

2025

Citrus 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
CITRUS COUNTY DISTRICT SCHOOL BOARD
INVERNESS, FLORIDA**

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Citrus 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.

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

Basis for Opinions

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

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.

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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 that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension and other postemployment benefits related schedules, and major fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements.

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

INDEPENDENT AUDITOR'S REPORT

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Purvis Gray

April 30, 2026
Ocala, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Citrus County District School Board 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 increased by \$6,820,498.30 which is a 6.37 percent increase over the 2023-24 fiscal year.
- General revenues total \$198,770,770.02 which is 90.3 percent of all revenues for the 2024-25 fiscal year, as compared to \$199,434,157.40 which was 92.4 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 \$21,334,728.15 which represents 9.7 percent of total revenue, compared to \$16,396,546.75 which represented 7.6 percent of total revenue for the 2023-24 fiscal year.
- On the government-wide financial statements, expenses total \$213,284,999.87. Only \$21,334,728.15 of these expenses were offset by program specific revenues. Total revenue exceeded total expenses by \$6,820,498.30 as compared to the previous fiscal year when expenses exceeded revenue by \$11,148,800.71.
- The General Fund total assigned and unassigned fund balances, representing the net current financial resources available for general appropriation by the Board, totaled \$5,667,732.05 on June 30, 2025, or 3.8 percent of General Fund revenues.
- During the current year, General Fund expenditures exceeded revenues by \$22,319,042.88. This may be compared to last year's results in which General Fund expenditures exceeded revenues by \$13,083,309.01. These figures do not take into consideration the effect of the transfers from the Capital Projects – Local Capital Improvement and Special Revenue – Federal Education Stabilization Fund.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, 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 such as basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents a separate legal entity as a discretely presented component unit, which is The Academy of Environmental Science, Inc. (charter school). Although a legally separate organization, the charter school is included in this report because it meets the criteria for inclusion provided by generally accepted accounting principles. Financial information for the component unit is reported separately from the financial information presented for the primary government.

The Citrus County School Board Leasing Corporation (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 District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Food Service Fund, Special Revenue – Other Fund, Special Revenue – Federal Education Stabilization Fund, Debt Service – ARRA Economic Stimulus Fund, Capital Projects – Local Capital Improvement Fund and Other Capital Funds. 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 may be established to account for activities in which a fee is charged for services. One type of proprietary fund is maintained, an internal service fund. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses an internal service fund to account for its employee group self-insurance program and its wellness center. Since these services predominantly benefit governmental rather than business 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, such as student activity funds. 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 scholarship funds established by private donors.

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 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	\$ 106,527,506.22	\$ 106,514,985.58
Capital Assets	187,622,674.38	180,894,469.79
Total Assets	294,150,180.60	287,409,455.37
Deferred Outflows of Resources	35,126,665.00	35,675,086.00
Long-Term Liabilities	173,447,006.01	179,392,196.18
Other Liabilities	14,586,250.14	12,267,173.05
Total Liabilities	188,033,256.15	191,659,369.23
Deferred Inflows of Resources	27,322,346.00	20,339,270.00
Net Position:		
Net Investment in Capital Assets	152,622,674.38	145,894,469.79
Restricted	75,777,310.19	71,980,498.26
Unrestricted (Deficit)	(114,478,741.12)	(106,789,065.91)
Adjustment to Prior Year Net Position		(3,985,156.99)
Total Net Position	\$ 113,921,243.45	\$ 107,100,745.15

The largest portion of the District's net position is investment in capital assets (e.g., land; buildings; furniture, fixtures, 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.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position was primarily the result of accruing \$16,785,001.00 in net OPEB liability and \$111,435,425.00 in net pension liability.

Long-term liabilities decreased and deferred inflows of resources increased primarily due to the district recognizing its proportionate share of the Florida Retirement System's net pension liability and deferred inflows of resources.

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:

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-25	6-30-24
Program Revenues:		
Charges for Services	\$ 2,320,321.97	\$ 2,279,816.57
Operating Grants and Contributions	12,185,552.87	11,714,668.00
Capital Grants and Contributions	6,828,853.31	2,402,062.18
General Revenues:		
Property Taxes, Levied for Operational Purposes	63,003,013.33	59,954,189.06
Property Taxes, Levied for Capital Projects	24,582,709.53	22,799,649.04
Grants and Contributions Not Restricted to Specific Programs	94,706,125.07	102,691,469.26
Unrestricted Investment Earnings	4,012,755.62	4,067,394.34
Miscellaneous	12,466,166.47	9,921,455.70
Total Revenues	220,105,498.17	215,830,704.15
Functions/Program Expenses:		
Instruction	97,872,184.20	110,779,239.27
Student Support Services	9,374,133.60	9,584,088.81
Instructional Media Services	1,980,899.08	2,187,190.97
Instruction and Curriculum Development Services	6,676,793.42	7,126,620.31
Instructional Staff Training Services	2,762,887.93	2,745,879.85
Instruction-Related Technology	2,028,537.32	1,877,353.22
Board	728,858.53	750,936.06
General Administration	1,853,130.89	1,716,420.24
School Administration	12,032,174.25	13,531,755.68
Facilities Acquisition and Construction	2,391,903.39	2,420,818.33
Fiscal Services	1,470,106.02	1,287,522.68
Food Services	11,884,766.87	12,203,916.27
Central Services	3,325,011.36	3,593,366.98
Student Transportation Services	11,363,336.86	11,241,053.80
Operation of Plant	19,060,436.22	20,208,907.81
Maintenance of Plant	7,447,890.79	5,933,835.01
Administrative Technology Services	2,989,744.25	3,161,099.69
Community Services	7,613,982.01	7,232,711.63
Unallocated Interest on Long-Term Debt	455,993.30	455,867.55
Unallocated Depreciation Expense	9,972,229.58	8,940,920.70
Total Functions/Program Expenses	213,284,999.87	226,979,504.86
Change in Net Position	6,820,498.30	(11,148,800.71)
Net Position - Beginning	111,085,902.14	122,234,702.85
Adjustment to Beginning Net Position	(3,985,156.99)	
Net Position - Beginning, As Restated	\$ 107,100,745.15	\$ 122,234,702.85
Net Position - Ending	\$ 113,921,243.45	\$ 111,085,902.14

The largest revenue sources are the State of Florida and local property taxes which are 35.4 percent and 39.8 percent, respectively of total revenue. Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP funding 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.

Total government-wide revenues increased by \$4,274,794.02, or 1.98 percent. Total government-wide expenses decreased by \$13,694,504.99, or 6.03 percent, primarily due to the reduced availability of ESSER funds that could be used for expenditures in the 2024–2025 fiscal year, compared to 2023–2024.

From the 2023-24 fiscal year to the 2024-25 fiscal year, the taxable value of property in the District increased from \$15,763,824,919 to \$16,986,950,866 while the millage rate decreased from 5.440 mills to 5.3440 mills, the Base Student Allocation increased by \$191.25, and the unweighted full-time equivalent increased by 400.97.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds decreased by \$115,077.47 during the fiscal year to \$81,300,971.97 on June 30, 2025. Of the total fund balance, \$5,511,779.29 or 6.78 percent is unassigned fund balance, which is available for spending at the District's discretion, \$2,500,545.15 is nonspendable, \$73,132,694.77 is restricted, and \$155,952.76 is assigned.

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, the total assigned and unassigned fund balance was \$5,667,732.05, while the total fund balance was \$13,086,200.89. Total fund balance decreased by \$1,612,023.05 during the fiscal year.

The Special Revenue – Food Service Fund had a total fund balance of \$10,154,873.53 which is restricted for the purposes of feeding students. The fund balance increased by \$692,180.06, making it a major fund in the current year. Food Service Funds are generated by Federal, State and Local sources.

The Special Revenue – Federal Education Stabilization Fund had revenues and expenditures of \$941,737.54 each, and the funding was mainly used for instruction, classroom technology and instructional staff and curriculum development. Because grant revenues are not recognized until expenditures are incurred, the grants accounted for in this fund generally do not accumulate fund balances.

The Special Revenue – Other Fund had total revenues and expenditures of \$15,472,983.22 each, and the funding was primarily used for instruction and instruction and curriculum development services. Because grant revenues are not recognized until expenditures are incurred, the grants accounted for in this fund generally do not accumulate fund balances

Debt Service – ARRA Economic Stimulus Fund has a total fund balance of \$28,193,547.90, which is restricted for the payment of debt service. The fund balance increased by \$3,961,450.80 primarily due to payments into the sinking fund for the 2010A Qualified School Construction Bonds.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of \$21,911,286.08 which is restricted for the acquisition, construction, and maintenance of capital assets. The fund balance decreased by \$3,896,804.58. Of the total fund balance, \$4,881,670.44 has been encumbered for various projects. The fund

balance decreased in the current fiscal year due to increased construction costs and the increase in general fund transfers.

The Capital Projects – Other Fund has a total fund balance of \$139,836.42 which is restricted for Charter School Capital Outlay and the acquisition, construction, and maintenance of capital assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2024-25 fiscal year, the District amended its General Fund budget several times, with amendments taken to the Board for approval. Final budget amounts were in line with original budget amounts. The Board approves the final budget amendment after year end.

Actual revenues are \$2,649,114.97 or 1.70 percent, less than final budgeted amounts. While actual expenditures are \$7,654,607.21 or 4.33 percent, less than final budgeted amounts. The decrease in expenditures was primarily due to continued cost containment measures implemented by the District. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$4,993,977.94 of the original budgeted fund balance.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$187,622,674.38 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital lease; motor vehicles; and audio-visual materials and computer software.

Additional information on the District’s capital assets can be found in Notes I.F.4. and II.C. to the financial statements.

Long-Term Debt

At June 30, 2025, the District had total long term debt of \$35,000,000.00, composed of \$35,000,000 of Certificates of Participation, Series 2010A – Qualified School Construction Bonds.

Additional information on the District’s long-term debt can be found in Note II.H. to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District’s finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Director of Finance, Citrus County District School Board, 1007 West Main Street, Inverness, Florida 34450.

BASIC FINANCIAL STATEMENTS

Citrus County District School Board Statement of Net Position June 30, 2025

	Primary Government Governmental Activities	Component Unit
ASSETS		
Cash and Cash Equivalents	\$ 26,799,294.78	\$ 378,005.17
Investments	36,568,718.60	-
Accounts Receivable	2,347,836.16	1,139.99
Due from Other Agencies	8,770,952.71	50,156.10
Prepaid Items	1,183,093.69	26,130.33
Inventories	1,377,221.25	-
Capital Credits Receivable	1,286,841.13	-
Restricted Investments with Fiscal Agent	28,193,547.90	-
Capital Assets:		
Nondepreciable Capital Assets	18,920,512.83	39,830.00
Depreciable Capital Assets, Net	168,702,161.56	789,418.00
TOTAL ASSETS	294,150,180.61	1,284,679.59
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	34,618,728.00	-
OPEB	507,937.00	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	35,126,665.00	-
LIABILITIES		
Accrued Salaries and Benefits	406,808.23	-
Payroll Deductions and Withholdings	1,824,206.12	3,307.36
Accounts Payable	7,776,113.52	15,666.61
Sales Tax Payable	-	-
Construction Contracts Payable - Retained Percentage	367,185.34	-
Due to Other Agencies	59,542.80	14,744.00
Unearned Revenue	2,128,796.46	-
Estimated Liability for Self-Insurance Program	2,023,597.67	-
Long-Term Liabilities:		
Portion Due Within 1 Year	1,801,514.24	-
Portion Due After 1 Year	171,645,491.77	-
TOTAL LIABILITIES	188,033,256.15	33,717.97
DEFERRED INFLOWS OF RESOURCES		
Pensions	15,854,555.00	-
OPEB	11,467,791.00	-
TOTAL DEFERRED INFLOWS OF RESOURCES	27,322,346.00	-
NET POSITION		
Net Investment in Capital Assets	152,622,674.38	829,248.00
Restricted for:		
State Required Carryover Programs	3,798,824.73	-
Debt Service	28,193,547.90	-
Capital Projects	25,175,388.34	196,597.73
Food Service	10,154,873.53	-
Other Purposes	8,454,675.69	101,954.92
Unrestricted	(114,478,741.12)	123,160.97
TOTAL NET POSITION	\$ 113,921,243.45	\$ 1,250,961.62

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

**Citrus County District School Board
Statement of Activities
For the Fiscal Year Ended June 30, 2025**

Functions/Programs	Program Revenues					Component Unit
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities		
Expenses						
Primary Government						
Governmental Activities:						
Instruction	97,872,184.20	\$ 1,644,636.68	\$ -	\$ -	(96,227,547.52)	\$ -
Student Support Services	9,374,133.60	-	-	-	(9,374,133.60)	-
Instructional Media Services	1,980,899.08	-	-	-	(1,980,899.08)	-
Instruction and Curriculum Development Services	6,676,793.42	-	-	-	(6,676,793.42)	-
Instructional Staff Training Services	2,762,887.93	-	-	-	(2,762,887.93)	-
Instruction-Related Technology Board	2,028,537.32	-	-	-	(2,028,537.32)	-
Board	728,858.53	-	-	-	(728,858.53)	-
General Administration	1,853,130.89	-	-	-	(1,853,130.89)	-
School Administration	12,032,174.25	-	-	-	(12,032,174.25)	-
Facilities Acquisition and Construction	2,391,903.39	49,822.02	-	6,828,853.31	4,486,771.94	-
Fiscal Services	1,470,106.02	-	-	-	(1,470,106.02)	-
Food Services	11,884,766.87	463,128.40	12,185,552.87	-	763,914.40	-
Central Services	3,325,011.36	-	-	-	(3,325,011.36)	-
Student Transportation Services	11,363,336.86	65,821.78	-	-	(11,297,515.08)	-
Operation of Plant	19,060,436.22	-	-	-	(19,060,436.22)	-
Maintenance of Plant	7,447,890.79	-	-	-	(7,447,890.79)	-
Administrative Technology Services	2,989,744.25	-	-	-	(2,989,744.25)	-
Community Services	7,613,982.01	96,913.09	-	-	(7,517,068.92)	-
Unallocated Interest on Long-Term Debt	455,993.30	-	-	-	(455,993.30)	-
Unallocated Depreciation Expense	9,972,229.58	-	-	-	(9,972,229.58)	-
Total Governmental Activities	213,284,999.87	\$ 2,320,321.97	\$ 12,185,552.87	\$ 6,828,853.31	(191,950,271.72)	-
Component Unit						
The Academy of Environmental Science, Inc.	1,055,587.12	\$ 0.00	\$ 0.00	\$ 156,352.68	-	(899,234.44)
Taxes:						
Property Taxes, Levied for Operational Purposes					63,003,013.33	-
Property Taxes, Levied for Capital Projects					24,582,709.53	-
Grants and Contributions Not Restricted to Specific Programs					94,706,125.07	702,777.00
Unrestricted Investment Earnings					4,012,755.62	-
Miscellaneous					12,466,166.47	221,382.06
Total General Revenues					198,770,770.02	924,159.06
Change in Net Position					6,820,498.30	24,924.62
Net Position - Beginning					111,085,902.14	1,226,037.00
Adjustment to Net Position due to implementation of GASB 101					(3,985,156.99)	
Net Position Ending					113,921,243.45	1,250,961.62

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

**Citrus County District School Board
Balance Sheet – Governmental Funds
June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue - Food Service Fund</u>	<u>Special Revenue - Other Fund</u>	<u>Special Revenue - Federal Education Stabilization Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,643,487.19	\$ 3,986,224.07	\$ 145,029.08	\$ 154.56
Investments	6,927,447.51	5,832,511.93	-	-
Accounts Receivable	2,322,114.51	88.95	-	-
Due from Other Funds	361,153.36	-	-	-
Due from Other Agencies	3,526,117.47	66,981.10	2,414,136.59	-
Due from Budgetary Funds	1,516,959.49	-	-	-
Prepaid Items	1,164,693.61	-	-	-
Inventories	764,052.58	559,916.47	-	-
Restricted Investments with Fiscal Agent	-	-	-	-
TOTAL ASSETS	<u>\$ 21,226,025.72</u>	<u>\$ 10,445,722.52</u>	<u>\$ 2,559,165.67</u>	<u>\$ 154.56</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Salaries and Benefits	\$ 301,344.56	\$ 15,222.07	\$ 89,827.92	\$ -
Payroll Deductions and Withholdings	1,552,154.80	140,569.25	131,175.16	154.56
Accounts Payable	5,360,977.44	135,057.67	821,203.10	-
Sales Tax Payable	-	-	-	-
Construction Retainage Payable	23,547.50	-	-	-
Due to Other Funds	2,997.61	-	-	-
Due to Other Agencies	30,466.70	-	-	-
Due to Budgetary Funds	-	-	1,516,959.49	-
Unearned Revenue	868,336.22	-	-	-
Total Liabilities	<u>8,139,824.83</u>	<u>290,848.99</u>	<u>2,559,165.67</u>	<u>154.56</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	1,164,693.61	-	-	-
Inventories	764,052.58	559,916.47	-	-
Total Nonspendable Fund Balance	<u>1,928,746.19</u>	<u>559,916.47</u>	<u>-</u>	<u>-</u>
Restricted for:				
State Required Carryover Programs	3,798,824.73	-	-	-
Student Activities	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Food Service	-	9,594,957.06	-	-
Other Required Carryover Programs	1,690,897.92	-	-	-
Total Restricted Fund Balance	<u>5,489,722.65</u>	<u>9,594,957.06</u>	<u>-</u>	<u>-</u>
Assigned for:				
Other Purposes	155,952.76	-	-	-
Unassigned Fund Balance	5,511,779.29	-	-	-
Total Fund Balances	<u>13,086,200.89</u>	<u>10,154,873.53</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 21,226,025.72</u>	<u>\$ 10,445,722.52</u>	<u>\$ 2,559,165.67</u>	<u>\$ 154.56</u>

**Citrus County District School Board
Balance Sheet – Governmental Funds
June 30, 2025**

	Debt Service ARRA Economic Stimulus Fund	Capital Projects Local Capital Improvement Fund	Capital Projects Other	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 787,171.08	\$ 5,135,110.56	\$ 14,697,176.54
Investments	-	20,705,906.16	-	2,454,485.75	64,113,899.25
Accounts Receivable	-	-	-	4,269.57	2,326,473.03
Due from Other Funds	-	-	-	2,997.61	364,150.97
Due from Other Agencies	-	598,729.17	1,495,208.29	669,780.09	8,770,952.71
Due from Budgetary Funds	-	1,638,842.33	-	-	3,155,801.82
Prepaid Items	-	-	-	-	1,164,693.61
Inventories	-	-	-	11,882.49	1,335,851.54
Restricted Investments with Fiscal Agent	28,193,547.90	-	-	-	-
TOTAL ASSETS	\$ 28,193,547.90	\$ 22,943,477.66	\$ 2,282,379.37	\$ 8,278,526.07	\$ 95,928,999.47
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ 406,394.55
Payroll Deductions and Withholdings	-	-	-	-	1,824,053.77
Accounts Payable	-	987,080.26	176,098.00	102,145.56	7,582,562.03
Sales Tax Payable	-	-	-	-	-
Construction Contracts Payable -	-	45,111.32	298,526.52	-	367,185.34
Due to Other Funds	-	-	-	361,153.36	364,150.97
Due to Other Agencies	-	-	29,076.10	-	59,542.80
Due to Budgetary Funds	-	-	1,638,842.33	-	3,155,801.82
Unearned Revenue	-	-	-	-	868,336.22
Total Liabilities	\$ -	\$ 1,032,191.58	\$ 2,142,542.95	\$ 463,298.92	14,628,027.50
Fund Balances:					
Nonspendable:					
Prepaid Items	-	-	-	-	1,164,693.61
Inventories	-	-	-	11,882.49	1,335,851.54
Total Nonspendable Fund Balance	-	-	-	11,882.49	2,500,545.15
Restricted for:					
State Required Carryover Programs	-	-	-	-	3,798,824.73
Student Activities	-	-	-	4,679,078.82	4,679,078.82
Debt Service	28,193,547.90	-	-	-	28,193,547.90
Capital Projects	-	21,911,286.08	139,836.42	3,124,265.84	25,175,388.34
Food Service	-	-	-	-	9,594,957.06
Other Required Carryover Programs	-	-	-	-	1,690,897.92
Total Restricted Fund Balance	28,193,547.90	21,911,286.08	139,836.42	7,803,344.66	73,132,694.77
Assigned for:					
Other Purposes	-	-	-	-	155,952.76
Unassigned Fund Balance	-	-	-	-	5,511,779.29
Total Fund Balances	\$ 28,193,547.90	\$ 21,911,286.08	\$ 139,836.42	7,815,227.15	81,300,971.97
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,193,547.90	\$ 22,943,477.66	\$ 2,282,379.37	\$ 8,278,526.07	\$ 95,928,999.47

**Citrus County District School Board
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2025**

Total Fund Balances - Governmental Funds \$ 81,300,971.97

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. 187,622,674.38

Capital credits to be received in future years are not available to liquidate liabilities in the governmental funds, but are accrued in the government-wide statements. 1,286,841.13

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. 9,353,442.98

The deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions	\$	34,618,728.00	
Deferred Outflows Related to OPEB		507,937.00	
Deferred Inflows Related to Pensions		(11,467,791.00)	
Deferred Inflows Related to OPEB		(15,854,555.00)	7,804,319.00

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

Certificates of Participation Payable	\$	(35,000,000.00)	
Compensated Absences Payable		(10,226,580.01)	
Net Pension Liability		(111,435,425.00)	
Total OPEB Liability		(16,785,001.00)	(173,447,006.01)

Net Position - Governmental Activities \$ 113,921,243.45

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

Citrus County District School Board
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue - Food Service Fund	Special Revenue - Other Fund	Special Revenue - Federal Education Stabilization Fund
Revenues				
Intergovernmental:				
Federal Direct	\$ 198,829.45	\$ -	\$ 1,486,123.00	\$ -
Federal Through State and Local	986,788.43	12,065,910.87	13,986,860.22	941,737.54
State	76,967,748.01	119,642.00	-	-
Local:				
Property Taxes	63,003,013.33	-	-	-
Impact Fees	-	-	-	-
Charges for Services - Food Service	-	463,158.95	-	-
Miscellaneous	6,526,585.15	438,780.03	-	-
Total Local Revenues	<u>69,529,598.48</u>	<u>901,938.98</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>147,682,964.37</u>	<u>13,087,491.85</u>	<u>15,472,983.22</u>	<u>941,737.54</u>
Expenditures				
Current - Education:				
Instruction	90,328,718.05	-	6,954,753.43	676,849.45
Student Support Services	8,713,212.81	-	603,251.03	66,112.95
Instructional Media Services	1,972,408.41	-	10,213.57	61.28
Instruction and Curriculum Development Services	2,332,501.40	-	4,339,374.11	10,931.63
Instructional Staff Training Services	1,478,160.66	-	1,273,458.71	13,757.07
Instruction-Related Technology	2,029,700.56	-	663.84	-
Board	729,515.01	-	-	-
General Administration	1,294,313.12	-	559,328.39	1,158.48
School Administration	12,033,525.25	-	5,653.46	3,832.80
Facilities Acquisition and Construction	428,523.25	-	-	-
Fiscal Services	1,471,430.13	-	-	-
Food Services	41,494.51	11,853,976.85	-	-
Central Services	3,199,012.72	-	128,993.45	-
Student Transportation Services	11,333,427.97	-	7,478.36	32,665.38
Operation of Plant	19,011,409.65	-	12,120.72	54,073.40
Maintenance of Plant	7,454,599.03	-	-	-
Administrative Technology Services	2,949,023.33	-	-	43,413.75
Community Services	1,099,995.31	-	1,486,123.00	38,881.35
Fixed Capital Outlay:				
Facilities Acquisition and Construction	586,808.78	-	-	-
Other Capital Outlay	1,514,227.30	541,334.94	91,571.15	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>170,002,007.25</u>	<u>12,395,311.79</u>	<u>15,472,983.22</u>	<u>941,737.54</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,319,042.88)</u>	<u>692,180.06</u>	<u>(0.00)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	17,506,496.51	-	-	-
Sale of Capital Assets	16,405.79	-	-	-
Loss Recoveries	3,184,117.53	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>20,707,019.83</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,612,023.05)</u>	<u>692,180.06</u>	<u>(0.00)</u>	<u>-</u>
Fund Balances, Beginning	14,698,223.94	9,462,693.47	-	-
Adjustment to Beginning Fund Balance - Change in Reporting Entity	-	-	-	-
Fund Balances, Beginning, as Restated	<u>14,698,223.94</u>	<u>9,462,693.47</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 13,086,200.89</u>	<u>\$ 10,154,873.53</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>

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

Citrus County District School Board
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2025

	Debt Service - ARRA Economic Stimulus Fund	Capital Projects- Local Capital Improvement Fund	Capital Projects- Other	Other Governmental Funds	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ 1,684,952.45
Federal Through State and Local State	-	-	217,035.04	669,600.36	77,974,025.41
Local:					
Property Taxes	-	24,582,709.53			87,585,722.86
Impact Fees	-	-	6,080,256.33	-	6,080,256.33
Charges for Services - Food Service	-	-	-	-	463,158.95
Miscellaneous	1,442,060.83	1,136,555.28	891,916.83	5,605,275.22	16,041,173.34
Total Local Revenues	1,442,060.83	25,719,264.81	6,972,173.16	5,605,275.22	110,170,311.48
Total Revenues	1,442,060.83	25,719,264.81	7,189,208.20	6,274,875.58	217,810,586.40
Expenditures					
Current - Education:					
Instruction	-	-	-	-	97,960,320.93
Student Support Services	-	-	-	-	9,382,576.79
Instructional Media Services	-	-	-	-	1,982,683.26
Instruction and Curriculum Development Services	-	-	-	-	6,682,807.14
Instructional Staff Training Services	-	-	-	-	2,765,376.44
Instruction-Related Technology	-	-	-	-	2,030,364.40
Board	-	-	-	-	729,515.01
General Administration	-	-	-	-	1,854,799.99
School Administration	-	-	-	-	12,043,011.51
Facilities Acquisition and Construction	-	-	-	-	428,523.25
Fiscal Services	-	-	-	-	1,471,430.13
Food Services	-	-	-	-	11,895,471.36
Central Services	-	-	-	-	3,328,006.17
Student Transportation Services	-	-	-	-	11,373,571.71
Operation of Plant	-	-	-	-	19,077,603.77
Maintenance of Plant	-	-	-	-	7,454,599.03
Administrative Technology Services	-	-	-	-	2,992,437.08
Community Services	-	-	-	4,995,840.19	7,620,839.85
Fixed Capital Outlay:					
Facilities Acquisition and Construction	-	9,273,086.22	7,108,626.67	380,158.56	17,348,680.23
Other Capital Outlay	-	31,395.00	-	69,047.45	2,247,575.84
Debt Service:					
Interest and Fiscal Charges	455,270.80	-	-	722.50	455,993.30
Total Expenditures	455,270.80	9,304,481.22	7,108,626.67	5,445,768.70	221,126,187.19
Excess (Deficiency) of Revenues Over Expenditures	986,790.03	16,414,783.59	80,581.53	829,106.88	(3,315,600.79)
Other Financing Sources (Uses)					
Transfers In	2,974,660.77	-	-	-	20,481,157.28
Sale of Capital Assets	-	-	-	-	16,405.79
Loss Recoveries	-	-	-	-	3,184,117.53
Transfers Out	-	(20,311,588.17)	(168,007.00)	(1,562.11)	(20,481,157.28)
Total Other Financing Sources (Uses)	2,974,660.77	(20,311,588.17)	(168,007.00)	(1,562.11)	3,200,523.32
Net Change in Fund Balances	3,961,450.80	(3,896,804.58)	(87,425.47)	827,544.77	(115,077.47)
Fund Balances, Beginning	24,232,097.10	25,808,090.66	227,261.89	7,214,944.27	81,643,311.33
Adjustment to Beginning Fund Balance-Change in Reporting Entity	-	-	-	(227,261.89)	(227,261.89)
Fund Balances, Beginning, as Restated	24,232,097.10	25,808,090.66	227,261.89	6,987,682.38	81,416,049.44
Fund Balances, Ending	\$ 28,193,547.90	\$ 21,911,286.08	\$ 139,836.42	\$ 7,815,227.15	\$ 81,300,971.97

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2025**

Net Change in Fund Balances - Governmental Funds \$ (115,077.47)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current fiscal year. 7,660,260.73

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (932,056.13)

Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds.

Current Year Accruals	\$	1,286,841.13	
Less: Prior Year Accruals		<u>(1,260,396.54)</u>	26,444.59

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year. 68,431.64

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

Increase in Total OPEB Liability	\$	(51,122.00)	
Increase in Deferred Outflows of Resources - OPEB		2,804.00	
Decrease in Deferred Inflows of Resources - OPEB		<u>1,484,459.00</u>	1,436,141.00

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

FRS Pension Contribution	\$	10,884,293.00	
HIS Pension Contribution		2,232,312.00	
FRS Pension Expense		(10,904,970.48)	
HIS Pension Expense		<u>(1,317,357.00)</u>	894,277.52

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service fund is reported with governmental activities. (2,217,923.57)

Change in Net Position - Governmental Activities \$ 6,820,498.31

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

**Citrus County District School Board
Statement of Net Position – Proprietary Fund
June 30, 2025**

	Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,522,128.90
Investments	9,228,356.59
Accounts Receivable	21,363.13
Prepaid Items	18,400.08
Inventories	41,369.71
	TOTAL ASSETS
	12,831,618.41
LIABILITIES	
Current Liabilities:	
Accrued Salaries and Benefits	413.68
Payroll Deductions and Withholdings	152.35
Accounts Payable	193,551.49
Unearned Revenue	1,260,460.24
Estimated Liability for Self-Insurance Program	2,023,597.67
	TOTAL LIABILITIES
	3,478,175.43
NET POSITION	
Unrestricted	\$ 9,353,442.98

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

**Citrus County District School Board
Statement of Revenues, Expenses, and Changes in Fund
Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2025**

	Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 5,102.50
Premiums	16,027,074.34
Other	1,352,002.80
Total Operating Revenues	17,384,179.64
OPERATING EXPENSES	
Salaries	125,378.09
Employee Benefits	43,547.92
Purchased Services	4,317,257.71
Energy Services	4,559.44
Materials and Supplies	80,377.94
Capital Outlay	5,392.78
Insurance Claims	15,613,431.68
Total Operating Expenses	20,189,945.56
Operating Loss	(2,805,765.92)
NONOPERATING REVENUES	
Investment Income	497,846.35
Gift, Grants and Bequests	50,000.00
Other Miscellaneous Local Sources	39,996.00
Total Nonoperating Revenues	587,842.35
Change in Net Position	(2,217,923.57)
Total Net Position - Beginning	11,571,366.55
Total Net Position - Ending	\$ 9,353,442.98

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

**Citrus County District School Board
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2025**

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Premiums	\$ 17,377,167.49
Cash Payments for Insurance Claims	(15,519,722.84)
Cash Payments to Employees for Services	(168,953.93)
Cash Payments for Premiums and Other Fees	(4,368,423.85)
	(2,679,933.13)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Received from Other Local Sources	89,996.00
	89,996.00
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(1,171,029.44)
Investment Income	497,846.35
	(673,183.09)
Net Cash Used by Operating Activities	(2,679,933.13)
Net Decrease in Cash and Cash Equivalents	(3,263,120.22)
Cash and Cash Equivalents, Beginning	6,785,249.12
Cash and Cash Equivalents, Ending	\$ 3,522,128.90
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (2,805,765.92)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Accounts Receivable	(7,012.15)
Prepaid Items	(1,308.30)
Inventories	6,100.13
Accrued Salaries and Benefits	(27.98)
Payroll Deductions and Withholdings	
Accounts Payable	34,372.19
Unearned Revenue	(141,634.48)
Estimated Liability for Self-Insurance Program	235,343.38
	125,832.79
Total Adjustments	125,832.79
Net Cash Used by Operating Activities	\$ (2,679,933.13)

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

**Citrus County District School Board
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2025**

	Private-Purpose Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 434,156.79
LIABILITIES	
Accounts Payable	8,000.00
NET POSITION	
Held in Trust for Scholarships and Other Purposes	\$ 426,156.79

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

**Citrus County District School Board
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2025**

	Private-Purpose Trust Funds
ADDITIONS	
Contributions:	
Gifts, Grants, Endowments, and Bequests	\$ 74,642.00
Investment Earnings:	
Interest, Dividends, and Other	12,479.99
Total Additions	87,121.99
DEDUCTIONS	
Scholarship Payments	87,761.51
Change in Net Position	(639.52)
Net Position - Beginning	426,796.31
Net Position - Ending	\$ 426,156.79

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

NOTES TO FINANCIAL STATEMENTS

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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. Likewise, 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 Citrus County School District's (District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is not readily associated with a particular function and is reported as unallocated.

B. Reporting Entity

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

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

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

Blended Component Unit. Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The Citrus 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 District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Unit. The component unit columns in the government-wide financial statements include the financial data of the District’s other component units. A separate column is used to emphasize that it is legally separate from the District.

The Academy of Environmental Science, Inc. (charter school) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter school operates under a charter approved by its sponsor, the Citrus County District School Board. The charter school is considered to be a component unit of the District because the District is financially accountable for the charter school as the District established the charter school by approval of the charter, which is tantamount to the initial appointment of the charter school, and there is the potential for the charter school to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter school is a public school and the District is responsible for the operation, control, and supervision of public schools within the District. The charter school staff is employed by the District, and the District processes all financial transactions for the charter school, with the exception of its internal accounts.

Related transactions for the year ended June 30, 2025 include the following:

FEFP Revenues remitted to the charter school	\$ 803,607
School Recognition Bonus Revenues remitted to the charter school	15,486
Capital Outlay Revenues remitted to the charter school	100,577
Management Fee retained by the District	40,918
Administrative Fee retained by the District	18,379
Amount Due From charter school to District as of 06/30/25	14,744
Amount Due To charter school from District as of 06/30/25	29,076

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 audited financial statements are filed in the District’s administrative offices at 1007 W. Main Street, Inverness, Florida 34450.

C. Basis of Presentation: Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and (the) internal service fund. Separate financial statements are provided for governmental funds, proprietary fund, and fiduciary fund, 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 nonmajor 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.
- Special Revenue – Food Service Fund – to account for Food Service program resources.
- Special Revenue – Other Fund – to account for certain Federal grant program resources.
- Special Revenue – Federal Education Stabilization Fund – to account for certain Federal grant program resources provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.
- Debt Service – ARRA Economic Stimulus Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the 2010A Qualified School Construction Bonds (QSCBs).
- 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, new and replacement equipment, and debt service payments on certificates of participation.
- Capital Projects – Other – to account for the financial resources generated by other sources, including class size reduction funding from the state of Florida.

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

- Internal Service Fund – to account for the District's Employee Health Self-Insurance program and Wellness Center.
- Private-Purpose Trust Fund – to account for various endowments in the school internal funds for Citrus High School and Withlacoochee Technical College students, which are used for student scholarships.

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.

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 30 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 30 days of year end). Property 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 private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The charter school is 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 for the purpose of the presentation for statement of cash flows are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of 50 days or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME and FL CLASS.

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. Accounts Receivable/Payable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the governmental-wide financial statements as internal balances.

3. Investments

Investments permitted by our policy consist of amounts placed with the SBA for participation in the Florida PRIME investment pool, and FL CLASS, FL SAFE, and FL FIT, all of which were created by Section 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

The District's investment in Florida PRIME, which the SBA indicates this investment is reported at fair value, which is amortized cost.

Investments made locally consist of United States Treasury obligation and three local government investment pools, which are reported at fair value.

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

4. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at weighted average cost on the first-in, first-out 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.

5. Capital Assets

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

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	8 - 40 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Lease Assets	3 - 15 years
Subscription-Based IT Arrangements	3 - 5 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.

6. 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.

7. 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.

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

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized

as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes.

9. Net Position Flow Assumption

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

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

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

The committed fund balance classification 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 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 by adoption of Board Policy 7.20 authorized the Finance Director 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.

In addition, the District has adopted Board Policy 7.10 which provides for an adequate unassigned fund balance to cover the unforeseen events including, but not limited to, revenue shortfalls and student enrollment under projections. This policy provides, when feasible, that the adopted annual operating fund budget approved by the Board include an unassigned fund balance, which is at least 3.5 percent of the recurring revenues budget. This Board policy exceeds the 3 percent minimum required by Florida Statute 1011.051 (1).

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 self-finances 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) 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.

The District received an allocation from the State under the Educational Facilities Security Grant program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

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

The Board adopted the 2024 tax levy on September 10, 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 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 Citrus County Tax Collector at fiscal year end but not yet remitted to the District.

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

4. Educational Impact Fees

Citrus County imposes an educational impact fee based on an ordinance adopted by the County Commission in 2005. This ordinance was most recently amended on March 23, 2021 when Ordinance 2021-A09 established, in part, revised fees to be collected. The educational impact fee is collected by the County and each municipality within the County based on an interlocal agreement. The fees are to be used solely for the purpose of providing capital improvements to the public educational system necessitated by new residential development and are not to be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include, but are not limited to, land acquisition; facility design and construction costs; furniture and equipment; and payment of principal, interest, and related costs of indebtedness necessitated by new residential development. Citrus County retains the collected funds and provides reimbursement to the District based on submission of qualifying expenditures once they are incurred.

5. 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.

6. Compensated Absences

The Citrus County District School Board recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during a separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences, vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation – The Citrus County District School Board's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Employees who are terminating, retiring or entering into DROP and have the equivalent of \$1,000 or more in accumulated sick leave pay and/or annual leave pay will participate in the Bencor 401(a) Qualified Retirement Plan.

Sick – The Citrus County District School Board's policy permits employees to accumulate earned but unused sick leave that is paid out by percentages depending on years of service. Employees who are terminating, retiring or entering into DROP, and have the equivalent of \$1,000 or more in accumulated sick leave pay and/or annual leave pay, will participate in the Bencor 401(a) Qualified Retirement Plan.

7. Proprietary Fund(s) Operating and Nonoperating Revenues and Expenses

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

II. ACCOUNTING CHANGES

A. Change in Accounting Principle

For the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, Compensated Absences. This Statement amends the recognition and measurement guidance for vacation, sick leave, and other compensated absences by requiring a liability to be

recognized for leave that has not been used but is attributable to past services, and that is more likely than not to be used or paid.

As a result of this implementation, the District has recognized a liability for accumulated vacation and sick leave that is more likely than not to be paid upon termination or used as retirement service credit, which was accrued using a different methodology under the previous standard (GASB Statement No. 16).

The impact of this change in accounting principle on the beginning net position as of July 1, 2024, is as follows:

Beginning Net Position, July 1, 2024 (as previously reported)	\$ 111,085,902.14
Prior Period Adjustment - Implementation of GASB 101	<u>(3,985,156.99)</u>
Beginning Net Position, July 1, 2024 (as restated)	<u>\$ 107,100,745.15</u>

B. Change to or Within the Financial Reporting Entity

Change from Nonmajor to Major Fund. The Capital Projects – Other Fund met the quantitative requirements for reporting as a major fund in the current fiscal year whereas it did not meet those requirements in the previous fiscal year. The effect of this change to or within the financial reporting entity is shown in the table below.

	Reporting Units Affected by Restatements of Beginning Balances	
	Funds	
	Capital Projects - Other	Nonmajor Governmental
Beginning Balances, as previously reported	\$ -	\$ 7,214,944
Change from nonmajor to major fund	<u>227,262</u>	<u>(227,262)</u>
Beginning Balances, as restated	<u>\$ 227,262</u>	<u>\$ 6,987,682</u>

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

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

Investments	Market Value	Maturities			S & P Rating	Maturity
		6 months or Less	6 Months to 3 Years	Greater than 3 Years		
SBA:						
Florida PRIME (1)	\$ 6,913,237.19	\$ 6,913,237.19	\$ -	\$ -	AAAm	47 Day Ave
FL SAFE	2,551,305.55	2,551,305.55			AAAm	36 Day Ave
FLCLASS (1)	1,931,364.01	1,931,364.01			AAAm	60 Day Ave
Enhanced Cash Pool	15,324,486.29	15,324,486.29			AAAf/S1	60 Day Ave
Florida Fixed Income Trust (FIT):						
Preferred Deposit Pool	928,059.87	928,059.87			N/A	1 Day Ave
Enhanced Cash Pool	7,258,096.27		7,258,096.27		AAAf/S1	359 Day Ave
Cash Pool	5,386,837.91	5,386,837.91			AAAf/S1	85 Day Ave
1-3 Year Fund	5,119,932.71		5,119,932.71		AAAf/S1	1.7 Year Ave
Bank of New York Mellon:						
U.S. Treasury Strip Coupon (2)	17,199,495.02		17,199,495.02		(3)	February 2027
U.S. Treasury Notes & Bonds (2)	10,994,052.88		10,994,052.88		(3)	March 2027
Total Investments	\$ 73,606,867.70	\$ 33,035,290.82	\$ 40,571,576.88	\$ -		

- (1) These investments are reported as cash equivalents for financial statement reporting purposes.
- (2) Investment held under a paying agent agreement for the 2010A-Qualified School Construction Bonds (see Note III. I. 1).
- (3) Disclosure of credit risk is not required for this investment type.

Fair Value Measurement

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

	Amount	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Bank of New York Mellon			
U.S. Treasury Strip Coupon	\$ 17,199,495.02	\$ 17,199,495.02	\$ -
U.S. Treasury Notes and Bonds	10,994,052.88	10,994,052.88	-
Total Investments by Fair Value Level	<u>\$ 28,193,547.90</u>	<u>28,193,547.90</u>	<u>-</u>
Investments Measured at Amortized Cost			
SBA Florida Prime	\$ 6,913,237.19		
FLSAFE	2,551,305.55		
FLCLASS	1,931,364.01		
Enhanced Cash Pool	15,324,486.29		
Florida Fixed Income Trust (FIT)			
Preferred Deposit Pool	928,059.87		
Enhanced Cash Pool	7,258,096.27		
Cash Pool	5,386,837.91		
1-3 Year Fund	5,119,932.71		
	<u>\$ 45,413,319.80</u>		
Total Investments, Primary Government	<u>\$ 73,606,867.70</u>		

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds will have maturities of no longer than 18 months. Investments of bond reserves, construction funds, and other nonoperating funds (core funds) shall have a term appropriate to the need for funds, and in accordance with debt covenants, but should not exceed 5 years, and the average duration of the funds as a whole may not exceed 3 years.

Florida PRIME, FL SAFE, FLCLASS, and Florida FIT use a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, 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.

FL SAFE is a local government investment pool designed to serve government entities in Florida to meet their daily cash management needs with an emphasis on safety, liquidity, transparency and competitive yields. FL SAFE does not meet the requirements of GASB Statement No. 79 and is measured at variable NAV, which approximates fair value.

FL CLASS is an independent local government investment pool designed to provide a safe and competitive investment alternative for Florida governmental entities. FL CLASS does not meet the requirements of GASB Statement No. 79 and is measured at variable NAV, which approximates fair value.

Florida Fixed Income Trust Cash Pool and Enhanced Cash Pool is a Series Trust designed to provide liquid solutions to local governments of Florida. The fund’s objective is to provide liquidity and preservation of capital while providing current income consistent with low volatility of net asset value. The fund does not meet the requirements of GASB Statement No. 79 and is measured at variable NAV. Which approximates fair value.

Credit Risk

Credit risk is the risk that an issuer or other counterpart 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’s investment policy limits investments to bids from qualified depositories, certificates of deposit, time deposits, securities of the United States Government, including obligations of the United States Treasury and other Federal agencies; investment pools managed and directed by and approved agency of the State, and SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District’s investment policy pursuant to Section 218.215(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in

an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch of principal place of business in the State of Florida.

As of June 30, 2025, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy.

C. Receivables

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectable. As such, no allowance for uncollectible accounts receivable is accrued for those revenue streams. The district did record an allowance of \$206,864.86 for amount not anticipated to be received related to vendor payment loss.

D. 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	\$ 5,393,118.37	\$ -	\$ -	\$ 5,393,118.37
Construction in Progress	5,075,302.79	12,622,770.95	4,170,679.28	13,527,394.46
Total Capital Assets Not Being Depreciated	<u>10,468,421.16</u>	<u>12,622,770.95</u>	<u>4,170,679.28</u>	<u>18,920,512.83</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	33,369,905.48	-	-	33,369,905.48
Buildings and Fixed Equipment	251,531,230.87	4,170,679.28	-	255,701,910.15
Furniture, Fixtures, and Equipment	29,068,306.74	3,343,344.80	3,356,960.60	29,054,690.94
Motor Vehicles	21,548,931.94	1,666,374.56	1,397,120.15	21,818,186.35
Lease Assets	-	-	-	-
Subscription-Based IT Arrangements	3,997.00	-	-	3,997.00
Total Capital Assets Being Depreciated	<u>335,522,372.03</u>	<u>9,180,398.64</u>	<u>4,754,080.75</u>	<u>339,948,689.92</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	24,413,380.94	1,551,346.41	-	25,964,727.35
Buildings and Fixed Equipment	106,831,686.14	5,205,085.01	-	112,036,771.15
Furniture, Fixtures, and Equipment	19,569,410.57	2,053,759.64	2,492,037.47	19,131,132.74
Motor Vehicles	14,277,848.75	1,162,038.53	1,329,987.15	14,109,900.13
Lease Assets	-	-	-	-
Subscription-Based IT Arrangements	3,997.00	-	-	3,997.00
Total Accumulated Depreciation	<u>165,096,323.40</u>	<u>9,972,229.58</u>	<u>3,822,024.62</u>	<u>171,246,528.37</u>
Total Capital Assets Being Depreciated, Net	<u>170,426,048.63</u>	<u>(791,830.94)</u>	<u>932,056.13</u>	<u>168,702,161.55</u>
Governmental Activities Capital Assets, Net	<u>\$ 180,894,469.79</u>	<u>\$ 11,830,940.01</u>	<u>\$ 5,102,735.41</u>	<u>\$ 187,622,674.38</u>

The District's capital assets serve several functions; accordingly, depreciation expense, which totaled \$9,972,229.59 is charged to unallocated depreciation on the statement of activities.

E. 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 nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$11,521,378.81 for the fiscal year ended June 30, 2025.

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:

- i *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- i *Special Risk* - Members who are employed as law enforcement officers and other public safety personnel.
- i *Elected County Officers* – Members who hold specified elective offices in local government.
- i *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 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
Special Risk	3.00

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:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
DROP	Applicable to	0.00
Members from All of the Above Classes		
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 \$10,884,293 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 \$72,866,175 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 0.188359143 percent, which was an decrease of 0.0106432 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 \$10,904,969.27. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 7,361,440	\$ -
Change of Assumptions	9,986,975	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	4,843,065
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	2,558,006	4,785,970
District FRS Contributions Subsequent to the Measurement Date	10,884,293	-
Total	<u>\$ 30,790,714</u>	<u>\$ 9,629,035</u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$10,884,293 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	\$ (1,108,639)
2027	11,872,256
2028	(186,921)
2029	(768,063)
2030	468,753
Total	<u>\$ 10,277,386</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:

Inflation	2.40 percent
Salary Increases	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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	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%			
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.

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

	<u>Decrease (5.7%)</u>	<u>Discount Rate (6.7%)</u>	<u>Increase (7.7%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 128,169,050	\$ 72,866,175	\$ 26,538,287

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

HIS Pension Plan

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

State-administered 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 \$2,232,312 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 net pension liability of \$38,569,250 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, 2022, and update procedures were used to determine the net pension liability as of June 30, 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 0.25711159 percent, which was an decrease of 0.00766832 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized the HIS Plan pension expense of \$1,317,357. 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	\$ 372,412	\$ 74,059
Change of Assumptions	682,585	4,566,105
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	13,949
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	540,705	1,571,407
District HIS Contributions Subsequent to the Measurement Date	2,232,312	-
Total	<u>\$ 3,828,014</u>	<u>\$ 6,225,520</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$2,232,312, 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	\$ (745,892)
2027	(871,285)
2028	(1,220,424)
2029	(989,204)
2030	(630,609)
Thereafter	(172,404)
Total	<u>\$ (4,629,818)</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:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	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:

	Decrease (2.93%)	Discount Rate (3.93%)	Increase (4.93%)
District's Proportionate Share of the Net Pension Liability	\$ 43,906,134	\$ 38,569,250	\$ 34,138,774

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.

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.

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. Allocations to the Investment Plan member accounts during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	8.3
FRS, Elected County Officers	13.34

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. Nonvested 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 \$4,751,623.98 for the fiscal year ended June 30, 2025.

F. 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 or its component unit, the Academy of Environmental Science, Inc., 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. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they're eligible. 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 Administration and the action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue separate financial statements.

Benefits Provided. The OPEB Plan provides healthcare and life 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	81
Active Employees	<u>1,467</u>
Total	<u><u>1,548</u></u>

Total OPEB Liability. The District's total OPEB liability of \$16,785,001 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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:

Discount Rate	3.96 percent
Healthcare Cost Trend Rates	6.00 percent for 2025, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2029 and later years

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date.

The healthcare trend rates are in line with Getzen trends for later years but do not fluctuate year to year depending on the District's latest rate impact.

Mortality rates were based on the RP-2014 mortality table with mortality projected to the current year using Scale MP-2014 to account for mortality improvement.

Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2024	\$ 16,733,879.00
Changes for the year:	
Service Cost	548,703.00
Interest	611,582.00
Differences Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(604,030.00)
Benefit Payments	(505,133.00)
Net Changes	<u>51,122.00</u>
Balance at June 30, 2025	<u>\$ 16,785,001.00</u>

- i The changes of assumptions or other inputs reflect an increase in the discount rate increased from 3.65 percent to 3.96 percent.

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 (2.96 percent) or 1 percentage point higher (4.96 percent) than the current rate:

	<u>1% Decrease (2.96%)</u>	<u>Current Discount Rate (3.96%)</u>	<u>1% Increase (4.96%)</u>
Total OPEB Liability	\$ 19,015,071	\$ 16,785,001	\$ 14,952,454

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 Cost Trend		
	<u>1% Decrease</u>	<u>Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 14,956,651	\$ 16,785,001	\$ 18,963,605

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 \$979,816. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$	\$ 10,959,750.00
Changes of Assumptions or Other Inputs	-	508,041.00
Benefits Paid Subsequent to the Measurement Date	507,937.00	-
Total	\$ 507,937.00	\$ 11,467,791.00

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling \$507,937, 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:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (1,632,164)
2027	(2,140,101)
2028	(1,866,225)
2029	(1,487,860)
2030	(1,241,743)
Thereafter	(3,099,698)
Total	\$ (11,467,791)

G. Construction and Other Significant Commitments

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Floral City Elementary School Classroom Expansion	6,037,865.66	5,155,105.84	882,759.82
Lecanto Middle School HVAC Phase 2	1,612,051.21	709,935.83	902,115.38
Total	\$ 11,937,910.35	\$ 10,153,035.15	\$ 1,784,875.20

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 - Food Service	Special Revenue - Other	Special Revenue- Federal Education Stabilization	Capital Projects - Local Capital Improvement	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
\$ 691,848.66	\$ 150,743.54	\$ 39,830	\$ -	\$ 4,881,670.44	\$ 2,030,776.68	\$ 10,000.00	\$ 7,804,869.81

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 District participates in a group self-insurance program administered by the Florida School Boards Association, Inc. The District’s covered risks relating to comprehensive property and liability insurance, general liability, Workers’ compensation, money and securities, and employee fidelity and faithful performance are included in the group program. Section 1001.42 (12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The program is self-sustaining through member assessments (premiums) and purchases coverage through commercial companies for claims in excess of specified amounts.

The District’s health insurance program is being provided on a self-insured basis up to specific limits. The District entered into an agreement with Florida Blue to provide individual and aggregate excess coverage. Florida Blue will reimburse 100 percent of individual claims in excess of \$190,000 through December 31, 2023 and the aggregate reimbursement maximum is \$1,000,000 per policy period. The District renewed their policy with Florida Blue and beginning January 1, 2024, Florida Blue will reimburse 100 percent of individual claims in excess of \$200,000, and the aggregate reimbursement maximum is \$1,000,000 per policy period. Florida Blue administers the self-insurance program, including the processing, investigation, and payment of claims. The lifetime maximum for each individual covered is unlimited.

The District contracts with Medical Risk Solutions (My Health Onsite) to operate a wellness center. Employees who have District health insurance may see a doctor and receive stocked generic medicines free of charge.

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

The District reports a liability when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. This amount includes an amount for claims that have been incurred, but not reported. The District reevaluates the claims liability periodically and the claims liability totaled \$2,023,597.67 as of 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	\$ 1,968,543.47	\$ 14,232,073.69	\$ (14,412,362.81)	\$ 1,788,254.35
2024-25	1,788,254.35	15,613,431.68	(15,378,088.36)	2,023,597.67

I. Long-Term Liabilities

1. Qualified School Construction Bonds

The District issued Certificates of Participation (COPs) dated April 1, 2010, under the Qualified School Construction Bond (QSCB) Program pursuant to Section 54F of the United States Internal Revenue Code of 1986 as amended (the Code). The QSCB Program provides for an issuer interest rate subsidy on certain bonds or COPs. The School District of Citrus County received an approved allocation of funds from the Florida Department of Education sufficient for the designation of the Series 2010A COP as a QSCB under the Code. Pursuant to Section 6431 of the Code, the District has elected to receive Federal subsidy payments (the Issuer Subsidy) from the United States Treasury on each interest payment date for the Series 2010A Certificates in an amount equal to the lesser of the amount of interest payment date for the Series 2010A Certificates in an amount equal to the lesser of the amount of interest payment with respect to the Series 2010A Certificates if the interest were determined at the applicable tax credit rate pursuant to Section 54aA(b)(3) of the Code. The tax credit rate which would have been applicable to the Series 2010A Certificates is 6.738 percent with an allowed Federal subsidy of 5.78 percent, yielding a new amount of 0.958 percent.

The Series 2010A Certificates were issued in the amount of \$35,000,000 to finance the cost of additions and renovations to Crystal River High School. Interest payments are to be made to the holders of the Certificates on April 1st and October 1st of each year at the stated coupon rate of 6.738 percent with the Issuer Subsidy received by the District on the same date. The principal amount of the Certificates is to be repaid in one lump sum on April 1, 2027. The sinking fund payments, which are subject to change and are currently \$2,519,389.97, are due on April 1 during each period, commencing on April 1, 2016. The sinking fund payments to be made by the District with respect to the Series 2010A-QSCB will be deposited by the Trustee into the Series 2010A Sinking Fund Account pursuant to the Trust Agreement. Such funds will be invested in investment securities with the Trust Agreement. The Board may offset sinking fund payments with the interest earnings on amounts in the Series 2010A Sinking Fund Account, provided that the sinking fund payments will be funded at a rate not more rapid than equal, annual installments in an aggregate amount not in excess of the principal component due at maturity. Sinking fund payments on deposit in the Series 2010A Sinking Fund Account will be retained therein until transferred to the Series 2010A Lease Payment Account and applied to the payment of the \$35,000,000 principal component due to the Series 2010A-QSCBs at maturity (April 1, 2027) or upon earlier prepayment.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law February 17, 2009, created a new category of direct subsidy debt for school districts, QSCBs. The QSCB does not represent incremental Federal funding; it must be repaid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$1 per year. The initial term of the lease for the Series 2010A-QSCBs is 10 years commencing on April 1, 2010. On November 13, 2012, the ground lease was amended to end April 1, 2032. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for a period of time specified by the arrangement which may be up to 22 years from the date of inception of the arrangement.

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>Series 2010A-QSCB</u>	
	<u>Original Amount</u>	<u>Amount Outstanding</u>
2026 Interest	\$ 2,358,300	\$ 2,358,300
2026 Federal Subsidy		\$ (1,907,689)
	<u>\$ 2,358,300</u>	<u>\$ 450,611.00</u>
2027 Principal	35,000,000	35,000,000
2027 Interest	2,358,300	2,358,300
2027 Federal Subsidy		(1,907,689)
	<u>37,358,300</u>	<u>35,450,611</u>
Total Minimum Lease Payments	\$ 39,716,600	\$ 35,901,222

Note (1): The Series 2010A Lease is designated as a "Qualified School Construction Bond" (QSCB) as defined in Section 54F of the Internal Revenue Code, pursuant to Section 6431 of the Code, the School Board has elected to receive federal subsidy payments on each interest payment date for the Series 2010A Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Series 2010A Certificates on such date or the amount of interest which would have been payable with respect to the Series 2010A Certificates if the interest were determined at the applicable tax credit rate for the Series 2010A Certificates pursuant to Section 54A(b)(3) of the Code.

2. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	35,000,000.00			35,000,000.00	
Compensated Absences Payable	10,295,011.65	-	68,431.64	10,226,580.01	1,159,335.11
Net Pension Liability	121,348,462.52	36,454,975.64	46,368,013.16	111,435,425.00	134,242.13
Total OPEB Liability	<u>16,733,879.00</u>	<u>1,160,285.00</u>	<u>1,109,163.00</u>	<u>16,785,001.00</u>	<u>507,937.00</u>
Total Governmental Activities	\$ 183,377,353.17	\$ 37,615,260.64	\$ 47,545,607.80	\$ 173,447,006.01	\$ 1,801,514.24

***The change in the compensated absences liability is presented as a net change.**

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

J. Fund Balance Reporting

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

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Food Service Fund	Capital Improvement	Other Capital Improvement	ARRA Debt		
Fund Balances							
Nonspendable:							
Inventories	\$ 764,052.58	\$ 559,916.47	\$ -	\$ -	\$ -	\$ 11,882.49	\$ 1,335,851.54
Prepaid Items	1,164,693.61	-	-	-	-	-	1,164,693.61
Total Nonspendable Fund Balance	1,928,746.19	559,916.47				11,882.49	2,500,545.15
Restricted:							
State Required Carryover	3,798,824.73	-	-	-	-	-	3,798,824.73
Food Service	-	9,594,957.06	-	-	-	-	9,594,957.06
Debt Service	-	-	-	-	28,193,547.90	-	28,193,547.90
Capital Projects	-	-	21,911,286.08	139,836.42	-	3,124,265.84	25,175,388.34
Other Purposes	1,690,897.92	-	-	-	-	4,679,078.82	6,369,976.74
Total Restricted Fund Balance	5,489,722.65	9,594,957.06	21,911,286.08	139,836.42	28,193,547.90	7,803,344.66	73,132,694.77
Assigned:							
Other Purposes	155,952.76	-	-	-	-	-	155,952.76
Unassigned	5,511,779.29	-	-	-	-	-	5,511,779.29
Total Fund Balances	\$ 13,086,200.89	\$ 10,154,873.53	\$ 21,911,286.08	\$ 139,836.42	\$ 28,193,547.90	\$ 7,815,227.15	\$ 81,300,971.97

In addition to committed and assigned fund balance categories discussed in Note I.F.11., fund balances may be classified as follows:

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

K. Interfund and Budgetary Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 1,516,959.49	\$ -
Special Revenue:		
Other	-	1,516,959.49
Capital Projects:		
Local Capital Improvement	1,638,842.33	-
Other	-	1,638,842.33
Total	\$ 3,155,801.82	\$ 3,155,801.82

Funds	Interfund	
	Receivables	Payables
General	\$ 364,150.97	\$ -
Other Governmental		2,997.61
Special Revenue:		
Misc. (Internal Funds)	-	361,153.36
Total	\$ 364,150.97	\$ 364,150.97
Total Interfund Receivables	\$ 3,519,952.79	\$ 3,519,952.79

The interfund receivables and payables represent temporary loans of cash between funds allowable under Section 1011.09, Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purpose for which the monies were received in the fund providing the advancement.

L. Revenues and Expenditures/Expenses

1. Schedule of State Revenue Sources

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

Source	Amount
Florida Education Finance Program	\$ 54,578,190.02
Categorical Educational Program - Class Size Reduction	14,516,493.00
Workforce Development Program	3,549,534.00
Workforce Dev Capitalization	795,567.01
Voluntary Prekindergarten Program	918,218.12
Motor Vehicle License Tax (Capital Outlay and Debt Service)	679,414.98
School Recognition	143,461.00
Performance Based Incentives	320,007.00
Sales Tax Distribution	223,250.00
Mobile Home License Tax	126,600.25
Full Service Schools	127,375.00
Food Service Supplement	119,642.00
Miscellaneous	1,876,273.03
Total	\$ 77,974,025.41

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

2. Property Taxes

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

	Millages	Taxes Levied
General Fund		
Nonvoted School Tax:		
Required Local Effort	3.096	\$52,530,578.80
Basic Discretionary Local Effort	0.748	\$12,691,494.20
Capital Projects - Local Capital Improvement Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	\$25,451,004.73
Total	5.344	\$ 90,673,077.73

M. Interfund Transfers

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 17,506,496.51	\$ -
Special Revenue:		
ARRA	2,974,660.77	
Capital Projects:		
Local Capital Improvement	-	20,311,588.17
Other	-	168,007.00
Nonmajor Governmental	-	1,562.11
Total	\$ 20,481,157.28	\$ 20,481,157.28

Interfund transfers represent permanent transfers of monies between funds. In general, funds are transferred from capital projects funds to the General Fund to cover allowable maintenance expenditures, capital-related expenditures, and property and casualty insurance premiums. Transfers from the Capital Projects-Local Capital Improvement Fund to the Debt Service-ARRA Economic Stimulus Fund and to the nonmajor governmental funds were for debt service payments.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule General and Major Special Revenue Funds For the Fiscal Year Ended June 30, 2025

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 250,000.00	\$ 198,829.45	\$ 198,829.45	\$ -
Federal Through State and Local	1,250,000.00	986,788.43	986,788.43	-
State	83,600,983.95	78,830,967.07	76,967,748.01	(1,863,219.06)
Local:				
Property Taxes	62,685,926.00	63,003,013.33	63,003,013.33	-
Charges for Services - Food Service	-	-	-	-
Miscellaneous	8,065,917.52	7,312,481.06	6,526,585.15	(785,895.91)
Total Local Revenues	<u>70,751,843.52</u>	<u>70,315,494.39</u>	<u>69,529,598.48</u>	<u>(785,895.91)</u>
Total Revenues	<u>155,852,827.47</u>	<u>150,332,079.34</u>	<u>147,682,964.37</u>	<u>(2,649,114.97)</u>
Expenditures				
Current - Education:				
Instruction	96,117,483.14	95,290,795.49	90,328,718.05	4,962,077.44
Student Support Services	10,228,569.54	8,920,875.75	8,713,212.81	207,662.94
Instructional Media Services	1,897,493.88	1,972,408.41	1,972,408.41	-
Instruction and Curriculum Development Services	2,026,813.46	2,578,110.11	2,332,501.40	245,608.71
Instructional Staff Training Services	539,004.51	1,533,819.64	1,478,160.66	55,658.98
Instruction-Related Technology	1,908,162.75	2,029,700.56	2,029,700.56	-
Board	699,797.54	729,515.01	729,515.01	-
General Administration	1,268,252.65	1,135,468.32	1,294,313.12	(158,844.80)
School Administration	12,171,748.42	12,208,001.95	12,033,525.25	174,476.70
Facilities Acquisition and Construction	(918,607.19)	538,523.25	428,523.25	110,000.00
Fiscal Services	1,413,894.69	1,274,269.42	1,471,430.13	(197,160.71)
Food Services	-	41,494.51	41,494.51	-
Central Services	3,329,323.27	3,209,935.53	3,199,012.72	10,922.81
Student Transportation Services	12,562,960.37	11,334,893.87	11,333,427.97	1,465.90
Operation of Plant	19,464,155.46	18,974,642.90	19,011,409.65	(36,766.75)
Maintenance of Plant	6,978,136.34	7,470,350.73	7,454,599.03	15,751.70
Administrative Technology Services	3,290,883.57	2,951,449.14	2,949,023.33	2,425.81
Community Services	441,870.10	1,112,318.71	1,099,995.31	12,323.40
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,668,130.94	1,673,265.06	586,808.78	1,086,456.28
Other Capital Outlay	1,820,520.02	2,676,776.10	1,514,227.30	1,162,548.80
Total Expenditures	<u>176,908,593.46</u>	<u>177,656,614.46</u>	<u>170,002,007.25</u>	<u>7,654,607.21</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,055,765.99)</u>	<u>(27,324,535.12)</u>	<u>(22,319,042.88)</u>	<u>5,005,492.24</u>
Other Financing Sources				
Transfers In	15,105,011.25	17,518,010.81	17,506,496.51	(11,514.30)
Sale of Capital Assets	-	16,405.79	16,405.79	-
Loss Recoveries	-	3,184,117.53	3,184,117.53	-
Total Other Financing Sources	<u>15,105,011.25</u>	<u>20,718,534.13</u>	<u>20,707,019.83</u>	<u>(11,514.30)</u>
Net Change in Fund Balances	(5,950,754.74)	(6,606,000.99)	(1,612,023.05)	4,993,977.94
Fund Balances, Beginning	14,698,223.94	14,698,223.94	14,698,223.94	-
Fund Balances, Ending	<u>\$ 8,747,469.20</u>	<u>\$ 8,092,222.95</u>	<u>\$ 13,086,200.89</u>	<u>\$ 4,993,977.94</u>

Special Revenue - Food Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Intergovernmental:	11,932,075.55	12,065,910.87	12,065,910.87	-
Federal Direct	104,017.00	119,642.00	119,642.00	-
Federal Through State and Local State	-	-	-	-
Local:				
Property Taxes	-	-	-	-
Charges for Services - Food Service	561,141.73	463,128.40	463,158.95	30.55
Miscellaneous	303,955.52	438,810.58	438,780.03	(30.55)
Total Local Revenues	865,097.25	901,938.98	901,938.98	(0.00)
Total Revenues	12,901,189.80	13,087,491.85	13,087,491.85	(0.00)
Expenditures				
Current - Education:				
Instruction	-	-	-	-
Student Support Services	-	-	-	-
Instructional Media Services	-	-	-	-
Instruction and Curriculum Development Services	-	-	-	-
Instructional Staff Training Services	-	-	-	-
Instruction-Related Technology	-	-	-	-
Board	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Fiscal Services	-	-	-	-
Food Services	12,617,365.75	12,351,891.91	11,853,976.85	497,915.06
Central Services	-	-	-	-
Student Transportation Services	-	-	-	-
Operation of Plant	-	-	-	-
Maintenance of Plant	-	-	-	-
Administrative Technology Services	-	-	-	-
Community Services	-	-	-	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	633,191.54	830,361.57	541,334.94	289,026.63
Total Expenditures	13,250,557.29	13,182,253.48	12,395,311.79	786,941.69
Excess (Deficiency) of Revenues Over Expenditures	(349,367.49)	(94,761.63)	692,180.06	786,941.69
Other Financing Sources				
Transfers In	-	-	-	-
Sale of Capital Assets	-	-	-	-
Loss Recoveries	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	(349,367.49)	(94,761.63)	692,180.06	786,941.69
Fund Balances, Beginning	8,908,343.22	8,859,680.57	9,462,693.47	603,012.90
Fund Balances, Ending	8,558,975.73	8,764,918.94	10,154,873.53	1,389,954.59

Special Revenue - Other Federal Programs

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	950,000.00	1,300,000.00	1,486,123.00	186,123.00
Federal Through State and Local	9,861,764.85	16,908,243.26	13,986,860.22	(2,921,383.04)
State	-	-	-	-
Local:				
Property Taxes	-	-	-	-
Charges for Services - Food Service	-	-	-	-
Miscellaneous	-	-	-	-
Total Local Revenues	-	-	-	-
Total Revenues	10,811,764.85	18,208,243.26	15,472,983.22	(2,735,260.04)
Expenditures				
Current - Education:				
Instruction	4,845,846.58	8,952,995.47	6,954,753.43	1,998,242.04
Student Support Services	343,535.02	721,847.89	603,251.03	118,596.86
Instructional Media Services	-	24,646.50	10,213.57	14,432.93
Instruction and Curriculum Development Services	4,272,713.74	4,503,614.38	4,339,374.11	164,240.27
Instructional Staff Training Services	370,904.51	1,628,175.20	1,273,458.71	354,716.49
Instruction-Related Technology	-	663.84	663.84	-
Board	-	-	-	-
General Administration	-	663,972.41	559,328.39	104,644.02
School Administration	28,765.00	10,133.00	5,653.46	4,479.54
Facilities Acquisition and Construction	-	-	-	-
Fiscal Services	-	-	-	-
Food Services	-	-	-	-
Central Services	-	281,713.32	128,993.45	152,719.87
Student Transportation Services	-	13,509.10	7,478.36	6,030.74
Operation of Plant	-	15,401.00	12,120.72	3,280.28
Maintenance of Plant	-	-	-	-
Administrative Technology Services	-	-	-	-
Community Services	950,000.00	1,300,000.00	1,486,123.00	(186,123.00)
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	-	91,571.15	91,571.15	-
Total Expenditures	10,811,764.85	18,208,243.26	15,472,983.22	2,735,260.04
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources				
Transfers In	-	-	-	-
Sale of Capital Assets	-	-	-	-
Loss Recoveries	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	-	-	-	-

Special Revenue - Federal Education Stabilization Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	-	-	-	-
Federal Through State and Local State	950,922.93	951,107.93	941,737.54	(9,370.39)
Local:				
Property Taxes	-	-	-	-
Charges for Services - Food Service	-	-	-	-
Miscellaneous	-	-	-	-
Total Local Revenues	-	-	-	-
Total Revenues	950,922.93	951,107.93	941,737.54	(9,370.39)
Expenditures				
Current - Education:				
Instruction	689,890.54	664,370.22	676,849.45	(12,479.23)
Student Support Services	51,785.37	68,795.74	66,112.95	2,682.79
Instructional Media Services	-	62.00	61.28	0.72
Instruction and Curriculum Development Services	10,501.33	10,931.63	10,931.63	-
Instructional Staff Training Services	14,648.09	13,757.07	13,757.07	-
Instruction-Related Technology	-	-	-	-
Board	-	-	-	-
General Administration	-	1,158.48	1,158.48	-
School Administration	3,735.06	3,832.80	3,832.80	-
Facilities Acquisition and Construction	-	-	-	-
Fiscal Services	-	-	-	-
Food Services	-	-	-	-
Central Services	2,810.58	-	-	-
Student Transportation Services	67,030.76	32,668.47	32,665.38	3.09
Operation of Plant	54,073.40	54,073.40	54,073.40	-
Maintenance of Plant	-	-	-	-
Administrative Technology Services	43,413.75	43,413.75	43,413.75	-
Community Services	13,034.05	58,044.37	38,881.35	19,163.02
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	-	-	-	-
Total Expenditures	950,922.93	951,107.93	941,737.54	9,370.39
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources				
Transfers In	-	-	-	-
Sale of Capital Assets	-	-	-	-
Loss Recoveries	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances				
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	-	-	-	-

**Schedule of Changes in the District's
Total OPEB Liability and Related Ratios**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability					
Service Cost	\$ 548,703	\$ 594,096	\$ 568,513	\$ 416,584	\$ 396,747
Interest	611,582	716,697	470,292	642,876	976,393
Changes of Benefit Terms					
Differences Between Expected and Actual Experience		(4,007,801)		(8,410,595)	
Changes of Assumptions or Other Inputs	(604,030)	(223,271)	(1,995,991)	1,594,288	1,229,972
Benefit Payments	<u>(505,133)</u>	<u>(588,922)</u>	<u>(585,988)</u>	<u>(892,085)</u>	<u>(887,642)</u>
Net Change in Total OPEB Liability	<u>51,122</u>	<u>(3,509,201)</u>	<u>(1,543,174)</u>	<u>(6,648,932)</u>	<u>1,715,470</u>
Total OPEB Liability - Beginning	<u>16,733,879</u>	<u>20,243,080</u>	<u>21,786,154</u>	<u>28,435,086</u>	<u>26,716,616</u>
Total OPEB Liability - Ending	<u>\$ 16,785,001</u>	<u>\$ 16,733,879</u>	<u>\$ 20,242,980</u>	<u>\$ 21,786,154</u>	<u>\$ 28,432,086</u>
Covered-Employee Payroll	\$ 84,681,265.00	\$ 83,988,262	\$ 73,832,961.00	\$ 78,128,292.00	\$ 74,581,162
Total OPEB Liability as a Percentage of Covered-Employee Payroll	19.82%	19.92%	27.42%	27.89%	38.12%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 727,891	\$ 1,059,034	\$ 1,008,604
Interest	1,039,348	969,426	924,292
Changes of Benefit Terms			
Differences Between Expected and Actual Experience	(5,469,690)		(2,129,372)
Changes of Assumptions or Other Inputs	3,008,524		(4,771,403)
Benefit Payments	<u>(728,855)</u>	<u>(570,068)</u>	<u>(550,258)</u>
Net Change in Total OPEB Liability	<u>(1,422,782)</u>	<u>1,458,392</u>	<u>(5,518,137)</u>
Total OPEB Liability - Beginning	<u>28,142,398</u>	<u>26,684,006</u>	<u>32,202,143</u>
Total OPEB Liability - Ending	<u>\$ 26,719,616</u>	<u>\$ 28,142,398</u>	<u>\$ 26,684,006</u>
Covered-Employee Payroll	\$ 72,624,453	\$ 72,365,316	\$ 71,275,683
Total OPEB Liability as a Percentage of Covered-Employee Payroll	36.79%	38.89%	37.44%

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	Proportion of the FRS Net Pension Liability	Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	Pension Liability as a Percentage of its Covered Payroll	Percentage of the Total Pension Liability
2015	0.224486089%	\$ 27,536,876.00	\$ 82,393,498.00	33.42%	92.00%
2016	0.213194090%	50,374,400.00	\$ 83,644,566.00	60.22%	84.88%
2017	0.196789445%	58,208,977.00	\$ 85,770,987.00	67.87%	83.89%
2018	0.190065166%	57,248,613.00	\$ 85,473,636.00	66.98%	84.26%
2019	0.187488915%	64,568,572.00	\$ 87,716,133.00	73.61%	82.61%
2020	0.184069561%	79,780,224.00	\$ 88,607,122.00	90.04%	78.85%
2021	0.203880261%	15,402,601.00	\$ 92,266,527.00	16.69%	96.40%
2022	0.209581997%	77,983,110.00	\$ 96,672,138.00	80.67%	82.89%
2023	0.199002295%	79,296,116.00	\$ 101,925,725.00	77.80%	82.38%
2024	0.188359143%	72,866,175.00	\$ 108,827,870.00	66.96%	83.70%

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

**Schedule of District Contributions –
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	Contractually Required FRS Contribution	Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 4,865,173	\$ (4,865,173)	\$ -	\$ 83,644,566	5.82%
2017	5,122,914	(5,122,914)	-	85,770,987	5.97%
2018	5,416,705	(5,416,705)	-	85,476,636	6.34%
2019	5,813,509	(5,813,509)	-	87,716,133	6.63%
2020	6,115,816	(6,115,816)	-	88,607,122	6.90%
2021	7,766,957	(7,766,957)	-	92,266,527	8.42%
2022	8,943,245	(8,943,245)	-	96,672,138	9.25%
2023	9,573,290	(9,573,290)	-	101,925,725	9.39%
2024	10,666,088	(10,666,088)	-	108,827,870	9.80%
2025	10,884,293	(10,884,293)	-	111,920,518	9.73%

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

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Health Insurance Subsidy Pension Plan (1)**

Fiscal Year Ending June 30	Proportion of the HIS Net Pension Liability	Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	Pension Liability as a Percentage of its Covered Payroll	Percentage of the Total Pension Liability
2015	0.271454731%	\$ 27,684,113	\$ 82,393,498	33.60%	0.50%
2016	0.270736029%	31,553,163	83,644,566	37.72%	0.97%
2017	0.269004137%	28,763,163	85,770,987	33.53%	1.64%
2018	0.261318846%	27,658,280	85,473,636	32.36%	2.15%
2019	0.262227130%	29,340,592	87,716,133	33.45%	2.63%
2020	0.260050281%	31,751,716	88,607,122	35.83%	3.00%
2021	0.264207888%	32,409,070	92,266,527	35.13%	3.56%
2022	0.270022344%	28,599,679	96,672,138	29.58%	4.81%
2023	0.264779914%	42,050,582	101,925,725	41.26%	4.12%
2024	0.257111591%	38,569,250	108,827,870	35.44%	4.80%

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

**Schedule of District Contributions –
Health Insurance Subsidy Pension Plan (1)**

Fiscal Year Ending June 30	Contractually Required HIS Contribution	Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 1,387,695	\$ (1,387,695)	\$ -	\$ 83,644,566	1.66%
2017	1,423,648	(1,423,648)	-	85,770,987	1.66%
2018	1,417,139	(1,417,139)	-	85,473,636	1.66%
2019	1,456,122	(1,456,122)	-	87,716,133	1.66%
2020	1,498,548	(1,498,548)	-	88,607,122	1.69%
2021	1,553,016	(1,553,016)	-	92,266,527	1.68%
2022	1,633,863	(1,633,863)	-	96,672,138	1.69%
2023	1,741,769	(1,741,769)	-	101,925,725	1.71%
2024	2,176,783	(2,176,783)	-	108,827,870	2.00%
2025	2,232,312	(2,232,312)	-	111,920,518	1.99%

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

1. Budgetary Basis of Accounting

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

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

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

Changes of Assumptions. In 2025, the discount rate was changed from 3.65 percent to 3.96 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. In 2024, there was no change in the long-term expected rate of return.

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

Changes of Assumptions. In 2024, 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.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Citrus County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
National School Lunch Program	10.555	24001, 24003	\$ 11,404,552.68
Summer Food Service Program for Children	10.559	23006, 23007, 24006, 24007	135,472.89
Total Child Nutrition Cluster			<u>11,540,025.57</u>
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Pell Grant Program	84.063	N/A	<u>1,486,123.00</u>
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	263	4,745,386.51
COVID-19 Special Education - Grants to States	COVID-19, 84.027	263	-
Total Special Education - Grants to States	84.027		<u>4,745,386.51</u>
Special Education - Preschool Grants	84.173	267	-
Total Special Education Cluster			<u>4,745,386.51</u>
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-5029	<u>525,885.30</u>
United States Department of Defense			
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	31,541.10
Army Junior Reserve Officers Training Corps	12.UNK	N/A	92,077.34
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	75,211.01
Total United States Department of Defense			<u>198,829.45</u>
United States Department of Education			
Education Stabilization Fund:			
Higher Education Emergency Relief Fund - Institutional Portion	84.425	COVID-19, 84.425F	-
Florida Department of Education:			
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124, 128	17,546.04
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	810,316.89
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	113,874.61
Total Education Stabilization Fund	84.425		<u>941,737.54</u>
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	293,933.22
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	6,807,251.71
Career and Technical Education - Basic Grants to States	84.048	161	363,125.52
Education for Homeless Children and Youth	84.196	127	154,457.15
English Language Acquisition State Grants	84.365	102	27,291.43
Supporting Effective Instruction State Grants	84.367	224	1,099,724.67
Student Support and Academic Enrichment Program	84.424	241	495,690.01
Total United States Department of Education			<u>10,183,211.25</u>
United States Department of Homeland Security			
Florida Division of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	None	<u>57,969.73</u>
Total Expenditures of Federal Awards			<u>\$ 28,737,430.81</u>

The accompanying notes 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 Citrus 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) Noncash Assistance – National School Lunch Program. Includes \$864,506.56 of donated food received 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**

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Citrus 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 April 30, 2026.

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

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

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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

April 30, 2026
Ocala, Florida

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

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Citrus County District School Board’s (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the 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.

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.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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 District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

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

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

April 30, 2026
Ocala, Florida

**CITRUS COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over the major federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for the major Federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of the major federal program:

Name of Federal Program or Cluster:	<u>AL Numbers:</u>
Federal Pell Grant Program	84.063
Supporting Effective Instruction State Grant	84.367
Special Education Cluster	84.027 and 84.173

Dollar threshold used to distinguish between type A and type B programs: \$862,123

Auditee qualified as low-risk auditee? Yes

**CITRUS COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

SECTION IV - PRIOR YEAR FINDINGS

None.

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

We have examined the Citrus County District School Board’s (the District) compliance with the requirements of Section 218.415, Florida Statutes, with regards to the District’s investments during 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.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our 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 during the fiscal year ended June 30, 2025.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

April 30, 2026
Ocala, Florida

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MANAGEMENT LETTER

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

Report on the Financial Statements

We have audited the financial statements of the Citrus County District School Board (the District) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated April 30, 2026. We audited the financial statements of the Academy of Environmental Science (the Academy), a charter school, which is included as a discretely presented component unit, as described in our report on the District's financial statements. This letter does not include the results of the Academy, and such information related to that audit is reported on separately.

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 Financial Statements Performed in Accordance With *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 30, 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. There were no such findings in the preceding audit report.

Financial Condition and Management

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

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Inverness, Florida

MANAGEMENT LETTER

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

Section 10.804(1)(f)3, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, see management letter comment 2025-01.

Transparency

Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, 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

April 30, 2026
Ocala, Florida

MANAGEMENT LETTER COMMENT

Citrus County District School Board
and Superintendent of Schools
Inverness, Florida

2025-01 – Financial Statement Close Process

Due to changes in key finance personnel that occurred at fiscal year-end June 30, 2025, several of the annual closing entries related to liabilities, cash balances, inventory, revenues and receivables were not properly recorded and were corrected through the audit process.

Recommendation – We recommend that the District continue its efforts to construct a strong fiscal year-end close process that includes internal reviews of the various areas listed above to ensure proper closure of the financial records.

Purvis Gray

April 30, 2026
Ocala, Florida

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CITRUS COUNTY SCHOOLS

Dr. Scott Hebert, Superintendent

THOMAS KENNEDY
DISTRICT 1

KENNETH FRINK
DISTRICT 2

DOUGLAS A. DODD
DISTRICT 3

SANDRA COUNTS
DISTRICT 4

JOSEPH C. FAHERTY
DISTRICT 5

April 30, 2026

Purvis, Gray & Company, L.L.P.

Attn: Helen Y. Painter

2347 SE 17th Street

Ocala, FL 34471

Re: Citrus County School District FY 24-25 Audit

Dear Ms. Painter:

Regarding the above-referenced Audit, the District's Response is as follows:

2025-01 – Financial Statement Close Process

District's Response – The District acknowledges that due to changes in key personnel in the Finance department, the fiscal year close process was not performed as completely as it should have been prior to the audit. As a result, the audit process discovered several closing entries that had not been made.

The Finance department has already begun to address the deficiencies in the year end closing process, and we are working to compile a checklist including account reconciliations, accrual entries, and review of outstanding transactions, with each area assigned to a designated staff member. We plan to take steps to ensure that all closing entries are recorded prior to the audit process for the current FY 25-26 year. As such, we do not anticipate this being a concern for the current and future years.

Respectfully,

Ginny Cox, CPA, CGFO

Director of Finance, Citrus County School District

BUSINESS SERVICES

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FLORIDA DEPARTMENT OF EDUCATION
AFFIDAVIT ON IMPACT FEES

STATE OF FLORIDA

Citrus COUNTY SCHOOL DISTRICT

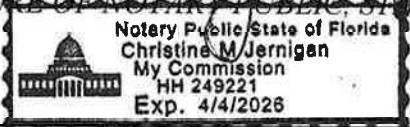
To the best of my knowledge, I hereby declare that all impact fees collected and expended by my school district, or on its behalf for fiscal year 2024-25, were in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct or improve specific infrastructure needs.

NAME OF AFFIANT Virginia Cox (please print)

SIGNATURE OF AFFIANT Virginia Cox

TITLE Director of Finance (CFO or equivalent)

Sworn to and subscribed before me this 10 day of September, 2025

Christine M. Jernigan
SIGNATURE OF NOTARY PUBLIC, STATE OF FLORIDA


(Print, Type, or Stamp Commissioned Name of Notary Public)

(Check one)

Affiant personally known to notary

Or

Affiant produced identification

Type of Identification Produced: _____