheet, as discussed in a previous note. The remaining item, unavailable revenue from grants, is reported on the governmental funds balance sheet as unavailable revenue related to State capital outlay funding and will be recognized as an inflow of resources in the period that it becomes available.

10. 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.

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

11. Fund Balance Flow Assumptions

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

12. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The School Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balances at June 30, 2025.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has adopted Policy 6100 which authorizes the Chief Financial Officer to assign fund balance. 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the 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)

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

students and related data to the FDOE. The FDOE performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting during specified time periods following the date of the original reporting. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

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

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

The Board adopted the 2024 tax levy on September 11, 2024. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the School 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 Alachua County Tax Collector at fiscal year-end but not yet remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded.

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

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

4. Capital Outlay Surtax

In November 2018, the voters of Alachua County approved a one-half cent school capital outlay surtax on sales in the County for 12 years, effective January 1, 2019, to finance safety and security improvements; repair, renovation and modernization of classrooms, science labs and other spaces; technology; elimination of portable classrooms; new construction; land acquisition and improvement; other school facilities projects; with oversight by an independent citizens' committee in accordance with Section 212.055(6), Florida Statutes.

5. Voted Additional Millage

In November 2020, the voters of Alachua County approved a one mill ad valorem tax increase in the County for 4 years, effective July 1, 2021, to pay for essential operating expenses in accordance with Section 1011.71(9), Florida Statutes. Revenues will be used to fund school safety and security for all schools, mental health programs, recruiting and retaining highly qualified teachers, professional development for teachers and staff, and academic initiatives.

6. 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.

7. Compensated Absences

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

8. Proprietary Fund 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 fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums. Operating expenses include insurance claims, excess coverage premiums and other purchased services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates 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 amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

II. ACCOUNTING CHANGES

A. Change in Reporting Entity

For the year ended June 30, 2025, the Special Revenue – Federal Education Stabilization Fund no longer meets the definition of a major fund and is reported in Other Governmental Funds. That fund had no fund balance so there is no impact to beginning fund balance.

B. Change in Accounting Principle

Effective July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the adoption of this statement, the Company assessed its calculation of compensated absences for compliance with provisions of the statement. The impact of this statement was a reduction of beginning net position of \$2,584,316.27.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. 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 risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

As described in Note I.F.2., the District reports investments at fair value, except for investments in investment pools, which are carried at amortized cost. Accounting standards establish a framework for the measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to unadjusted quoted process in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

- Level 1 – Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets that the District has the ability to access.
- Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs of the valuation methodology are unobservable and significant to the fair value measurement.

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The District’s investments at June 30, 2025, are reported as follows:

<u>Investments by Fair Value Level</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Amount June 30, 2025</u>	<u>Quoted Priced in Active Markets for Identical Assets (Level 1)</u>
Measured at Fair Value:				
Money Market Mutual Funds:				
First American Government Oblig. Cl. Y (1)	45 Day Average	AAAm	\$ 1,249,228.88	\$ 1,249,228.88
US Treasury Bonds	8/15/2027	AAAm	9,171,793.90	9,171,793.90
Total Investments Measured at Fair Value			<u>10,421,022.78</u>	<u>10,421,022.78</u>
Fiduciary Funds:				
STIFEL NICOLAUS - Money Market	N/A	Not Rated	38,122.31	38,122.31
STIFEL NICOLAUS - Equities	N/A	Not Rated	2,730,078.94	2,730,078.94
STIFEL NICOLAUS - Fixed Income	N/A	Not Rated	1,610,864.29	1,610,864.29
STIFEL NICOLAS - Mutual Funds	N/A	Not Rated	731,868.20	731,868.20
Total Fiduciary Funds			<u>5,110,933.74</u>	<u>5,110,933.74</u>
Total Investments by Fair Value Level			<u>\$ 15,531,956.52</u>	<u>\$ 15,531,956.52</u>
Investments Measured at Amortized Cost, Included in Cash and Cash Equivalents			Amount June 30, 2025	
Governmental Funds:				
SBA Florida PRIME	47 Days	AAAm	\$ 135,739,860.37	
Fiduciary Funds:				
SBA Florida PRIME	47 Days	AAAm	685,843.85	
Total Investments Measured at Amortized Cost			<u>\$ 136,425,704.22</u>	

(1) These funds are held under a trust agreement in connection with the Certificates of Participation, Series 2010A, 2010B, and 2020 financing agreements. (See Note III.I) Money market funds include amounts invested in securities that are issued or guaranteed as to payment of principal and interest by the United States Government.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Florida PRIME has a weighted average days to maturity (WAM) of 47 days at June 30, 2025. 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 rates, Section 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action

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must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene 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, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the Local Government Surplus Funds Trust Fund [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 does not have a formal investment policy that further limits its investment choices.

Custodial Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. Section 218.415(8), Florida Statutes, requires the District to diversify investments to the extent practicable to control risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

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The District does not have a formal investment policy that limits the amount the District may invest in any one issuer.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits its investment in foreign currency.

C. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 9,487,416.45	\$ -	\$ -	\$ 9,487,416.45
Construction in Progress	47,275,773.17	39,193,793.96	46,365,788.34	40,103,778.79
Total Capital Assets Not Being Depreciated	<u>56,763,189.62</u>	<u>39,193,793.96</u>	<u>46,365,788.34</u>	<u>49,591,195.24</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	44,970,695.23	1,439,298.84	-	46,409,994.07
Buildings and Fixed Equipment	491,333,219.44	48,033,692.14	4,178,449.21	535,188,462.37
Leased Buildings	4,735,072.51	-	-	4,735,072.51
Furniture, Fixtures, and Equipment	29,337,773.76	481,478.01	14,399,696.38	15,419,555.39
Leased Equipment	1,309,791.07	-	-	1,309,791.07
Motor Vehicles	25,586,641.03	3,500,630.77	1,904,699.96	27,182,571.84
Audio Visual Materials and Computer Software	3,128,440.08	37,691.18	126,278.18	3,039,853.08
Total Capital Assets Being Depreciated	<u>600,401,633.12</u>	<u>53,492,790.94</u>	<u>20,609,123.73</u>	<u>633,285,300.33</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	41,102,562.96	1,570,231.04	-	42,672,794.00
Buildings and Fixed Equipment	351,632,514.93	11,316,212.88	4,178,449.21	358,770,278.60
Leased Buildings	2,063,280.88	-	-	2,063,280.88
Furniture, Fixtures, and Equipment	28,527,168.31	810,605.45	14,399,696.38	14,938,077.38
Leased Equipment	632,820.69	210,940.23	-	843,760.92
Motor Vehicles	23,661,505.49	1,925,135.54	1,904,699.96	23,681,941.07
Audio Visual Materials and Computer Software	3,128,440.08	-	126,278.18	3,002,161.90
Total Accumulated Depreciation	<u>450,748,293.34</u>	<u>15,833,125.14</u>	<u>20,609,123.73</u>	<u>445,972,294.75</u>
Total Capital Assets Being Depreciated, Net	<u>149,653,339.78</u>	<u>37,659,665.80</u>	<u>-</u>	<u>187,313,005.58</u>
Governmental Activities Capital Assets, Net	<u>\$ 206,416,529.40</u>	<u>\$ 76,853,459.76</u>	<u>\$ 46,365,788.34</u>	<u>\$ 236,904,200.82</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
Governmental Activities	
Student Transportation Services	\$ 1,511,994.99
Unallocated	14,321,130.15
Total Depreciation Expense – Governmental Activities	<u>\$ 15,833,125.14</u>

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D. Retirement Plans

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

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

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

FRS Pension Plan

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

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

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

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months

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after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Members Initially Enrolled Before July 1, 2011	
Retirement up to Age 62 or up to 30 Years of Service	1.60
Retirement at Age 63 or with 31 Years of Service	1.63
Retirement at Age 64 or with 32 Years of Service	1.65
Retirement at Age 65 or with 33 or More Years of Service	1.68
Regular Members Initially Enrolled On or After July 1, 2011	
Retirement up to Age 65 or up to 33 Years of Service	1.60
Retirement at Age 66 or with 34 Years of Service	1.63
Retirement at Age 67 or with 35 Years of Service	1.65
Retirement at Age 68 or with 36 or More Years of Service	1.68
Elected County Officers	3.00
Senior Management Service	2.00

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

Contributions - The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were as follows:

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<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.79
FRS, Special Risk Administrative	3.00	39.82
DROP – Applicable to Member from All Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District’s contributions to the Plan totaled \$16,724,630 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the District reported a liability of \$115,734,527 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District’s proportionate share of the net pension liability was based on the District’s 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District’s proportionate share was 0.299173880 percent, which was a decrease of 0.016180798 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized a Plan pension expense of \$15,865,684. 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	\$ 11,692,294	\$ -
Change of Assumptions	15,862,475	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	7,692,319
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	1,984,732	9,745,393
District FRS Contributions Subsequent to the Measurement Date	16,724,630	-
Total	<u>\$ 46,264,131</u>	<u>\$ 17,437,712</u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$16,724,630, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Fiscal Year Ending June 30	Amount
2026	\$ (3,358,269)
2027	17,172,648
2028	(1,153,372)
2029	(1,316,793)
2030	757,575
Total	\$ 12,101,789

Actuarial Assumptions - The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 Percent
Salary Increase	3.50 Percent, Average, Including Inflation
Investment Rate of Return	6.70 Percent, Net of Pension Plan Investment Expense, Including Inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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)	Arithmetic Return	(Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100.0%			
Assumed Inflation – Mean			2.4%	1.5%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2024 valuation was unchanged from the previous valuation.

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

	1% Decrease (5.7%)	Current Discount Rate (6.7%)	1% Increase (7.7%)
District's Proportionate Share of the Net Pension Liability	\$ 203,572,980	\$ 115,734,527	\$ 42,151,191

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

Payables to the Pension Plan - At June 30, 2025, the District reported a payable of \$2,879,662.72 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2025.

HIS Pension Plan

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

Benefits Provided - For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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, 2025, the contribution rate was 2 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 \$3,552,520 for the fiscal year ended June 30, 2025.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the District reported a net pension liability of \$63,046,931 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.420285500 percent, which was a decrease of 0.013869138 from its proportionate share measured as of June 30, 2023.

For the fiscal year ending June 30, 2025, the District recognized the HIS Plan pension expense of \$1,501,602. 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	\$ 608,761	\$ 121,059
Change of Assumptions	1,115,783	7,463,948
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	22,802
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	332,313	5,059,448
District HIS Contributions Subsequent to the Measurement Date	<u>3,552,520</u>	<u>-</u>
Total	<u>\$ 5,609,377</u>	<u>\$ 12,667,257</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$3,552,520, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. 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>
2026	\$ (2,003,665)
2027	(2,295,441)
2028	(2,795,035)
2029	(2,076,866)
2030	(1,147,005)
Thereafter	(292,388)
Total	<u>\$ (10,610,400)</u>

Actuarial Assumptions - The total pension liability in the July 1, 2024, 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 Increase	3.50 Percent, Average, Including Inflation
Municipal Bond Return	3.93 Percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the 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 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65 percent to 3.93 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 3.93 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 (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
District's Proportionate Share of the Net Pension Liability	\$ 71,770,828	\$ 63,046,931	\$ 55,804,686

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

Payables to the Pension Plan - At June 30, 2025, the District reported a payable of \$387,646.64 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

2. FRS – Defined Contribution Pension Plan

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

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

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, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$6,002,392 for the fiscal year ended June 30, 2025.

Payables to the Investment Plan - At June 30, 2025, the District reported a payable of \$666,203.79 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2025.

3. Early Retirement Plan

Plan Description.

As authorized by Section 1012.685, Florida Statutes, the School Board implemented an Early Retirement Plan (ERP) effective January 1, 1984. The ERP is a single-employer defined benefit pension plan. The purpose of the ERP is to provide District employees, who elect to retire under the early retirement provisions of the Florida Retirement System (FRS), with a monthly benefit equal to the statutory reduction

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of the normal retirement benefits when early retirement precedes the normal retirement age. The School Board administers the ERP assets in a Pension Trust Fund and is responsible for their investment. The School Board acts as the administrative agent for the ERP. The ERP does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System of another entity.

Plan Membership.

As of June 30, 2024, the most recent valuation date, employee membership data related to the ERP were as follows:

Retirees and Beneficiaries Currently Receiving Benefits

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Eligibility.

A member of the ERP was eligible upon attainment of age 55 to 61, completion of 25 or more years of creditable service, and having applied for retirement under the Florida Retirement System.

Provided, however, for those retiring during the period from July 1, 2008 (August 1, 2008, for teachers), through June 30, 2009, at least 20 years of creditable service must represent employment by the School Board, and the employee must have at least 20 years of experience in the FRS.

For those retiring during the period from July 1, 2009, through June 30, 2013, the 15 years immediately preceding retirement must be as an employee of the School Board.

The ERP is closed to new enrollees as of July 1, 2013.

Benefits Provided.

Benefits are paid in the amount of the reduction in monthly benefits from the FRS as a consequence of early retirement.

Contributions and Reserves.

The ERP was established by the School Board on January 1, 1984, and may be subsequently amended by School Board action. Pursuant to the ERP agreement, no contributions shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual service cost of the ERP.

Periodic employer contributions to the ERP are determined on an actuarial basis using the Entry-Age Cost Method. Annual service costs are funded on a current basis.

Significant actuarial assumptions used to compute annual required contributions are the same as those to determine the total pension liability.

Contributions to the ERP in the 2024-25 fiscal year totaled \$226,404, all of which were paid by the School Board. The computation of the annual required contributions for 2025 was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method, and (d) other significant factors as used to determine annual required contributions in the previous year.

All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the School Board for any other specific purpose.

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

Summary of Significant Accounting Policies.

Significant accounting policies related to basis of accounting and method of asset valuation are disclosed in Note I.E. Additional investment disclosures related to the Pension Trust Fund are in Note III.B. There are no interfund loans outstanding between the Pension Trust Fund and other funds.

Investments.

Investment Policy. The ERP’s investment policy is established and may be amended by the School Board. ERP assets are to be managed in a moderately conservative manner with the objective of the growth of capital. The policy allows for equity investments (not to exceed 50 percent of the ERP assets), fixed income investments, which should be well diversified to avoid undue exposure to any single economic sector of individual issuer, and investments in U.S. Government guaranteed obligations with no limitation.

Asset Allocation.

The target allocation for each major asset class is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	60%
Fixed Income	40%
Total	100%

Rate of Return.

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

At June 30, 2025, the District reported a net pension liability of \$635,937. The District’s net pension liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023, recalculated as of June 30, 2024 using a standard actuarial rollforward technique.

The components of the net pension liability of the ERP as of June 30, 2024 (measurement date) and for the year ended, were as follows:

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	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at July 1, 2024	\$ 6,603,283.00	\$ 5,633,369.00	\$ 969,914.00
Changes for the Year:			
Interest	406,540.00	-	406,540.00
Differences Between Expected and Actual Experience	48,897.00	-	48,897.00
Contributions - Employer	-	369,591.00	(369,591.00)
Net Investment Income	-	448,699.00	(448,699.00)
Benefit Payments	(697,632.00)	(697,632.00)	-
Administrative Expenses	-	(28,876.00)	28,876.00
Net Changes	<u>(242,195.00)</u>	<u>91,782.00</u>	<u>(333,977.00)</u>
Balances at June 30, 2025	<u>\$ 6,361,088.00</u>	<u>\$ 5,725,151.00</u>	<u>\$ 635,937.00</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability 90.00%

For the fiscal year ended June 30, 2025, the District recognized a pension expense of \$247,048. In addition, the District reported deferred outflow of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 222,190	\$ -
District ERP Contributions Subsequent to the Measurement Date	226,404	-
Total	<u>\$ 448,594</u>	<u>\$ -</u>

The deferred outflows of resources, totaling \$226,404, resulting from District contributions to the ERP subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. The other amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ 79,969
2027	173,064
2028	(12,017)
2029	(18,826)
Total	<u>\$ 222,190</u>

Actuarial Assumptions.

The assumptions used to measure the total pension liability as of the measurement date include an inflation assumption of 2.5 percent per year, and annual cost-of-living adjustments of 3 percent per year. Mortality rates are the same as used in the July 1, 2022, actuarial valuation of the FRS for K-12 Instructional Regular Class members. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

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Discount Rate.

A single discount rate of 6.5 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.5 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the ERP’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on ERP investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the net pension liability of the ERP calculated using the discount rate of 6.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5 percent) or 1 percentage point higher (7.5 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	\$ 1,076,241	\$ 635,937	\$ 244,831

E. Other Postemployment Benefit Obligations

Plan Description - The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District’s retirement eligibility provisions. Pursuant to Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District’s health and hospitalization plan for medical, prescription drug, dental, and vision coverage. 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 for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided - The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms - At June 30, 2025, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	223
Active Employees	3,494
Total	3,717

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Total OPEB Liability - The District’s total OPEB liability of \$11,253,948 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

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:

Inflation	2.50 Percent
Salary Increase	3.70 – 7.80 Percent, Average, Including
Inflation	
Discount Rate	3.93 Percent
Healthcare Cost Trend Rates	Starting at 7.00 Percent (and 9.62 Percent for Retiree Premiums Followed by 6.50 Percent for 2025 and Gradually Decreasing According to Getzen Model to an Ultimate Trend Rate of 4.00 Percent After 2050
Aging Factors	Based on the 2013 SOA Study “Health Care Costs – From Birth to Death
Expenses	Administrative Expenses are Included in the Per Capita Health Cost

The discount rate was based on the daily rate of Fidelity’s 20-Year Municipal General Obligation AA Index closest to but not later than the measurement date.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2023, actuarial valuation of the FRS Defined Benefit Pension Plan. These demographic assumptions were developed by FRS from an actuarial experience study and, therefore are appropriate for use in the OPEB Plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2023, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Changes in the Total OPEB Liability

	<u>Amount</u>
Balance at June 30, 2024	<u>\$ 11,692,317</u>
Changes for the year:	
Service Cost	471,714
Interest	444,931
Changes of Assumptions or Other Inputs	(80,374)
Benefit Payments	<u>(1,274,640)</u>
Net Changes	<u>(438,369)</u>
Balance at June 30, 2025	<u><u>\$ 11,253,948</u></u>

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The changes of assumptions or other inputs was based on the following:

- The discount rate was changed from 3.86 percent as of the beginning of the measurement period to 3.93 percent as of June 30, 2024.
- There were no benefit changes during the year.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 12,461,795	\$ 11,253,948	\$ 10,196,516

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

	Healthcare		
	1% Decrease	Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 9,656,001	\$ 11,253,948	\$ 13,247,790

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$1,266,917. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 731,702
Changes of Assumptions or Other Inputs	4,853,077	1,715,672
Benefits Paid Subsequent to the Measurement Date	717,487	-
Total	\$ 5,570,564	\$ 2,447,374

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling \$717,487, will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Fiscal Year Ending June 30	Amount
2026	\$ 350,272
2027	350,272
2028	361,793
2029	380,121
2030	335,441
Thereafter	627,804
Total	\$ 2,405,703

F. Lessor Leasing

The District is a lessor in agreements to lease space on its schools' roofs for the installation and operation of solar panels, electrical lines, and appurtenances. The agreements are for twenty-year terms, with options to extend. Lease agreements for cell tower space are for initial five-year terms and are renewable in five-year increments, with the option for the lessee to cancel the lease given 90 days' notice prior to the expiration of each renewal term; the lessor has no rights of cancellation without cause during the term of any cell tower lease.

The District received the following inflows of resources from leases in 2025:

Lease Revenue Recognized	\$ 134,716.82
Interest Revenue Recognized	48,529.26
Total Inflows of Resources from Leases	<u>\$ 183,246.08</u>

G. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2025:

Project	Contract Amount	Completed to Date	Balance Committed
Littlewood Elementary School Redevelopment	\$ 36,011,216.64	\$ 30,899,127.05	\$ 5,112,089.59
Various Other Projects	7,040,573.93	6,738,283.61	302,290.32
Total	<u>\$ 43,051,790.57</u>	<u>\$ 37,637,410.66</u>	<u>\$ 5,414,379.91</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 fiscal year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2025:

Major Funds					
General	Special Revenue - Other	Capital Projects - Local Capital Improvement	Capital Projects - Other	Non-Major Governmental Funds	Total Governmental Funds
\$ 2,041,652.85	\$ 174,484.57	\$ 10,107,260.25	\$ 16,703,479.47	\$ 80,988.88	<u>\$ 29,107,866.02</u>

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H. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board is a member of the Florida School Board Insurance Trust (FSBIT), a protected self-insurance fund for Florida school boards. FSBIT was established under the authority of Section 624.4622, Florida Statutes, for the purpose of pooling property, casualty, and workers' compensation exposure; purchasing and procuring insurance coverage of various types or providing self-insurance; and providing risk management services for the Florida school boards.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

The District's health and hospitalization insurance program is administered by an insurance carrier under an agreement 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.

A liability in the amount of \$2,313,414 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2025.

The following schedule represents the changes in claims liability for the past 2 fiscal years for the District's self-insurance program:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2023-24	\$ 2,534,720.00	\$ 30,299,465.39	\$ (30,402,440.39)	\$ 2,431,745.00
2024-25	2,431,745.00	34,588,262.05	(34,706,593.05)	2,313,414.00

I. Long-Term Liabilities

1. Certificates of Participation

The District entered into financing arrangements, characterized as lease-purchase agreements, with the Alachua County School Board Leasing Corporation (Leasing Corporation) whereby the District secured financing of various educational facilities and equipment. The financing was accomplished through the issuance of Certificates of Participation by the Leasing Corporation to third-party investors, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given ground leases on District property to the Leasing Corporation, with rental fees of \$1 per year. The initial terms of the leases end on the earlier of the maturity date, or the date on which the certificates are paid in full; however, if lease obligations remain outstanding, the ground leases may be renewed for additional terms of 5 years. 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

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the rent payments through to term, the District may be required to surrender the properties included under the Ground Lease Agreements for the benefit of the securers of the certificates as specified by the arrangements. The lease payments, which are used to make debt service payments on the certificates, are payable from funds appropriated annually by the District for such purposes from the local capital outlay tax levy, the half-cent sales surtax, or other funds legally available.

The District properties included in the ground leases under these arrangements include land on which the projects have been constructed. The projects related to the ground leases are as follows:

- Series 2010-A Qualified School Construction Bonds
 - Santa Fe High School Classroom Addition
 - Meadowbrook Elementary School
- Series 2010-B Build America Bonds
 - Meadowbrook Elementary School
- Series 2013 Refunding
 - Certain Certificates of Participation, Series 2004, maturing in the years 2015 to 2029, and the underlying projects.
- Series 2020
 - Myra Terwilliger Elementary School
 - W. A. Metcalfe Elementary School Modernization/Renovation
 - Idylwild Elementary School Modernization/Renovation
 - Howard W. Bishop Middle School Modernization/Renovation
 - Oak View Middle School Classroom Buildings
 - Westwood Middle School Transition Campus

Lease payments are payable by the District, semiannually, on July 1 and January 1 for Series 2013 and 2020 and August 15 and February 15 for Series 2010 A and B.

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 15,493,267.00	\$ 12,461,902.00	\$ 3,031,365.00
2027	15,503,016.00	13,036,618.00	2,466,398.00
2028	26,713,706.00	24,858,768.00	1,854,938.00
2029	14,959,275.00	13,740,000.00	1,219,275.00
2030	12,064,500.00	11,490,000.00	574,500.00
Total Minimum Lease Payments	\$ 84,733,764.00	\$ 75,587,288.00	\$ 9,146,476.00

2. Leases Payable

The District has entered into agreements to lease certain buildings and equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease liability is measured at a discount rate of 4 percent, which is the District's incremental borrowing rate. Future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

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<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 822,642.70	\$ 756,252.41	\$ 66,390.29
2027	778,962.70	741,659.98	37,302.72
2028	<u>540,135.61</u>	<u>527,933.72</u>	<u>12,201.89</u>
Total Minimum Lease Payments	<u>\$ 2,141,741.01</u>	<u>\$ 2,025,846.11</u>	<u>\$ 115,894.90</u>

3. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
Governmental Activities					
Certificates of Participation:					
Direct Placements	\$ 87,499,896.00	\$ -	\$ 11,912,608.00	\$ 75,587,288.00	\$ 12,461,902.00
Unamortized Premium	<u>11,488,847.69</u>	-	<u>1,952,782.76</u>	<u>9,536,064.93</u>	<u>1,952,782.76</u>
Total Certificates of Participation	<u>98,988,743.69</u>	-	<u>13,865,390.76</u>	<u>85,123,352.93</u>	<u>14,414,684.76</u>
Equipment-Purchase Payable	924,513.22	-	924,513.22	-	-
Lease Payable	2,794,381.77	-	768,535.66	2,025,846.11	756,252.41
Compensated Absences Liability	29,343,677.37	-	368,265.09	28,975,412.28	2,864,023.95
Net Pension Liability	195,578,319.00	-	16,160,924.00	179,417,395.00	219,437.88
Total OPEB Liability	<u>11,692,317.00</u>	-	<u>438,369.00</u>	<u>11,253,948.00</u>	<u>717,487.00</u>
Total Governmental Activities	<u>\$ 339,321,952.05</u>	<u>\$ -</u>	<u>\$ 32,525,997.73</u>	<u>\$ 306,795,954.32</u>	<u>\$ 18,971,886.00</u>

Beginning balance for compensated absences has been restated due to implementation of GASB No. 101, *Compensated Absences* as described in Note II.B. The change in compensated absences liability is shown net.

J. Fund Balance Reporting

The following is a schedule of fund balances by category at June 30, 2025:

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	Major Funds			Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects - Local Capital Improvement	Capital Projects - Other		
Fund Balances					
Non-Spendable:					
Inventories	\$ 871,585.28	\$ -	\$ -	\$ 1,351,232.36	\$ 2,222,817.64
Prepaid Items	809,168.45	-	-	2,168.13	811,336.58
Total Non-Spendable	<u>1,680,753.73</u>	<u>-</u>	<u>-</u>	<u>1,353,400.49</u>	<u>3,034,154.22</u>
Spendable:					
Restricted:					
Categorical	634,295.99	-	-	-	634,295.99
Voter Approved Millage	7,173,820.08	-	-	-	7,173,820.08
Adult Education Program	1,345,811.27	-	-	-	1,345,811.27
Food Service	-	-	-	4,110,991.05	4,110,991.05
Debt Service	-	-	-	9,601,442.18	9,601,442.18
Capital Projects School Internal Accounts	-	37,789,868.48	29,334,333.89	1,891,562.67	69,015,765.04
	-	-	-	4,594,392.00	4,594,392.00
Total Restricted	<u>9,153,927.34</u>	<u>37,789,868.48</u>	<u>29,334,333.89</u>	<u>20,198,387.90</u>	<u>96,476,517.61</u>
Assigned:					
Encumbrances	2,008,132.95	-	-	-	2,008,132.95
Extended Day Enrichment	3,467,951.95	-	-	-	3,467,951.95
Other State and Local Grants	135,798.90	-	-	-	135,798.90
Total Assigned	<u>5,611,883.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,611,883.80</u>
Unassigned	30,471,594.47	-	-	-	30,471,594.47
Total Spendable	<u>45,237,405.61</u>	<u>37,789,868.48</u>	<u>29,334,333.89</u>	<u>20,198,387.90</u>	<u>132,559,995.88</u>
Total Fund Balance	<u>\$ 46,918,159.34</u>	<u>\$ 37,789,868.48</u>	<u>\$ 29,334,333.89</u>	<u>\$ 21,551,788.39</u>	<u>\$ 135,594,150.10</u>

In addition to committed and assigned fund balance categories discussed in Note I.F.12, fund balances may be classified as follows:

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

K. Interfund Receivables and Payables

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:		
General	\$ 1,740,998.37	\$ -
Special Revenue:		
Other Federal Programs	-	1,580,780.37
Capital Projects:		
Other	86,100.00	40,465.00
Non-Major Governmental	-	205,853.00
Total	<u>\$ 1,827,098.37</u>	<u>\$ 1,827,098.37</u>

The interfund balances generally arise due to expenditures being adjusted between funds to cover negative cash balances, departmental costs, and utilities. All balances are expected to be paid in less than 1 year.

L. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2024-25 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 117,381,591.00
Categorical Educational Program - Class Size Reduction	26,091,998.00
Charter School Capital Outlay	1,088,383.00
School Recognition	1,426,169.00
Voluntary Prekindergarten Program	872,709.87
Workforce Development Program	306,646.80
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,140,274.13
Mobile Home License Tax	99,847.84
Food Service Supplement	166,749.00
Miscellaneous	761,124.85
Total	<u>\$ 149,335,493.49</u>

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. Property Taxes

The following is a summary of millages and taxes levied on the 2024 tax roll for the 2024-25 fiscal year:

<u>General Fund</u>	<u>Millages</u>	<u>Taxes Levied</u>
Non-Voted School Tax:		
Required Local Effort	2.982	\$ 77,394,904.00
Prior-Period Funding Adjustment Millage	0.031	804,575.00
Basic Discretionary Local Effort	0.748	19,413,611.00
Voted School Tax:		
Additional Operating	1.000	25,954,026.00
<u>Capital Projects - Local Capital Improvement Fund</u>		
Non-Voted Tax:		
Local Capital Improvements	1.500	38,931,038.00
Total	<u>6.261</u>	<u>\$ 162,498,154.00</u>

M. Interfund Transfers

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:		
General	\$ 13,227,879.31	\$ -
Capital Projects:		
Local Capital Improvement	-	13,036,438.17
Other	643.97	500,000.00
Non-Major Governmental	<u>1,396,941.86</u>	<u>1,089,026.97</u>
Total	<u>\$ 14,625,465.14</u>	<u>\$ 14,625,465.14</u>

The principal purpose of the interfund transfers were to provide for expenditures originally paid out of other funds (e.g., portable rentals and maintenance were paid out of the General Fund but with Capital Project Funds monies).

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

The District is involved in several pending and threatened legal actions. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's management, the range of potential loss from these legal actions should not materially affect the District's financial condition.

REQUIRED SUPPLEMENTARY INFORMATION

ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal Direct	\$ 210,000.00	\$ 210,000.00	\$ 258,592.60	\$ 48,592.60
Federal Through State	1,200,000.00	1,200,000.00	831,691.75	(368,308.25)
State Sources	153,224,839.78	149,786,088.67	146,632,460.09	(3,153,628.58)
Local Sources:				
Property Taxes Levied for				
Operational Purposes	124,217,116.00	124,217,116.00	123,226,757.88	(990,358.12)
Other Local Revenue	10,690,000.00	12,484,279.59	13,190,629.45	706,349.86
Total Local Sources	<u>134,907,116.00</u>	<u>136,701,395.59</u>	<u>136,417,387.33</u>	<u>(284,008.26)</u>
Total Revenues	<u>289,541,955.78</u>	<u>287,897,484.26</u>	<u>284,140,131.77</u>	<u>(3,757,352.49)</u>
Expenditures				
Current:				
Instruction	167,671,024.36	182,102,983.56	159,829,919.57	22,273,063.99
Student Support Services	16,811,356.23	19,959,490.79	18,373,656.12	1,585,834.67
Instructional Media Services	5,159,701.63	6,362,743.79	5,313,970.92	1,048,772.87
Instruction and Curriculum				
Development Services	5,708,017.27	6,186,049.21	6,982,956.43	(796,907.22)
Instructional Staff Training Services	1,126,282.32	2,049,063.79	1,537,804.75	511,259.04
Instruction-Related Technology	4,235,712.70	5,626,127.12	5,149,397.97	476,729.15
Board of Education	1,370,146.42	1,506,196.18	1,463,369.78	42,826.40
General Administration	1,737,911.48	2,043,054.05	1,990,497.88	52,556.17
School Administration	19,338,907.06	20,106,063.83	19,891,517.45	214,546.38
Facilities Acquisition and Construction	2,904,473.70	3,680,732.61	2,619,939.36	1,060,793.25
Fiscal Services	2,539,172.03	2,553,154.85	2,526,837.97	26,316.88
Central Services	4,814,093.66	4,979,541.48	4,272,971.24	706,570.24
Student Transportation Services	12,165,222.62	13,003,541.35	12,588,021.50	415,519.85
Operation of Plant	37,541,192.36	38,998,131.40	36,217,673.02	2,780,458.38
Maintenance of Plant	8,181,652.26	6,887,383.08	6,598,615.00	288,768.08
Administrative Technology Services	1,045,202.95	1,441,135.44	887,927.58	553,207.86
Community Services	5,494,647.63	5,863,228.47	4,605,901.03	1,257,327.44
Debt Service:				
Redemption of Principal	-	-	768,535.66	(768,535.66)
Interest	-	-	97,787.04	(97,787.04)
Total Expenditures	<u>297,844,716.68</u>	<u>323,348,621.00</u>	<u>291,717,300.27</u>	<u>31,631,320.73</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(8,302,760.90)</u>	<u>(35,451,136.74)</u>	<u>(7,577,168.50)</u>	<u>27,873,968.24</u>
Other Financing Sources (Uses)				
Loss Recoveries	-	-	98,148.10	98,148.10
Transfers in	10,083,055.00	14,083,055.00	13,227,879.31	(855,175.69)
Total Other Financing Sources (Uses)	<u>10,083,055.00</u>	<u>14,083,055.00</u>	<u>13,326,027.41</u>	<u>(757,027.59)</u>
Net Change in Fund Balance	1,780,294.10	(21,368,081.74)	5,748,858.91	27,116,940.65
Fund Balances, July 1, 2024	41,169,300.43	41,169,300.43	41,169,300.43	-
Fund Balances, June 30, 2025	<u>\$ 42,949,594.53</u>	<u>\$ 19,801,218.69</u>	<u>\$ 46,918,159.34</u>	<u>\$ 27,116,940.65</u>

ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Federal Direct	\$ -	\$ 83,541.32	\$ 31,662.71	\$ (51,878.61)
Federal Through State	21,049,794.01	26,139,271.96	21,450,809.21	(4,688,462.75)
Total Revenues	<u>21,049,794.01</u>	<u>26,222,813.28</u>	<u>21,482,471.92</u>	<u>(4,740,341.36)</u>
Expenditures				
Current:				
Instruction	10,863,161.14	13,277,055.93	12,572,183.60	704,872.33
Student Support Services	2,038,721.86	2,729,807.19	1,824,597.84	905,209.35
Instruction and Curriculum				
Development Services	2,914,925.02	3,360,702.87	2,257,988.25	1,102,714.62
Instructional Staff Training Services	3,632,425.19	4,459,193.54	3,171,363.81	1,287,829.73
Board of Education	-	12,850.00	12,850.00	-
General Administration	807,160.73	1,054,622.88	812,255.05	242,367.83
School Administration	541,145.35	637,763.33	516,826.29	120,937.04
Central Services	48,355.72	174,306.63	141,344.02	32,962.61
Student Transportation Services	203,899.00	259,288.25	169,990.73	89,297.52
Operation of Plant	-	10,486.47	3,072.33	7,414.14
(Total Expenditures)	<u>21,049,794.01</u>	<u>25,976,077.09</u>	<u>21,482,471.92</u>	<u>4,493,605.17</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>246,736.19</u>	<u>-</u>	<u>(246,736.19)</u>
Net Change in Fund Balance	-	246,736.19	-	(246,736.19)
Fund Balances, July 1, 2024	-	-	-	-
Fund Balances, June 30, 2025	<u>\$ -</u>	<u>\$ 246,736.19</u>	<u>\$ -</u>	<u>\$ (246,736.19)</u>

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

Reporting Date:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability								
Service Cost	\$ 471,714.00	\$ 470,377.00	\$ 650,450.00	\$ 419,086.00	\$ 369,551.00	\$ 359,180.00	\$ 351,389.00	\$ 372,754.00
Interest on the Total OPEB Plan Liability	444,931.00	407,276.00	257,147.00	225,032.00	266,942.00	266,640.00	271,014.00	236,861.00
Difference Between Expected and Actual Experience of the Total OPEB Liability	-	(377,375.00)	-	(211,976.00)	-	(632,249.00)	-	-
Changes of Assumptions and Other Inputs	(80,374.00)	1,095,605.00	(2,054,837.00)	4,325,173.00	432,667.00	1,857,307.00	(27,484.00)	(305,389.00)
Benefit Payments	(1,274,640.00)	(940,979.00)	(1,115,966.00)	(445,166.00)	(479,306.00)	(917,640.00)	(781,790.00)	(781,790.00)
Net Change in Total OPEB Plan Liability	(438,369.00)	654,904.00	(2,263,206.00)	4,312,149.00	589,854.00	933,238.00	(186,871.00)	(477,564.00)
Net OPEB Plan Liability, Beginning of Year	<u>11,692,317.00</u>	<u>11,037,413.00</u>	<u>13,300,619.00</u>	<u>8,988,470.00</u>	<u>8,398,616.00</u>	<u>7,465,378.00</u>	<u>7,652,249.00</u>	<u>8,129,813.00</u>
Net OPEB Plan Liability, End of Year	<u>\$ 11,253,948.00</u>	<u>\$ 11,692,317.00</u>	<u>\$ 11,037,413.00</u>	<u>\$ 13,300,619.00</u>	<u>\$ 8,988,470.00</u>	<u>\$ 8,398,616.00</u>	<u>\$ 7,465,378.00</u>	<u>\$ 7,652,249.00</u>
Covered-Employee Payroll	\$ 182,592,796.00	\$ 162,781,057.00	\$ 179,874,783.00	\$ 174,212,865.00	\$ 175,469,360.00	\$ 164,186,762.00	\$ 135,349,719.00	\$ 132,329,035.00
Covered-Employee as a Percentage of Covered-Employee Payroll	6.16%	7.18%	6.14%	7.63%	5.12%	5.12%	5.52%	5.78%

Notes:

Changes of Assumptions:

The discount rate used to determine the total OPEB liability has changed on each measurement date reported as follows:

June 30, 2024	3.93%	June 30, 2019	3.13%
June 30, 2023	3.86%	June 30, 2018	3.62%
June 30, 2022	3.69%	June 30, 2017	3.56%
June 30, 2021	1.92%	June 30, 2016	2.92%
June 30, 2020	2.45%		

During June 30, 2021, the long-term trend rates of healthcare cost increases were lowered from 3.99% to 3.75%.

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the FRS Net Pension Liability	0.299173880%	0.315354678%	0.340889389%	0.349152912%	0.327994962%	0.327675891%	0.329150771%	0.333955110%	0.337428960%	0.363005442%
District's Proportionate Share of the FRS Net Pension Liability	\$ 115,734,527.00	\$ 125,658,858.00	\$ 126,838,247.00	\$ 26,374,536.00	\$ 142,157,850.00	\$ 112,847,015.00	\$ 99,141,919.00	\$ 98,781,681.00	\$ 85,201,077.00	\$ 46,887,021.00
District's Covered Payroll	\$ 177,894,879.00	\$ 172,091,506.00	\$ 166,848,524.00	\$ 166,455,044.00	\$ 167,699,907.00	\$ 159,389,770.00	\$ 153,785,895.00	\$ 150,492,423.00	\$ 145,149,581.00	\$ 143,480,067.00
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	65.06%	73.02%	76.02%	15.84%	84.77%	70.80%	64.47%	65.64%	58.70%	32.68%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required FRS Contribution	\$ 16,724,630.00	\$ 16,941,120.00	\$ 15,170,588.00	\$ 14,546,370.00	\$ 13,301,217.00	\$ 11,033,896.00	\$ 10,138,630.00	\$ 9,380,533.00	\$ 8,737,907.00	\$ 8,228,743.00
FRS Contributions in Relation to the Contractually Required Contribution	(16,724,630.00)	(16,941,120.00)	(15,170,588.00)	(14,546,370.00)	(13,301,217.00)	(11,033,896.00)	(10,138,630.00)	(9,380,533.00)	(8,737,907.00)	(8,228,743.00)
FRS Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 177,661,536.00	\$ 177,894,879.00	\$ 172,091,506.02	\$ 166,848,524.00	\$ 166,455,044.00	\$ 167,699,907.00	\$ 159,389,770.00	\$ 153,785,895.00	\$ 150,492,423.00	\$ 145,149,581.22
FRS Contributions as a Percentage of Covered Payroll	9.41%	9.52%	8.82%	8.72%	7.99%	6.58%	6.36%	6.10%	5.81%	5.67%

Note: (1) The amounts presented for each fiscal year were determined as of and for the year ended June 30 of the corresponding year.

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the HIS Net Pension Liability	0.4202855000%	0.434154638%	0.4577247987%	0.469965856%	0.483141605%	0.476370731%	0.469929423%	0.471951473%	0.469683331%	0.472913056%
District's Proportionate Share of the HIS Net Pension Liability	\$ 63,046,931.00	\$ 68,949,547.00	\$ 48,480,368.00	\$ 57,648,378.00	\$ 41,010,584.00	\$ 53,301,118.00	\$ 49,737,858.00	\$ 50,463,229.00	\$ 54,739,647.00	\$ 48,229,693.00
District's Covered Payroll	\$ 177,894,879.00	\$ 172,091,506.00	\$ 166,848,524.00	\$ 166,455,044.00	\$ 167,699,704.00	\$ 159,389,770.00	\$ 153,785,895.00	\$ 150,492,423.00	\$ 145,149,581.00	\$ 143,480,067.00
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	35.44%	40.07%	29.06%	34.63%	24.45%	33.44%	32.34%	33.53%	37.71%	33.61%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required HIS Contribution	\$ 3,552,520.00	\$ 3,558,261.00	\$ 2,856,719.00	\$ 2,769,621.00	\$ 2,762,463.00	\$ 2,783,818.00	\$ 2,645,906.00	\$ 2,548,439.00	\$ 2,498,167.00	\$ 2,407,426.00
HIS Contributions in Relation to the Contractually Required Contribution	(3,552,520.00)	(3,558,261.00)	(2,856,719.00)	(2,769,621.00)	(2,762,463.00)	(2,783,818.00)	(2,645,906.00)	(2,548,439.00)	(2,498,167.00)	(2,407,426.00)
HIS Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered Payroll	\$ 177,661,536.00	\$ 177,894,879.00	\$ 172,091,506.00	\$ 166,848,524.00	\$ 166,455,044.00	\$ 167,699,704.00	\$ 159,389,770.00	\$ 153,785,895.00	\$ 150,492,423.00	\$ 145,149,581.22
HIS Contributions as a Percentage of Covered Payroll	2.00%	2.00%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
EARLY RETIREMENT PLAN**

Measurement Period Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest on the Total Pension Liability	\$ 406,540.00	\$ 420,774.00	\$ 450,172.00	\$ 466,544.00	\$ 505,972.00	\$ 516,132.00	\$ 508,412.00	\$ 515,082.00	\$ 542,196.00	\$ 535,600.00
Difference Between Actual and Expected Experience	48,897.00	59,462.00	(207,734.00)	(16,696.00)	(391,147.00)	52,428.00	340,489.00	122,460.00	(13,541.00)	85,869.00
Benefit Payments	(697,632.00)	(700,796.00)	(688,640.00)	(714,815.00)	(728,016.00)	(721,715.00)	(738,525.00)	(741,802.00)	(733,136.00)	(723,476.00)
Net Change in Total Pension Liability	(242,195.00)	(220,560.00)	(446,202.00)	(264,967.00)	(613,191.00)	(153,155.00)	110,376.00	(104,260.00)	(204,481.00)	(102,007.00)
Total Pension Liability - Beginning	6,603,283.00	6,823,843.00	7,270,045.00	7,535,012.00	8,148,203.00	8,301,358.00	8,190,982.00	8,295,242.00	8,499,723.00	8,601,730.00
Total Pension Liability - Ending (a)	6,361,088.00	6,603,283.00	6,823,843.00	7,270,045.00	7,535,012.00	8,148,203.00	8,301,358.00	8,190,982.00	8,295,242.00	8,499,723.00
Plan Fiduciary Net Position										
Contributions - Employer/State	369,591.00	926,087.00	803,061.00	892,291.00	873,364.00	877,289.00	852,392.00	832,205.00	790,474.00	745,502.00
Net Investment Income	448,699.00	305,637.00	(559,368.00)	772,817.00	104,601.00	24,032.00	201,758.00	258,258.00	3,583.00	109,146.00
Benefit Payments	(697,632.00)	(700,796.00)	(688,640.00)	(714,815.00)	(728,016.00)	(721,715.00)	(738,525.00)	(741,802.00)	(733,136.00)	(723,476.00)
Administrative Expense	(28,876.00)	(22,420.00)	(11,363.00)	(19,191.00)	(19,191.00)	(22,382.00)	(13,000.00)	(3,988.00)	(20,988.00)	(24,862.00)
Other	-	1,089.00	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	91,782.00	509,597.00	(456,310.00)	931,102.00	230,758.00	157,224.00	302,625.00	344,673.00	39,933.00	106,310.00
Plan Fiduciary Net Position - Beginning	5,633,369.00	5,123,772.00	5,580,082.00	4,648,980.00	4,418,222.00	4,260,998.00	3,958,373.00	3,613,700.00	3,573,767.00	3,467,458.00
Plan Fiduciary Net Position - Ending (b)	5,725,151.00	5,633,369.00	5,123,772.00	5,580,082.00	4,648,980.00	4,418,222.00	4,260,998.00	3,958,373.00	3,613,700.00	3,573,768.00
Net Pension Liability - Ending (a) - (b)	\$ 635,937.00	\$ 969,914.00	\$ 1,700,071.00	\$ 1,689,963.00	\$ 2,886,032.00	\$ 3,729,981.00	\$ 4,040,360.00	\$ 4,232,609.00	\$ 4,681,542.00	\$ 4,925,955.00
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.00%	85.31%	75.09%	76.75%	61.70%	54.22%	51.33%	48.33%	43.56%	42.05%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Notes to Schedule	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EARLY RETIREMENT PLAN
LAST 10 FISCAL YEARS**

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll *	Actual Contribution as a % of Covered Payroll
2016	\$ 790,474.00	\$ 790,474.00	\$ -	N/A	N/A
2017	832,205.00	832,205.00	-	N/A	N/A
2018	852,392.00	852,392.00	-	N/A	N/A
2019	877,356.00	877,289.00	67.00	N/A	N/A
2020	873,364.00	873,364.00	-	N/A	N/A
2021	892,366.00	892,291.00	75.00	N/A	N/A
2022	803,061.00	803,061.00	-	N/A	N/A
2023	926,087.00	926,087.00	-	N/A	N/A
2024	369,591.00	369,591.00	-	N/A	N/A
2025	226,404.00	226,404.00	-	N/A	N/A

* The Early Retirement Plan closed to new employees hired on or after July 1, 2013.

ALACHUA COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS
EARLY RETIREMENT PLAN

Fiscal Year Ended June 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2016	-0.02%
2017	7.67%
2018	2.11%
2019	1.83%
2020	3.28%
2021	3.83%
2022	-15.47%
2023	2.73%
2024	5.90%
2025	6.50%

ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

1. Budgetary Basis of Accounting

The Alachua County District School Board (the School 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 School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

2. Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios

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

Changes of Assumptions. The discount rate was changed from 3.86 percent to 3.93 percent and the medical claims cost and premiums were updated based on actual premium information provided for the valuation.

3. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. Salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

4. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. The municipal bond rate used to determine total pension liability was increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

5. Schedule of Net Pension Liability and Schedule of Contributions – Early Retirement Plan

Valuation Date: July 1, 2024

Actuarially determined contribution rates are calculated as of July 1 of the fiscal year in which contributions are reported.

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, Closed
Remaining Amortization Method	10 Years
Asset Valuation Method	Market Value of Assets
Inflation	2.5 percent
Salary Increases	Not applicable as there are no active participants
Investment Rate of Return	6.5 percent
Retirement Age	Not applicable, there are no active participants
Post Retirement COLA	3 percent (automatic, per plan provisions)
Mortality	Same as used in July 1, 2022 actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class members. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

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

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster:				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	25002	\$ -	\$ 3,327,779.28
National School Lunch Program	10.555	25001, 25003	-	12,504,834.28
Summer Food Service Program for Children	10.559	25006, 25007	-	756,112.34
Fresh Fruit and Vegetable Program	10.582	25004	-	396,567.87
Total Child Nutrition Cluster			-	16,985,293.77
Special Education Cluster:				
United States Department of Education:				
Florida Department of Education				
Special Education - Grants to States	84.027	263	-	7,717,213.00
Special Education - Preschool Grants	84.173	267	-	435,529.94
Total Special Education Cluster			-	8,152,742.94
Temporary Assistance for Needy Families Cluster:				
United States Department of Health and Human Services:				
University of South Florida:				
Temporary Assistance for Needy Families	93.558	None	-	169,790.54
Not Clustered				
United States Department of Agriculture:				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	None	-	1,588,886.52
Total United States Department of Agriculture			-	1,588,886.52
United States Department of Defense:				
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	20,557.47
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	269,697.84
Total United States Department of Defense			-	290,255.31
United States Department of Education:				
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	-	9,317,812.67
Migrant Education - State Grant Program	84.011	217	-	899,050.20
Career and Technical Education - Basic Grants to States	84.048	161	-	451,152.35
Education for Homeless Children and Youth	84.196	127	-	96,290.69
Charter Schools Program	84.282A	298	-	288,204.07
English Language Acquisition State Grants	84.365	102	-	164,587.40
Supporting Effective Instruction State Grants	84.367	224	-	951,437.28
Student Support and Academic Enrichment	84.424	241, 242	-	959,741.07
Education Stabilization Fund:				
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	-	9,655,358.23
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund- Homeless Children and Youth	COVID-19, 84.425W	122	-	54,806.45
Total Education Stabilization Fund	84.425		-	9,710,164.68
Total United States Department of Education			-	22,838,440.41
Total Expenditures of Federal Awards			\$ -	\$50,025,409.49

The notes below are an integral part of this schedule.

Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Alachua County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District.

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

(3) Indirect Cost Rate. The District has not elected to use the 15 percent de minimis cost rate allowed under the Uniform Guidance.

(4) Non-Cash Assistance – National School Lunch Program. Includes \$1,416,275.43 of donated food used during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

**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**

Alachua County District School Board
and Superintendent
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Alachua County District School Board (the District) as of and for the year ended June 30, 2025, 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 31, 2026. We issued a qualified opinion on the aggregate discretely presented component units because we were unable to obtain sufficient appropriate audit evidence regarding Constellation Charter School's expenses. Other auditors audited the financial statements of the Charter Schools 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.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-01 and 2025-02, that we consider to be material weaknesses.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, 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 an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

March 31, 2026
Gainesville, Florida

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

Alachua County District School Board
and Superintendent
Gainesville, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Alachua County District School Board’s (the District) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *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, 2025. 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. Other auditors audited the financial statements of the Charter Schools 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 compliance and other matters that are reported on separately by those auditors.

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, 2025.

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.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material 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 consider 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.

Alachua County District School Board
and Superintendent
Gainesville, Florida

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

Report on Internal Control Over Compliance

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Purvis Gray

March 31, 2026
Gainesville, Florida

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s Report Issued: Unmodified and Qualified

Internal Control Over Financial Reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal Control Over Major Programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Type of Auditor’s Report Issued on Compliance for Major Programs: Unmodified for all major programs

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of the Uniform Guidance? No

Identification of Major Programs: Title I Grants to Local Educational Agencies (Assistance Listing No. 84.010)

Child and Adult Care Food Program (Assistance Listing No. 10.558)

Education Stabilization Fund (Assistance Listing No. 84.425)

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$1,500,762

Auditee Qualified as Low-Risk Auditee? No

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-01 Timeliness of Bank Reconciliations

Condition: During the audit we identified multiple deficiencies related to the bank reconciliation process. Specifically:

- Bank reconciliations were not completed on a timely basis, and there was no evidence of independent review upon completion.
- Certain bank reconciliations included unreconciled items that were not adequately researched or resolved.
- A reconciliation was not prepared for the Food Service bank account.

Criteria: Timely and accurate bank reconciliations are a key component of internal control over multiple financial reporting processes, including cash receipting, cash disbursements, and payroll functions, as one of the means of detecting potential errors or irregularities.

Cause: Staff turnover within the finance function during the audit period contributed to delays and inconsistencies in the bank reconciliation process. During this transition, controls over the preparation, review, and resolution of reconciling items were not effectively maintained.

Effect: Failure to perform timely and complete bank reconciliations increases the risk that material misstatements in cash and related accounts may not be detected or prevented on a timely basis. Unresolved or unusual reconciling items may conceal errors, irregularities, or unauthorized transactions.

Recommendation: We recommend that management strengthen controls over the bank reconciliations process by ensuring all bank reconciliations are performed timely and accurately and reviewed. We also recommend the District establish procedures to track overdue or missing reconciliations.

Corrective Action Plan: Management will establish and formally document a well-defined bank reconciliation process to ensure all bank reconciliations are completed timely and accurately.

2025-02 Improper Classification of Capitalizable Expenditures

Condition: During the audit, we noted that the District did not consistently and appropriately identify expenditures that were capital in nature. Certain purchases met the criteria for capitalization but were recorded as repairs and maintenance instead.

Criteria: Effective internal control over financial reporting requires management to establish and adhere to capitalization policies that clearly define capital assets and ensure that qualifying expenditures are properly identified, recorded, and depreciated in accordance with applicable accounting standards and the District's capitalization policy.

Cause: These misclassifications were primarily due to inadequate procedures and controls to identify capital expenditures at the time transactions were recorded. In addition, staff turnover within the finance function contributed to inconsistent application of the capitalization policy and insufficient review of expense classifications.

**ALACHUA COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Effect: During the audit, a material audit adjustment was required to reclassify certain expenditures from repairs and maintenance to capital outlay/capital assets. Failure to properly identify and capitalize qualifying expenditures increases the risk that the financial statements may be materially misstated and that errors may not be detected or prevented on a timely basis.

Recommendation: We recommend the District establish a process to review all purchase requisitions for equipment or facility improvements to ensure they are assigned the correct series object codes (Capital Outlay) at the onset.

Corrective Action Plan: Management will establish well-defined processes for making certain that all equipment and capital improvements are coded correctly and timely.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

STATUS OF PRIOR AUDIT FINDINGS

Finding No. 2024-001 Non-Compliance and Material Weakness

Program/Area: Single Audit - Education Stabilization Fund (ALN 84.425U)

Brief Description: The District did not comply with the provision of the Davis-Bacon Act

Status: Corrected

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

Alachua County District School Board
and Superintendent
Gainesville, Florida

We have examined Alachua County District School Board, Florida's (the District) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended June 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination. Other auditors audited the financial statements of the Charter Schools, as described in our report on the District's financial statements. This letter does not include the results of the other auditors and such information related to those audits is reported on separately by those auditors.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. These standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied in all material respects, with the specified 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 judgment, including an assessment of 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 for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the 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, 2025.

Pursuant to Chapter 119, Florida Statutes, this letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Superintendent, Board Members of the District, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 31, 2026
Gainesville, Florida

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MANAGEMENT LETTER

Alachua County District School Board
and Superintendent
Gainesville, Florida

Report on the Financial Statements

We have audited the financial statements of the Alachua County District School Board, Florida (the District) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated March 31, 2026. We issued a qualified opinion on the aggregate discretely presented component units because we were unable to obtain sufficient appropriate audit evidence regarding Constellation Charter School's expenses. Other auditors audited the financial statements of the Charter Schools as described in our report on the District's financial statements. This letter does not include the results of the other auditors and such information related to those audits is reported on separately by those auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.800, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major 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 Sections 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 31, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

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MANAGEMENT LETTER

Financial Condition and Management

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific 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 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 have the following recommendations:

- **2025-3 Audit Readiness**—Our audit was delayed by several months due to significant turnover in the finance department. We recommend that management establish and formally document a well-defined year-end financial close and reporting process so that, in the event of turnover, management has written policies and procedures to assist with year-end closing.
- **2024-4 Charter School Payments**—Management brought to our attention an error in payments to charter schools which resulted in an increase of expenses for the year ended June 30, 2025, of \$206,793. We recommend management review the process for calculating charter school payments and implement controls to mitigate risk of future errors. We recommend these processes and controls include clearly documenting methodology, implementing supervisory review and validation procedures over FTE inputs.
- **2025-5 Depreciation Methods**—The District currently estimates depreciation expense by using composite depreciation, where it applies a single straight-line depreciation rate to a group of assets. The use of composite depreciation results in an accelerated depreciation of certain asset classes, resulting in fully depreciated assets with significant remaining useful lives. We recommend the District begin tracking and recording depreciation for individual assets to more closely align annual depreciation expense with an asset's useful life.

Transparency

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

Alachua County District School Board
and Superintendent
Gainesville, Florida

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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.

Purvis Gray

March 31, 2026
Gainesville, Florida

BOARD MEMBERS

Tina Certain
Leannetta McNealy, Ph.D.
Janine Plavac
Sarah Rockwell, Ph.D.
Thomas Vu



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Gainesville, Florida
32601-5498

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(352) 955-7300

SUPERINTENDENT OF SCHOOLS

Dr. Kamela Patton, Superintendent

Mission Statement: We are committed to the success of every student!

March 31, 2026

Purvis Gray and Company, LLP
P.O. Box 23999
Gainesville, FL 32602

Re: Financial Statements and Independent Auditor’s Report for the School Board of Alachua County Annual Financial Report

Dear Purvis, Gray and Company:

We appreciate your completion of the financial statement audit for the fiscal year ended June 30, 2025. We agree with the report’s recommendations in the Schedule of Findings and Questioned Costs and in the Management Letter.

2025-01 Timeliness of Bank Reconciliations – Management will establish and formally document a well-defined Bank reconciliation process to ensure all bank reconciliations are completed timely and accurately.

2025-02 Improper Classification of Capitalizable Expenditures – Management will establish well defined processes for making certain that all equipment and capital improvements are coded correctly and timely.

2025-03 Audit Readiness – Management will establish and formally document a well-defined year-end financial close and reporting process, which will contain written policies and procedures to assist with year-end closing.

2025-04 Charter School Payments – Management will establish and formally document well-defined processes for the calculation and payment of Charter School invoices. These processes will include documentation, data validation procedures, and risk management/quality reviews.

2025-05 Depreciation Methods – Management will establish procedures for tracking and recoding depreciation for individual assets that more closely aligns with an asset’s useful life.

Sincerely,

[Michael D Reneke \(Mar 31, 2026 07:43:54 EDT\)](#)

Michael D. Reneke
Chief Financial Officer

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