

STATE OF FLORIDA AUDITOR GENERAL

Financial and Federal Single Audit

Report No. 2026-135
March 2026

**DUVAL COUNTY
DISTRICT SCHOOL BOARD**

For the Fiscal Year Ended
June 30, 2025



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2024-25 fiscal year, Dr. Christopher Bernier served as Superintendent of the Duval County Schools and the following individuals served as School Board Members:

	District No.
Anthony Ricardo from 11-19-24	1
Dr. Kelly Coker through 11-18-24	1
April Carney, Vice Chair from 11-19-24	2
Cindy Pearson	3
Darryl Willie, Chair through 11-18-24	4
Reginald Blount from 11-19-24	5
Warren A. Jones through 11-18-24	5
Charlotte D. Joyce, Chair from 11-19-24, Vice Chair through 11-18-24	6
Melody Bolduc from 11-19-24	7
Lori Hershey through 11-18-24	7

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Sue Granger, and the audit was supervised by Ivo Njabe, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the Duval County District School Board (District) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards, with the exception of the school internal funds, which comprise a significant portion of the aggregate remaining fund information.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

We noted a certain matter involving the District's internal control over financial reporting and its operation that we consider to be a material weakness, as summarized below.

Material Weakness

Finding No. 2025-001: District procedures could be improved to ensure that the required audit report of the District school internal funds is promptly issued and considered in completing the District financial statements and related audit.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal awards requirements. The Child Nutrition Cluster and Special Education Cluster were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. Our audit objectives were also to obtain reasonable assurance about whether material noncompliance with applicable Federal awards requirements occurred, whether due to fraud or error, and to express an opinion on the District's compliance based on our audit. In doing so, we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements and material noncompliance with Federal awards requirements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained 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.

- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and accompanying Schedule of Expenditures of Federal Awards.
- Concluded 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.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

AUDIT METHODOLOGY

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



Sherrill F. Norman, CPA
Auditor General

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

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

Qualified Opinion on the Aggregate Remaining Fund Information

In our opinion, except for the effects of the matter described in the ***Basis for Qualified and Unmodified Opinions*** section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Duval County District School Board, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Governmental Activities, the Business-Type Activities, the Aggregate Discretely Presented Component Units, and Each Major Fund

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the Duval County District School Board, as of June 30, 2025, and the respective changes in financial position thereof for the fiscal 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 aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units column as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report of the other auditors.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to Qualified Opinion on the Aggregate Remaining Fund Information

The Board is required, pursuant to Chapter 8 of the Financial and Program Cost Accounting and Reporting for Florida Schools, to provide for an annual audit of the school internal funds. The District Internal Auditor was to conduct the audit for the 2024-25 fiscal year; however, the District did not have effective procedures to require and ensure timely issuance of the 2024-25 fiscal year school internal funds audit report.

The school internal funds financial activities are included in the District's basic financial statements as Special Revenue – Miscellaneous Fund and represent 6 percent, 0 percent, 8 percent, 10 percent, and 11 percent, respectively, of the assets, liabilities, net position and fund balance, revenues and additions, and expenditures and deductions of the aggregate remaining fund information as of June 30, 2025. Further discussion about the opinion qualification is in Finding No. 2025-001.

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 12 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General and Major Special Revenue Funds**, **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information** be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 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, rules, regulations, contracts, and grant agreements and other matters included under the heading **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**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

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

- As of June 30, 2025, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$959,570,616.
- In total, net position increased \$140,464,864, which represents a 17.1 percent increase over the 2023-24 fiscal year.
- General revenues total \$1,865,456,197, or 95.6 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$86,693,163, or 4.4 percent of all revenues.
- Expenses total \$1,811,684,496. Only \$86,693,163 of these expenses was offset by program specific revenues, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$213,061,095, which is \$41,404,821 more than the prior fiscal year balance. The General Fund assigned and unassigned fund balances total \$175,656,095, or 13.5 percent of total General Fund revenues.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

- Governmental activities – This represents most of the District’s services, including its educational programs such as basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State’s education finance program provide most of the resources that support these activities.
- Business-type activities – This represents services and activities of the Florida School Retiree Benefits Consortium (FSRBC) enterprise fund.
- The District presents aggregate financial information for 44 charter schools, which are separate legal entities, in this report. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.
- The Duval Leasing Corporation (Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District’s most significant funds. The District’s major funds are the General Fund, Special Revenue – Food Service Fund, Special Revenue – Other Federal Programs Fund, Special Revenue – Federal Education Stabilization Fund, Debt Service – Other Debt

Service Fund, Debt Service – ARRA Economic Stimulus Fund, Capital Projects – Local Capital Improvement Fund, and Capital Projects – Other Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

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

Proprietary Funds: Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains two different types of proprietary funds - internal service funds and an enterprise fund. Internal service funds are used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its self-insurance programs, including workers' compensation, general liability, automobile liability, health and hospitalization, and District printing operations. The District's internal service funds are included within governmental activities in the government-wide financial statements because the services predominantly benefit the District's governmental functions. The internal service funds are combined into a single, aggregated column in the proprietary fund financial statements. The enterprise fund is used to account for resources held as fiscal agent for the Florida School Retiree Benefits Consortium (FSRBC).

Fiduciary Funds: The District's fiduciary funds are the trust funds used to account for Gear Up Scholarship programs.

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 total other postemployment benefits and net pension liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position, End of Year

	Governmental Activities		Business-Type Activities		Total	
	6-30-25	6-30-24	6-30-25	6-30-24	6-30-25	6-30-24
Current and Other Assets	\$ 1,276,141,727	\$ 1,307,371,221	\$ 1,219,018	\$ 1,357,655	\$ 1,277,360,745	\$ 1,308,728,876
Capital Assets	1,334,139,732	1,209,597,663	30,047	32,661	1,334,169,779	1,209,630,324
Total Assets	2,610,281,459	2,516,968,884	1,249,065	1,390,316	2,611,530,524	2,518,359,200
Deferred Outflows of Resources	204,712,843	207,974,944	-	-	204,712,843	207,974,944
Long-Term Liabilities	1,603,855,949	1,672,360,422	-	-	1,603,855,949	1,672,360,422
Other Liabilities	121,912,150	139,396,176	1,219,018	1,357,655	123,131,168	140,753,831
Total Liabilities	1,725,768,099	1,811,756,598	1,219,018	1,357,655	1,726,987,117	1,813,114,253
Deferred Inflows of Resources	129,685,634	94,114,139	-	-	129,685,634	94,114,139
Net Position:						
Net Investment in Capital Assets	544,586,273	573,619,860	30,047	32,661	544,616,320	573,652,521
Restricted	823,252,293	938,886,804	-	-	823,252,293	938,886,804
Unrestricted (Deficit)	(408,297,997)	(693,433,573)	-	-	(408,297,997)	(693,433,573)
Total Net Position	\$ 959,540,569	\$ 819,073,091	\$ 30,047	\$ 32,661	\$ 959,570,616	\$ 819,105,752

The largest portion of the District's net position (\$544,616,320) is investment in capital assets (e.g., land; buildings; furniture, fixtures, and equipment), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. 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 how they may be used. The deficit unrestricted net position of \$408,297,997 was the result, in part, of accruing certain long-term liabilities (such as compensated absences, pension, and other postemployment benefits) that are funded on a pay-as-you-go basis. However, the District has sufficient current assets to meet current liabilities.

The increase in capital assets of \$124,539,455 was mainly due to an increase in construction in progress.

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		Business-Type Activities		Total	
	6-30-25	6-30-24	6-30-25	6-30-24	6-30-25	6-30-24
Program Revenues:						
Charges for Services	\$ 15,477,414	\$ 13,953,292	\$946,641	\$ 1,152,592	\$ 16,424,055	\$ 15,105,884
Operating Grants and Contributions	64,813,392	60,960,653	-	-	64,813,392	60,960,653
Capital Grants and Contributions	5,455,716	19,983,870	-	-	5,455,716	19,983,870
General Revenues:						
Property Taxes, Levied for Operational Purposes	553,179,038	538,524,540	-	-	553,179,038	538,524,540
Property Taxes, Levied for Capital Projects	171,457,513	163,895,981	-	-	171,457,513	163,895,981
Local Sales Taxes	133,111,001	129,911,642	-	-	133,111,001	129,911,642
Grants and Contributions Not Restricted to Specific Programs	905,672,057	986,579,100	-	-	905,672,057	986,579,100
Unrestricted Investment Earnings	56,893,767	51,427,258	-	-	56,893,767	51,427,258
Miscellaneous	45,142,821	77,967,968	-	-	45,142,821	77,967,968
Total Revenues	1,951,202,719	2,043,204,304	946,641	1,152,592	1,952,149,360	2,044,356,896
Functions/Program Expenses:						
Instruction	1,016,726,196	1,103,658,161	-	-	1,016,726,196	1,103,658,161
Student Support Services	109,964,029	123,694,515	-	-	109,964,029	123,694,515
Instructional Media Services	7,599,912	8,592,508	-	-	7,599,912	8,592,508
Instruction and Curriculum Development Services	33,066,135	36,818,846	-	-	33,066,135	36,818,846
Instructional Staff Training Services	26,021,899	28,895,897	-	-	26,021,899	28,895,897
Instruction-Related Technology	12,708,923	15,649,243	-	-	12,708,923	15,649,243
Board	6,668,245	4,231,122	-	-	6,668,245	4,231,122
General Administration	7,296,696	14,805,585	-	-	7,296,696	14,805,585
School Administration	87,545,942	95,776,633	-	-	87,545,942	95,776,633
Facilities Acquisition and Construction	139,302,859	130,131,193	-	-	139,302,859	130,131,193
Fiscal Services	7,081,747	8,869,272	-	-	7,081,747	8,869,272
Food Services	74,294,512	68,740,092	-	-	74,294,512	68,740,092
Central Services	27,513,203	31,452,588	-	-	27,513,203	31,452,588
Student Transportation Services	81,321,280	75,299,048	-	-	81,321,280	75,299,048
Operation of Plant	89,366,136	92,429,777	-	-	89,366,136	92,429,777
Maintenance of Plant	32,081,981	33,216,542	-	-	32,081,981	33,216,542
Administrative Technology Services	8,419,853	12,867,953	-	-	8,419,853	12,867,953
Community Services	1,427,813	1,830,974	-	-	1,427,813	1,830,974
Unallocated Interest on Long-Term Debt Consortium	-	-	949,255	1,156,511	949,255	1,156,511
Total Functions/Program Expenses	1,810,735,241	1,925,362,338	949,255	1,156,511	1,811,684,496	1,926,518,849
Change in Net Position	140,467,478	117,841,966	(2,614)	(3,919)	140,464,864	117,838,047
Net Position - Beginning	819,073,091	701,231,125	32,661	36,580	819,105,752	701,267,705
Net - Position Ending	\$ 959,540,569	\$ 819,073,091	\$ 30,047	\$ 32,661	\$ 959,570,616	\$ 819,105,752

The State's Florida Education Finance Program (FEFP) and local property taxes provide the majority of the District's revenues for current operations. These revenues are included in general revenues, which provide 95.6 percent of total revenues, whereas program revenues provide only 4.4 percent. Most program revenues (76 percent) are in the food services activity.

The FEFP funding formula is used to allocate State revenue sources for current District operations and, utilizing student enrollment data, is designed to maintain equity in funding across all Florida school districts recognizing varying (1) local property tax bases; (2) education program costs; (3) costs of living; and (4) costs for equivalent educational programs due to sparseness and dispersion of the student population.

Grants and contributions not restricted to specific programs revenues decreased by \$80,907,043, or 8.2 percent, primarily due to a decrease in Federal Education Stabilization Funds. Revenues from

property and sales taxes increased by \$25,415,389, or 3.1 percent, because of increases in taxable property values and the receipt of half-cent sales tax collections for schools.

Direct instructional activities represent the majority of the District's expenses, representing approximately 56.1 percent of total expenses of governmental activities. Instructional activities expenses and student support services expenses decreased by \$86,931,965, or 7.9 percent, and \$13,730,486, or 11.1 percent, respectively, primarily due to the end of Federal Education Stabilization funding during the current fiscal year and a decrease in pension expense. Overall, total expenses decreased by \$114,627,097, or 6 percent.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

The total fund balances of governmental funds decreased by \$22,804,442 during the fiscal year to \$1,064,194,256 at June 30, 2025. Of the total fund balance, \$122,141,616, or 11.5 percent, is unassigned fund balance, which is available for spending at the District's discretion; \$8,052,386 is nonspendable; \$880,485,775 is restricted; and \$53,514,479 is assigned.

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$122,141,616, while the total fund balance is \$213,061,095. 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 revenues. The total assigned and unassigned fund balance is 13.5 percent of the total General Fund revenues, while total fund balance represents 16.3 percent of total General Fund revenues. Total fund balance increased by \$41,404,821 during the fiscal year. A factor impacting the increase was the result of other financing sources of \$56,750,822 represented by transfers in for additional bus replacements, maintenance contracts, and charter school capital outlay payments.

The Special Revenue – Food Service Fund has a total fund balance of \$24,719,081. The nonspendable portion of the fund balance of \$895,630 is for United States Department of Agriculture donated food inventories, and the remainder of the fund balance of \$23,823,451 is restricted for the preparation and distribution of student and adult meals. Of this amount, \$1,465,533 has been encumbered for specific purposes. The decrease in fund balance of \$4,285,620, as compared to the previous fiscal year fund balance, is due to decreased claims filed to the National School Lunch Program.

The Special Revenue – Other Federal Programs Fund has revenues of \$138,946,699, transfers in of \$34,101, and expenditures of \$138,980,800. Funding was mainly used for instruction and student

support services. Because grant revenues are not recognized until expenditures are incurred, this fund does not accumulate a fund balance.

The Special Revenue – Federal Education Stabilization Fund has revenues and expenditures of \$23,751,555 each, and the funding was mainly used for instruction. Because grant revenues are not recognized until expenditures are incurred, this fund does not accumulate a fund balance.

The Debt Service – Other Debt Service Fund has a total fund balance of \$57,599,606 which is restricted for the payment of debt service on all certificates of participation issued. The fund balance decreased \$4,519,669, mainly due to scheduled debt service payments.

The Debt Service – ARRA Economic Stimulus Fund has a total fund balance of \$90,638,873, which is restricted for the payment of debt principal, interest, and related costs of Qualified School Construction Bonds and Qualified Zone Academy Bonds. The fund balance increased \$8,452,911 mainly due to increased restricted investments.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of \$123,195,194, which is restricted for the acquisition, construction, and maintenance of capital assets. The fund balance increased \$35,621,473 due to increases in property valuations and property tax collection, and decreases in expenditures and transfers out for debt service payments. As of June 30, 2025, \$31,553,412 of the total fund balance was encumbered for specific projects.

The Capital Projects – Other Capital Projects Fund has a total fund balance of \$525,982,726, which is restricted for charter school capital outlay and the master facility plans. The fund balance decreased \$97,546,563 due to the issuance of a new Certificate of Participation (COP) to refund two other COPs and decrease in revenues resulting from transfers to cover prior year expenditures. As of June 30, 2025, \$45,395,615 of total fund balance was encumbered for specific projects.

Proprietary Funds

The District's proprietary funds financial statements are presented on the same accounting basis as the government-wide financial statements. The Internal Service Funds' net position totaled \$70,419,321, of which \$66,642,836 was reported as unrestricted for employee health insurance benefits, \$3,760,631 was reported as unrestricted for worker's compensation, and \$15,854 was reported as unrestricted for the Print Shop at the end of the current fiscal year. The District experienced an increase in net position of \$7,517,974, or 12 percent, mainly due to an increase of \$7,297,693 from operating revenues.

The net position of the Florida School Retiree Benefits Consortium decreased by \$2,614.

Fiduciary Funds

The District's Private-Purpose Trust Fund had a fiscal year-end net position of \$75,293, an increase of \$18,181.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the fiscal year, the District revises its budget to address unanticipated changes in revenues and expenditures. Projected revenues increased by \$25,332,268, or 2 percent. Projected

expenditures increased by \$36,216,193, or 2.5 percent, mainly due to fluctuations and adjustments in District's requirements, initiative, and programs.

Actual General Fund revenues of \$1,306,011,430 were \$975,827, or 0.1 percent, more than final budgeted amounts, and actual expenditures of \$1,320,252,582 were \$148,684,755, or 10.1 percent, less than anticipated. The District continuously reviews cost saving measures and incremental increases in expenditures to avoid budget shortfalls. The variance between the General Fund's budgeted and actual expenditures reflects the District's practice to fully appropriate all potential obligations.

The actual ending fund balance exceeded the estimated fund balance in the final budget by \$145,610,914. This provides maximum flexibility in funding for the General Fund to meet shortfalls in revenue and additional expenditure requirements.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets (net of accumulated depreciation) as of June 30, 2025, totaled \$1,334,169,779. The capital assets include land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; audio visual materials; and computer software. The investment in capital assets (net of accumulated depreciation) increased during the current fiscal year by \$124,539,455, or 10.3 percent.

Major capital asset additions during the current fiscal year included new equipment, construction, remodeling, renovations, and site improvements at several schools and other facilities, including ongoing district-wide infrastructure and roofing projects.

Additional information on the District's capital assets can be found in Notes I.F.5. and III.C. to the financial statements.

Long-Term Debt.

The District had total long-term debt outstanding of \$845,278,357 at the end of the current fiscal year. The debt consisted of Certificates of Participation (COPs), which include Qualified Zone Academy Bonds and Qualified School Construction Bonds. The District's total long-term debt decreased 6.6 percent. Changes in long-term debt were comprised of scheduled principal payments and related amortizations, and the issuance of COPs 2025A which refunded COPs Series 2013A and 2015B.

Additional information on the District's long-term debt can be found in Notes III.H.1 through III.H.3 to the financial statements.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer, Duval County Public Schools, 1701 Prudential Drive, Jacksonville, Florida 32207-8182.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 174,640,655	\$ -	\$ 174,640,655	\$ 89,592,537
Investments	553,274,002	1,219,018	554,493,020	3,070,000
Accounts Receivable (Net)	247,992	-	247,992	10,589,372
Interest Receivable	2,148,676	-	2,148,676	-
Due from Other Agencies	25,971,683	-	25,971,683	36,811,859
Deposits Receivable	-	-	-	448,934
Prepaid Items	-	-	-	1,867,114
Inventories	8,052,386	-	8,052,386	-
Restricted Cash and Cash Equivalents	468,715,381	-	468,715,381	-
Restricted Investments	43,090,952	-	43,090,952	1,889,644
Capital Assets:				
Nondepreciable Capital Assets	625,807,438	-	625,807,438	22,026,757
Depreciable Capital Assets, Net	708,332,294	30,047	708,362,341	446,129,349
TOTAL ASSETS	2,610,281,459	1,249,065	2,611,530,524	612,425,566
DEFERRED OUTFLOWS OF RESOURCES				
Net Carrying Amount of Debt Refundings	5,375,219	-	5,375,219	-
Pensions	190,533,557	-	190,533,557	14,632,796
OPEB	8,804,067	-	8,804,067	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	204,712,843	-	204,712,843	14,632,796
LIABILITIES				
Accrued Salaries and Benefits	859,708	-	859,708	6,034,820
Payroll Deductions and Withholdings	16,534,428	-	16,534,428	8,660
Accounts Payable	67,473,657	144,493	67,618,150	7,052,535
Construction Contracts Payable	15,114,348	-	15,114,348	-
Construction Contracts Payable - Retained Percentage	7,099,155	-	7,099,155	-
Due to Other Agencies	3,278,397	1,074,525	4,352,922	16,095,795
Unearned Revenue	3,832,706	-	3,832,706	151,756
Estimated Insurance Claims Program	7,719,751	-	7,719,751	-
Long-Term Liabilities:				
Portion Due Within 1 Year	102,875,061	-	102,875,061	14,226,000
Portion Due After 1 Year	1,500,980,888	-	1,500,980,888	519,552,911
TOTAL LIABILITIES	1,725,768,099	1,219,018	1,726,987,117	563,122,477
DEFERRED INFLOWS OF RESOURCES				
Deficit Net Carrying Amount of Debt Refunding	7,779,433	-	7,779,433	-
Pensions	89,703,682	-	89,703,682	2,693,978
OPEB	32,202,519	-	32,202,519	-
TOTAL DEFERRED INFLOWS OF RESOURCES	129,685,634	-	129,685,634	2,693,978
NET POSITION				
Net Investment in Capital Assets	544,586,273	30,047	544,616,320	(9,324,003)
Restricted for:				
State Required Carryover Programs	28,992,265	-	28,992,265	-
Debt Service	148,238,479	-	148,238,479	2,453,727
Capital Projects	611,983,244	-	611,983,244	7,520,647
Food Service	24,719,081	-	24,719,081	-
Special Revenue	-	-	-	1,628,903
Other Purposes	9,319,224	-	9,319,224	-
Unrestricted	(408,297,997)	-	(408,297,997)	58,962,633
TOTAL NET POSITION	\$ 959,540,569	\$ 30,047	\$ 959,570,616	\$ 61,241,907

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

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 1,016,726,196	\$ 2,682,796	\$ -	\$ -
Student Support Services	109,964,029	-	-	-
Instructional Media Services	7,599,912	-	-	-
Instruction and Curriculum Development Services	33,066,135	-	-	-
Instructional Staff Training Services	26,021,899	-	-	-
Instruction-Related Technology	12,708,923	-	-	-
Board	6,668,245	-	-	-
General Administration	7,296,696	-	-	-
School Administration	87,545,942	-	-	-
Facilities Acquisition and Construction	139,302,859	-	-	5,455,716
Fiscal Services	7,081,747	-	-	-
Food Services	74,294,512	1,074,941	64,813,392	-
Central Services	27,513,203	-	-	-
Student Transportation Services	81,321,280	-	-	-
Operation of Plant	89,366,136	-	-	-
Maintenance of Plant	32,081,981	-	-	-
Administrative Technology Services	8,419,853	-	-	-
Community Services	1,427,813	11,719,677	-	-
Unallocated Interest on Long-Term Debt	42,327,880	-	-	-
Total Governmental Activities	1,810,735,241	15,477,414	64,813,392	5,455,716
Business-Type Activities:				
Consortium	949,255	946,641	-	-
Total Primary Government	\$ 1,811,684,496	\$ 16,424,055	\$ 64,813,392	\$ 5,455,716
Component Units				
Charter Schools	\$ 363,015,828	\$ 6,540,131	\$ 36,623,239	\$ 59,391,733

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

School Capital Outlay Surtax

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Special Items

Total General Revenues and Special Items

Change in Net Position

Net Position - Beginning

Adjustment to Beginning Net Position

Net Position - Beginning, as Restated

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (1,014,043,400)	\$ -	\$ (1,014,043,400)	\$ -
(109,964,029)	-	(109,964,029)	-
(7,599,912)	-	(7,599,912)	-
(33,066,135)	-	(33,066,135)	-
(26,021,899)	-	(26,021,899)	-
(12,708,923)	-	(12,708,923)	-
(6,668,245)	-	(6,668,245)	-
(7,296,696)	-	(7,296,696)	-
(87,545,942)	-	(87,545,942)	-
(133,847,143)	-	(133,847,143)	-
(7,081,747)	-	(7,081,747)	-
(8,406,179)	-	(8,406,179)	-
(27,513,203)	-	(27,513,203)	-
(81,321,280)	-	(81,321,280)	-
(89,366,136)	-	(89,366,136)	-
(32,081,981)	-	(32,081,981)	-
(8,419,853)	-	(8,419,853)	-
10,291,864	-	10,291,864	-
(42,327,880)	-	(42,327,880)	-
(1,724,988,719)	-	(1,724,988,719)	-
-	(2,614)	(2,614)	-
(1,724,988,719)	(2,614)	(1,724,991,333)	-
-	-	-	(260,460,725)
553,179,038	-	553,179,038	-
171,457,513	-	171,457,513	-
133,111,001	-	133,111,001	-
905,672,057	-	905,672,057	257,878,152
56,893,767	-	56,893,767	2,451,768
45,142,821	-	45,142,821	16,395,317
-	-	-	3,176,705
1,865,456,197	-	1,865,456,197	279,901,942
140,467,478	(2,614)	140,464,864	19,441,217
819,073,091	32,661	819,105,752	41,658,974
-	-	-	141,716
819,073,091	32,661	819,105,752	41,800,690
\$ 959,540,569	\$ 30,047	\$ 959,570,616	\$ 61,241,907

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

	General Fund	Special Revenue - Food Service Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Education Stabilization Fund
ASSETS				
Cash and Cash Equivalents	\$ 165,567,809	\$ 9,225	\$ -	\$ -
Investments	80,715,964	29,851,295	-	5,398,785
Accounts Receivable	-	28,849	-	-
Interest Receivable	2,148,676	-	-	-
Due from Other Funds	3,941,548	-	-	-
Due from Other Agencies	11,161,602	823,268	6,114,177	-
Inventories	7,156,756	895,630	-	-
Restricted Cash and Cash Equivalents	-	-	-	-
Restricted Investments	-	-	-	-
TOTAL ASSETS	\$ 270,692,355	\$ 31,608,267	\$ 6,114,177	\$ 5,398,785
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Salaries and Benefits	\$ 859,408	\$ -	\$ 300	\$ -
Payroll Deductions and Withholdings	15,753,764	-	-	-
Accounts Payable	39,977,350	6,749,852	4,284,560	19,033
Construction Contracts Payable	-	-	-	-
Construction Contracts Payable - Retained Percentage	1,811	-	-	-
Due to Other Funds	698,398	-	1,108,309	-
Due to Other Agencies	-	-	691,547	2,286,817
Unearned Revenue	340,529	139,334	29,461	3,092,935
Total Liabilities	57,631,260	6,889,186	6,114,177	5,398,785
Fund Balances:				
Nonspendable:				
Inventories	7,156,756	895,630	-	-
Restricted for:				
State Required Carryover Programs	28,992,265	-	-	-
Other Purposes	1,255,979	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Food Service	-	23,823,451	-	-
Student Groups	-	-	-	-
Total Restricted Fund Balance	30,248,244	23,823,451	-	-
Assigned for:				
Purchases on Order	53,514,479	-	-	-
Unassigned Fund Balance	122,141,616	-	-	-
Total Fund Balances	213,061,095	24,719,081	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 270,692,355	\$ 31,608,267	\$ 6,114,177	\$ 5,398,785

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

Debt Service - Other Debt Service Fund	Debt Service - ARRA Economic Stimulus Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 8,063,245	\$ 173,640,279
-	-	125,111,850	188,221,640	17,093,777	446,393,311
-	-	-	97,470	-	126,319
-	-	-	-	-	2,148,676
698,398	-	971,518	-	-	5,611,464
-	70,472	-	2,425,360	5,376,804	25,971,683
-	-	-	-	-	8,052,386
56,901,208	50,310,688	-	361,503,485	-	468,715,381
-	43,090,952	-	-	-	43,090,952
\$ 57,599,606	\$ 93,472,112	\$ 126,083,368	\$ 552,247,955	\$ 30,533,826	\$ 1,173,750,451
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 859,708
-	-	-	-	-	15,753,764
-	-	2,359,341	4,506,045	411,893	58,308,074
-	-	-	15,114,348	-	15,114,348
-	-	528,833	6,415,777	152,734	7,099,155
-	2,833,239	-	-	971,518	5,611,464
-	-	-	-	-	2,978,364
-	-	-	229,059	-	3,831,318
-	2,833,239	2,888,174	26,265,229	1,536,145	109,556,195
-	-	-	-	-	8,052,386
-	-	-	-	-	28,992,265
-	-	-	-	-	1,255,979
57,599,606	90,638,873	-	-	-	148,238,479
-	-	123,195,194	525,982,726	20,934,436	670,112,356
-	-	-	-	-	23,823,451
-	-	-	-	8,063,245	8,063,245
57,599,606	90,638,873	123,195,194	525,982,726	28,997,681	880,485,775
-	-	-	-	-	53,514,479
-	-	-	-	-	122,141,616
57,599,606	90,638,873	123,195,194	525,982,726	28,997,681	1,064,194,256
\$ 57,599,606	\$ 93,472,112	\$ 126,083,368	\$ 552,247,955	\$ 30,533,826	\$ 1,173,750,451

**Duval 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 \$ 1,064,194,256

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.	1,334,139,732
Deferred charges on bond refundings and deficit net carrying amounts of debt refundings are not expensed in the government-wide statements, but are reported as deferred outflows of resources or deferred inflows of resources and amortized over the life of the debt.	(2,404,214)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	70,419,321
The deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.	
Deferred Outflows Related to Pensions	\$ 190,533,557
Deferred Outflows Related to OPEB	8,804,067
Deferred Inflows Related to Pensions	(89,703,682)
Deferred Inflows Related to OPEB	<u>(32,202,519)</u>
	77,431,423

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 at year end consist of:

Certificates of Participation Payable	\$ (845,278,357)	
Compensated Absences Payable	(84,026,894)	
Net Pension Liability	(636,530,126)	
Total OPEB Liability	<u>(18,404,572)</u>	<u>(1,584,239,949)</u>

Net Position - Governmental Activities **\$ 959,540,569**

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

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

	General Fund	Special Revenue - Food Service Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Education Stabilization Fund
Revenues				
Intergovernmental:				
Federal Direct	\$ 2,896,295	\$ -	\$ 6,409,373	\$ -
Federal Through State and Local State	3,456,606	66,978,118	132,537,326	23,751,555
	706,700,285	716,605	-	-
Local:				
Property Taxes	553,179,038	-	-	-
Local Sales Taxes	-	-	-	-
Charges for Services - Food Service	-	1,074,941	-	-
Other Local Revenue	39,779,206	1,886,663	-	-
Total Local Revenues	592,958,244	2,961,604	-	-
Total Revenues	1,306,011,430	70,656,327	138,946,699	23,751,555
Expenditures				
Current - Education:				
Instruction	852,552,153	-	67,619,326	19,157,495
Student Support Services	66,063,575	-	34,439,006	1,023,331
Instructional Media Services	5,712,843	-	1,218,943	-
Instruction and Curriculum Development Services	19,019,446	-	11,220,903	342,351
Instructional Staff Training Services	7,941,009	-	16,244,017	291,123
Instruction-Related Technology	10,876,267	-	779,422	2,526
Board	6,543,737	-	-	-
General Administration	3,829,347	-	2,833,129	396,670
School Administration	76,788,613	-	1,423,464	48,761
Facilities Acquisition and Construction	27,321,110	-	9,400	25,475
Fiscal Services	6,477,465	-	-	-
Food Services	-	74,102,278	-	-
Central Services	25,577,294	-	239,656	55,137
Student Transportation Services	77,651,821	-	2,086,210	1,385,805
Operation of Plant	87,019,784	-	-	442,640
Maintenance of Plant	30,257,595	-	-	-
Administrative Technology Services	7,990,358	-	28,464	-
Community Services	1,373,435	-	-	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	6,230,885	-	133,421	520,322
Other Capital Outlay	1,025,845	321,912	705,439	59,919
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	1,320,252,582	74,424,190	138,980,800	23,751,555
Excess (Deficiency) of Revenues Over Expenditures	(14,241,152)	(3,767,863)	(34,101)	-
Other Financing Sources (Uses)				
Transfers In	56,750,822	310,197	34,101	-
Proceeds of Certificates of Participation	-	-	-	-
Premium on Certificates of Participation	-	-	-	-
Payments to Refunding Escrow Agent	-	-	-	-
Sale of Capital Assets	210,650	-	-	-
Loss Recoveries	-	-	-	-
Transfers Out	(1,315,499)	(827,954)	-	-
Total Other Financing Sources (Uses)	55,645,973	(517,757)	34,101	-
Net Change in Fund Balances	41,404,821	(4,285,620)	-	-
Fund Balance, Beginning	171,656,274	29,004,701	-	-
Adjustment to Beginning Fund Balances	-	-	-	-
Fund Balance, Beginning, as Restated	171,656,274	29,004,701	-	-
Fund Balances, Ending	\$ 213,061,095	\$ 24,719,081	\$ 0.00	\$ 0.00

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

Debt Service - Other Debt Service Fund	Debt Service - ARRA Economic Stimulus Fund	Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,875,672	\$ -	\$ -	\$ -	\$ 11,181,340
-	-	-	-	-	226,723,605
-	-	-	25,242,416	5,376,914	738,036,220
-	-	171,457,513	-	-	724,636,551
-	-	-	133,111,001	-	133,111,001
-	-	-	-	-	1,074,941
191,060	1,906,533	4,454,126	32,428,233	17,516,979	98,162,800
191,060	1,906,533	175,911,639	165,539,234	17,516,979	956,985,293
191,060	3,782,205	175,911,639	190,781,650	22,893,893	1,932,926,458
-	-	-	-	15,441,359	954,770,333
-	-	-	-	-	101,525,912
-	-	-	-	-	6,931,786
-	-	-	-	-	30,582,700
-	-	-	-	-	24,476,149
-	-	-	-	-	11,658,215
-	-	-	-	-	6,543,737
-	-	-	-	-	7,059,146
-	-	-	-	1,292,175	79,553,013
-	-	53,456,004	57,811,695	184,595	138,808,279
-	-	-	-	-	6,477,465
-	-	-	-	-	74,102,278
-	-	-	-	-	25,872,087
-	-	-	-	-	81,123,836
-	-	-	-	-	87,462,424
-	-	-	-	-	30,257,595
-	-	-	-	-	8,018,822
-	-	-	-	-	1,373,435
-	-	20,423,414	138,649,607	7,901,758	173,859,407
-	-	6,459,769	6,224,650	-	14,797,534
44,364,486	1,775,000	-	10,970,000	-	57,109,486
34,537,482	3,576,996	-	2,870,580	5,801	40,990,859
78,901,968	5,351,996	80,339,187	216,526,532	24,825,688	1,963,354,498
(78,710,908)	(1,569,791)	95,572,452	(25,744,882)	(1,931,795)	(30,428,040)
79,370,053	10,022,702	-	5,178,814	-	151,666,689
-	-	-	103,290,000	-	103,290,000
-	-	-	7,656,765	-	7,656,765
-	-	-	(102,285,000)	-	(102,285,000)
-	-	-	-	-	210,650
-	-	-	31,193	-	31,193
(5,178,814)	-	(59,950,979)	(85,673,453)	-	(152,946,699)
74,191,239	10,022,702	(59,950,979)	(71,801,681)	-	7,623,598
(4,519,669)	8,452,911	35,621,473	(97,546,563)	(1,931,795)	(22,804,442)
91,521,615	52,783,622	87,573,721	623,529,289	30,929,476	1,086,998,698
(29,402,340)	29,402,340	-	-	-	-
62,119,275	82,185,962	87,573,721	623,529,289	30,929,476	1,086,998,698
\$ 57,599,606	\$ 90,638,873	\$ 123,195,194	\$ 525,982,726	\$ 28,997,681	\$ 1,064,194,256

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

Net Change in Fund Balances - Governmental Funds \$ (22,804,442)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current fiscal year. 124,892,394

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (350,325)

Deferred outflows of resources and deferred inflows of resources on refunded debt are reported in the governmental funds the year debt is issued, but deferred and amortized over the life of the debt in the statement of activities.

Decrease in Deferred Outflows of Resources - Debt Refunding	\$ (5,072,252)	
Increase in Deferred Inflows of Resources - Debt Refunding	<u>(7,779,433)</u>	(12,851,685)

Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums when debt is first issued or refunded, whereas these amounts are deferred and amortized in the statement of activities. This is the debt related activity in the current fiscal year.

Proceeds of Refunding COPs	\$ (103,290,000)	
Premium on Refunding COPs	(7,656,765)	
Payments to Refunding Escrow Agent	102,285,000	
COPs Principal Payments	57,109,486	
Amortization of COPs Premium	<u>11,514,664</u>	59,962,385

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. (24,014,331)

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

Decrease in Total OPEB Liability	\$ 9,395,982	
Decrease in Deferred Outflows of Resources - OPEB	(841,197)	
Increase in Deferred Inflows of Resources - OPEB	<u>(7,871,882)</u>	682,903

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.

Decrease in Net Pension Liability	\$ 24,701,437	
Increase in Deferred Outflows of Resources - Pensions	2,651,348	
Increase in Deferred Inflows of Resources - Pensions	<u>(19,920,180)</u>	7,432,605

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The change in net position of the internal service funds is reported with governmental activities. 7,517,974

Change in Net Position - Governmental Activities \$ 140,467,478

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

**Duval County District School Board
Statement of Net Position – Proprietary Funds
June 30, 2025**

	Nonmajor Enterprise Fund Consortium	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ 1,000,376
Investments	1,219,018	106,880,691
Accounts Receivable, Net	-	121,673
Total Current Assets	1,219,018	108,002,740
Noncurrent Assets:		
Depreciable Capital Assets, Net	30,047	-
TOTAL ASSETS	1,249,065	108,002,740
LIABILITIES		
Current Liabilities:		
Payroll Deductions and Withholdings	-	780,664
Accounts Payable	144,493	9,165,583
Due to Other Agencies	1,074,525	300,033
Unearned Revenue	-	1,388
Estimated Insurance Claims Program	-	7,719,751
Estimated Liability for Long-Term Claims	-	6,290,000
Total Current Liabilities	1,219,018	24,257,419
Noncurrent Liabilities:		
Estimated Liability for Long-Term Claims	-	13,326,000
TOTAL LIABILITIES	1,219,018	37,583,419
NET POSITION		
Investment in Capital Assets	30,047	-
Unrestricted	-	70,419,321
TOTAL NET POSITION	\$ 30,047	\$ 70,419,321

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

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

	Nonmajor Enterprise Fund Consortium	Internal Service Funds
OPERATING REVENUES		
Premiums	\$ -	\$ 119,095,808
Charges for Services	946,641	174,913
Total Operating Revenues	946,641	119,270,721
OPERATING EXPENSES		
Salaries	212,100	509,372
Employee Benefits	81,060	204,413
Purchased Services	597,517	5,565,157
Energy Services	1,944	-
Materials and Supplies	-	60,308
Capital Outlay	-	1,487
Insurance Claims	-	124,726,438
Other	54,020	-
Depreciation Expense	2,614	-
Total Operating Expenses	949,255	131,067,175
Operating Loss	(2,614)	(11,796,454)
NONOPERATING REVENUES		
Interest	-	3,074,843
Other Miscellaneous Local Sources	-	14,734,683
Loss Recoveries	-	224,892
Total Nonoperating Revenues	-	18,034,418
Income (Loss) Before Transfers	(2,614)	6,237,964
Transfers In	-	27,912,581
Transfers Out	-	(26,632,571)
Change in Net Position	(2,614)	7,517,974
Total Net Position - Beginning	32,661	62,901,347
Total Net Position - Ending	\$ 30,047	\$ 70,419,321

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

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

	Nonmajor Enterprise Fund Consortium	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Board Funds and Participants	\$ -	\$ 119,270,721
Cash Received from Other Operating Activities	663,511	7,876,385
Cash Payments to Suppliers for Goods and Services	(508,988)	(19,420,947)
Cash Payments to Employees for Services	(293,160)	(713,785)
Cash Payments for Insurance Claims	-	(122,517,994)
	(138,637)	(15,505,620)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Loss Recoveries	-	224,892
Cash Received from Miscellaneous Local Sources	-	14,734,683
Transfer from Other Funds	-	27,912,581
Transfer to Other Funds	-	(26,632,571)
	-	16,239,585
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchase) of Investments	138,637	(3,506,840)
Interest Income	-	3,074,843
	138,637	(431,997)
Net Cash Provided (Used) by Investing Activities		
Net Increase in Cash and Cash Equivalents	-	301,968
Cash and Cash Equivalents, Beginning	-	698,408
Cash and Cash Equivalents, Ending	\$ 0.00	\$ 1,000,376
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating Loss	\$ (2,614)	\$ (11,796,454)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation	2,614	-
Changes in Assets and Liabilities:		
Accounts Receivable	-	44,292
Due from Other Funds	-	7,874,997
Deposits Payable	-	(450,150)
Payroll Deductions and Withholdings	-	780,664
Accounts Payable	144,493	(12,903,912)
Due to Other Funds	-	(1,264,889)
Due to Other Agencies	(283,130)	-
Unearned Revenue	-	1,388
Estimated Insurance Claims Program	-	667,444
Estimated Liability for Long-Term Claims	-	1,541,000
	(136,023)	(3,709,166)
Total Adjustments		
Net Cash Used by Operating Activities	\$ (138,637)	\$ (15,505,620)

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

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

	Private-Purpose Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 13,177
Investments	63,441
TOTAL ASSETS	76,618
LIABILITIES	
Accounts Payable	1,325
TOTAL LIABILITIES	1,325
NET POSITION	
Held in Trust for Scholarships	\$ 75,293

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

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

	Private-Purpose Trust Fund
ADDITIONS	
Contributions:	
Gifts, Grants, Endowments, and Bequests	\$ 18,179
Investment Earnings:	
Interest, Dividends, and Other	502
Total Additions	18,681
DEDUCTIONS	
Scholarship Payments	500
Change in Net Position	18,181
Net Position - Beginning	57,112
Net Position - Ending	\$ 75,293

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external customers for support. 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 Duval County School District's (District) governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is allocated to the various functions.

B. Reporting Entity

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

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

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

Blended Component Unit. Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The Duval School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note III.H.1. Due to the substantive economic relationship between the District

and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units. The component unit columns in the government-wide financial statements include the financial data of the District's other component units. The District's component units consist of charter schools. A separate column is used to emphasize that they are legally separate from the District.

The charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the Duval County School Board. The 44 charter schools operational during the 2024-25 fiscal year: Becoming Collegiate, Biscayne High School, BridgePrep Academy - Duval County, Cornerstone Classical Academy, Duval Charter High School at Baymeadows, Duval Charter School at Baymeadows, Duval Charter Scholars Academy, Duval Charter School at Coastal, Duval Charter School at Flagler Center, Duval Charter at Mandarin, Duval Charter at Southside, Duval Charter School at Westside, Duval Mycro School of Integrated Academics and Technologies Inc., Florida Cyber Charter School at Duval, Global Leadership Academy Arts, Global Outreach Charter Academy, Global Outreach Academy High School, Global Outreach Academy Intercoastal, IDEA Bassett, IDEA River Bluff, Jacksonville Classical Academy, Jacksonville Classical Academy East, KIPP Impact Academy, KIPP VOICE Jacksonville Inc., KIPP Jacksonville K-12, Lone Star High School, River City Science Academy - Innovation, River City Science Academy - Intracoastal, River City Science Academy K-5, River City Science Academy - Mandarin, River City Science Academy Middle/High, River City Science Academy - Southeast, San Jose Early College at Cecil, San Jose Preparatory, San Jose Primary School, Seacoast Charter Academy Inc., Seaside Charter School K-8, Seaside Charter North Campus, Seaside Community Charter School, Somerset Academy Eagle Campus (Elem), Somerset Academy Middle Eagle Campus, SOS Academy, Tiger Academy, and Wayman Academy of the Arts.

The charter schools are component units of the District because the District is financially accountable for the charter schools. The District established the charter schools by approval of their 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. Finally, the nature and significance of the charter schools' relationships with the District are such that their exclusion would cause the District's basic financial statements to be misleading.

The financial data reported on the accompanying statement was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2025. The charter schools' financial statements are filed in the District's administrative offices at 1701 Prudential Drive, Jacksonville, Florida 32207-8182.

C. Basis of Presentation: Government-Wide Financial Statements

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

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used and 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 unit. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State or City that are legally restricted to be expended for specific current operating purposes.
- Special Revenue - Food Service Fund - to account for the financial resources related to the preparation, distribution, and sale of breakfast, lunch, and snacks to District students and personnel and related Federal grant program resources.
- Special Revenue – Other Federal Programs Fund – to account for certain Federal grant program resources.
- Special Revenue – Federal Education Stabilization Fund – to account for certain Federal grant program resources provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.
- Debt Service – Other Debt Service Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District's Certificates of Participation.
- Debt Service – ARRA Economic Stimulus Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District's Qualified School Construction Bonds and Qualified Zone Academy Bonds.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement ad valorem tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.
- Capital Projects – Other Capital Projects Fund – to account for the financial resources generated by the local half cent sales surtax revenue and the State safety and security grant, funds generated from the District's Certificates of Participation, and funds earmarked for charter school capital outlay.

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

- Enterprise Fund – The District is a member of, and fiscal agent for, the Florida School Retiree Benefits Consortium (FSRBC). FSRBC offers retiree benefits (Medicare Advantage Plans, Prescription Drug Plans, and Supplement Plans) to Medicare eligible retirees from the 19 participating school districts. FSRBC is governed by a board of directors composed of five (5) members who come from the senior benefit management positions from participating districts. As fiscal agent, the District has established an enterprise fund to account for FSRBC's resources and operations.
- Internal Service Funds – to account for the District's individual workers' compensation, health self-insurance programs, and the District's printing department operations.
- Private-Purpose Trust Fund – to account for resources of the William Raines High School's Gear Up Scholarship Trust Fund for scholarship recipients who are graduating seniors attending a 2-year or 4-year public or private institution. These activities are excluded from government-wide financial statements because the District cannot use these assets to finance its operations.

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other

grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Property taxes and interest associated with the current fiscal period is susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The charter schools, except for Tiger Academy, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities. Tiger Academy is accounted for as a not-for-profit organization and uses the not-for-profit accounting model.

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are cash on hand, demand deposits, cash with fiscal agent, and short-term liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include certain amounts held in money market mutual funds.

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

2. Investments

Investments consist of amounts placed in the State Treasury Special Purpose Investment Account (SPIA) debt service accounts which are restricted for debt service purposes, amounts placed with the SBA for participation in the Florida PRIME investment pool created by Section 218.405, Florida Statutes, the SPIA investment pool authorized in Section 17.61(1), Florida Statutes, and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME, which the SBA indicates is an external investment pool, are like money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at amortized cost, which approximates fair value.

The District's investments in the SPIA investment pool managed by the Florida Department of Financial Services, Division of Treasury, represent ownership of a share of the pool, not the underlying securities. The District's participation is voluntary, and the investments are reported at the fair value of the investment pool, with a fair value factor of 1.0030 on June 30, 2025.

Investments made locally consist of money market mutual funds and U.S. Treasury securities and are reported at fair value or amortized cost. Types and amounts of investments held at fiscal year-end are described in a subsequent note.

3. Inventories

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

4. Restricted Assets

Certain assets held by a trustee, in the name of the District, in connection with Certificates of Participation (COPs), Qualified Zone Academy Bonds (QZABs) and Qualified School Construction Bonds (QSCBs) financing arrangements, are classified as restricted assets on the statement of net position and balance sheet. These assets are set aside for repayment of debt issues at maturity as required by applicable debt covenants and principal and interest payments as they come due.

5. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets 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 \$750 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation. Land and buildings acquired or constructed prior to July 1, 1969, were valued at appraised value when historical costs could not be determined.

Capital assets for Governmental and Business-type Activities are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	10 - 40 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials	5 years
Computer Software	5 years

The current year's information relative to changes in capital assets is described in a subsequent note.

6. Pensions

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

The District's retirement plans and related amounts are described in a subsequent note.

7. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued and premiums are reported as other financing sources.

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

8. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that meet this criterion, deferred inflows related to debt, pensions, and OPEB. The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflows of resources related to pensions and OPEB are reported in the statement of net position and discussed in subsequent notes.

9. Net Position Flow Assumption

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

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. Board Policy 7.10

(Policy) states that the Board or, by delegation of the Board, the Superintendent or Superintendent's designee, may assign fund balance. The Board assigned fund balance for specific purposes, such as for the Extended Day Program. The Board may also assign fund balance as it does when appropriate fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Policy also states that the Superintendent shall budget an amount equal to 3 percent of total estimated General Fund revenue as an unassigned amount to be set aside for use in emergency situations, and that the Superintendent may recommend to the Board an additional amount to be set aside for use in emergency circumstances. Emergency circumstances are defined and include events that are non-routine in nature and unforeseen.

In addition, the Policy states that the District shall endeavor to maintain a minimum fund balance budget in compliance with Section 1011.051, Florida Statutes, which requires that the District maintain an assigned and unassigned actual General Fund balance that is sufficient to address normal contingencies. As of June 30, 2025, the actual General Fund assigned and unassigned fund balance of \$175,656,095 was 13.5 percent of General Fund revenues.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. State Revenue Sources

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

Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis for subsequent disbursement to eligible charter schools. The District also received an allocation from the State under the School Hardening Grant program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. Accordingly, the District recognizes the allocation of these funds as unearned revenue until such time as an encumbrance authorization is received.

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

3. District Property Taxes

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

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

The Board adopted the 2024 tax levy on September 5, 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 Duval County Tax Collector at fiscal year end but not yet remitted to the District.

4. Capital Outlay Surtax

On November 3, 2020, the citizens of Duval County approved a half cents sales tax authorized under Section 212.055(6), Florida Statutes. The surtax levy commenced on January 1, 2021, and will remain in effect for a period of 15 years through 2035. Distributions of monthly sales tax collections are received from the Florida Department of Revenue approximately two months after the month of collection. Additionally, sales tax collected from out-of-state vendors are received quarterly.

5. Voted Additional Millage

On August 23, 2022, the voters of Duval County approved a one mill ad valorem tax increase in the County for 4 years, effective November 2023, to pay for essential operating expenses in accordance with Section 1011.71(9), Florida Statutes. Revenues will be used to retain and recruit instructional personnel including teachers, support staff, safety personnel, administrators and school counselors, enhance art, music and athletic programs, and provide proportionate funding for charter schools.

6. Federal Revenue Sources

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

7. Compensated Absences

A compensated absence is leave (e.g., employee vacation leave and sick leave) for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. In the government-wide financial statements, compensated absences are estimated and accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. 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.

8. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The

principal operating revenues of the District’s internal service funds for self-insurance are charges to the District for employee health insurance and workers’ compensation premiums. The principal operating expenses include insurance claims and administrative expenses and fees. The principal operating revenues and expenses of the District’s Internal Service Fund for printing department operations are charges to District departments to recover the costs of printing operations on a cost-reimbursement basis and the costs of operating the department. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

II. CORRECTION OF AN ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the 2024-25 fiscal year, the District identified an error in the classification of debt related to the 2014B QZAB. The debt activity had been improperly reported in the Debt Service – Other Debt Service Fund rather than in the Debt Service – ARRA Economic Stimulus Fund in the 2023-24 fiscal year. As a result of this misclassification, the fund balance of the Debt Service – Other Debt Service Fund was overstated, and the fund balance of the Debt Service – ARRA Economic Stimulus Fund was understated by \$29,402,340 as of June 30, 2024. The correction of this error has been recorded as a restatement of beginning fund balance for the affected funds in the 2024–25 fiscal year. This correction had no effect on the total governmental fund balance of the District. The effect of correcting this error is shown in the table below.

	Reporting Units Affected by Restatements of Beginning Balances	
	Funds	
	Debt Service - Other Debt Service	Debt Service - ARRA Economic Stimulus
Beginning Balances, as previously reported	\$ 91,521,615	\$ 52,783,622
Error correction	(29,402,340)	29,402,340
Beginning Balances, as restated	<u>\$ 62,119,275</u>	<u>\$ 82,185,962</u>

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. To address custodial credit risk, Board Policy 7.44 requires the use of qualified public depositories. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

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

Investments	Maturities	Fair Value
SBA:		
Florida PRIME	47 Days	\$ 223,504,531
SPIA	3.33 Years	120,804,475
Money Market Mutual Funds (1)	41 Days Average	678,962,836
United States Treasury Securities (1)	May 2027 - May 2028	43,090,952
Total Investments		\$ 1,066,362,794

(1) Includes \$43,090,952 of restricted investments and \$468,715,381 of restricted cash equivalents held under trust agreements in connection with the District's Qualified Zone Academy Bonds and Qualified School Construction Bonds financing agreements to meet sinking fund requirements as follows: \$43,090,952 invested in United States Treasury Securities and \$678,962,836 invested in money market mutual funds.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements are valued using quoted prices for similar assets or liabilities in active markets (Level 2 inputs) and investments with the State Treasury are valued based on the District's share of the pool (Level 3 inputs).

The District's investments on June 30, 2025, are reported as follows.

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
External Investment Pool:				
SPIA	\$ 120,804,475	\$ -	\$ -	\$ 120,804,475
United States Treasury Securities	43,090,952		43,090,952	-
Total Investments by Fair Value Level	163,895,427	\$ -	\$ 43,090,952	\$ 120,804,475
Investments Measured at Amortized Cost				
External Investment Pool:				
Florida PRIME	223,504,531			
Money Market Mutual Funds	678,962,836			
Total Investments valued at Amortized Cost	902,467,367			
Total Investments	\$ 1,066,362,794			

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 24 months for operating funds and 5.5 years for other funds as a means of managing its exposure to fair value losses from increasing interest rates.

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

External Investment Pools.

The District's investments reported at fair value in the SPIA investment pool represents ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA has an effective duration of 3.33 years and a fair value factor of 1.0030 at June 30, 2025. Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled, and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed, and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance.

The District's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The investments in the Florida PRIME investment pool are reported at amortized cost. For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such

measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.” As of June 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the Local Government Surplus Funds Trust Fund [Florida PRIME], or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits 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 Florida PRIME or similar intergovernmental investment pools; United States Treasury securities; obligations of United States Government agencies and instrumentalities; agency mortgage-backed securities; nonnegotiable interest-bearing time certificates of deposit, savings accounts, or money market accounts; repurchase agreements; commercial paper; corporate notes; municipal obligations, and SEC registered money market mutual funds.

The District’s investment in Florida PRIME and money market mutual funds are rated AAAM by Standard & Poor’s.

The District’s investment in the SPIA carried a credit rating of AA-f by Standard & Poor’s at June 30, 2025. The District relies on policies developed by the State Treasury for managing interest rate risk and credit risk for this investment pool. Disclosures for the SPIA investment pool are included in the notes to financial statements of the State’s Annual Financial Report.

Investments of \$43,090,952 in United States Treasury securities and \$678,962,836 in money market mutual funds are authorized under forward delivery agreements or supplemental trust agreements and held by a trustee for the District’s Qualified Zone Academy Bonds (QZABs) and Qualified School Construction Bonds (QCSBs) sinking fund obligations. The forward delivery agreements and supplemental trust agreements authorize the investment of the available sinking fund amounts in certain eligible securities, including United States Treasury securities, obligations issued by agencies of the United States Government, and short-term obligations issued by banks, corporations, or other borrowers having a rating at the time of delivery of at least A-1 by Standard & Poor’s Ratings Services or P-1 by Moody’s Investors Services. The District’s investments in Obligations of the United States Treasury securities are rated A-1+ and P-1 by Standard & Poor’s and Moody’s Investor Service, respectively.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and (1) if registered with the issuer or its agents, the investment must be

immediately placed for safekeeping in a location that protects the governing body's interest in the security; (2) if in book-entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or (3) if physically issued to the holder but not registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a secured vault. The District's investment policy requires that all securities, except for certificates of deposit, collateral repurchase agreements, and money market mutual fund shares be held by a third-party custodial institution; and that 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.

As of June 30, 2025, all investments were held with an appropriate custodian or trustee or were held in accounts in the name of the District.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Except for funds related to debt, where there are other existing policies or indentures in effect, the District's investment policy limits the amount the District may invest in any one issuer as follows:

<u>Security Type</u>	<u>Single Issuer Maximum</u>
United States Government Agency Obligations	25%
Federal Instrumentalities	50%
Agency Mortgage-Backed Securities	15%
Nonnegotiable Interest Bearing Time Certificates of Deposit or Savings Accounts or Money Market Accounts	25%
Repurchase Agreements	10%
Commercial Paper	10%
Corporate Notes	5%
Municipal Obligations	10%
Money Market Mutual Funds	25%

C. Changes in Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 112,422,285	\$ 30,969	\$ 30,969	\$ 112,422,285
Construction in Progress	348,805,291	173,859,408	9,279,546	513,385,153
Total Capital Assets Not Being Depreciated	<u>461,227,576</u>	<u>173,890,377</u>	<u>9,310,515</u>	<u>625,807,438</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	185,369,603	4,481,531	-	189,851,134
Buildings and Fixed Equipment	1,718,295,094	4,798,015	-	1,723,093,109
Furniture, Fixtures, and Equipment	210,854,984	14,024,649	13,734,082	211,145,551
Motor Vehicles	18,706,165	740,319	1,259,115	18,187,369
Audio Visual Materials	71,349	-	5,535	65,814
Computer Software	62,457,719	32,565	34,060	62,456,224
Total Capital Assets Being Depreciated	<u>2,195,754,914</u>	<u>24,077,079</u>	<u>15,032,792</u>	<u>2,204,799,201</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	124,887,344	4,847,219	-	129,734,563
Buildings and Fixed Equipment	1,097,972,037	39,227,169	-	1,137,199,206
Furniture, Fixtures, and Equipment	150,285,349	17,518,155	13,605,149	154,198,355
Motor Vehicles	13,689,145	1,310,564	1,070,488	13,929,221
Audio Visual Materials	70,304	224	5,335	65,193
Computer Software	60,480,648	861,216	1,495	61,340,369
Total Accumulated Depreciation	<u>1,447,384,827</u>	<u>63,764,547</u>	<u>14,682,467</u>	<u>1,496,466,907</u>
Total Capital Assets Being Depreciated,	<u>748,370,087</u>	<u>(39,687,468)</u>	<u>350,325</u>	<u>708,332,294</u>
Total Capital Assets, Net	<u>\$ 1,209,597,663</u>	<u>\$ 134,202,909</u>	<u>\$ 9,660,840</u>	<u>\$ 1,334,139,732</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets Being Depreciated:				
Motor Vehicles	\$ 72,916	\$ -	\$ -	\$ 72,916
Accumulated Depreciation:				
Motor Vehicles	40,255	2,614	-	42,869
Total Capital Assets, Net	<u>\$ 32,661</u>	<u>\$ (2,614)</u>	<u>\$ -</u>	<u>\$ 30,047</u>

Depreciation expense was charged to functions as follows: for the year ended June 30, 2025:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 43,166,192
Student Support Services	5,891,118
Instructional Media Services	466,456
Instruction and Curriculum Development Services	1,733,824
Instructional Staff Training Services	1,079,174
Instruction-Related Technology	733,558
Board	86,925
General Administration	165,847
School Administration	5,580,309
Facilities Acquisition and Construction	100,712
Fiscal Services	421,883
Food Services	134,208
Central Services	1,145,754
Student Transportation Services	137,846
Operation of Plant	1,329,088
Maintenance of Plant	1,273,706
Administrative Technology Services	279,982
Community Services	37,965
Total Depreciation Expense - Governmental Activities	<u>\$ 63,764,547</u>
ENTERPRISE FUND	
Total Depreciation Expense - Enterprise Activities	<u>\$ 2,614</u>

D. Retirement Plans

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

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

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

required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$63,689,951 for the fiscal year ended June 30, 2025.

FRS Pension Plan

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early 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 based age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received

is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

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

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

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

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

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

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

The District's contributions to the Plan totaled \$58,878,909 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of \$412,383,552 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 1.06601193 percent, which was a decrease of 0.00571952 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized a Plan pension expense of \$58,575,552. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 41,661,810	\$ -
Change of Assumptions	56,520,936	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	27,409,156
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	11,231,081	23,230,790
District FRS Contributions Subsequent to the Measurement Date	58,878,909	-
Total	<u>\$ 168,292,736</u>	<u>\$ 50,639,946</u>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$58,878,909, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (8,321,605)
2027	66,529,609
2028	(1,204,559)
2029	(1,865,077)
2030	3,635,513
Total	<u>\$ 58,773,881</u>

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

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Investment Rate of Return	6.70 percent, net of pension plan investment expense, including inflation

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100%			
Assumed inflation - Mean			2.4%	1.5%

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the District's proportionate share

of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.7 percent) or 1 percentage point higher (7.7 percent) than the current rate:

	1% Decrease (5.7%)	Current Discount Rate (6.7%)	1% Increase (7.7%)
District's Proportionate Share of the Net Pension Liability	\$ 725,368,225	\$ 412,383,552	\$ 150,192,500

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

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$12,243,647 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 \$224,146,574 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of

June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 1.49421319 percent, which was an increase of 0.01964875 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized the HIS Plan pension expense of \$5,114,399. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,164,287	\$ 430,394
Change of Assumptions	3,966,868	26,536,079
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	81,066
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	3,866,019	12,016,197
District HIS Contributions Subsequent to the Measurement Date	12,243,647	-
Total	\$ 22,240,821	\$ 39,063,736

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$12,243,647, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (6,567,322)
2027	(6,175,628)
2028	(7,610,711)
2029	(5,803,836)
2030	(2,415,845)
Thereafter	(493,220)
Total	\$ (29,066,562)

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

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.5 percent.

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

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

Discount Rate. The discount rate used to measure the total pension liability was 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65 percent to 3.93 percent.

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

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
District's Proportionate Share of the Net Pension Liability	\$ 255,162,068	\$ 224,146,574	\$ 198,398,702

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

2. FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms,

including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Elected County Officers	16.34
FRS, Senior Management Service	12.67
FRS, Special Risk Regular	19.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$26,752,021 for the fiscal year ended June 30, 2025.

E. Other Postemployment Benefit Obligations

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida

Statutes, employees who retire from the District, and eligible dependents, are eligible to participate in the District’s health and hospitalization plan for medical and prescription drug coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the District Insurance Committee and action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare insurance benefits for retirees and their dependents.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	207
Active Employees	<u>10,370</u>
Total	<u>10,577</u>

Total OPEB Liability. The District’s total OPEB liability of \$18,404,572 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024, and update procedures were used to determine the total OPEB liability as of June 30, 2025.

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

Inflation	2.6 percent
Salary Increases	3.5 percent, average, including inflation
Discount Rate	5.2 percent
Healthcare Cost Trend Rates	7.45 percent for 2025, decreasing 0.30 percent per year through 2033, and 0.10 percent thereafter until reaching the ultimate rate of 4.0 percent

The discount rate was based on the Bond Buyer 20-Bond General Obligation Index closest to but not later than the measurement date.

Healthcare cost trend rates based on the current Healthcare Analytics Consulting trend study.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2023, actuarial valuation of the FRS Defined Benefit Pension Plan. These demographic assumptions were developed by FRS from an actuarial experience study and therefore are appropriate for use in the OPEB Plan actuarial valuation. These include assumed rates of future termination, mortality, retirement and salary increases. Assumptions used in valuation of benefits for

participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2024	\$ 27,800,554
Changes for the year:	
Service Cost	1,477,906
Interest	1,103,574
Differences Between Expected and Actual Experience	(8,627,901)
Changes of Assumptions or Other Inputs	(954,191)
Benefit Payments	<u>(2,395,370)</u>
Net Changes	<u>(9,395,982)</u>
Balance at June 30, 2025	<u>\$ 18,404,572</u>

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

- The discount rate increased from 3.93 percent to 5.2 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.2 percent) or 1 percentage point higher (6.2 percent) than the current rate:

	<u>1% Decrease (4.2%)</u>	<u>Current Discount Rate (5.2%)</u>	<u>1% Increase (6.2%)</u>
Total OPEB Liability	\$ 19,793,000	\$ 18,405,000	\$ 17,128,000

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 16,514,000	\$ 18,405,000	\$ 20,651,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$1,712,468. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 15,485,787
Changes of Assumptions or Other Inputs	8,804,067	16,716,732
Total	\$ 8,804,067	\$ 32,202,519

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (869,012)
2027	(869,012)
2028	(869,012)
2029	(869,012)
2030	(869,012)
Thereafter	(19,053,392)
Total	\$ (23,398,452)

F. Construction and Other Significant Commitments

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
New (K-5) Elementary Schools	\$ 127,188,737	\$ 119,930,973	\$ 7,257,764
New (9-12) High Schools	114,520,651	99,717,550	14,803,101
Safety/Security MFP	61,179,948	57,342,019	3,837,929
Renovation and Repair MFP	60,992,067	55,438,688	5,553,379
New (6-8) Middle Schools	53,088,112	52,571,977	516,135
Total	\$ 416,969,515	\$ 385,001,207	\$ 31,968,308

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

The following is a schedule of encumbrances as of June 30, 2025. The major Debt Service Funds had no encumbrances as of June 30, 2025.

Major Funds	Amount
General	\$ 33,099,218
Special Revenue - Food Service	1,465,533
Special Revenue - Other Federal Programs	2,672,756
Special Revenue - Federal Education Stabilization	6,591
Capital Projects - Local Capital Improvement	31,553,412
Capital Projects - Other Capital Projects	45,395,615
Total Major Funds	114,193,125
Nonmajor Governmental Funds	2,829,462
Total Governmental Funds	\$ 117,022,587

G. 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, general liability, and automobile liability coverages, and health and hospitalization coverage, are being provided on a self-insured basis. The District has contracted with insurance administrators to administer the self-insurance programs, including the processing, investigation, and payment of claims. The insurance administrators have been approved by the Florida Department of Financial Services, Office of Insurance Regulation.

The District's liability for workers' compensation is limited to \$150,000 to \$425,000 per occurrence, depending on the year of occurrence, through January 31, 2003. Additionally, during the period February 1, 1997, through January 31, 2002, the District's liability is limited by aggregate excess coverage when total claims minus specific excess coverage exceed the loss fund established annually by the District. For claims occurring on or after February 1, 2003, the District retained the entire liability for workers' compensation claims. The District's liability for tort claims under the general and automobile liability coverages is limited by Section 768.28, Florida Statutes, which limits claims to \$100,000 per claim and \$200,000 per incident for claims prior to October 1, 2011. Effective October 1, 2011, the limit is \$200,000 per claim and \$300,000 per incident.

The District's liability for health and hospitalization coverage is limited by excess insurance to \$775,000 per individual per plan year. The health and hospitalization coverage provided by the District also contains high employee and dependent deductibles.

As of June 30, 2025, a liability in the amount of \$19,616,000 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, general liability, and automobile liability insurance claims payable, and a liability in the amount of \$7,719,751 was actuarially determined to cover estimated incurred, but not reported, health and hospitalization insurance claims payable.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insured workers' compensation and health and hospitalization programs, including liabilities that have been incurred but not reported (IBNR):

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2023-24	\$ 26,965,514	\$ 135,192,322	\$ (137,030,529)	\$25,127,307
2024-25	25,127,307	124,726,438	(122,517,994)	27,335,751

The Liability coverage for property protection, errors and omissions, employee blanket bond, and other coverage deemed necessary by the Board are provided through purchased commercial insurance, with minimum deductibles for each line of coverage. There have been no changes in insurance coverage from prior fiscal year. There were no settlements more than commercial insurance coverage in any of the 3 prior fiscal years.

H. Long-Term Liabilities

1. Certificates of Participation

Certificates of participation outstanding on June 30, 2025, are as follows:

<u>Series</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Lease Term Maturity</u>	<u>Original Amount</u>
Series 2009B-QSCB (1)	\$ 625,000	2.1	2025	\$ 27,220,000
Series 2010A-QSCB (2)	33,074,000	5.4	2027	33,074,000
Series 2012-QZAB (3)	29,000,000	3.79	2027	29,000,000
Series 2014 Refunding	6,213,547	2.69	2025	35,604,818
Series 2014B-QZAB	50,000,000	1.25	2028	50,000,000
Series 2016A Refunding	44,150,000	3 - 5	2035	45,095,000
Series 2017A Refunding	26,526,000	2.79	2035	27,944,000
Series 2022A	508,660,000	5	2035	561,460,000
Series 2025A Refunding	103,290,000	5	2033	103,290,000
Subtotal	<u>801,538,547</u>			<u>\$ 912,687,818</u>
Unamortized Premiums	<u>43,739,810</u>			
Total Certificates of Participation	<u>\$ 845,278,357</u>			

- (1) Series 2009B-QSCB (Qualified School Construction Bonds) is a principal only bond, with the investors receiving a tax credit in lieu of interest payments. The QSCBs also have a 2.1 percent supplemental interest component that was necessary for marketing the bonds to investors.
- (2) Series 2010A-QSCB is a 5.4 percent private placement issue where the District receives a direct interest subsidy payment from the United States Treasury. This subsidy reduced the District's true cost of borrowing to 0.169 percent over the duration of the lease term at the date of issuance.
- (3) The Series 2012-QZAB is a 3.79 percent taxable direct subsidy bond where interest expense incurred by the District is offset by an interest subsidy payment from the United States Treasury. This subsidy reduced the District's true cost of borrowing to 0 percent over the duration of the lease term at the date of issuance.

The District entered a master financing arrangement on October 1, 2000, characterized as a lease-purchase agreement, with the Duval School Board Leasing Corporation (Leasing Corporation) whereby the District secured financing of various educational facilities and equipment. The financing was accomplished through the issuance of Certificates of Participation by the Leasing Corporation to third-party investors, to be repaid from the proceeds of rents paid

by the District. The rents are funded from proceeds of the Capital Projects – Local Capital Improvement Fund as permitted by Statute and paid from the Debt Service – Other Debt Service and Debt Service – ARRA Economic Stimulus Funds.

As a condition of the financing arrangement, the District gave a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for the remaining term of the ground leases.

The lease terms and the District properties included in the ground lease under these arrangements include:

Certificates	Lease Term	Description of Properties
Series 2009B-QSCB	Earlier of date paid in full or December 16, 2025	Dinsmore Elementary School - Classroom Additions Ed White High School - Classroom Additions Gregory Drive Elementary School - Classroom Additions Robert E. Lee High School (1) - Classroom Additions New Berlin Elementary School - Classroom Additions
Series 2010A-QSCB	Earlier of date paid in full or July 1, 2027	Waterleaf Elementary School - New School Eugene Butler Middle School - Additions John E. Ford K-8 School - Additions
Series 2012-QZAB	Earlier of date paid in full or July 1, 2027	Technology related equipment and improvements at 41 schools designated as magnet academy programs
Series 2014A Refunding of Series 2005A	Earlier of date paid in full or July 1, 2025	Arlington Middle School - Replacement Nutrition Service Center - New Districtwide Facility
Series 2014B-QZAB	Earlier of date paid in full or July 1, 2028	Technology and retrofits for eligible school projects for the purpose of repair, renovation and equipping of qualified facilities
Series 2016A Refunding of Series 2009A	Earlier of date paid in full or July 1, 2035	Bartram Springs Elementary - Reimbursement Renovations Comprehensive Needs at Various Schools - Technology and Information Upgrades
Series 2017A Refunding of Series 2010B	Earlier of date paid in full or July 1, 2035	Robert E. Lee High School (1) - Replacement and Renovations
Series 2022A	Earlier of date paid in full or July 1, 2035	New Schools- Rutledge H. Pearson Elementary, Highland Elementary, Southside Estates Elementary, Englewood Elementary, Louis Sheffield Elementary, Pickett Elementary, Spring Park Elementary, Chaffee Trail Middle (Green Site), Jean Ribault Sr. High School, Duncan Fletcher Sr. High School and Mandarin Sr. High School - Classroom Additions and Renovations
Series 2025A Refunding of Series 2013A and 2015B	Earlier of date paid in full or July 1, 2033	Douglas Anderson School of the Arts Cafeteria and Classroom Additions, Atlantic Coast High School - New School, Westview K - 8 School - New School, and North Shore K - 8 School - Completion

Note: (1) Robert E. Lee High School was renamed to Riverside High School.

Qualified Zone Academy Bonds (QZAB) Certificates. The 2012 and 2014B QZABs were issued under a special program whereby the financing proceeds were used to acquire

technology-related equipment and improvements at various designated schools, which are leased by the District from the Leasing Corporation.

The 2012 QZAB was issued December 19, 2012, in the amount of \$29,000,000, with a principal repayment due in full on July 1, 2027. The 2012 QZABs are structured as taxable interest subsidy bonds created under the American Recovery and Reinvestment Act of 2009 with the bondholders receiving a 3.79 percent yield on investment. The District, in turn, receives a direct subsidy payment from the United States Treasury equal to 4.34 percent, thereby netting the District's interest expense to 0 percent over the term of the borrowing at the date of issuance.

For the 2012 QZABs, the District entered into forward delivery agreements under which deposits (rent payments) are accumulated. The forward delivery agreements provide a guaranteed investment return whereby the required sinking fund deposits, along with accrued interest, will be sufficient to redeem the certificates at maturity.

The 2014B QZAB was issued December 4, 2014, in the amount of \$50,000,000. The District pays the bondholder interest at 1.25 percent, and the bondholders receive a tax credit rate of 4.42 percent. In addition, the District makes annual sinking fund deposits which, along with accrued interest, will be sufficient to provide for principal repayment, in full, on July 1, 2028.

The invested assets accumulated pursuant to the forward delivery agreements and in the sinking funds are held under trust agreements until the certificates mature. The QZAB certificates are secured by the assets held under the trust agreements in the event of cancellation or default.

Qualified School Construction Bonds (QSCB) Certificates. QSCBs are tax credit or direct subsidy bonds created under the American Recovery and Reinvestment Act of 2009 for school construction and renovation projects and are designed to provide zero or near zero interest costs to the issuer. Issuers are responsible for repayment of principal.

In November 2009, the District issued Certificate Series 2009B-QSCB in the amount of \$27,220,000. The series was issued to finance the cost of additions at five existing education facilities. The Series 2009B-QSCBs are non-interest, principal only obligations, with two investors each receiving tax credits along with a 2.1 percent supplemental interest component that was necessary for marketing the bonds. The District is required to make 15 consecutive annual payments, totaling \$17,220,000, and 16 consecutive annual payments, totaling \$10,000,000, to an escrow account held by a fiscal agent, on behalf of each investor, until maturity. The Series will mature December 16, 2025.

In July 2010, the District issued Certificate Series 2010A-QSCB in the amount of \$33,074,000 to finance new school construction, classroom additions, and renovations of existing facilities. The Series 2010A-QSCBs were issued as taxable direct subsidy bonds, whereby the District pays the full amount of interest, 5.4 percent, to the lender, and then files for and receives a direct subsidy payment from the United States Treasury which reduces the District's true cost of borrowing to 0.169 percent at the time of issuance. In addition, the District makes annual sinking fund deposits which, along with accrued interest, will be sufficient to provide for principal repayment, in full, on July 1, 2027.

Minimum Lease Payments. Except for the QZABs and the QSCBs, lease payments are payable, semiannually, on July 1 and January 1. The QZABs and the 2010A-QSCB are payable at maturity, and the 2009B-QSCB is payable annually, for both principal and interest, on December 16. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Gross Interest</u>	<u>Direct Subsidy Payments (1)</u>
2026	\$ 88,029,613	\$ 54,326,547	\$ 33,703,066	\$ (2,670,743)
2027	83,931,502	50,478,000	33,453,502	(2,670,743)
2028	144,534,758	115,050,000	29,484,758	(2,670,743)
2029	132,846,498	107,811,000	25,035,498	-
2030	82,489,912	60,637,000	21,852,912	-
2031-2035	394,843,207	333,753,000	61,090,207	-
2036	81,256,016	79,483,000	1,773,016	-
Total Minimum Lease Payments	1,007,931,506	801,538,547	206,392,959	(8,012,229)
Unamortized Premiums	43,739,810	43,739,810	-	-
Total Net Certificates of Participation Payable	\$ 1,051,671,316	\$ 845,278,357	\$ 206,392,959	\$ (8,012,229)

(1) Represents direct subsidy bond payments received from the U.S. Treasury on the District's 2010A QSCB and 2012A QZAB obligations. The subsidies are considered "non-exchange" grant revenue and are not pledged specifically to pay District debt service.

Annual requirements to amortize the net premiums are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>
2026	\$ 4,565,400
2027	4,565,400
2028	4,565,400
2029	4,565,400
2030	4,565,400
2031-2035	20,912,810
Total	\$ 43,739,810

2. Defeased Debt

On May 20, 2025, the Board issued \$103,290,000 in Refunding Certificates of Participation (COPs), Series 2025A, with an average interest rate of 5 percent. The refunding certificates were issued to refund a portion of the District's COPs, Series 2015B, that mature on or after July 1, 2033. The net proceeds of \$109,645,162.99 (after payment of \$10,509,346.41 to retire the COPs, Series 2013A and \$379,804.31 in underwriting fees, insurance, and other issuance costs) were placed in an irrevocable trust to provide for a portion of future debt service payments on the Series 2015B COPs. As a result, \$102,285,000 of the COPs, Series 2015B, are considered to be in-substance defeased at June 30, 2025, and the liability has been removed from the government-wide financial statements. The current refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$4,760,730.24.

3. 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					
Certificates of Participation Payable:					
Direct Borrowings and Direct Placements	\$ 259,068,033	\$ -	\$ 113,629,486	\$ 145,438,547	\$ 7,561,547
Certificates of Participation (COPs)	598,575,000	103,290,000	45,765,000	656,100,000	46,765,000
Plus: Premium on COPs	47,597,709	7,656,765	11,514,664	43,739,810	4,565,400
Total COPs Payable	905,240,742	110,946,765	170,909,150	845,278,357	58,891,947
Compensated Absences Payable (1)	60,012,563	24,014,331	-	84,026,894	34,517,591
Net Pension Liability	661,231,563	233,492,702	258,194,139	636,530,126	780,153
Total OPEB Liability	27,800,554	2,581,480	11,977,462	18,404,572	2,395,370
Estimated Liability for Long-Term Claims	18,075,000	9,399,422	7,858,422	19,616,000	6,290,000
Total Governmental Activities	\$ 1,672,360,422	\$ 380,434,700	\$ 448,939,173	\$ 1,603,855,949	\$ 102,875,061

(1) The change in compensated absences payable is presented as a net change.

For the governmental activities, pensions and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the proprietary funds, as discussed in Note III.G

The District's outstanding COPs from direct borrowings and direct placements totaled \$145,438,547. Information related to securities pledged as collateral and events of default provisions related to the COPs are discussed in Note III.H.1.

I. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in Note I.F.10., fund balances may be classified as follows:

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

J. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 3,941,548	\$ 698,398
Special Revenue:		
Other Federal Programs	-	1,108,309
Debt Service:		
Other Debt Service	698,398	-
ARRA Economic Stimulus	-	2,833,239
Capital Projects:		
Local Capital Improvement	971,518	-
Nonmajor Governmental	-	971,518
Total	\$ 5,611,464	\$ 5,611,464

The interfund receivables and payables represent temporary loans between funds to cover expenditures incurred prior to reimbursement from various grant sources. All balances are expected to be repaid within 1 year.

K. Revenues and Expenditures

1. Schedule of State Revenue Sources

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

Source	Amount
Florida Education Finance Program	\$ 566,230,185
Categorical Educational Program - Class Size Reduction	126,122,922
Charter School Capital Outlay	24,330,435
School Recognition	6,495,299
Motor Vehicle License Tax (Capital Outlay and Debt Service)	5,455,716
Voluntary Prekindergarten Program	4,091,771
Miscellaneous	5,309,892
Total	\$ 738,036,220

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

2. Property Taxes

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

	<u>Millages</u>	<u>Taxes Levied</u>
General Fund		
Nonvoted School Tax:		
Required Local Effort	3.092	\$ 365,495,507
Basic Discretionary Local Effort	0.748	88,418,706
Voted School Tax:		
Additional Operating	1.000	118,206,827
Capital Projects - Local Capital Improvement Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	177,310,240
Total	<u>6.340</u>	<u>\$ 749,431,280</u>

L. Interfund Transfers

The following is a summary of interfund transfers reported in the fund financial statements for the year ended June 30, 2025:

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 56,750,822	\$ 1,315,499
Special Revenue:		
Food Service	310,197	827,954
Other Federal Programs	34,101	-
Debt Service:		
Other Debt Service	79,370,053	5,178,814
ARRA Economic Stimulus	10,022,702	-
Capital Projects:		
Local Capital Improvement	-	59,950,979
Other Capital Projects	5,178,814	85,673,453
Internal Service	27,912,581	26,632,571
Total	<u>\$ 179,579,270</u>	<u>\$ 179,579,270</u>

Interfund transfers represent permanent transfers of monies between funds. The transfers out of the Capital Projects – Local Capital Improvement Fund were to provide for debt service payments in the Debt Service – Other Debt Service Fund and to provide funding for minor maintenance, property/casualty insurance, and transportation expenditures in the General Fund. The transfers out of the Capital Projects – Other Capital Projects Fund were to provide for debt service payments in the Debt Service – ARRA Economic Stimulus Fund and to provide funding for charter school capital outlay. The remaining transfers between funds were operational in nature.

IV. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the internal service funds for the 2024-25 fiscal year:

	<u>Total</u>	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>District Print Center</u>
Total Assets	\$ 108,002,740	\$ 23,676,631	\$ 84,273,055	\$ 53,054
Liabilities and Net Position:				
Accounts Payable	\$ 9,165,583	\$ 300,000	\$ 8,829,771	\$ 35,812
Payroll Deductions and Withholdings Payable	780,664	-	780,664	-
Due to Other Agencies	300,033	-	300,033	-
Unearned Revenue	1,388	-	-	1,388
Estimated Insurance Claims Payable	27,335,751	19,616,000	7,719,751	-
Net Position:				
Unrestricted	70,419,321	3,760,631	66,642,836	15,854
Total Liabilities and Net Position	<u>\$ 108,002,740</u>	<u>\$ 23,676,631</u>	<u>\$ 84,273,055</u>	<u>\$ 53,054</u>
Revenues:				
Premium Contributions	\$ 119,095,808	\$ 5,530,544	\$ 113,565,264	\$ -
Charges for Services	174,913	-	-	174,913
Interest Income	3,074,843	797,823	2,277,020	-
Other	14,959,575	224,892	14,734,683	-
Total Revenues	137,305,139	6,553,259	130,576,967	174,913
Total Expenses	(131,067,175)	(7,858,422)	(122,908,306)	(300,447)
Transfers In (Net)	1,280,010	-	1,191,814	88,196
Change in Net Position	<u>\$ 7,517,974</u>	<u>\$ (1,305,163)</u>	<u>\$ 8,860,475</u>	<u>\$ (37,338)</u>

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,335,471	\$ 3,046,658	\$ 2,896,295	\$ (150,363)
Federal Through State and Local	2,400,000	3,125,339	3,456,606	331,267
State	698,980,093	712,341,671	706,700,285	(5,641,386)
Local:				
Property Taxes	548,668,807	549,236,201	553,179,038	3,942,837
Charges for Services - Food Service	-	-	-	-
Miscellaneous	28,318,964	37,285,734	39,779,206	2,493,472
Total Local Revenues	576,987,771	586,521,935	592,958,244	6,436,309
Total Revenues	1,279,703,335	1,305,035,603	1,306,011,430	975,827
Expenditures				
Current - Education:				
Instruction	974,144,195	941,815,733	852,552,153	89,263,580
Student Support Services	62,576,946	70,126,948	66,063,575	4,063,373
Instructional Media Services	5,334,475	5,737,371	5,712,843	24,528
Instruction and Curriculum Development Services	20,590,463	23,031,321	19,019,446	4,011,875
Instructional Staff Training Services	5,310,337	8,831,406	7,941,009	890,397
Instruction-Related Technology	12,118,169	12,154,834	10,876,267	1,278,567
Board	5,489,227	6,956,104	6,543,737	412,367
General Administration	3,832,020	5,315,234	3,829,347	1,485,887
School Administration	68,030,343	85,482,534	76,788,613	8,693,921
Facilities Acquisition and Construction	27,680,587	41,734,065	27,321,110	14,412,955
Fiscal Services	6,578,073	6,762,701	6,477,465	285,236
Food Services	-	-	-	-
Central Services	29,213,103	27,983,539	25,577,294	2,406,245
Student Transportation Services	74,461,174	83,966,378	77,651,821	6,314,557
Operation of Plant	92,894,665	96,297,353	87,019,784	9,277,569
Maintenance of Plant	31,366,490	32,237,568	30,257,595	1,979,973
Administrative Technology Services	11,505,433	11,435,944	7,990,358	3,445,586
Community Services	1,595,444	1,811,574	1,373,435	438,139
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	6,230,885	6,230,885	-
Other Capital Outlay	-	1,025,845	1,025,845	-
Total Expenditures	1,432,721,144	1,468,937,337	1,320,252,582	148,684,755
Excess (Deficiency) of Revenues Over Expenditures	(153,017,809)	(163,901,734)	(14,241,152)	149,660,582
Other Financing Sources (Uses)				
Transfers In	48,780,853	60,928,193	56,750,822	(4,177,371)
Sale of Capital Assets	-	210,650	210,650	-
Transfers Out	(197,565)	(1,443,202)	(1,315,499)	127,703
Total Other Financing Sources (Uses)	48,583,288	59,695,641	55,645,973	(4,049,668)
Net Change in Fund Balances	(104,434,521)	(104,206,093)	41,404,821	145,610,914
Fund Balances, Beginning	170,657,469	171,656,274	171,656,274	-
Fund Balances, Ending	\$ 66,222,948	\$ 67,450,181	\$ 213,061,095	\$ 145,610,914

Special Revenue - Food Service

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -
73,983,122	75,369,681	66,978,118	(8,391,563)
837,918	837,918	716,605	(121,313)
-	-	-	-
3,050,000	3,050,000	1,074,941	(1,975,059)
500,000	500,000	1,886,663	1,386,663
<u>3,550,000</u>	<u>3,550,000</u>	<u>2,961,604</u>	<u>(588,396)</u>
<u>78,371,040</u>	<u>79,757,599</u>	<u>70,656,327</u>	<u>(9,101,272)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
98,168,145	88,813,605	74,102,278	14,711,327
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	321,912	321,912	-
<u>98,168,145</u>	<u>89,135,517</u>	<u>74,424,190</u>	<u>14,711,327</u>
<u>(19,797,105)</u>	<u>(9,377,918)</u>	<u>(3,767,863)</u>	<u>5,610,055</u>
160,000	344,627	310,197	(34,430)
-	-	-	-
<u>(3,800,000)</u>	<u>(3,800,000)</u>	<u>(827,954)</u>	<u>2,972,046</u>
<u>(3,640,000)</u>	<u>(3,455,373)</u>	<u>(517,757)</u>	<u>2,937,616</u>
(23,437,105)	(12,833,291)	(4,285,620)	8,547,671
29,004,701	29,004,701	29,004,701	-
<u>\$ 5,567,596</u>	<u>\$ 16,171,410</u>	<u>\$ 24,719,081</u>	<u>\$ 8,547,671</u>

(Continued)

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

	Special Revenue - Other Federal Programs Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	\$ 12,583,277	\$ 15,617,247	\$ 6,409,373	\$ (9,207,874)
Federal Through State and Local	180,749,294	166,266,586	132,537,326	(33,729,260)
Total Revenues	193,332,571	181,883,833	138,946,699	(42,937,134)
Expenditures				
Current - Education:				
Instruction	120,641,927	92,822,096	67,619,326	25,202,770
Student Support Services	34,890,487	40,816,979	34,439,006	6,377,973
Instructional Media Services	1,167,396	1,267,672	1,218,943	48,729
Instruction and Curriculum Development Services	12,507,338	13,008,398	11,220,903	1,787,495
Instructional Staff Training Services	19,496,423	23,206,669	16,244,017	6,962,652
Instruction-Related Technology	837,502	1,377,669	779,422	598,247
General Administration	1,525,898	3,923,979	2,833,129	1,090,850
School Administration	707,128	1,723,279	1,423,464	299,815
Facilities Acquisition and Construction	133,422	9,400	9,400	-
Food Services	-	-	-	-
Central Services	378,609	465,898	239,656	226,242
Student Transportation Services	595,138	2,202,248	2,086,210	116,038
Operation of Plant	335,576	57,152	-	57,152
Maintenance of Plant	-	-	-	-
Administrative Technology Services	115,727	132,880	28,464	104,416
Community Services	-	30,654	-	30,654
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	133,421	133,421	-
Other Capital Outlay	-	705,439	705,439	-
Total Expenditures	193,332,571	181,883,833	138,980,800	42,903,033
Excess (Deficiency) of Revenues Over Expenditures	-	-	(34,101)	(34,101)
Other Financing Sources				
Transfers In	-	-	34,101	34,101
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Special Revenue - Federal Education Stabilization Fund

Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 12,574	\$ 12,574	\$ -	\$ (12,574)
26,096,401	26,097,409	23,751,555	(2,345,854)
26,108,975	26,109,983	23,751,555	(2,358,428)
16,534,930	20,930,465	19,157,495	1,772,970
2,376,694	1,021,831	1,023,331	(1,500)
2,500	-	-	-
922,687	453,365	342,351	111,014
992,189	419,176	291,123	128,053
-	2,173	2,526	(353)
639,988	450,527	396,670	53,857
65,545	48,751	48,761	(10)
1,262,190	138,155	25,475	112,680
-	2,400	-	2,400
6,640	61,778	55,137	6,641
193,801	1,558,481	1,385,805	172,676
55,137	442,640	442,640	-
2,079,696	-	-	-
976,978	-	-	-
-	-	-	-
-	520,322	520,322	-
-	59,919	59,919	-
26,108,975	26,109,983	23,751,555	2,358,428
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability					
Service Cost	\$ 1,477,906	\$ 2,484,725	\$ 2,537,822	\$ 3,019,415	\$ 2,928,727
Interest	1,103,574	1,727,297	1,674,909	1,160,267	1,250,131
Differences Between Expected and Actual Experience	(8,627,901)	(6,609,797)	-	(1,224,984)	238
Changes of Assumptions or Other Inputs	(954,191)	(13,481,545)	(392,022)	(3,289,682)	24,487,981
Benefit Payments	<u>(2,395,370)</u>	<u>(2,317,222)</u>	<u>(5,199,218)</u>	<u>(5,972,090)</u>	<u>(8,751,377)</u>
Net Change in Total OPEB Liability	<u>(9,395,982)</u>	<u>(18,196,542)</u>	<u>(1,378,509)</u>	<u>(6,307,074)</u>	<u>19,915,700</u>
Total OPEB Liability - Beginning	<u>27,800,554</u>	<u>45,997,096</u>	<u>47,375,605</u>	<u>53,682,679</u>	<u>33,766,979</u>
Total OPEB Liability - Ending	<u>\$ 18,404,572</u>	<u>\$ 27,800,554</u>	<u>\$ 45,997,096</u>	<u>\$ 47,375,605</u>	<u>\$ 53,682,679</u>
Covered-Employee Payroll	\$ 542,247,000	\$ 523,909,862	\$ 563,953,000	\$ 547,527,520	\$ 583,721,008
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.39%	5.31%	8.16%	8.65%	9.20%
	<u>2020</u>	<u>2019</u>	<u>2018</u>		
Total OPEB Liability					
Service Cost	\$ 2,526,229	\$ 2,274,903	\$ 2,190,145		
Interest	1,801,327	1,997,074	2,301,027		
Differences Between Expected and Actual Experience	(432,237)				
Changes of Assumptions or Other Inputs	(11,650,982)	1,070,928	(1,398,655)		
Benefit Payments	<u>(7,417,621)</u>	<u>(11,463,448)</u>	<u>(10,599,138)</u>		
Net Change in Total OPEB Liability	<u>(15,173,284)</u>	<u>(6,120,543)</u>	<u>(7,506,621)</u>		
Total OPEB Liability - Beginning	<u>48,940,263</u>	<u>55,060,806</u>	<u>62,567,427</u>		
Total OPEB Liability - Ending	<u>\$ 33,766,979</u>	<u>\$ 48,940,263</u>	<u>\$ 55,060,806</u>		
Covered-Employee Payroll	\$ 566,719,425	\$ 543,314,748	\$ 562,623,480		
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.96%	9.01%	9.79%		

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

Fiscal Year Ending June 30	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.33986123%	\$ 173,061,047	\$ 543,861,614	31.82%	92.00%
2016	1.24296167%	314,185,729	555,186,480	56.59%	84.88%
2017	1.20847889%	357,459,946	562,623,480	63.53%	83.89%
2018	1.16896381%	352,097,961	560,411,321	62.83%	84.26%
2019	1.10174120%	379,424,343	543,314,748	69.84%	82.61%
2020	1.06088229%	459,802,021	566,719,425	81.13%	78.85%
2021	1.17983156%	89,122,865	583,721,008	15.27%	96.40%
2022	1.18097547%	439,417,781	547,527,520	80.25%	82.89%
2023	1.07173145%	427,051,064	563,953,000	75.72%	82.38%
2024	1.06601193%	412,383,552	523,909,862	78.71%	83.70%

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

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

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	\$ 30,344,146	\$ (30,344,146)	\$ -	\$ 555,186,480	5.47%
2017	31,459,681	(31,459,681)	-	562,623,480	5.59%
2018	33,314,530	(33,314,530)	-	560,411,321	5.94%
2019	34,161,928	(34,161,928)	-	543,314,748	6.29%
2020	35,248,418	(35,248,418)	-	566,719,425	6.22%
2021	44,946,485	(44,946,485)	-	583,721,008	7.70%
2022	50,394,372	(50,394,372)	-	547,527,520	9.20%
2023	51,557,176	(51,557,176)	-	563,953,000	9.14%
2024	60,364,347	(60,364,347)	-	523,909,862	11.52%
2025	58,878,909	(58,878,909)	-	612,228,298	9.62%

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

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

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.79178413%	\$ 182,733,796	\$ 543,861,614	33.60%	0.50%
2016	1.79648553%	209,372,947	555,186,640	37.71%	0.97%
2017	1.75888211%	188,067,790	562,623,480	33.43%	1.64%
2018	1.69346509%	179,238,246	560,411,321	31.98%	2.15%
2019	1.60662218%	179,764,944	543,314,748	33.09%	2.63%
2020	1.56397947%	190,959,346	566,719,425	33.70%	3.00%
2021	1.59077339%	195,132,273	583,721,008	33.43%	3.56%
2022	1.58781284%	168,174,741	547,527,520	30.72%	4.81%
2023	1.47456444%	234,180,499	563,953,000	41.52%	4.12%
2024	1.49421319%	224,146,574	523,909,862	42.78%	4.80%

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

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

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2016	\$ 9,208,133	\$ (9,208,133)	\$ -	\$ 555,186,640	1.66%
2017	9,308,512	(9,308,512)	-	562,623,480	1.65%
2018	9,183,704	(9,183,704)	-	560,411,321	1.64%
2019	8,921,417	(8,921,417)	-	543,314,748	1.64%
2020	9,012,481	(9,012,481)	-	566,719,425	1.59%
2021	9,350,579	(9,350,579)	-	583,721,008	1.60%
2022	9,607,605	(9,607,605)	-	547,527,520	1.75%
2023	9,669,945	(9,669,945)	-	563,953,000	1.71%
2024	12,650,450	(12,650,450)	-	523,909,862	2.41%
2025	12,243,647	(12,243,647)	-	612,228,298	2.00%

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

1. Budgetary Basis of Accounting

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

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

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

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

Changes of Assumptions. In 2025, the discount rate was changed from 3.93 percent to 5.2 percent.

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

Changes of Assumptions. In 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

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

Changes of Assumptions. In 2024, the municipal bond rate used to determine total pension liability was increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Duval County District School Board Schedule of Expenditures of Federal Awards For the Fiscal 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
Clustered				
Child Nutrition Cluster				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	25002	\$ -	\$ 15,541,924
National School Lunch Program	10.555	25001, 25003	-	46,515,076
Summer Food Service Program for Children	10.559	24006, 24007, 25006, 25007	-	1,192,208
Fresh Fruit and Vegetable Program	10.582	25004	-	847,579
Total Child Nutrition Cluster			-	64,096,787
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	-	38,414,655
Special Education - Preschool Grants	84.173	267	-	991,506
Total Special Education Cluster			-	39,406,161
Child Care and Development Fund Cluster				
United States Department of Education:				
Early Learning Coalition of Duval County:				
Child Care and Development Block Grant	93.575	None	-	377,283
Not Clustered				
United States Department of Agriculture				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	5786	-	2,876,582
Farm to School Grant Program	10.575	None	-	4,749
Total United States Department of Agriculture			-	2,881,331
United States Department of Defense				
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	367,810
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	525,821
Marines Junior Reserve Officers Training Corps	12.UNK	N/A	-	72,141
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	705,324
National Defense Education Program	12.006	N/A	-	1,253
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	-	747,509
Office of Naval Research:				
Basic and Applied Scientific Research	12.300	None	-	151,788
Total United States Department of Defense			-	2,571,646
United States Department of Justice				
STOP School Violence	16.839	N/A	-	370,951
National Science Foundation				
American Physical Society:				
Mathematical and Physical Sciences	47.049	NSFPT5-2025-6	-	2,222

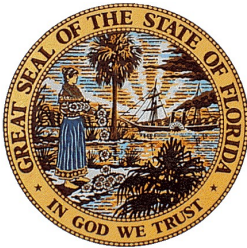
(Continued)

**Duval County District School Board
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal 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 (Continued)				
United States Department of Education				
Impact Aid	84.041	N/A	\$ -	\$ 86,189
School Safety National Activities	84.184	N/A	-	1,246,854
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	1,158,141	2,837,732
Education Innovation and Research	84.411	N/A	-	1,141,090
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	-	73,072,082
Career and Technical Education - Basic Grants to States	84.048	161	-	2,248,898
Education for Homeless Children and Youth	84.196	127	-	141,426
Charter Schools	84.282	298	-	934,968
Twenty-First Century Community Learning Centers	84.287	244	-	165,326
English Language Acquisition State Grants	84.365	102	-	1,744,640
Supporting Effective Instruction State Grants	84.367	224	-	7,134,974
Comprehensive Literacy Development	84.371	404	-	372,850
Student Support and Academic Enrichment Program	84.424	241, 242	-	6,847,336
Education Stabilization Fund - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	-	23,374,272
Total United States Department of Education			<u>1,158,141</u>	<u>121,348,637</u>
United States Department of Health and Human Services				
Cooperative Agreements to Promote Adolescent Health through School-Based Surveillance and Risk Behavior Reduction				
	93.079	N/A	-	60,265
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
	93.243	N/A	-	194,037
Total United States Department of Health and Human Services			<u>-</u>	<u>254,302</u>
Total Expenditures of Federal Awards			<u>\$ 1,158,141</u>	<u>\$ 231,309,320</u>

The notes below are an integral part of this Schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Duval County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance – National School Lunch Program. Includes \$4,892,816 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Duval County District School Board as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 16, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a qualified opinion on the aggregate remaining fund information because the District did not have effective procedures to require and ensure timely issuance of the 2024-25 fiscal year school internal funds audit report. In addition, our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Financial Statement Finding No. 2025-001 that we consider to be a material weakness.

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, rules, regulations, contracts, and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. The District is responsible for preparing a corrective action plan to address the audit finding included in our auditor's report. The District's response and **CORRECTIVE ACTION PLAN** were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

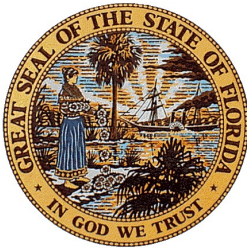
Purpose of this Report

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.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 16, 2026



Sherrill F. Norman, CPA
Auditor General

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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Duval County District School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2025. The District's major Federal programs are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the **Auditor's Responsibilities for the Audit of Compliance** section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each

major Federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The District's basic financial statements include the operations of the BridgePrep Academy – Duval County, Duval Charter School at Baymeadows, Duval Charter Scholars Academy, Duval Charter School at Coastal, Duval Charter School at Southside, Duval Charter School at Westside, KIPP VOICE Jacksonville Inc., KIPP Jacksonville K-12, KIPP Impact, Seacoast Charter Academy Inc., IDEA Bassett, IDEA River Bluff, and Global Outreach Charter Academy (Charter Schools) as part of the reported aggregate discretely presented component units on the accompanying basic financial statements. The Charter Schools expended Federal awards which are not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2025. Our compliance audit, described in the ***Opinion on Each Major Federal Program*** section of our report, does not include the operations of the Charter Schools because the Charter Schools engaged other auditors to perform audits in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance 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 GAAS, *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 noncompliance, 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, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the ***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.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 16, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Unmodified, except for the qualified opinion on the aggregate remaining fund information.

Internal control over financial reporting:

Material weakness(es) identified?

Yes

Significant deficiency(ies) identified?

None reported

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified?

No

Significant deficiency(ies) identified?

None reported

Type of auditor’s report issued on compliance for 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:

Assistance Listing Numbers:

10.553, 10.555, 10.559, and 10.582
84.027 and 84.173

Name of Federal Program or Cluster:
Child Nutrition Cluster
Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low risk auditee?

Yes

SECTION II – FINANCIAL STATEMENT FINDING

MATERIAL WEAKNESS

SCHOOL INTERNAL FUNDS

Finding Number	2025-001
Opinion Unit	Aggregate Remaining Fund Information
Financial Statements Account Title	Various
Fund Name	Special Revenue – Miscellaneous Fund
Adjustment Amounts	Not Applicable
Statistically Valid Sample	Not Applicable
Prior Year Finding	Not Applicable
Finding	District financial reporting procedures could be improved to ensure that the required District school internal funds audit report is promptly issued and considered in completing the District financial statements and related audit.
Criteria	Chapter 8 – <i>School Internal Funds, Financial and Program Cost Accounting and Reporting for Florida Schools</i> requires an annual audit of the District school internal funds, which are an integral part of the District financial reporting entity. School internal funds provide an accounting for various school club and class activities and are reported in the District financial statements as a Special Revenue – Miscellaneous Fund.
Condition	The District financial statements presented to us for audit included unaudited school internal funds information and, as of February 2026, the 2024-25 fiscal year audit report of the school internal funds had not been issued.
Cause	The District did not have effective procedures to require and ensure timely issuance of the 2024-25 fiscal year school internal funds audit report. According to District personnel, Internal Auditing Department personnel were responsible for conducting the school internal funds audit; however, the District did not establish an audit report issue date and the Department experienced staff turnover.
Effect	<p>Without a timely issued audit report of school internal funds financial information, the District's ability to properly and timely complete the District financial statements is limited, and financial statement users have limited assurance regarding the accuracy of that information on the District financial statements. Timely issued school internal funds audit reports would also provide ample opportunity for the audit results to be considered during the District financial statements audit.</p> <p>As of June 30, 2025, District records indicated that the financial activities of the school internal funds represented 6 percent, 0 percent, 8 percent, 10 percent, and 11 percent, respectively, of the assets, liabilities, net position and fund balance, revenues and additions, and expenditures and deductions of the aggregate remaining fund information reported on the District financial statements. Without the school internal funds audit report, our report on the District financial statements includes a modification to that effect.</p>

Recommendation

The District should establish effective procedures to ensure that the school internal funds audit report is timely issued. Such procedures should include a District-established issue date for that audit report and sufficient District efforts to ensure that the report is issued by that date and considered during the preparation of the District financial statements and related audit.

District Response

The Chief Financial Officer and the Board's Internal Auditor will coordinate in the future to ensure the District's school internal accounts are audited annually.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The District did not have prior audit findings required to be reported under Title 2, Section 200.511, Code of Federal Regulations.

CORRECTIVE ACTION PLAN



1701 Prudential Drive
Jacksonville, FL 32207
904.390.2000
www.duvalschools.org

March 2, 2026

Duval County District School Board Management's Corrective Action Plan For the Fiscal Year Ended June 30, 2025

Finding Number: 2025-001
Planned Corrective Action: 03-02-2026
Anticipated Completion Date: 12-31-2026
Responsible Contact Person: Ronald A. Fagan, Chief Financial Officer
Finding: District financial reporting procedures could be improved to ensure that the required District school internal funds audit report is promptly issued and considered in completing the District financial statements and related audit.
Planned Correction Action: The Chief Financial Officer and the Board's Internal Auditor will coordinate in the future to ensure the district's school internal accounts are audited annually.

EVERY SCHOOL. EVERY CLASSROOM. EVERY STUDENT. EVERY DAY.