

2025

Leon 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**

**LEON COUNTY
DISTRICT SCHOOL BOARD
TALLAHASSEE, FLORIDA**

JUNE 30, 2025

TABLE OF CONTENTS

Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-13
Financial Statements	
Statement of Net Position	14
Statements of Activities.....	15
Balance Sheet – All Governmental Funds.....	16
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position.....	17
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – All Governmental Funds	18-19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Net Position – Fiduciary Funds.....	21
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	22
Notes to Financial Statements.....	23-55
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Comparison Schedule:	
General Fund.....	56
Major Special Revenue Fund – Other Fund	57
Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	58
Schedule of the District's Contributions – Florida Retirement System Pension Plan.....	59
Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan.....	60
Schedule of the District's Contributions – Health Insurance Subsidy Pension Plan.....	61
Schedule of Changes in Total Other Postemployment Benefits (OPEB) and Related Ratios.....	62
Notes to Required Supplementary Information.....	63

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

**LEON COUNTY
DISTRICT SCHOOL BOARD
TALLAHASSEE, FLORIDA**

JUNE 30, 2025

TABLE OF CONTENTS

Additional Elements of Report Prepared in Accordance with <i>Government Auditing Standards</i>, Issued by the Comptroller General of the United States; the Provisions of the Office of Management and Budget (OMB) Uniform Guidance; and <i>Rules of the Auditor General of the State of Florida</i>	
Schedule of Expenditures of Federal Awards.....	64-66
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 <i>Government Auditing Standards</i>	67-68
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	69-71
Schedule of Findings and Questioned Costs	72-73
Independent Accountant's Report on Compliance with Florida Statutes, Section 218.415 – Investments of Public Funds	74
Management Letter.....	75-76
Management's Response	77

INDEPENDENT AUDITOR'S REPORT

Leon County District School Board and
Superintendent
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Leon County District School Board (the District) as of and for the fiscal year ended June 30, 2025, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the fiscal year ended 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.

We did not audit the financial statements of the discretely presented component units, which represent 100% of the transactions and account balances of the discretely presented component unit's columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these component units, is based solely on the report of the other auditors.

Basis for Opinions

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Leon County District School Board and
Superintendent
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, and No. 102, *Certain Risk Disclosures*, as of July 1, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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.

Leon County District School Board and
Superintendent
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT

- 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.

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

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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.

Leon County District School Board and
Superintendent
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Purvis Gray

March 11, 2026
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Leon County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2025. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-25 fiscal year are as follows:

- Total Net Position is \$285,448,057, which represents a 10.4% increase from the 2023-24 fiscal year.
- General revenues total \$444,853,781 or 94.6% of all revenues.
- Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$25,158,467 or 5.4% of all revenues.
- Government-wide expenses total \$442,164,585, a 6.6% decrease over expenditures for 2023-24 fiscal year. Of these expenses, 5.7% percent was offset by program specific revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$55,735,355, which is a 7.6% decrease of the prior fiscal year balance. The General Fund assigned and unassigned fund balances total \$46,720,670, which is 15.1% of total General Fund revenues which total \$309,279,226. The unassigned fund balance is \$26,400,664, which represents 8.5% of total General Fund revenues.
- The District's capital assets are \$448,101,881 (net of depreciation) increased by 5.2% as capital assets increased with project completions.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, its liabilities, and its deferred outflows of resources using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities, equal 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, which is the result 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 two categories:

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

Business-type activities – The District charges fees to cover the cost of certain services provided by the District's Permitting Office.

Component units – The District presents eight separate legal entities in this report including the Foundation for Leon County Schools, Inc.; the School of Arts and Sciences on Thomasville Road; the School of Arts and Sciences at the Centre; Tallahassee School of Math and Science; Governors Charter Academy; and Tallahassee Classical School. These entities are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Complete financial statements for each component unit are available from the District's Chief Financial Officer upon request.

The Leon County District School Board Voluntary Employee Benefits Trust (VEBT) and the Leon County School Board Leasing Corporation (Leasing Corporation), although also a legally separate entities, were formed to administer the District's group health, life, and dental insurance program and facilitate financing for the acquisition of facilities and equipment, respectively. Due to the substantive economic relationships between the District and VEBT and Leasing Corporation, their financial activities have 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. Law establishes certain funds while others are created by legal agreements, such as bond covenants. Fund financial statements provide detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within one of three broad categories as discussed below.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds – Governmental funds 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. Readers may obtain a better understand of the long-term impact of the government's near-term financing decisions by doing so. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances each provide a reconciliation to facilitate this comparison between governmental funds to governmental activities.

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

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule is included for the General Fund and the Other Special Revenue Fund, to demonstrate compliance with the budget.

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

The District uses a private-purpose trust fund to account for scholarship funds established by private donors.

The District uses an employee benefits trust fund to account for the financial resources of the Leon County District School Board Voluntary Employee Benefits Trust.

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 other postemployment benefits and net pension liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Net Position, End of Year	
	Governmental Activities	
	6-30-25	6-30-24
Current Assets	\$ 201,814,849	\$ 206,115,364
Capital Assets, Net of Depreciation	448,101,881	425,590,319
Total Assets	649,916,730	631,705,683
Deferred Outflow of Resources	67,720,772	68,723,520
Long-Term Liabilities	362,422,320	389,776,766
Other Liabilities	29,263,232	22,967,360
Total Liabilities	391,685,552	412,744,126
Deferred Inflow of Resources	40,503,893	29,127,258
Net Position:		
Net Investment in Capital Assets	367,808,907	332,178,952
Restricted	122,842,751	126,123,832
Unrestricted (Deficit)	(205,203,601)	(199,744,965)
Total Net Position	\$ 285,448,057	\$ 258,557,819

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

The restricted portion of the District's net position represents resources that are subject to external restrictions on expenditures.

The deficit unrestricted net position is, in part, the result of accruing payables in compensated absences, other postemployment benefits (OPEB), and net pension liability (FRS and HIS). These amounts fluctuate immeasurably year to year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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	\$ 7,320,470	\$ 7,483,256
Operating Grants and Contributions	14,685,321	15,432,517
Capital Grants and Contributions	3,152,676	2,909,695
General Revenues:		
Property Taxes Levied for Operational Purposes	101,949,097	95,403,714
Property Taxes Levied for Capital Projects	39,487,422	36,177,652
Local Sales Tax	32,137,119	31,216,362
Grants and Contributions Not Restricted to Specific Programs	234,962,664	252,718,510
Unrestricted Investment Earnings	8,018,054	7,931,887
Miscellaneous	28,299,425	24,293,419
Total Revenues	470,012,248	473,567,012
Functions/Program Expenses:		
Instruction	217,299,638	239,637,046
Student Personnel Services	14,978,775	17,445,620
Instructional Media Services	3,878,431	4,360,951
Instruction and Curriculum Development	17,209,773	15,920,771
Instructional Staff Training Services	1,503,656	1,742,873
Instruction-Related Technology	2,946,344	3,228,333
Board	1,316,583	1,458,540
General Administration	3,319,107	5,321,700
School Administration	27,761,022	29,813,638
Facility Acquisition and Construction	18,185,906	15,074,867
Fiscal Services	2,344,164	2,919,333
Food Services	17,451,393	18,484,849
Central Services	10,930,314	10,690,946
Student Transportation Services	13,670,129	13,809,979
Operation of Plant	25,297,806	25,431,507
Maintenance of Plant	11,235,051	12,449,118
Administrative Technology Services	5,269,854	6,029,137
Community Services	22,873,530	23,500,998
Interest on Long-Term Debt	3,393,188	3,851,425
Unallocated Depreciation Expenses	21,299,921	19,961,768
Total Functions/Program Expenses	442,164,585	471,133,399
Change in Net Position	27,847,663	2,433,613
Net Position, Beginning, As Originally Reported	258,557,819	256,124,206
Restatement (See Note 1)	(957,425)	-
Net Position - Beginning, As Restated	257,600,394	256,124,206
Net Position - Ending	\$ 285,448,057	\$ 258,557,819

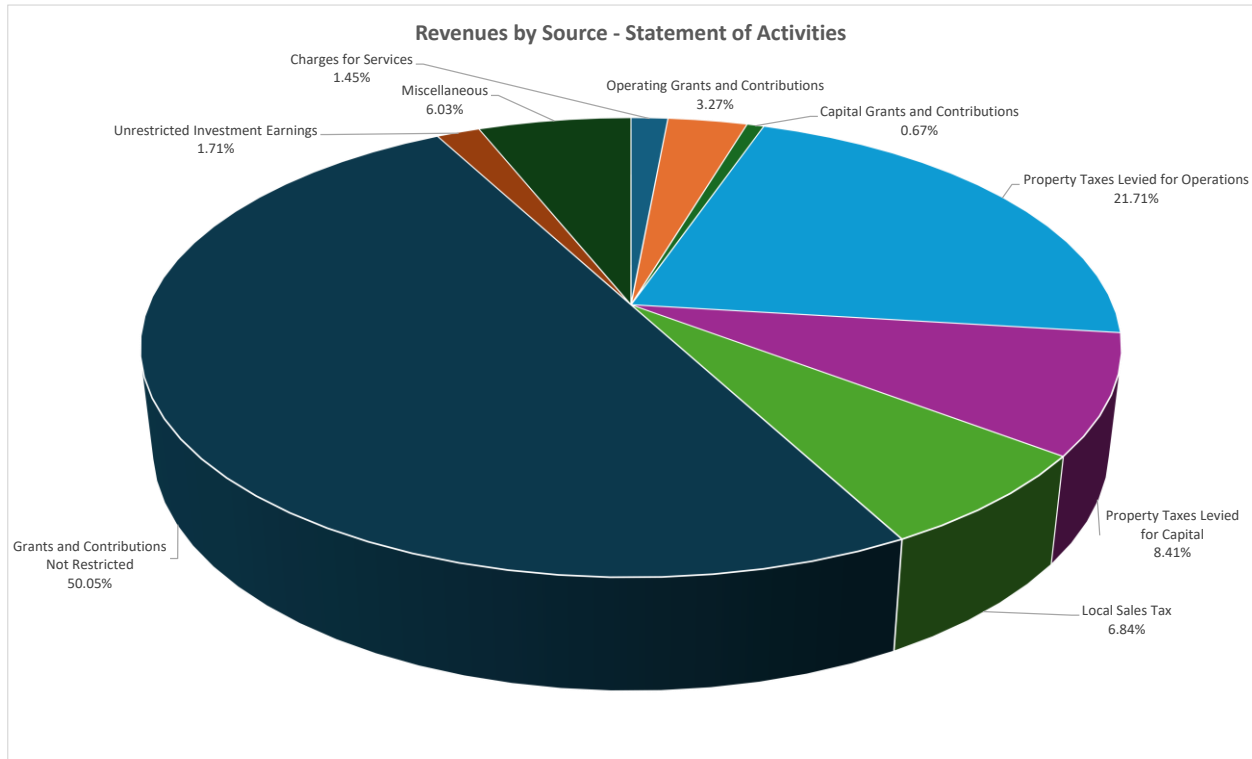
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- Overall revenues decreased by \$3,554,764, or 1%. This is primarily due to a loss of FEFP revenues.
- Overall expenses decreased \$28,968,814, or 6.6% compared to the prior year. This was primarily due to the decrease in expenses related to the impact of the net pension liability and pension related deferred inflows and outflows.

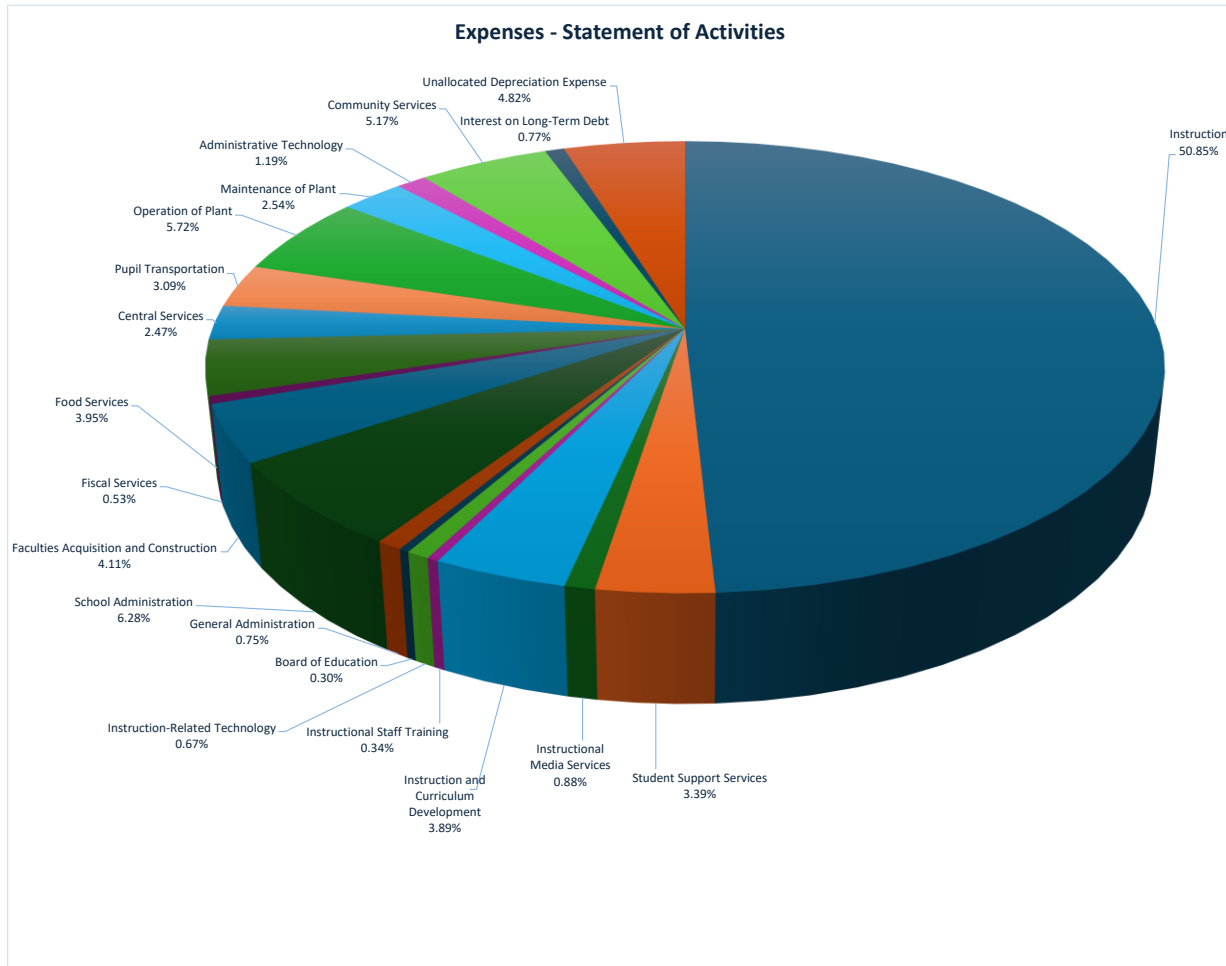
The largest revenue source is the State of Florida. Revenues from the State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula that utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

The following chart depicts the distribution of revenues of the District as a whole for the 2024-25 fiscal year.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart depicts the distribution of expenditures of the District as a whole for the 2024-25 fiscal year.



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 of 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 of individual delegated authority by the Board to assign resources for particular purposes.

The total governmental fund balance at June 30, 2025 is \$171,272,621, which is a decrease of \$10,578,268 from the previous fiscal year. The Unassigned fund balance (\$26,346,766) represents approximately 15.4% of the total governmental fund balance. The remainder of the governmental fund balance is comprised of non-spendable, restricted, or assigned balances to indicate that it is: (1) in a non-spendable form (\$2,277,901), (2) restricted for a particular purpose (\$122,327,948), or (3) assigned for particular purposes (\$20,320,006).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major Governmental Funds

The General Fund is the District's chief operating fund. While the total General Fund balance is \$55,735,355, as a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total fund balance. The assigned fund balance is \$20,320,006 and the unassigned fund balance total is \$26,400,664, together they represent 83.8% of the total General Fund's ending fund balance.

Other Special Revenue – the Other Special Revenue fund incurred revenues of \$32,145,805, with expenditures of the same amount. Because grant revenues are not recognized until expenditures are incurred, this fund does not accumulate fund balance.

Debt Service Fund – Other Debt Services Fund has revenues totaling \$3,108,186, of which \$1,792,476 is a 94.3% reimbursement from the IRS for interest payments on Federal Stimulus bonds. The total fund balance is \$30,049,122.

Capital Outlay Fund – LCIF and Other Capital Outlay Projects had revenues totaling \$73,455,482. The Fund Balance for the fiscal year 2024-25 was \$47,586,568.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2024-25 fiscal year, the District amended its General Fund budget several times, which resulted in an increase in final budgeted revenues of \$12,910,317 and an increase in final appropriations of \$26,575,373.

Actual revenues were lower than the final budgeted amounts by \$1,899,222 as were the actual expenditures by \$37,182,961 or 11.2%, less than final budgeted amount. The decrease in expenditures was primarily due to continued cost containment measures implemented by the District.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$448,101,881 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio-visual materials and computer software.

Major capital asset events included the following:

- The completion of Leon High School gymnasium, locker rooms and building 7 renovation and remodel.
- Construction in progress of Nims Middle School new construction of multipurpose cafeteria and gymnasium remodel and renovation, Griffin Middle School new construction of classroom building and gymnasium with locker rooms and stage
- Disposal of equipment, vehicles, reclassification of subscription software, and correction of buildings and fixed equipment entries net of depreciation totaled \$5,396,624.
- Depreciation expense totaled \$21,229,921.

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities	
	6/30/2025	6/30/2024
Land	\$ 18,474,309	\$ 18,474,309
Construction in Progress	54,369,208	24,963,547
Improvements Other Than Buildings	24,195,724	26,691,995
Buildings and Fixed Equipment	335,949,334	341,602,093
Furniture, Fixtures, and Equipment	9,755,263	7,667,931
Motor Vehicles	4,754,726	3,414,051
Audio-Visual and Computer Software	603,317	2,776,393
Total Capital Assets	\$ 448,101,881	\$ 425,590,319

Additional information on the District's capital assets can be found in Note 3 to the financial statements.

Long-Term Debt

At June 30, 2025, the District has \$80,292,974 total capital asset-related debt outstanding. This was a decrease from the previous year of \$13,118,393 or 14%. This amount is comprised of the following:

	Governmental Activities	
	6/30/2025	6/30/2024
State Schools/Sales Tax Bonds, Net of Premium	22,381,734	29,505,127
Certificates of Participation	57,911,240	63,906,240
Total Long-Term Debt	\$ 80,292,974	\$ 93,411,367

Additional information on the District's long-term liabilities can be found in Note 9 to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

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

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Leon County District School Board's finances. Questions concerning information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Leon County School District, 2757 West Pensacola Street Tallahassee, Florida 32304.

FINANCIAL STATEMENTS

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

	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
Assets		
Cash and Cash Equivalents	\$ 126,930,663	\$ 6,252,642
Investments	390,816	-
Accounts Receivable	171,636	204,707
Lease Receivable	1,302,879	-
Due from Other Agencies	13,861,575	484,317
Inventories	2,277,901	-
Other Assets	-	92,711
Restricted Assets:		
Cash Equivalents with Fiscal Agents	56,871,084	1,219,427
Investments with Fiscal Agents	8,295	-
Capital Assets:		
Non-Depreciable Capital Assets	72,843,517	1,841,723
Depreciable Capital Assets, Net	375,258,364	32,361,011
Total Assets	<u>649,916,730</u>	<u>42,456,538</u>
Deferred Outflows of Resources		
Pensions	63,318,994	2,000,099
Other Postemployment Benefits	4,401,778	-
Unamortized Loss on Debt Refunding	-	597,500
Total Deferred Outflows of Resources	<u>67,720,772</u>	<u>2,597,599</u>
Liabilities		
Accrued Salaries and Benefits	12,118,005	190,006
Payroll Deductions and Withholdings	3,946,895	-
Accounts Payable	12,888,629	573,818
Matured Interest Payable	3,000	364,488
Deposits Payable	306,703	-
Unearned Revenues	-	1,154
Long-Term Liabilities:		
Portion Due Within One Year	19,104,357	1,352,608
Portion Due After One Year	343,317,963	44,596,006
Total Liabilities	<u>391,685,552</u>	<u>47,078,080</u>
Deferred Inflows of Resources		
Pensions	31,958,781	1,135,838
Other Postemployment Benefits	7,266,116	-
Leases	1,278,996	-
Total Deferred Inflows of Resources	<u>40,503,893</u>	<u>1,135,838</u>
Net Position		
Net Investment in Capital Assets	367,808,907	(4,080,685)
Restricted for:		
State Required Carryover Programs	7,305,485	-
Debt Service	57,975,330	1,036,397
Capital Projects	51,528,851	42,107
Food Service	514,803	-
Student Activities	5,518,282	98,510
Unrestricted	(205,203,601)	(256,110)
Total Net Position	<u>\$ 285,448,057</u>	<u>\$ (3,159,781)</u>

See accompanying notes.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Government Activities						
Instruction	\$ 217,299,638	\$ 6,808,779	\$ -	\$ -	\$ (210,490,859)	\$ -
Student Support Services	14,978,775	-	-	-	(14,978,775)	-
Instructional Media Services	3,878,431	-	-	-	(3,878,431)	-
Instruction and Curriculum Development Services	17,209,773	-	-	-	(17,209,773)	-
Instructional Staff Training Services	1,503,656	-	-	-	(1,503,656)	-
Instruction-Related Technology	2,946,344	-	-	-	(2,946,344)	-
Board	1,316,583	-	-	-	(1,316,583)	-
General Administration	3,319,107	-	-	-	(3,319,107)	-
School Administration	27,761,022	-	-	-	(27,761,022)	-
Facilities Acquisition and Construction	18,185,906	-	-	3,053,956	(15,131,950)	-
Fiscal Services	2,344,164	-	-	-	(2,344,164)	-
Food Services	17,451,393	511,691	14,685,321	-	(2,254,381)	-
Central Services	10,930,314	-	-	-	(10,930,314)	-
Student Transportation Services	13,670,129	-	-	-	(13,670,129)	-
Operation of Plant	25,297,806	-	-	-	(25,297,806)	-
Maintenance of Plant	11,235,051	-	-	-	(11,235,051)	-
Administrative Technology Services	5,269,854	-	-	-	(5,269,854)	-
Community Services	22,873,530	-	-	-	(22,873,530)	-
Interest on Long-Term Debt	3,393,188	-	-	98,720	(3,294,468)	-
Unallocated Depreciation/Amortization Expense	21,299,921	-	-	-	(21,299,921)	-
Total Governmental Activities	\$ 442,164,585	\$ 7,320,470	\$ 14,685,321	\$ 3,152,676	(417,006,118)	-
Component Units						
Charter Schools/Education Foundation	\$ 27,320,220	\$ 658,607	\$ 3,179,449	\$ 1,520,870	-	(21,961,294)

General Revenues

Taxes:					
Property Taxes, Levied for Operational Purposes				101,949,097	-
Property Taxes, Levied for Capital Projects				39,487,422	-
Local Sales Taxes				32,137,119	-
Grants and Contributions Not Restricted to Specific Programs				234,962,664	20,090,444
Unrestricted Investment Earnings				8,018,054	159,112
Miscellaneous				28,299,425	281,749
Total General Revenues				444,853,781	20,531,305
Change in Net Position				27,847,663	(1,429,989)
Net Position - Beginning, As Originally Reported				258,557,819	(1,222,341)
Adjustment to Beginning Net Position (See Note 1)				(957,425)	(507,451)
Net Position - Beginning, As Restated				257,600,394	(1,729,792)
Net Position - Ending				\$ 285,448,057	\$ (3,159,781)

See accompanying notes.

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

	Special Revenue		Debt Service	Capital Projects		Non-Major	Total
	General Fund	Other Fund	Other Debt Service	Local Capital Improvement Fund	Other Capital Projects Fund	Other Governmental Funds	Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 64,022,969	\$ 550,083	\$ 113,282	\$ 23,214,002	\$ 28,463,347	\$ 10,566,980	\$ 126,930,663
Investments		-	-	-	-	390,816	390,816
Accounts Receivable	139,596	-	-	-	-	32,040	171,636
Leases Receivable	1,302,879	-	-	-	-	-	1,302,879
Due from Other Funds	5,779,706	-	-	-	268	-	5,779,974
Due from Other Agencies	1,293,512	4,713,201	-	35,532	6,003,957	1,815,373	13,861,575
Other Assets	-	-	-	-	-	-	-
Inventories	1,709,200	-	-	-	-	568,701	2,277,901
Restricted Assets:							
Cash Equivalent with Fiscal Agents	-	-	29,943,749	-	-	26,927,335	56,871,084
Investments with Fiscal Agents	-	-	-	-	-	8,295	8,295
Total Assets	74,247,862	5,263,284	30,057,031	23,249,534	34,467,572	40,309,540	207,594,823
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities							
Accrued Salaries and Benefits	10,933,428	1,123,479	-	-	-	61,098	12,118,005
Payroll Deductions and Withholdings	3,658,514	276,404	-	-	-	11,977	3,946,895
Accounts Payable	2,641,569	78,037	7,909	2,564,031	7,566,507	30,576	12,888,629
Due to Other Funds	-	3,785,364	-	-	-	1,994,610	5,779,974
Matured Interest Payable	-	-	-	-	-	3,000	3,000
Deposits Payable	-	-	-	-	-	306,703	306,703
Total Liabilities	17,233,511	5,263,284	7,909	2,564,031	7,566,507	2,407,964	35,043,206
Deferred Inflow of Resources							
Leases	1,278,996	-	-	-	-	-	1,278,996
Fund Balances							
Non-Spendable for Inventories	1,709,200	-	-	-	-	568,701	2,277,901
Restricted for:							
State Required Carryover Programs	7,305,485	-	-	-	-	-	7,305,485
Debt Service	-	-	30,049,122	-	-	27,926,208	57,975,330
Capital Projects	-	-	-	20,685,503	26,901,065	3,942,283	51,528,851
Student Activities	-	-	-	-	-	5,518,282	5,518,282
Total Restricted Fund Balance	7,305,485	-	30,049,122	20,685,503	26,901,065	37,386,773	122,327,948
Assigned to:							
Purchases on Order	4,195,558	-	-	-	-	-	4,195,558
Specific Projects	16,124,448	-	-	-	-	-	16,124,448
Total Assigned Fund Balance	20,320,006	-	-	-	-	-	20,320,006
Unassigned Fund Balance	26,400,664	-	-	-	-	(53,898)	26,346,766
Total Fund Balances	55,735,355	-	30,049,122	20,685,503	26,901,065	37,901,576	171,272,621
Total Liabilities, Deferred Inflows and Fund Balances	\$ 74,247,862	\$ 5,263,284	\$ 30,057,031	\$ 23,249,534	\$ 34,467,572	\$ 40,309,540	\$ 207,594,823

See accompanying notes.

**LEON 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		\$ 171,272,621
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.		448,101,881
Long-term liabilities are not due and payable in the fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities are year-end consists of:		
Estimated Insurance Claims Payable	\$ (5,561,022)	
Bonds Payable, Net of Bond Premium	(22,381,734)	
Certificates of Participation Payable	(57,911,240)	
Compensated Absences Payable	(32,186,120)	
Net Pension Liability	(214,387,221)	
Other Postemployment Benefits (OPEB) Payable	(29,994,983)	(362,422,320)
The deferred outflows of resources and deferred inflows of resources related to pensions and other OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred Outflows Related to Pensions	63,318,994	
Deferred Inflows Related to Pensions	(31,958,781)	
Deferred Outflows Related to OPEB	4,401,778	
Deferred Inflows Related to OPEB	(7,266,116)	28,495,875
Net Position - Governmental Activities		\$ 285,448,057

See accompanying notes.

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

	General Fund	Special Revenue	Debt Service	Capital Projects		Non-Major	Total Governmental Funds
		Other Fund	Other Fund Debt Service	Local Capital Improvement Fund	Other Capital Projects Fund	Other Governmental Funds	
Revenues							
Intergovernmental:							
Federal Direct	\$ 304,928	\$ 2,772,395	\$ 1,792,476	\$ -	\$ -	\$ 859,037	\$ 5,728,836
Federal Through State and Local	20,433	29,373,409	-	-	-	25,155,056	54,548,898
State	189,023,536	-	-	-	63,809	3,101,379	192,188,724
Local:							
Property Taxes	102,033,823	-	-	40,870,416	-	-	142,904,239
Local Sales Taxes	-	-	-	-	32,473,563	-	32,473,563
Charges for Services - Food Services	-	-	-	-	-	511,692	511,692
Miscellaneous	17,896,506	-	1,315,710	-	47,694	17,028,522	36,288,432
Total Local Revenues	119,930,329	-	1,315,710	40,870,416	32,521,257	17,540,214	212,177,926
Total Revenues	309,279,226	32,145,804	3,108,186	40,870,416	32,585,066	46,655,686	464,644,384
Expenditures							
Current - Education:							
Instruction	191,229,862	18,214,622	-	-	-	9,470,486	218,914,970
Student Support Services	14,046,727	413,532	-	-	-	647,060	15,107,319
Instructional Media Services	3,913,954	-	-	-	-	-	3,913,954
Instruction and Curriculum Development Services	10,853,473	6,517,737	-	-	-	-	17,371,210
Instructional Staff Training Services	317,502	1,028,213	-	-	-	166,004	1,511,719
Instruction-Related Technology	2,854,393	118,738	-	-	-	-	2,973,131
Board	1,322,534	-	-	-	-	-	1,322,534
General Administration	1,032,694	2,165,090	-	-	-	134,777	3,332,561
School Administration	27,879,300	67,445	-	-	-	83,285	28,030,030
Facilities Acquisition and Construction	587,127	-	-	26,654,794	30,580,351	567,355	58,389,627
Fiscal Services	2,367,872	-	-	-	-	-	2,367,872
Food Services	-	-	-	-	-	17,531,545	17,531,545
Central Services	10,501,709	503,396	-	-	-	8,619	11,013,724
Student Transportation Services	13,591,279	166,857	-	-	-	17,123	13,775,259
Operation of Plant	25,357,792	433	-	-	-	31,700	25,389,925
Maintenance of Plant	11,311,076	-	-	-	-	-	11,311,076
Administrative Technology Services	5,311,326	-	-	-	-	-	5,311,326
Community Services	6,685,914	2,781,627	-	-	-	13,432,105	22,899,646

See accompanying notes.

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

	General Fund	Special Revenue	Debt Service	Capital Projects		Non-Major	Total Governmental Funds
		Other Fund	Other Fund Debt Service	Local Capital Improvement Fund	Other Capital Projects Fund	Other Governmental Funds	
Expenditures							
Fixed Capital Outlay:							
Facilities Acquisition and Construction	\$ 1,410,484	\$ 24,204	\$ -	\$ -	\$ -	\$ -	\$ 1,434,688
Other Capital Outlay	2,004,482	143,910	-	-	-	28,427	2,176,819
Debt Service:							
Principal	-	-	5,995,000	-	-	6,411,000	12,406,000
Interest and Fiscal Charges	-	-	2,111,482	5,449	-	1,988,650	4,105,581
Total Expenditures	<u>332,579,500</u>	<u>32,145,804</u>	<u>8,106,482</u>	<u>26,660,243</u>	<u>30,580,351</u>	<u>50,518,136</u>	<u>480,590,516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,300,274)</u>	<u>-</u>	<u>(4,998,296)</u>	<u>14,210,173</u>	<u>2,004,715</u>	<u>(3,862,450)</u>	<u>(15,946,132)</u>
Other Financing Sources (Uses)							
Loss Recovery	5,367,864	-	-	-	-	-	5,367,864
Transfers in	15,319,537	-	8,153,700	1,500,000	-	9,102,721	34,075,958
Transfers (out)	(2,000,000)	-	-	(19,924,157)	(8,916,195)	(3,235,606)	(34,075,958)
Total Other Financing Sources	<u>18,687,401</u>	<u>-</u>	<u>8,153,700</u>	<u>(18,424,157)</u>	<u>(8,916,195)</u>	<u>5,867,115</u>	<u>5,367,864</u>
Net Change in Fund Balances	(4,612,873)	-	3,155,404	(4,213,984)	(6,911,480)	2,004,665	(10,578,268)
Fund Balances, Beginning	<u>60,348,228</u>	<u>-</u>	<u>26,893,718</u>	<u>24,899,487</u>	<u>33,812,545</u>	<u>35,896,911</u>	<u>181,850,889</u>
Fund Balances, Ending	<u>\$ 55,735,355</u>	<u>\$ -</u>	<u>\$ 30,049,122</u>	<u>\$ 20,685,503</u>	<u>\$ 26,901,065</u>	<u>\$ 37,901,576</u>	<u>\$ 171,272,621</u>

See accompanying notes.

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

Net Change in Fund Balances - Governmental Funds \$ (10,578,268)

**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 these 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. 26,161,964

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 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. (3,650,402)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments in the current fiscal year. 12,406,000

Amortized expenses for deferred charges and premiums on debt issues not reported in the governmental funds. 712,393

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. (13,184)

Other postemployment benefits costs are recorded in the statement of activities, the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net increase in the other postemployment benefits liability for the current fiscal year. (132,334)

The net increase in liability for estimated insurance claims is reported in the statement of activities, but not in the governmental funds statement. (322,624)

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. 3,264,118

Change in Net Position - Governmental Activities \$ 27,847,663

See accompanying notes.

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

	Voluntary Employee Benefits Trust Fund	Private-Purpose Trust Fund
Assets		
Cash and Cash Equivalents	\$ 11,808,121	\$ 44,018
Accounts Receivable	2,124,033	-
Total Assets	<u>13,932,154</u>	<u>44,018</u>
Liabilities		
Payroll Deductions and Withholdings	7,741,598	-
Total Liabilities	<u>7,741,598</u>	<u>-</u>
Net Position		
Held in Trust for Employee Benefits and Other Purposes	<u>\$ 6,190,556</u>	<u>\$ 44,018</u>

See accompanying notes.

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

	Voluntary Employee Benefits Trust Fund	Private-Purpose Trust Fund
Additions		
Contributions:		
Employer	\$ 31,518,753	\$ -
Plan Members	19,548,952	-
Total Contributions	<u>51,067,705</u>	<u>-</u>
Investment Income:		
Interest, Dividends, and Other	179,666	1,883
Total Additions	<u>51,247,371</u>	<u>1,883</u>
Deductions		
Purchased Services	9,810	-
Payments to Providers	51,839,926	-
Total Deductions	<u>51,849,736</u>	<u>-</u>
Change in Net Position	(602,365)	1,883
Net Position, Beginning of Year	<u>6,792,921</u>	<u>42,135</u>
Net Position, End of Year	<u>\$ 6,190,556</u>	<u>\$ 44,018</u>

See accompanying notes.

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

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Blended Component Unit

Blended component units are in substance, part of the primary District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District.

The District's employee group health, life, and dental insurance program, as well as its dependent care and medical expense reimbursement program, are administered through the Leon County District School Board Voluntary Employee Benefits Trust (VEBT). Due to the substantive economic relationship between the District and the VEBT, the financial activities of the VEBT are reported in the accompanying basic financial statements. Separate financial statements for the VEBT are not published.

The Leon County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 9. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units

The component units columns in the government-wide financial statements include the financial data of the District's other component units, which include the following:

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

The Foundation for Leon County Schools, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to provide charitable and educational aid to the Board, to promote education, and to encourage research, learning, and dissemination of information. The Foundation is considered a component unit of the District because of the nature and significance of its relationship with the District.

Charter Schools

- The School of Arts and Sciences Foundation, Inc., (d/b/a School of the Arts and Sciences and School of the Arts and Sciences Center)
- Stars Education Services, Inc. (d/b/a Tallahassee School of Math and Science)
- Governor’s Charter Academy, a department of Renaissance Charter School, Inc.
- Tallahassee Classical School

The School of Arts and Sciences Foundation, Inc.; Tallahassee School of Math and Science; Governor’s Charter Academy; and Tallahassee Classical School are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the *Florida Not For Profit Corporation Act*, and Section 1002.33, Florida Statutes. Each charter school operates under a charter approved by its sponsor, the Board. A portion of these not-for-profit corporation’s funding comes from the District based on their weighted full-time equivalent student membership and the Legislature approved funding for the District. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charters, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District. The financial data reported on the accompanying statements was derived from the Foundation’s and five charter schools’ audited financial statements for the fiscal year ended June 30, 2025. These audit reports are filed in the District’s administrative offices at 2757 West Pensacola Street, Tallahassee, Florida 32304.

Effective July 1, 2025, the Governor’s Charter Academy, a department of Renaissance Charter School, Inc. terminated operations of the school.

B. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary 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 non-exchange 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 District’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

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

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 while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The effects of interfund activity have been eliminated from the government-wide financial statements except for net residual amounts between governmental and business-type activities.

D. Basis of Presentation: Fund Financial Statements

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

The District reports the following major governmental funds:

General Fund—to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

Special Revenue Fund, Other—to account for certain Federal grant program resources.

Debt Service Fund, Other Debt Service—to account for all funds transferred in to pay principal and interest payments on the Certificates of Participation.

Capital Projects Fund, Local Capital Improvement Fund—to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs.

Capital Projects Fund, Other Capital Projects Fund—to account for various financial resources (e.g., certificates of participation and capital outlay sales tax) to be used for educational capital outlay needs, including new construction, renovation, and remodeling projects.

Additionally, the District reports the following fiduciary fund types:

Voluntary Employee Benefits Trust Fund (VEBT)—to account for resources of the VEBT that administers the District's employee group health, life, and dental insurance programs, as well as the dependent care and medical expense reimbursement programs.

Private Purpose Trust Fund—to account for resources of the Frank Stoutamire Scholarship Trust fund, the interest earnings of which are used for scholarships to students at Lively Technical Center.

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

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

E. Basis of Accounting

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

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

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

The fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

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

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

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used are those used in the actuarial assumptions for the Other Post-employment Benefits (OPEB) Liability, Net Pension Liability and the Incurred But Not Reported Liability along with depreciable useful lives of capital assets.

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits except for cash with fiscal agents, 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. Cash equivalents and investments with fiscal agents are uncollateralized but held in a trust capacity both under a paying agent agreement for payment of maturing bond principal and interest and under a trust agreement.

Investments

Investments consist of amounts placed in the State Board of Administration (SBA) debt service accounts for investment of debt service moneys, amounts placed with the SBA for participation in the Florida PRIME investment pool created by Sections 218.405 and 218.417, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

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

Investments made locally consist of United States Treasury Securities, obligations of United States government agencies and instrumentalities, corporate and municipal bonds, which are reported at fair value; and money market funds and certificates of deposit, which are reported at amortized cost. Types and amounts of investments held at fiscal year-end are described in a subsequent note.

Accounts Receivable

Accounts receivable are reported at estimated net realizable value. The allowance for uncollectible accounts as of June 30, 2025, was \$0. Outstanding student balances applicable to Lively Technical College are not recorded as receivable due to a historical collection rate of approximately 1% and the majority of

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

the balances being over 90 days delinquent. Due to the nature of these student balances, which are only applied against former students who withdrew after receiving financial aid but prior to completion of their programs, they are generally not considered to be collectible unless the student attempts to re-enroll. Full payment is required on these balances prior to the student being allowed to re-enroll. All other receivables of the District are considered to be 100% collectible.

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Warehouse, Maintenance, and Transportation inventories are stated on a weighted, moving-average basis. Food service inventories are stated at the last invoice price, which approximates the first-in, first-out basis, except that the United States Department of Agriculture donated foods are stated at 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 when 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.

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 \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

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

Improvements Other than Buildings	8-35 Years
Buildings and Fixed Equipment	40 Years
Furniture, Fixtures, and Equipment	3-15 Years
Motor Vehicles	5-10 Years
Audio-Visual Materials and Computer Software	3-5 Years

Current year information relative to changes in capital assets is described in Note 3.

Leases Where District is Lessor

The District is lessor for certain buildings and land owned by the District. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of

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

resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the District determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The District uses the stated interest rate in the lease agreement if available and if not, utilizes its estimated rate of return on investments nearest to the date of lease commencement. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee. The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset, receivable, liability, and/or deferred inflows of resources if certain changes occur that are expected to significantly affect the lease amounts.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources expense until then. The District and its component units have three (3) items that qualify for reporting in this category. The deferred outflows of resources related to the Pension Plans and the OPEB Obligation are discussed in subsequent notes. A deferred amount on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has three types of deferred inflows. The deferred inflow of resources related to the Pension and the OPEB Obligation are discussed in subsequent notes. Deferred inflows related to Leases are discussed above.

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. Bonds payable and certificates of participation payable are reported net of the applicable premiums. Bonds and certificates of participation are amortized over the life of the debt.

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

Changes in long-term liabilities for the current year are reported in Note 9.

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

Compensated Absences

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

Pensions

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 FRS and the HIS and additions to/deductions from the FRS's and the HIS's 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. In the government-wide financial statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability.

The District's retirement plans and related amounts are described in Note 4.

Net Position Flow Assumption

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

Fund Balance Flow 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.

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).

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

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

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.

Committed—fund balance classification may include amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned—fund balance is the portion of fund balance 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 approval of the annual financial report, authorized the assignment of fund balance. The Board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent fiscal 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.

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.

H. Revenues and Expenditures/Expenses

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 or business segment is self-financing or draws from the general revenues of the District.

State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of 30 days following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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

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

A schedule of revenue from State sources for the current year is presented in Note 10.

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 Leon County Property Appraiser, and property taxes are collected by the Leon 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 Leon County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes budgeted for the current year are presented in Note 10.

Capital Outlay Surtax

The voters of Leon County (County) approved on November 6, 2012, a one-half cent school capital outlay surtax on sales in the County for 15 years, effective January 1, 2014, to pay construction costs of certain school facilities and related costs in accordance with Section 212.055(6), Florida Statutes.

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

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

Department may require adjustments to subsequent fiscal period expenditures and related revenues based upon an audit of the District’s compliance with applicable Federal award requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

I. Accounting Changes

Adoption of New Accounting Standards

Effective July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. This statement updates the treatment for compensated absences and requires that liabilities for compensated absences be recognized for: (1) leave that has not been used, and (2) leave that has been used not yet paid in cash or settled through non-cash means. As a result of the implementation of this statement, beginning net position in the government-wide financial statements was restated as follows:

Net Position, Beginning of Year, As Originally Reported	\$ 258,557,819
Implementation of GASB 101, Compensated Absences	<u>(957,425)</u>
Net Position, Beginning of Year, As Restated	<u><u>\$ 257,600,394</u></u>

Effective July 1, 2024, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. There was no effect on the financial statements as a result of implementation of this standard.

Change within Financial Reporting Entity

The Federal Educational Stabilization Fund was previously reported as a major fund. This fund did not qualify as a major fund in fiscal year 2024-25 and, therefore, has been included as a non-major Other Governmental Fund in the accompanying financial statements. The fund had \$0 fund balance as of the beginning and end of the year.

Note 2 - Cash Deposits with Financial Institutions and Investments

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

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

Investments

As of June 30, 2025, the District had the following investments and maturities:

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

<u>Investments</u>	<u>Maturities</u>	<u>Amount</u>
State Board of Administration (SBA):		
Florida PRIME (1)	47 Day Average	\$ 28,517,326
Debt Service Accounts	6 Months	8,295
Total Florida PRIME		<u>28,525,621</u>
First American U.S. Treasury Money Market Fund Class A (1)	44 Day Average	17,354
First American Government Obligations Fund Class Z (1)	44 Day Average	9,132,042
Fidelity Investments Money Market Government Portfolio Class I (1)	29 Day Average	47,721,688
Certificates of Deposit	Less than 1 Year	390,816
Total Investments, Governmental Activities		<u>85,787,521</u>
Fiduciary Funds:		
Florida PRIME (1)	47 Day Average	46,353
Total Investments, Primary Government		<u>\$ 85,833,874</u>

Note (1): These investments are reported as cash equivalents for financial reporting purposes.

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.

<u>Amount</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Investments by Fair Value Level			
SBA Debt Service	\$ 8,295	\$ 8,295	\$ -
Investments Measured at Amortized Cost			
Certificates of Deposit	390,816		
SBA Florida PRIME	28,563,679		
Money Market Funds	56,871,084		
Total Investments Measured at Amortized Cost	<u>85,825,579</u>		
Total Investments, Primary Government	<u>\$ 85,833,874</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 investment maturities to a maximum of 5 years, unless specifically matched with cash flow needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

Florida PRIME uses 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

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

Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days". As of June 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA's Florida PRIME, or any other intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission (SEC) 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 United States Treasury securities, obligations of United States Government Agencies and Instrumentalities, residential and commercial mortgage-backed securities with the highest rating from at least one of the six nationally recognized statistical rating organizations, corporate securities with the second highest rating from at least two of the six nationally recognized statistical rating organizations, State and/or Local Government Taxable and/or Tax-Exempt Debt with the second highest rating from at least two of the six nationally recognized statistical rating organizations, and certificates of deposit in State qualified public depositories, as well as the Local Government Surplus Funds Trust Fund. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account.

The following describes investments held by the District at year-end:

- Florida PRIME, rated AAAM by Standard & Poor's.
- First American Institutional U.S. Treasury Money Market Fund Class A, First American Government Obligations Fund Class Z, and Fidelity Investments Money Market Government Portfolio Class I, rated AAAM by Standard & Poor's.

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

Custodial Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy requires the concentration limits not to exceed 15 percent for certain portfolios. No single issuer exceeded 5 percent of the District's total investments.

Note 3 - Capital Assets

Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 18,474,309	\$ -	\$ -	\$ 18,474,309
Construction in Progress	24,963,547	39,943,645	10,537,984	54,369,208
Total Capital Assets Not Being Depreciated	43,437,856	39,943,645	10,537,984	72,843,517
Capital Assets Being Depreciated				
Improvements Other Than Buildings	64,583,312	19,390	-	64,602,702
Buildings and Fixed Equipment	654,374,034	10,543,734	1,927,995	662,989,773
Furniture, Fixtures, and Equipment	21,133,102	4,070,438	499,013	24,704,527
Motor Vehicles	26,587,591	3,238,193	2,730,949	27,094,835
Audio-Visual Materials and Computer Software	5,362,437	184,469	2,139,800	3,407,106
Total Capital Assets Being Depreciated	772,040,476	18,056,224	7,297,757	782,798,943
Less Accumulated Depreciation for				
Improvements Other Than Buildings	37,891,317	2,289,908	(225,753)	40,406,978
Buildings and Fixed Equipment	312,771,941	15,883,534	1,615,036	327,040,439
Furniture, Fixtures, and Equipment	13,465,171	1,509,543	25,450	14,949,264
Motor Vehicles	23,173,540	1,432,673	2,266,104	22,340,109
Audio-Visual Materials and Computer Software	2,586,044	184,263	(33,482)	2,803,789
Total Accumulated Depreciation	389,888,013	21,299,921	3,647,355	407,540,579
Total Capital Assets Being Depreciated, Net	382,152,463	(3,243,697)	3,650,402	375,258,364
Governmental Activities Capital Assets, Net	\$ 425,590,319	\$ 36,699,948	\$ 14,188,386	\$ 448,101,881

The District's capital assets serve multiple functions; therefore, depreciation expense was not allocated to the various expense functions on the statement of activities, but is shown as unallocated depreciation expense.

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

Note 4 - Retirement Plans – Defined Benefit Pension

General Information about the FRS

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

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

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

FRS Defined Benefit Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers*—Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)*—Members in senior management level positions.
- *Special Risk Class*—members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk who are eligible for normal retirement

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

benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early 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 retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of duty or regular disability and survivors' benefits.

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

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
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 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
Special Risk	3.00
Senior Management Service	2.00
Elected County Officers	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service 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.

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

Prior to July 1, 2011, the FRS was non-contributory for employees. Beginning July 1, 2011, employees who are not participating in DROP are required to contribute 3 percent of their salary to the FRS. The District is required to contribute an actuarially determined rate based on employee salary.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-2025 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	13.63
Florida Retirement System, Elected County Officers	3.00	58.68
Florida Retirement System, Senior Management Service	3.00	34.52
Florida Retirement System, Special Risk	3.00	32.79
Deferred Retirement Option Program – Applicable to Members from All of the Above Classes	0.00	21.13
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes:

- (A) Employer rates include 2.00% for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.
- (B) Contribution rates are dependent upon the retirement class in which reemployed.

The District’s contributions to the defined benefit pension plan totaled \$20,624,143 for the fiscal year ended June 30, 2025, excluding HIS plan contributions.

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 \$140,895,378 for its proportionate share of the 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 projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District’s proportionate share was 0.364214707 percent, which was a decrease of 0.014371061 percentage points from its proportionate share measured as of June 30, 2023 (0.378585768 percent).

For the year ended June 30, 2025, the District recognized pension expense of \$19,821,897. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 14,234,216	\$ -
Changes of Assumptions	19,311,000	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	9,364,640
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	2,128,997	8,409,134
District FRS Contributions Subsequent to the Measurement Date	<u>20,766,151</u>	<u>-</u>
Total	<u>\$ 56,440,364</u>	<u>\$ 17,773,774</u>

The deferred outflows of resources related to pensions totaling \$20,766,151 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 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	\$ (3,905,726)
2027	21,994,896
2028	(170,742)
2029	(1,036,288)
2030	<u>1,018,299</u>
Total	<u>\$ 17,900,439</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

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, 2013, through June 30, 2018.

The long-term expected rate of return assumptions on pension plan investments are not based on historical returns, but instead are 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 rates of return for each major asset class are summarized in the following table:

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

<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	1.00%	3.30%	3.30%	1.10%
Fixed Income	29.00%	5.70%	5.60%	3.90%
Global Equity	45.00%	8.60%	7.00%	18.20%
Real Estate	12.00%	8.10%	6.80%	16.60%
Private Equity	11.00%	12.40%	8.80%	28.40%
Strategic Investments	2.00%	6.60%	6.20%	8.70%
Total	100.00%			

Assumed inflation - Mean

2.40%

1.50%

Note: (1) As outlined in the Plan's Investment Policy

Discount Rate. The discount rate used to measure the total pension liability was 6.70 percent. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the net 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 Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.70 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 (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

	<u>1% Decrease 5.70%</u>	<u>Current Discount Rate 6.70%</u>	<u>1% Increase 7.70%</u>
District's Proportionate Share of the Net Pension Liability	\$ <u>247,830,036</u>	\$ <u>140,895,378</u>	\$ <u>51,314,920</u>

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

HIS Defined Benefit Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. It is a monthly subsidy payment to assist retirees of state-administered retirement systems in paying health insurance costs and is administered by the Florida Department of Management Services, division of Retirement. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special

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

pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

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

Any person retiring on or after July 1, 2001, as a member of the FRS, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State District System Optional Retirement Program are not eligible to receive benefits from the HIS plan.

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 benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Program is funded by required contributions from FRS participating employers as set by the 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 2.00 percent of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS defined-benefit pension plan totaled \$4,147,754 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 \$73,491,843 for its proportionate share of the 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, 2023, 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 projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportionate share was 0.489913714 percent, which was a decrease of 0.01268033 percentage points from its proportionate share measured as of June 30, 2023 (0.502594044 percent).

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

For the year ended June 30, 2024, the District recognized pension expense of \$1,859,696. At June 30, 2025, 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	\$ 709,614	\$ 141,115
Changes of Assumptions	1,300,633	8,700,492
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	26,579
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	688,824	5,316,821
District Contributions Subsequent to the Measurement Date	<u>4,179,559</u>	<u>-</u>
Total	<u>\$ 6,878,630</u>	<u>\$ 14,185,007</u>

The deferred outflows of resources totaling \$4,179,559 was related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (2,160,538)
2027	(2,852,531)
2028	(2,969,753)
2029	(2,027,276)
2030	(1,162,631)
Thereafter	<u>(313,207)</u>
Total	<u>\$ (11,485,936)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Discount Rate	3.65 percent

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

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

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

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 was changed from 3.65 percent to 3.93 percent.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
District’s Proportionate Share of the Net Pension Liability	\$ 83,661,018	\$ 73,4991,843	\$ 65,049,784

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

FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the members 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 Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2024-25 fiscal year were as follows:

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

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	3.00	8.30
Florida Retirement System, Elected County Officers	3.00	13.34
Florida Retirement System, Senior Management Service	3.00	9.67
Florida Retirement System, Special Risk	3.00	16.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 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; 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 \$7,441,540 for the fiscal year ended June 30, 2025.

Note 5 - Other Postemployment Benefit Plan – OPEB Plan

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

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District’s health and hospitalization plan for medical, prescription drug, dental, and vision coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or other entity. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

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

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

Retirees and Beneficiaries	1,364
Inactive, Non-Retired Members	-
Active Members	3,487
Total Plan Members	4,851

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

Description	Amount
Service Cost	\$ 954,356
Interest on Total OPEB Plan Liability	1,144,463
Difference between Expected and Actual Experience	-
Changes of Assumptions	(255,322)
Benefit Payments	(1,086,920)
Net Change in Total OPEB Plan Liability	756,577
Net OPEB Plan Liability, Beginning of Year	29,238,406
Net OPEB Plan Liability, End of Year	\$ 29,994,983

Funded Status and Funding Progress. As of June 30, 2025, the most recent measurement date, the total OPEB Plan liability was \$29,994,983 and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$205,254,611 and the ratio of the total OPEB Plan liability to the covered payroll was 14.61 percent.

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

Actuarial Valuation Date. For employee and retiree population purposes, June 30, 2024, was the actuarial valuation date.

Actuarial Valuation Methods and Assumptions. Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Individual Entry Age Normal Cost Method with an increasing normal cost pattern consistent with the salary increase assumptions used in the July 1, 2024, actuarial valuation of the FRS was used in the OPEB Plan liability calculation.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2024, actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OPEB

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

Plan Actuarial Valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2024, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Mortality tables used in the July 1, 2024, actuarial valuation of the Florida Retirement System were used. They are based on the results of a statewide experience study covering the period 2013 through 2018.

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

Inflation	2.5 percent
Salary Increases	3.40 percent to 7.8 percent, including inflation as used in the July 1, 2024, actuarial valuation of the Florida Retirement System

Healthcare cost trend rates were based on the Getzen Model, with trend starting at 5.0 percent for 2023, followed by 7.0 percent for 2024, and gradually decreasing to an ultimate trend rate of 4.0 percent after 2050.

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

Discount Rate. There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 3.93% (based on the daily rate closest to but not later than the measurement date of the “Fidelity General Obligation AA Index”). The discount rate was 3.86% as of the beginning of the measurement period.

The changes of assumptions or other inputs include the following:

- A change in the discount rate from 3.86% as of the beginning of the measurement period to 3.93% at the end of the measurement period.

The District’s annual OPEB expense totaled \$1,237,663 for the fiscal year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 897,423	\$ 1,102,811
Changes of Assumptions	2,399,026	6,163,305
Benefits Paid After the Measurement Date	1,105,329	-
Total	\$ 4,401,778	\$ 7,266,116

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

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling \$1,105,329, will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (752,308)
2027	(579,280)
2028	(558,742)
2029	(582,683)
2030	(827,793)
Thereafter	<u>(668,861)</u>
Total	\$ <u>(3,969,667)</u>

Sensitivity of the District's Total OPEB Plan Liability to Changes in the Discount Rate. The following presents the District's OPEB Plan liability calculated using the discount rate of 3.86 percent, as well as what the OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	<u>1% Decrease 2.93%</u>	<u>Current Discount Rate 3.93%</u>	<u>1% Increase 4.93%</u>
OPEB Plan Liability	<u>\$ 33,957,326</u>	<u>\$ 29,994,983</u>	<u>\$ 26,673,741</u>

Sensitivity of the District's Total OPEB Plan Liability to the Healthcare Cost Trend Rate Assumption. Regarding the sensitivity of the total OPEB liability, calculated using the assumed trend rates as well as what the OPEB Plan's total liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
OPEB Plan Liability	<u>\$ 27,619,360</u>	<u>\$ 29,994,983</u>	<u>\$ 32,920,821</u>

Note 6 - Encumbrances

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

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

<u>Major Funds</u>							
<u>General Fund</u>	<u>Special Revenue - Other</u>	<u>Capital Projects - Local Capital Improvement</u>	<u>Capital Projects - Other</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>		
\$ 4,418,708	\$ 166,735	\$ 15,610,395	\$ 16,470,670	\$ 2,035,250	\$ 38,701,758		

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

Note 7 - Construction Commitments

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

<u>Projects</u>	<u>Description</u>	<u>Contract Amount</u>	<u>Completed at June 30, 2025</u>	<u>Balance Committed</u>
Griffin	Cafeteria Replacement	\$ 13,321,299	\$ 8,235,487	\$ 5,085,812
Hartsfield	Cafeteria Replacement	8,640,999	7,728,507	912,492
Nims	Gym/Cafeteria Redesign	17,913,453	10,633,493	7,279,960
WT Moore	Classroom Redesign	10,458,243	8,710,376	1,747,867
Total		<u>\$ 50,333,994</u>	<u>\$ 35,307,863</u>	<u>\$ 15,026,131</u>

Note 8 - Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, general liability, property damage, and boiler and machinery coverage are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years.

A liability in the amount of \$5,561,022 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2025.

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

	<u>Beginning Of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Payments</u>	<u>End of Year Liability</u>
2023-2024	\$ 5,245,647	\$ 1,805,588	\$ (1,812,837)	\$ 5,238,398
2024-2025	5,238,398	847,539	(524,915)	5,561,022

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

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

Note 9 - Long-Term Liabilities

Certificates of Participation – Direct Placement

Certificates of participation at June 30, 2025, are as follows:

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

<u>Series</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Lease Term Maturity</u>	<u>Original Amount</u>
QSCB 2010	\$ 18,597,100	4.84	2028	\$ 18,597,100
QZAB 2010	33,209,140	5.68	2029	33,209,140
Series 2016A Refunding	<u>6,105,000</u>	1.818	2027	<u>58,410,000</u>
Total Certificates of Participation	<u>\$ 57,911,240</u>			<u>\$110,216,240</u>

The District entered into financing arrangement on October 1, 1997, characterized as lease-purchase agreements, with the Leon County School Board Leasing Corporation (Leasing Corporation), whereby the District secured the financing of Lawton Chiles High School for a total amount of \$34,970,000. The financing was accomplished through the issuance of Certificates of Participation (COPs), Series 1997, to be repaid from the proceeds of rents paid by the District. The financing was accomplished through the issuance, by the Leasing Corporation to third-party investors, of certificates of participation.

The Leasing Corporation issued COPs, Series 2005, Refunding, on March 9, 2005, to advance refund a portion of the COPs, Series 1997.

The master financing arrangement was amended on June 15, 2006, to issue COPs, series 2006, in the amount of \$61,795,000. The COPs were issued to secure financing of various educational facilities throughout the District.

The master financing arrangement was amended on March 6, 2008, to issue COPs, Series 2008A Qualified Zone Academy Bond (QZABs), in the amount of \$5,000,000. The QZABs were issued to secure financing of improvements to be made at three District schools.

The master financing arrangement was amended on September 24, 2010, to issue COPs, Series 2010 Qualified School Construction Bonds (QSCBs), in the amount of \$18,597,000. The QSCBs were issued to secure financing of improvements to be made at four district schools. Principal payments are made into a sinking fund for the debt to be paid in full at the end of its term in 2027.

The master financing arrangement was amended on December 28, 2010, to issue COPs, Series 2010 QZABs, in the amount of \$33,209,140. The QZABs were issued to secure financing of improvements to be made at ten District schools. Principal payments are paid into a sinking fund for the debt to be paid in full at the end of its term in 2028.

The master financing arrangement was amended on April 14, 2016, to refund COPs Series 2005 and Series 2006, in the amount of \$58,410,000 with the issuance of the COPs, Series 2016A.

The District gave ground leases on District properties to the Leasing Corporation with a rental fee of \$10 per year as a condition of the financing arrangements. The initial terms of the leases are approximately 35 years commencing on October 1, 1997 (Series 1997); 16 years commencing on November 1, 2004 (series 2004 QZABs); 17 years commencing on March 1, 2005 (Series 2005, refunding); 20 years commencing June 15, 2006 (Series 2006); 16 years commencing on March 6, 2009 (Series 2008A QZABs); 15 years commencing on July 25, 2008 (Series 2008B QZABs); 15 years commencing on July 1, 2012 (Series 2010 QSCBs); and 18 years commencing on December 1, 2011, (Series 2010 QZABs). The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for

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

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 COPs for a period of time specified by the arrangement which may be up to 35 years from the date of inception of the arrangement.

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

- Series 2010 QSCBs – New construction at Gilchrist Elementary School, Killearn Lakes Elementary School, Kate Sullivan Elementary School, and Gretchen Everhart School.
- Series 2010 QZABs – Renovations at Astoria Park Elementary School, Canopy Oaks Elementary School, Ft. Braden School, Oak Ridge Elementary School, Sabal Palm Elementary School, Springwood Elementary School, Woodville Elementary School, Fairview Middle School, Raa Middle School, and Rickards High School.
- Series 2016A Refunding (Refunding of Series 2005 refunding, which originally refunded Series 1997, and Refunding of Series 2006) – Construction of Lawton Chiles High School, Montford Middle School, Conley Elementary School, and renovations to Pineview Elementary School, Deerlake Middle School, Killearn Lakes Elementary School, Lawton Chiles High School, and Lincoln High School.

The lease payments for the Series 2010 QZABs are payable annually on December 1 at a fixed interest rate of 5.68%. The Series 2010 QSCBs and the Series 2010 QZABs receive Federal subsidies at the same interest rates as the bonds, resulting in a net zero percent cost to the District. The Series 2016, Refunding, mature on July 1, 2026, with semiannual lease payments on July 1 and January 1, have a fixed interest rate of 1.818 percent.

The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30, 2025:

Year Ending <u>June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 9,002,368	\$ 6,105,000	\$ 2,897,368
2027	2,786,379	-	2,786,379
2028	20,933,429	18,597,100	2,336,329
2029	<u>34,152,280</u>	<u>33,209,140</u>	<u>943,140</u>
Total Minimum Lease Payments	<u>\$ 66,874,456</u>	<u>\$ 57,911,240</u>	<u>\$ 8,963,216</u>

Bonds payable at June 30, 2025, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>	<u>Original Amount</u>
State School Bonds:				
Series 2019A, Refunding	\$ 319,000	5.00	2029	\$ 613,000
District Revenue Bonds:				
Series 2014	<u>20,945,000</u>	4-5	2028	<u>75,000,000</u>
Total Bonds Payable	21,264,000			<u>\$ 75,613,000</u>
Add Unamortized Bond Premium	<u>1,117,734</u>			
Total Bonds Payable	<u>\$ 22,381,734</u>			

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

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

■ **State School Bonds**

These bonds are issued by the SBE on behalf of the District. The bonds mature serially and are secured by a pledge of the District’s portion of the State-assessed motor vehicle license tax. The State’s full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

■ **Sales Tax Revenue Bonds, Series 2014**

The School Board issued Sales Tax Revenue Bonds, Series 2014, in the amount of \$75,000,000 on September 24, 2013. These bonds are authorized by Chapter 1001 Florida Statutes, and Chapter 212, Florida Statutes. These bonds are secured by a pledge of proceeds received by the District from the levy and collection of a one-half cent discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes. Proceeds of the bonds were used to finance construction of new school facilities and renovations of existing school facilities.

During the 2024-2025 fiscal year, the District recognized sales tax revenues totaling \$32,137,119 and expended \$7,413,200 (23 percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt, or September 1, 2027.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2026	\$ 82,950	\$ 67,000	\$ 15,950
2027	87,600	75,000	12,600
2028	93,850	85,000	8,850
2029	<u>96,600</u>	<u>92,000</u>	<u>4,600</u>
Total State School Bonds	<u>361,000</u>	<u>319,000</u>	<u>42,000</u>
Sales Tax Revenue Bonds:			
2026	7,402,825	6,665,000	737,825
2027	7,431,200	7,000,000	431,200
2028	<u>7,425,600</u>	<u>7,280,000</u>	<u>145,600</u>
Total District Revenue Bonds	<u>22,259,625</u>	<u>20,945,000</u>	<u>1,314,625</u>
Total	<u>\$ 22,620,625</u>	<u>\$ 21,264,000</u>	<u>\$ 1,356,625</u>

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

Changes in Long-Term Liabilities

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

Description	Beginning Balance (*)	Additions	Deductions	Ending Balance	Due in One Year
Governmental Activities					
Debt Related to Capital Assets					
Certificates of Participation Payable - Direct Placement	\$ 63,906,240	\$ -	\$ 5,995,000	\$ 57,911,240	\$ 6,105,000
Bonds Payable	27,675,000	-	6,411,000	21,264,000	6,732,000
Premiums	1,830,127	-	712,393	1,117,734	-
Total Capital Asset Related Debt	<u>93,411,367</u>	<u>-</u>	<u>13,118,393</u>	<u>80,292,974</u>	<u>12,837,000</u>
Compensated Absences Payable	32,172,936	13,184	-	32,186,120	3,467,838
Other Postemployment Benefits Payable	29,238,406	756,577	-	29,994,983	1,105,329
Estimated Insurance Claims Payable	5,238,398	847,539	524,915	5,561,022	1,438,398
Net Pension Liability:					
Florida Retirement System	150,854,446	-	9,959,068	140,895,378	-
Health Insurance Subsidy	79,818,638	-	6,326,795	73,491,843	255,792
Total Governmental Activities	<u>\$ 390,734,191</u>	<u>\$ 1,617,300</u>	<u>\$ 29,929,171</u>	<u>\$ 362,422,320</u>	<u>\$ 19,104,357</u>

* The beginning balance of compensated absences was changed as a result of implementation of GASB 101, *Compensated Absences*.

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

Note 10 - Revenues

Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2024-2025 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 141,915,650
Categorical Educational Program – Class Size Reduction	30,092,860
Workforce Development Program	10,588,274
School Recognition	1,922,623
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,446,332
Charter School Capital Outlay	1,308,091
Miscellaneous	4,914,894
Total State Revenue	<u>\$ 192,188,724</u>

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

Property Taxes

The following is a summary of millages and taxes budgeted from the 2024 tax roll for the 2024-2025 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payment discounts and uncollectable amounts:

General Fund	Millages	Taxes Budgeted
Non-Voted School Tax:		
Required Local Effort	3.136	\$ 81,862,996
Basic Discretionary Local Effort	0.748	19,525,996
Capital Projects Funds		
Non-Voted Tax:		
Local Capital Improvement	1.500	39,156,408
Total	<u>5.384</u>	<u>\$ 140,545,400</u>

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

Note 11 - Interfund Balances and Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 15,319,537	\$ 2,000,000
Debt Service:		
Other Debt Service	8,153,700	-
Capital Projects:		
Local Capital Improvement	1,500,000	19,924,157
Other Capital Projects	-	8,916,195
Non-Major Governmental	<u>9,102,721</u>	<u>3,235,606</u>
Total	<u>\$ 34,075,958</u>	<u>\$ 34,075,958</u>

The principal purposes of the interfund transfers were to transfer funds from Capital Projects – Local Capital Improvement Fund and Capital Projects – Other Fund to the General Fund for maintenance and to the Debt Service – Other and non-major debt service funds for repayments of COPs and sales tax revenue bonds, respectively.

Interfund receivables and payables consist of the following at June 30, 2025:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 5,779,706	\$ -
Other Fund	-	3,785,364
Other Debt Service	-	-
Local Capital Improvement Fund	-	-
Other Capital Projects Fund	268	-
Non-Major Governmental Funds	-	1,994,610
Total	<u>\$ 5,779,974</u>	<u>\$ 5,779,974</u>

The interfund receivables and payables represent temporary loans between funds to cover expenditures incurred prior to reimbursement from outside parties. All balances are expected to be repaid within one year.

Note 12 - Leases

The District is the lessor in contracts with outside parties for the right to use building space and land owned by the District. The land lease requires monthly payments of \$3,500 until August of 2052. The building lease requires quarterly payments of \$50,000 until January of 2052, however, there is a three-year rolling cancellation clause for either party. Due to the uncertainty of renewals, only lease payments expected to be collected over the next three years have been recorded. The District has calculated the present value of the lease payments expected to be received using an imputed interest rate of 3.5%. As of June 30, 2025, a lease receivable of \$1,302,879 has been recorded, of which, \$199,041 is expected to be recognized as revenue in the next fiscal year. A deferred inflow of resources related to the above

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

leases totaled \$1,278,996 at June 30, 2025. The District received rent payments totaling \$242,000 during the fiscal year related to the above leases. The District recorded interest income from the lease of \$43,273 and Lease Income of \$213,874 from amortization of the deferred inflow.

Note 13 - Summary Disclosure of Significant Contingencies

Litigation

The District is involved in several pending and threatened legal actions. Although the outcome of these lawsuits is not currently determinable, in the opinion of the District's legal counsel, the resolution of these matters should not materially affect the financial condition of the District except for the following matter.

REQUIRED SUPPLEMENTARY INFORMATION

LEON COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental:				
Federal Direct	\$ 315,000	\$ 304,928	\$ 304,928	\$ -
Federal Through State and Local	50,000	20,433	20,433	-
State	184,502,208	189,023,536	189,023,536	-
Local:				
Property Taxes	101,438,991	102,033,823	102,033,823	-
Miscellaneous	11,961,932	19,795,728	17,896,506	(1,899,222)
Total Local Revenues	<u>113,400,923</u>	<u>121,829,551</u>	<u>119,930,329</u>	<u>(1,899,222)</u>
Total Revenues	<u>298,268,131</u>	<u>311,178,448</u>	<u>309,279,226</u>	<u>(1,899,222)</u>
Expenditures				
Current - Education:				
Instruction	206,972,714	211,226,527	191,229,862	19,996,665
Student Support Services	13,132,727	14,543,980	14,046,727	497,253
Instructional Media Services	4,181,563	4,271,103	3,913,954	357,149
Instruction and Curriculum				
Development Services	6,073,005	11,157,194	10,853,473	303,721
Instructional Staff Training Services	471,917	1,002,013	317,502	684,511
Instruction-related Technology	2,488,913	2,411,056	2,854,393	(443,337)
Board	1,456,779	1,441,763	1,322,534	119,229
General Administration	1,052,718	1,208,405	1,032,694	175,711
School Administration	25,121,257	27,950,733	27,879,300	71,433
Facilities Acquisition and Construction	429,286	833,971	587,127	246,844
Fiscal Services	2,377,584	2,389,008	2,367,872	21,136
Central Services	12,099,120	12,824,183	10,501,709	2,322,474
Student Transportation Services	12,858,605	13,838,827	13,591,279	247,548
Operation of Plant	28,133,376	28,500,144	25,357,792	3,142,352
Maintenance of Plant	10,249,723	12,231,298	11,311,076	920,222
Administrative Technology Services	4,883,954	5,835,902	5,311,326	524,576
Community Services	10,142,811	10,558,135	6,685,914	3,872,221
Fixed Capital Outlay:				
Facilities Acquisition and Construction	555,646	4,902,828	1,410,484	3,492,344
Other Capital Outlay	505,390	2,635,391	2,004,482	630,909
Total Expenditures	<u>343,187,088</u>	<u>369,762,461</u>	<u>332,579,500</u>	<u>37,182,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44,918,957)</u>	<u>(58,584,013)</u>	<u>(23,300,274)</u>	<u>35,283,739</u>
Other Financing Sources				
Loss Recovery	-	5,367,864	5,367,864	-
Transfers in	8,075,000	13,392,023	15,319,537	1,927,514
Transfers (out)	-	(2,000,000)	(2,000,000)	-
Total Other Financing Sources	<u>8,075,000</u>	<u>16,759,887</u>	<u>18,687,401</u>	<u>1,927,514</u>
Net Change in Fund Balances	(36,843,957)	(41,824,126)	(4,612,873)	37,211,253
Fund Balances, Beginning	<u>60,348,228</u>	<u>60,348,228</u>	<u>60,348,228</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 23,504,271</u>	<u>\$ 18,524,102</u>	<u>\$ 55,735,355</u>	<u>\$ 37,211,253</u>

LEON COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUND -
OTHER FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental:				
Federal Direct	\$ 2,484,719	\$ 3,209,046	\$ 2,772,395	\$ (436,651)
Federal Through State and Local	39,373,039	39,087,142	29,373,409	(9,713,733)
Total Revenues	<u>41,857,758</u>	<u>42,296,188</u>	<u>32,145,804</u>	<u>(10,150,384)</u>
Expenditures				
Current - Education:				
Instruction	22,394,323	22,677,409	18,214,622	4,462,787
Student Support Services	637,952	675,248	413,532	261,716
Instruction and Curriculum				
Development Services	8,245,977	7,886,914	6,517,737	1,369,177
Instructional Staff Training Services	2,169,456	2,222,139	1,028,213	1,193,926
Instruction-Related Technology	124,999	129,999	118,738	11,261
General Administration	2,291,727	2,685,607	2,165,090	520,517
School Administration	126,000	88,572	67,445	21,127
Facilities Acquisition and Construction	53,231	53,231	-	53,231
Fiscal Services	7,695	7,695	-	7,695
Central Services	1,809,562	1,804,576	503,396	1,301,180
Student Transportation Services	942,305	496,701	166,857	329,844
Operation of Plant	604	604	433	171
Community Services	2,862,407	2,855,630	2,781,627	74,003
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	449,239	24,204	425,035
Other Capital Outlay	118,747	220,800	143,910	76,890
Total Expenditures	<u>41,784,985</u>	<u>42,254,364</u>	<u>32,145,804</u>	<u>10,108,560</u>
Net Change in Fund Balances	72,773	41,824	-	(41,824)
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ 72,773</u>	<u>\$ 41,824</u>	<u>\$ -</u>	<u>\$ (41,824)</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the FRS Net Pension Liability	0.364214707%	0.378585768%	0.394327036%	0.400740005%	0.381116964%	0.409746175%	0.385940916%	0.394829900%	0.395759454%	0.449757910%
District's Proportionate Share of the FRS Net Pension Liability	\$ 140,895,378	\$ 150,854,446	\$ 146,721,346	\$ 30,271,353	\$ 165,181,709	\$ 141,110,878	\$ 116,247,404	\$ 116,788,035	\$ 99,929,573	\$ 58,092,266
District's Covered Payroll	207,387,700	199,276,321	187,701,785	186,048,344	188,312,116	194,297,131	176,456,466	176,038,046	167,212,535	174,262,691
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	67.94%	75.70%	78.17%	16.27%	87.72%	72.63%	65.88%	66.34%	59.76%	33.34%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Notes:

(1) - The amounts presented for each fiscal year were determined as of June 30 using a measurement date one year prior to the reporting date.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required FRS Contribution	\$ 20,766,151	\$ 20,624,143	\$ 18,212,410	\$ 21,451,972	\$ 15,266,463	\$ 12,662,828	\$ 12,705,088	\$ 10,999,006	\$ 10,278,395	\$ 9,651,225
FRS Contribution in Relation to the Contractually Required Contribution	<u>(20,766,151)</u>	<u>(20,624,143)</u>	<u>(18,212,410)</u>	<u>(21,451,972)</u>	<u>(15,266,463)</u>	<u>(12,662,828)</u>	<u>(12,705,088)</u>	<u>(10,999,006)</u>	<u>(10,278,395)</u>	<u>(9,651,225)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 208,977,950</u>	<u>\$ 207,387,700</u>	<u>\$ 199,276,321</u>	<u>\$ 187,701,785</u>	<u>\$ 186,048,344</u>	<u>\$ 188,312,116</u>	<u>\$ 194,297,131</u>	<u>\$ 174,852,397</u>	<u>\$ 176,038,046</u>	<u>\$ 167,212,535</u>
FRS Contribution as a Percentage of Covered Payroll	9.94%	9.94%	9.14%	11.43%	8.21%	6.72%	6.54%	6.29%	5.84%	5.77%

Notes:

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the HIS Net Pension Liability	0.489913714%	0.502594044%	0.514813463%	0.525266158%	0.542123741%	0.579970280%	0.540137061%	0.549877103%	0.540887223%	0.574085981%
District's Proportionate Share of the HIS Net Pension Liability	\$ 73,491,843	\$ 79,818,638	\$ 54,526,968	\$ 64,431,791	\$ 66,192,426	\$ 64,892,871	\$ 57,168,713	\$ 58,795,397	\$ 63,038,165	\$ 58,547,740
District's Covered Payroll	207,387,700	199,276,321	187,701,785	186,048,344	188,312,116	194,297,131	176,456,446	176,038,046	167,212,535	174,262,691
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	35.44%	40.05%	29.05%	34.63%	35.15%	33.40%	32.40%	33.40%	37.70%	33.60%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes:

(1) - The amounts presented for each fiscal year were determined as of June 30 using a measurement date one year prior to the reporting date.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required HIS Contribution	\$ 4,179,559	\$ 4,147,754	\$ 3,306,153	\$ 3,115,850	\$ 3,087,519	\$ 3,124,005	\$ 3,220,519	\$ 2,929,177	\$ 2,910,109	\$ 2,772,392
HIS Contribution in Relation to the										
Contractually Required Contribution	<u>(4,179,559)</u>	<u>(4,147,754)</u>	<u>(3,306,153)</u>	<u>(3,115,850)</u>	<u>(3,087,519)</u>	<u>(3,124,005)</u>	<u>(3,220,519)</u>	<u>(2,929,177)</u>	<u>(2,910,109)</u>	<u>(2,772,392)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 208,977,950</u>	<u>\$ 207,387,700</u>	<u>\$ 199,276,321</u>	<u>\$ 187,701,785</u>	<u>\$ 186,048,344</u>	<u>\$ 188,312,116</u>	<u>\$ 194,297,131</u>	<u>\$ 174,852,397</u>	<u>\$ 176,038,046</u>	<u>\$ 167,212,535</u>
HIS Contribution as a Percentage of										
Covered Payroll	2.00%	2.00%	1.66%	1.66%	1.66%	1.66%	1.66%	1.68%	1.65%	1.66%

Notes:

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

**LEON COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB)
AND RELATED RATIOS**

Measurement Year Ended June 30	2024	2023	2022	2021	2020	2019	2018	2017
Reporting Year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 954,356	\$ 850,254	\$ 1,520,527	\$ 1,520,733	\$ 1,316,699	\$ 1,075,849	\$ 1,041,636	\$ 1,143,416
Interest on the Total OPEB Liability	1,144,463	1,058,966	686,522	860,027	985,729	1,109,187	1,082,279	948,268
Difference Between Expected and Actual Experience of the Total OPEB Liability	-	(1,400,867)	-	965,332	-	1,298,077	-	-
Changes in Assumptions and Other Inputs	(255,322)	1,665,663	(7,085,309)	(1,225,504)	2,482,319	(1,380,961)	(209,587)	(2,340,268)
Benefit Payments	(1,086,920)	(1,567,267)	(1,451,798)	(1,482,555)	(1,274,583)	(1,706,631)	(1,711,610)	(1,735,284)
Net Change in Total OPEB Liability	756,577	606,749	(6,330,058)	638,033	3,510,164	395,521	202,718	(1,983,868)
Total OPEB Liability - Beginning of Year	<u>29,238,406</u>	<u>28,631,657</u>	<u>34,961,715</u>	<u>34,323,682</u>	<u>30,813,518</u>	<u>30,417,997</u>	<u>30,215,279</u>	<u>32,199,147</u>
Total OPEB Liability - End of Year	<u>\$ 29,994,983</u>	<u>\$ 29,238,406</u>	<u>\$ 28,631,657</u>	<u>\$ 34,961,715</u>	<u>\$ 34,323,682</u>	<u>\$ 30,813,518</u>	<u>\$ 30,417,997</u>	<u>\$ 30,215,279</u>
Covered-Employee Payroll	\$ 205,254,611	\$ 199,276,321	\$ 192,165,921	\$ 187,171,513	\$ 187,171,513	\$ 158,793,158	\$ 158,793,158	\$ 114,416,406
Total OPEB Liability as a Percentage of Covered-Employee Payroll	14.61%	14.67%	14.90%	18.68%	18.34%	19.40%	19.16%	26.41%

Notes:

(1) - Covered-employee payroll presented above is an estimate based on data provided for the valuation, and needs to be the total payroll paid to all OPEB-eligible employees during the measurement year.

(2) - 10 years of data will be displayed as information becomes available.

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

Note 1 - Budgetary Basis of Accounting

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

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

Note 2 - Schedule of Net Pension Liability and Schedule Contributions

Changes of Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System (FRS) Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The Health Insurance Subsidy (HIS) Program has a valuation performed biennially that is updated for Governmental Accounting Standards Board (GASB) reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The following changes in actuarial assumptions occurred in 2025:

- HIS: The municipal bond rate used to determine total pension liability increased from 3.65 percent to 3.93 percent.

Note 3 - Schedule of Changes in Other Post-Employment Benefits (OPEB) and Related Ratios

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

Changes in assumptions and other inputs include the change in the discount rate from 3.86 percent as of the beginning of the measurement period to 3.93 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.

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

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

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
Clustered				
Child Nutrition Cluster:				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	24002	\$ -	\$ 2,875,458
National School Lunch Program	10.555	24001, 24003	-	10,065,832
Summer Food Service Program for Children	10.559	23006, 23007, 24006, 24007	-	224,882
Fresh Fruits and Vegetable Program	10.582	24004	-	163,519
Total Child Nutrition Cluster			<u>-</u>	<u>13,329,691</u>
Forest Service Schools and Roads Cluster:				
United States Department of Agriculture:				
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.665	None	-	20,433
Student Financial Assistance Cluster:				
United States Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	-	92,204
Federal Pell Grant Program	84.063	N/A	-	2,680,190
Total Student Financial Assistance Cluster			<u>-</u>	<u>2,772,394</u>
Special Education Cluster:				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	322,797	10,202,988
Special Education - Preschool Grants	84.173	266, 267	-	474,134
Total Special Education Cluster			<u>322,797</u>	<u>10,677,122</u>

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

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Not Clustered				
United States Department of Agriculture:				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-3770	\$ -	\$ 1,211,838
United States Department of Defense:				
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	73,473
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	100,865
Marine Junior Reserve Officers Training Corps	12.UNK	N/A	-	87,365
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	43,225
Total United States Department of Defense			-	304,928
United States Department of Education:				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	441,137
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	569,572	12,888,397
Career and Technical Education - Basic Grants to States	84.048	161	-	759,117
Education for Homeless Children and Youth	84.196	127	-	40,127
Twenty-First Century Community Learning Centers	84.287	244	35,942	1,914,568
English Language Acquisition State Grants	84.365	102	-	249,455
Supporting Effective Instruction State Grants	84.367	224	9,940	1,314,353
Student Support and Academic Enrichment	84.424	241	-	1,089,134
Education Stabilization Fund:				
American Rescue Plan - Elementary and Secondary School Emergency Relief	COVID-19, 84.425U	121	508,986	10,469,580
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children & Youth	COVID-19, 84.425W	122	-	143,947
Total Education Stabilization Fund:	84.425		508,986	10,613,527
Total United States Department of Education			1,124,440	29,309,815
Total Expenditures of Federal Awards			\$ 1,447,237	\$ 57,626,221

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

The Notes Below are an Integral Part of this Schedule:

- Notes: (1) Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Leon County District School Board (the District) under programs of the federal government for the fiscal year ended June 30, 2025. The change in net position, or cash flows of the District 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 are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate.** The District has not elected to use the de minimis cost rate allowed under the Uniform Guidance.
- (4) Non-Cash Assistance - National School Lunch Program.** The Schedule includes \$776,255 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**

Leon County District School Board and
Superintendent
Tallahassee, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Leon County District School Board (the District), as of and for the fiscal year ended June 30, 2025, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 11, 2026. Other auditors audited the financial statements of the discretely presented component units, which represent 100% of the aggregate discretely presented component units. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2025-01 that we consider to be a significant deficiency.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa
purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Leon County District School Board and
Superintendent
Tallahassee, Florida

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

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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Purvis Gray

March 11, 2026
Tallahassee, Florida

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

Leon County District School Board and
Superintendent
Tallahassee, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

The District's basic financial statements include the operations of the discretely presented component units, which are included as aggregate remaining discretely presented component units, which expended federal awards during the year ended June 30, 2025. Our audit, described below, did not include the operations of the discretely presented component units as they engaged other auditors to perform an audit of compliance, as applicable.

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 statements 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 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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Leon County District School Board and
Superintendent
Tallahassee, Florida

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance

Leon County District School Board and
Superintendent
Tallahassee, Florida

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

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

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

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

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

Purvis Gray

March 11, 2026
Tallahassee, Florida

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

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?	Yes
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported
Type of auditor’s report issued on compliance for major Federal Programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal Programs:	

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
84.287	21 st Century Community Learning Centers
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,728,787
Auditee qualified as low-risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

2025-01 Bank Reconciliation

Criteria—Effective internal controls require that bank reconciliations be performed on a routine basis and any unreconciled differences be investigated and corrected in a timely manner.

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

Condition—During our review of the Leon County District School Board’s (the District) bank reconciliations, we identified unreconciled differences that are being carried forward on one of the District’s bank reconciliations each month.

Cause—The Skyward system is systematically posting entries directly to one of the District’s cash accounts related to P-card transactions and retirement contributions that do not clear the bank, making the account difficult to reconcile.

Effect—The lack of a proper reconciliation of the District’s bank accounts or routine balancing and verification of associated outflows and inflows can lead to unrecorded or improperly recorded transactions or undetected errors.

Recommendation—We recommend the District review and correct the systematic issues within the Skyward accounting system that are causing the discrepancies, both within the transactional recording methodology and the reconciliation process. We further recommend that the bank reconciliation process be redesigned to require that any and all unreconciled differences be investigated and corrected in the month identified.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

SECTION IV - SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

The matters disclosed in the prior year were considered to be resolved except for finding 2024-02.

Current Year Status—Significant improvements were made in the bank reconciliation process in fiscal year 2024-25; however, there were still some unreconciled differences noted in the monthly bank reconciliations. See Finding 2025-01 in Section II.

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

Leon County District School Board and
Superintendent
Tallahassee, Florida

We have examined the Leon County District School Board (the District) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended June 30, 2025, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion 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 judgement, including an assessment on the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis of our opinion.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2025.

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

Purvis Gray

March 11, 2026
Tallahassee, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Leon County District School Board and
Superintendent
Tallahassee, Florida

Report on the Financial Statements

We have audited the financial statements of the Leon County District School Board (the District), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated March 11, 2026. Other auditors audited the financial statements of two of the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditors, and such information related to that audit is reported on separately by those auditors.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 11, 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. The findings and recommendations made in the preceding annual financial audit report were considered to be resolved except for Finding 2025-01 which is described in the Summary of Prior Year Findings and Questioned Costs on page 73.

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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Leon County District School Board and
Superintendent
Tallahassee 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 the review of financial information provided by same.

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

Transparency

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

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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative 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

March 11, 2026
Tallahassee, Florida

February 13, 2026

Auditor General's Office
Local Government Section
Clause Denson Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Sherrill F. Norman,

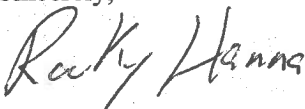
The Leon County School Board's external audit firm, Purvis Gray & Company, has conducted the audit of the District Financial Statements for the fiscal year ending June 30, 2025. The District has again received an unmodified opinion. An unmodified opinion is the highest level of assurance that can be provided by a verified public accounting firm; indicating that the 2024-2025 financial statements for Leon County School District are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The information below details the District's management responses and/ or actions to address the audit comment. Please note that appropriate corrective action is currently underway.

2025-01 Bank Reconciliations

The LCS Finance Department has formalize procedures for the completion of the monthly reconciliation process for the revolving bank account. Updates have been made to these procedures and will continue to be made to improve the entire reconciliation process as auditor feedback is received. All Finance Department staff involved in the reconciliation process will continue to be required to use these procedures monthly when completing the reconciliation for the revolving bank account. Specifically, the process for reconciliation of the P-card transactions will be modified as recommend by the auditors with procedures updated for this change.

Sincerely,



Rocky Hanna
Superintendent

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com