

**STATE OF FLORIDA AUDITOR GENERAL**

**Financial and Federal Single Audit**

Report No. 2026-136  
March 2026

**PUTNAM 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. Richard M. Surrency Sr. served as Superintendent of the Putnam County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Holly H. Pickens	1
David M. Buckles	2
Sandra Gilyard, Chair through 11-18-24	3
Linda Wagner, Vice Chair from 11-19-24	4
Philip Leary, Chair from 11-19-24, Vice Chair through 11-18-24	5

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 Nick Druash, CPA, and the audit was supervised by Ivo N. Njabe, CPA.

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

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## SUMMARY

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### SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the Putnam County District School Board (District) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

### SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 Title I Program, Twenty-First Century Community Learning Centers, Supporting Effective Instruction State Grants, Student Support and Academic Enrichment Program, and Education Stabilization Fund 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.
- Determined whether corrective actions were taken for findings included in our report No. 2025-156.
- Assessed the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the District.

#### 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

#### *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 Putnam 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.

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, each major fund, and the aggregate remaining fund information of the Putnam 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.

We did not audit the financial statements of the school internal funds, which represent 6 percent, 0 percent, 7 percent, 5 percent, and 5 percent, respectively, of the assets, liabilities, net position and fund balance, revenues, and expenses and expenditures of the aggregate remaining fund information as of June 30, 2025. In addition, 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 columns as of June 30, 2025. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the financial statements of the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

## ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 audit opinions.

## ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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**, **Ten-Year Claims Development Information – North East Florida Educational Consortium – Risk Management Property/Casualty Program**, 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 Putnam 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 \$99,968,231.08.
- In total, net position increased \$20,172,954.29, which represents a 25 percent increase over the 2023-24 fiscal year.
- General revenues total \$152,605,227.27, or 79 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$40,822,502.07, or 21 percent of all revenues.
- Expenses total \$173,254,775.05. Only \$40,822,502.07 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 \$17,055,137.57, which is \$5,525,678.70 less than the prior fiscal year balance. The General Fund assigned and unassigned fund balances total \$14,531,319.16, or 16 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 – The District is the fiscal agent for the North East Florida Educational Consortium (NEFEC), which provides various programs and services to 15 members including the school districts of Baker, Bradford, Columbia, Dixie, Flagler, Gilchrist, Hamilton, Lafayette, Levy, Nassau, Putnam, Suwannee, and Union counties as well as the P.K. Yonge Development Research School and the Florida School for the Deaf and the Blind. The NEFEC charges fees to cover the cost of certain services it provides.
- Component units – The District presents two separate legal entities in this report. The Children’s Reading Center, Inc., which owns and operates the Children’s Reading Center Charter School; and the Putnam Academy of Arts and Sciences, Inc., which owns and operates the Putnam Academy of Arts and Sciences, are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for 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 two 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 – Federal Education Stabilization Fund, Capital Projects

– Public Education Capital Outlay Fund, Capital Projects – District Bonds Fund, and Capital Projects – Local Capital Improvement 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. Two types of proprietary funds are maintained:

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise funds to account for the NEFEC programs, including the Risk Management (Property/Casualty) as well as other programs and services.
- Internal service funds are used to report activities that provide goods and services to support the District’s other programs and functions through user charges. The District uses an internal service fund to account for the Putnam County District School Board Health Insurance Program. Since these services predominantly benefit governmental rather than business-type functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, for those enterprise funds determined to be major. The District’s major enterprise funds are the NEFEC Risk Management (Property/Casualty) Program Fund and the NEFEC Other Programs Fund.

### **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 liability, net pension liability, and trend data on revenues and claims development for the NEFEC Risk Management (Property/Casualty) Program.

<b>GOVERNMENT-WIDE FINANCIAL ANALYSIS</b>
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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	\$ 274,907,777.05	\$ 194,477,670.40	\$ 44,248,401.97	\$ 37,368,562.89	\$ 319,156,179.02	\$ 231,846,233.29
Capital Assets	173,415,068.16	62,758,019.83	821,888.43	591,158.35	174,236,956.59	63,349,178.18
<b>Total Assets</b>	<b>448,322,845.21</b>	<b>257,235,690.23</b>	<b>45,070,290.40</b>	<b>37,959,721.24</b>	<b>493,393,135.61</b>	<b>295,195,411.47</b>
<b>Deferred Outflows of Resources</b>	<b>23,479,435.58</b>	<b>24,426,837.66</b>	<b>1,907,668.22</b>	<b>1,473,380.34</b>	<b>25,387,103.80</b>	<b>25,900,218.00</b>
Long-Term Liabilities	292,335,967.04	199,157,512.37	21,560,422.68	23,732,940.77	313,896,389.72	222,890,453.14
Other Liabilities	86,572,594.62	5,764,247.61	568,811.99	269,463.92	87,141,406.61	6,033,711.53
<b>Total Liabilities</b>	<b>378,908,561.66</b>	<b>204,921,759.98</b>	<b>22,129,234.67</b>	<b>24,002,404.69</b>	<b>401,037,796.33</b>	<b>228,924,164.67</b>
<b>Deferred Inflows of Resources</b>	<b>16,614,750.19</b>	<b>11,758,466.93</b>	<b>1,159,461.81</b>	<b>617,721.08</b>	<b>17,774,212.00</b>	<b>12,376,188.01</b>
Net Position:						
Net Investment in Capital Assets	66,959,932.25	52,989,291.09	821,888.43	591,158.35	67,781,820.68	53,580,449.44
Restricted	75,536,250.20	66,859,982.30	-	-	75,536,250.20	66,859,982.30
Unrestricted (Deficit)	(66,217,213.51)	(54,866,972.41)	22,867,373.71	14,221,817.46	(43,349,839.80)	(40,645,154.95)
<b>Total Net Position</b>	<b>\$ 76,278,968.94</b>	<b>\$ 64,982,300.98</b>	<b>\$ 23,689,262.14</b>	<b>\$ 14,812,975.81</b>	<b>\$ 99,968,231.08</b>	<b>\$ 79,795,276.79</b>

The largest portion of the District's net position (\$67,781,820.68) 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 \$75,536,250.20 represents resources that are subject to external restrictions on how they may be used. The unrestricted net position is a deficit of \$43,349,839.80 due primarily to the District's proportionate share of the collective net pension liability required to be reported by GASB Statement No. 68.

Current and other assets and long-term liabilities increased due to the issuance of general obligation school bonds near fiscal year end. In addition, current and other assets as well as other liabilities increased due to recognizing the unencumbered 2024-25 fiscal year State allocation of Public Education Capital Outlay (PECO) Special Facilities funding to be used for the construction of the new Crescent City Junior-Senior High School. The increase in capital assets was mainly due to construction, renovation and replacement of public school facilities throughout the District, as well as the implementation of safety enhancement and instruction technology upgrades.

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	\$ 395,274.00	\$ 408,399.96	\$ 28,360,829.75	\$ 27,647,349.60	\$ 28,756,103.75	\$ 28,055,749.56
Operating Grants and Contributions	11,480,217.85	11,350,602.17	-	-	11,480,217.85	11,350,602.17
Capital Grants and Contributions	586,180.47	35,806,605.23	-	-	586,180.47	35,806,605.23
General Revenues:						
Property Taxes, Levied for Operational Purposes	31,604,487.77	28,756,197.42	-	-	31,604,487.77	28,756,197.42
Property Taxes, Levied for Debt Service	7,049,771.12	6,329,096.20	-	-	7,049,771.12	6,329,096.20
Property Taxes, Levied for Capital Projects	12,517,047.04	11,137,276.82	-	-	12,517,047.04	11,137,276.82
Grants and Contributions Not Restricted to Specific Programs	77,793,784.19	100,224,691.73	11,807,360.89	6,416,367.94	89,601,145.08	106,641,059.67
Unrestricted Investment Earnings	6,723,933.60	8,604,910.95	1,789,835.64	1,750,579.92	8,513,769.24	10,355,490.87
Miscellaneous	3,319,007.02	5,140,952.30	-	-	3,319,007.02	5,140,952.30
<b>Total Revenues</b>	<b>151,469,703.06</b>	<b>207,758,732.78</b>	<b>41,958,026.28</b>	<b>35,814,297.46</b>	<b>193,427,729.34</b>	<b>243,573,030.24</b>
Functions/Program Expenses:						
Instruction	66,075,002.74	83,429,954.04	-	-	66,075,002.74	83,429,954.04
Student Support Services	6,001,676.84	7,784,309.40	-	-	6,001,676.84	7,784,309.40
Instructional Media Services	330,150.06	279,836.04	-	-	330,150.06	279,836.04
Instruction and Curriculum Development Services	5,086,184.28	6,448,165.10	-	-	5,086,184.28	6,448,165.10
Instructional Staff Training Services	2,578,745.22	3,773,402.79	-	-	2,578,745.22	3,773,402.79
Instruction-Related Technology	791,716.65	758,095.00	-	-	791,716.65	758,095.00
Board	647,158.25	691,643.12	-	-	647,158.25	691,643.12
General Administration	1,803,845.99	2,343,969.02	-	-	1,803,845.99	2,343,969.02
School Administration	9,202,264.15	11,616,474.13	-	-	9,202,264.15	11,616,474.13
Facilities Acquisition and Construction	2,148.39	575,223.68	-	-	2,148.39	575,223.68
Fiscal Services	1,670,433.07	1,817,595.14	-	-	1,670,433.07	1,817,595.14
Food Services	10,963,911.39	11,647,571.25	-	-	10,963,911.39	11,647,571.25
Central Services	1,580,680.56	2,077,340.90	-	-	1,580,680.56	2,077,340.90
Student Transportation Services	6,836,134.82	7,872,094.52	-	-	6,836,134.82	7,872,094.52
Operation of Plant	8,115,072.01	9,319,897.65	-	-	8,115,072.01	9,319,897.65
Maintenance of Plant	2,524,591.70	2,857,155.05	-	-	2,524,591.70	2,857,155.05
Administrative Technology Services	2,607,587.55	2,691,057.75	-	-	2,607,587.55	2,691,057.75
Community Services	2,347,593.71	2,312,951.85	-	-	2,347,593.71	2,312,951.85
Unallocated Interest on Long-Term Debt	5,381,521.52	4,730,336.00	-	-	5,381,521.52	4,730,336.00
Unallocated Depreciation Expense	5,626,616.20	5,435,523.07	-	-	5,626,616.20	5,435,523.07
NEFEC Risk Management Program	-	-	15,516,825.95	22,714,997.27	15,516,825.95	22,714,997.27
NEFEC Other Programs	-	-	17,564,914.00	14,639,055.61	17,564,914.00	14,639,055.61
<b>Total Functions/Program Expenses</b>	<b>140,173,035.10</b>	<b>168,462,595.50</b>	<b>33,081,739.95</b>	<b>37,354,052.88</b>	<b>173,254,775.05</b>	<b>205,816,648.38</b>
<b>Change in Net Position</b>	<b>11,296,667.96</b>	<b>39,296,137.28</b>	<b>8,876,286.33</b>	<b>(1,539,755.42)</b>	<b>20,172,954.29</b>	<b>37,756,381.86</b>
Net Position - Beginning	64,982,300.98	25,686,163.70	14,812,975.81	16,352,731.23	79,795,276.79	42,038,894.93
<b>Net Position - Ending</b>	<b>\$ 76,278,968.94</b>	<b>\$ 64,982,300.98</b>	<b>\$ 23,689,262.14</b>	<b>\$ 14,812,975.81</b>	<b>\$ 99,968,231.08</b>	<b>\$ 79,795,276.79</b>

For the governmental activities, the largest revenue source is the State of Florida (40 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP funding formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Capital grants and contributions revenue decreased by \$35,220,424.76, or 98 percent, primarily because the 2024-25 fiscal year allocation of PECO Special Facilities funding remained unencumbered at fiscal year end, and therefore, revenues were unable to be accrued.

Property tax revenues increased by \$4,948,735.49, or 10.7 percent, as a result of an increase in taxable assessed values. Grants and contributions not restricted to specific programs revenues decreased by \$17,039,914.59, or 16 percent, primarily due to a decrease in FEFP funding and a decrease in the Federal Education Stabilization Fund due to the program ending during the current fiscal year.

Instruction expenses represent 47 percent of total governmental expenses in the 2024-25 fiscal year. Instruction expenses decreased by \$17,354,951.30, or 21 percent, from the previous fiscal year due

mainly to the end of the Federal Educational Stabilization Funding during the current fiscal year and a decrease in pension expense.

For the business-type activities, net position increased \$8,876,286.33, or 60 percent, primarily due to the decrease in claim expenses and excess premium payments.

## 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 increased by \$21,461,414.72 during the fiscal year to \$171,789,045.93 at June 30, 2025. Of the total fund balance, \$263,949.91, or 0.2 percent, is unassigned fund balance, which is available for spending at the District's discretion; \$713,450.37 is nonspendable; \$165,750,090.52 is restricted; and \$5,061,555.13 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 \$9,469,764.03, while the total fund balance is \$17,055,137.57. 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 16 percent of the total General Fund revenues, while total fund balance represents 18 percent of total General Fund revenues. Total fund balance decreased by \$5,525,678.70 during the fiscal year, primarily due to an increase in instruction expenses.

The Special Revenue – Federal Education Stabilization Fund has total revenues and expenditures of \$3,618,756.31 each and the funding was mainly used for salaries and related benefits in response to the COVID-19 pandemic. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Capital Project – Public Education Capital Outlay Fund has a deficit fund balance of \$9,205,814.12, which represents construction costs for the new Crescent City Junior-Senior High School project paid in advance of drawing funds from the PECO Special Facilities funding. Encumbrances exceed the total fund balance by \$60,937,300.51 and are expected to be honored using the PECO Special Facilities allocation expected to be received in the subsequent year.

The Capital Projects – District Bonds Fund has a total fund balance of \$123,396,023.42. Total fund balance increased \$26,346,557.14 primarily due to the issuance of new bonds for constructing, renovating and replacing public school facilities throughout the District.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of 23,146,650.48. The total fund balance increased by \$7,396,576.75 due to increases in local tax revenue.

## **Proprietary Funds**

The Enterprise Funds have combined net position of \$23,689,262.14, representing an increase of \$8,876,286.33 in net position for 2024-25 fiscal year.

- The NEFEC Risk Management (Property/Casualty) Programs Fund net position increased by \$4,685,483.48 or 23 percent, over the prior fiscal year because premium revenues exceeded operating expenses. Operating revenues, based on premium revenues held steady. Operating expenses decreased by \$7,198,171.32, due mainly to decreases in insurance claims and policyholder dividends.
- The NEFEC Other Programs Fund net position increased \$4,190,802.85, or 38 percent, over the prior fiscal year due mainly to increases in Federal and State grants.

### GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2024-25 fiscal year, the District amended its General Fund budget several times, which resulted in a decrease in total budgeted revenues of \$4,895,355.82, or 5%, a direct result of the decreases in State and local property taxes revenues. Final budgeted expenditures were in line with original budget amounts. Actual revenues are in line with the final budgeted amounts while actual expenditures are \$13,749,258.41, or 12 percent, less than final budgeted amounts. The decrease in expenditures was primarily due to continued cost containment measures implemented by the District. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$15,725,843.61.

### CAPITAL ASSETS AND LONG-TERM DEBT

#### **Capital Assets**

The District's investment in capital assets for its governmental activities and business-type activities as of June 30, 2025, is \$174,236,956.59 (net of accumulated depreciation). The \$110,887,778.41, or 175 percent, increase from the prior fiscal year is due mainly to the constructing, renovating, and replacing public facilities throughout the District.

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

#### **Long-Term Debt**

At June 30, 2025, the District had outstanding bonds payable of \$207,088,566.65. During the current fiscal year, the District issued general obligation school bonds of \$100,000,000 with a premium of \$4,112,537 and made debt service payments totaling \$1,772,000.

Additional information on the District's long-term debt can be found in Notes IV.I.1. through IV.I.2. 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 Jonathan Odom, Chief Financial Officer, Putnam County District School Board, 200 Reid Street, Palatka, Florida 32177.

# BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 196,417,080.41	\$ 38,080,119.73	\$ 234,497,200.14	\$ 662,922.00
Cash with Fiscal Agent	-	1,375,000.00	1,375,000.00	-
Investments	3,697.40	-	3,697.40	1,420,056.00
Accounts Receivable	449,160.45	93,476.53	542,636.98	66,041.00
Due from Other Agencies	77,456,075.25	3,193,006.32	80,649,081.57	17,775.00
Due from Excess Insurer	-	1,506,799.39	1,506,799.39	-
Prepaid Items	-	-	-	34,291.00
Inventories	581,763.54	-	581,763.54	-
Capital Assets:				
Nondepreciable Capital Assets	128,945,100.26	45,000.00	128,990,100.26	192,000.00
Depreciable Capital Assets, Net	44,469,967.90	776,888.43	45,246,856.33	3,118,194.00
<b>TOTAL ASSETS</b>	<b>448,322,845.21</b>	<b>45,070,290.40</b>	<b>493,393,135.61</b>	<b>5,511,279.00</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	21,333,911.17	1,761,279.63	23,095,190.80	376,352.00
OPEB	2,145,524.41	146,388.59	2,291,913.00	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>23,479,435.58</b>	<b>1,907,668.22</b>	<b>25,387,103.80</b>	<b>376,352.00</b>
<b>LIABILITIES</b>				
Accrued Salaries and Benefits	1,386,773.07	53,915.53	1,440,688.60	103,371.00
Accounts Payable	2,193,741.87	514,896.46	2,708,638.33	97,035.00
Construction Contracts Payable	17,574,142.65	-	17,574,142.65	-
Construction Contracts Payable - Retained Percentage	5,188,450.03	-	5,188,450.03	-
Unearned Revenue	59,785,687.00	-	59,785,687.00	-
Estimated Insurance Claims Payable	443,800.00	-	443,800.00	-
Long-Term Liabilities:				
Portion Due Within 1 Year	5,656,989.40	6,407,984.97	12,064,974.37	30,347.00
Portion Due After 1 Year	286,678,977.64	15,152,437.71	301,831,415.35	3,072,427.00
<b>TOTAL LIABILITIES</b>	<b>378,908,561.66</b>	<b>22,129,234.67</b>	<b>401,037,796.33</b>	<b>3,303,180.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	11,120,322.28	886,765.72	12,007,088.00	301,084.00
OPEB	5,494,427.91	272,696.09	5,767,124.00	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>16,614,750.19</b>	<b>1,159,461.81</b>	<b>17,774,212.00</b>	<b>301,084.00</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	66,959,932.25	821,888.43	67,781,820.68	1,307,627.00
Restricted for:				
State Required Carryover Programs	2,168,205.45	-	2,168,205.45	-
Debt Service	952,539.16	-	952,539.16	-
Capital Projects	58,405,865.70	-	58,405,865.70	62,106.00
Food Service	11,848,648.42	-	11,848,648.42	-
Permanent Funds - Nonexpendable	131,686.83	-	131,686.83	-
Permanent Funds - Expendable	20,148.89	-	20,148.89	-
Student Groups	1,712,902.00	-	1,712,902.00	-
Other Purposes	296,253.75	-	296,253.75	1,650,767.00
Unrestricted (Deficit)	(66,217,213.51)	22,867,373.71	(43,349,839.80)	(737,133.00)
<b>TOTAL NET POSITION</b>	<b>\$ 76,278,968.94</b>	<b>\$ 23,689,262.14</b>	<b>\$ 99,968,231.08</b>	<b>\$ 2,283,367.00</b>

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

**Putnam 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
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 66,075,002.74	\$ 91,870.94	\$ -	\$ -
Student Support Services	6,001,676.84	-	-	-
Instructional Media Services	330,150.06	-	-	-
Instruction and Curriculum Development Services	5,086,184.28	-	-	-
Instructional Staff Training Services	2,578,745.22	-	-	-
Instruction-Related Technology	791,716.65	-	-	-
Board	647,158.25	-	-	-
General Administration	1,803,845.99	-	-	-
School Administration	9,202,264.15	-	-	-
Facilities Acquisition and Construction	2,148.39	-	-	526,277.60
Fiscal Services	1,670,433.07	-	-	-
Food Services	10,963,911.39	303,403.06	11,480,217.85	-
Central Services	1,580,680.56	-	-	-
Student Transportation Services	6,836,134.82	-	-	-
Operation of Plant	8,115,072.01	-	-	-
Maintenance of Plant	2,524,591.70	-	-	-
Administrative Technology Services	2,607,587.55	-	-	-
Community Services	2,347,593.71	-	-	-
Unallocated Interest on Long-Term Debt	5,381,521.52	-	-	59,902.87
Unallocated Depreciation Expense*	5,626,616.20	-	-	-
<b>Total Governmental Activities</b>	<b>140,173,035.10</b>	<b>395,274.00</b>	<b>11,480,217.85</b>	<b>586,180.47</b>
<b>Business-Type Activities:</b>				
NEFEC Risk Management (Property/Casualty) Program	15,516,825.95	19,071,390.98	-	-
NEFEC Other Programs	17,564,914.00	9,289,438.77	-	-
<b>Total Business-Type Activities</b>	<b>33,081,739.95</b>	<b>28,360,829.75</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 173,254,775.05</b>	<b>\$ 28,756,103.75</b>	<b>\$ 11,480,217.85</b>	<b>\$ 586,180.47</b>
<b>Component Units</b>				
Charter Schools	\$ 4,787,236.00	\$ 16,001.00	\$ 0.00	\$ 360,911.00

General Revenues:

Taxes:

- Property Taxes, Levied for Operational Purposes
- Property Taxes, Levied for Debt Service
- Property Taxes, Levied for Capital Projects
- Grants and Contributions Not Restricted to Specific Programs
- Unrestricted Investment Earnings
- Miscellaneous

**Total General Revenues**

**Change in Net Position**

Net Position - Beginning

**Net Position - Ending**

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

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

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (65,983,131.80)	\$ -	\$ (65,983,131.80)	\$ -
(6,001,676.84)	-	(6,001,676.84)	-
(330,150.06)	-	(330,150.06)	-
(5,086,184.28)	-	(5,086,184.28)	-
(2,578,745.22)	-	(2,578,745.22)	-
(791,716.65)	-	(791,716.65)	-
(647,158.25)	-	(647,158.25)	-
(1,803,845.99)	-	(1,803,845.99)	-
(9,202,264.15)	-	(9,202,264.15)	-
524,129.21	-	524,129.21	-
(1,670,433.07)	-	(1,670,433.07)	-
819,709.52	-	819,709.52	-
(1,580,680.56)	-	(1,580,680.56)	-
(6,836,134.82)	-	(6,836,134.82)	-
(8,115,072.01)	-	(8,115,072.01)	-
(2,524,591.70)	-	(2,524,591.70)	-
(2,607,587.55)	-	(2,607,587.55)	-
(2,347,593.71)	-	(2,347,593.71)	-
(5,321,618.65)	-	(5,321,618.65)	-
(5,626,616.20)	-	(5,626,616.20)	-
<u>(127,711,362.78)</u>	<u>-</u>	<u>(127,711,362.78)</u>	<u>-</u>
-	3,554,565.03	3,554,565.03	-
-	(8,275,475.23)	(8,275,475.23)	-
-	<u>(4,720,910.20)</u>	<u>(4,720,910.20)</u>	-
<u>(127,711,362.78)</u>	<u>(4,720,910.20)</u>	<u>(132,432,272.98)</u>	-
-	-	-	(4,410,324.00)
31,604,487.77	-	31,604,487.77	-
7,049,771.12	-	7,049,771.12	-
12,517,047.04	-	12,517,047.04	-
77,793,784.19	11,807,360.89	89,601,145.08	4,272,855.00
6,723,933.60	1,789,835.64	8,513,769.24	52,536.00
3,319,007.02	-	3,319,007.02	87,928.00
<u>139,008,030.74</u>	<u>13,597,196.53</u>	<u>152,605,227.27</u>	<u>4,413,319.00</u>
11,296,667.96	8,876,286.33	20,172,954.29	2,995.00
64,982,300.98	14,812,975.81	79,795,276.79	2,280,372.00
<u>\$ 76,278,968.94</u>	<u>\$ 23,689,262.14</u>	<u>\$ 99,968,231.08</u>	<u>\$ 2,283,367.00</u>

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

	<u>General Fund</u>	<u>Special Revenue - Federal Education Stabilization Fund</u>	<u>Capital Projects - Public Education Capital Outlay Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,743,745.84	\$ 88,309.06	\$ -
Investments	-	-	-
Accounts Receivable	206,424.05	-	-
Due from Other Funds	6,843,433.04	-	-
Due from Other Agencies	3,694,557.31	-	69,890,466.53
Inventories	355,612.96	-	-
<b>TOTAL ASSETS</b>	<u>\$ 18,843,773.20</u>	<u>\$ 88,309.06</u>	<u>\$ 69,890,466.53</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accrued Salaries and Benefits	\$ 895,405.71	\$ -	\$ -
Accounts Payable	893,229.92	88,309.06	-
Construction Contracts Payable	-	-	5,114,317.53
Construction Contracts Payable - Retained Percentage	-	-	753,121.05
Due to Other Funds	-	-	3,381,402.06
Unearned Revenue	-	-	59,785,687.00
<b>Total Liabilities</b>	<u>1,788,635.63</u>	<u>88,309.06</u>	<u>69,034,527.64</u>
Deferred Inflows of Resources:			
Unavailable Revenue - State Capital Outlay	-	-	10,061,753.01
Fund Balances:			
Nonspendable:			
Inventories	355,612.96	-	-
Permanent Fund Principal	-	-	-
Total Nonspendable Fund Balance	<u>355,612.96</u>	<u>-</u>	<u>-</u>
Restricted for:			
State Required Carryover Programs	2,168,205.45	-	-
Other State and Local Projects	-	-	-
Student Groups	-	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Food Service	-	-	-
Permanent Funds	-	-	-
Total Restricted Fund Balance	<u>2,168,205.45</u>	<u>-</u>	<u>-</u>
Assigned for:			
Lowest 300 Performing Schools	643,266.20	-	-
Purchase Obligations	663,827.23	-	-
Wellness Initiatives	280,449.52	-	-
Other Purposes	3,474,012.18	-	-
Total Assigned Fund Balance	<u>5,061,555.13</u>	<u>-</u>	<u>-</u>
Unassigned Fund Balance	<u>9,469,764.03</u>	<u>-</u>	<u>(9,205,814.12)</u>
<b>Total Fund Balances</b>	<u>17,055,137.57</u>	<u>-</u>	<u>(9,205,814.12)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 18,843,773.20</u>	<u>\$ 88,309.06</u>	<u>\$ 69,890,466.53</u>

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

<b>Capital Projects - District Bonds Fund</b>	<b>Capital Projects - Local Capital Improvement Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 136,853,094.23	\$ 26,952,737.68	\$ 17,261,734.42	\$ 188,899,621.23
-	-	3,697.40	3,697.40
144.00	147,279.91	71,687.43	425,535.39
3,381,402.06	-	-	10,224,835.10
-	65,947.12	3,763,638.72	77,414,609.68
-	-	226,150.58	581,763.54
<u>\$ 140,234,640.29</u>	<u>\$ 27,165,964.71</u>	<u>\$ 21,326,908.55</u>	<u>\$ 277,550,062.34</u>
\$ -	\$ 60,449.00	\$ 430,284.65	\$ 1,386,139.36
-	56,537.23	501,933.05	1,540,009.26
12,403,287.89	-	56,537.23	17,574,142.65
4,435,328.98	-	-	5,188,450.03
-	3,902,328.00	2,941,105.04	10,224,835.10
-	-	-	59,785,687.00
<u>16,838,616.87</u>	<u>4,019,314.23</u>	<u>3,929,859.97</u>	<u>95,699,263.40</u>
-	-	-	10,061,753.01
-	-	226,150.58	581,763.54
-	-	131,686.83	131,686.83
-	-	357,837.41	713,450.37
-	-	-	2,168,205.45
-	-	296,253.75	296,253.75
-	-	1,712,902.00	1,712,902.00
-	-	952,539.16	952,539.16
123,396,023.42	23,146,650.48	2,434,869.53	148,977,543.43
-	-	11,622,497.84	11,622,497.84
-	-	20,148.89	20,148.89
<u>123,396,023.42</u>	<u>23,146,650.48</u>	<u>17,039,211.17</u>	<u>165,750,090.52</u>
-	-	-	643,266.20
-	-	-	663,827.23
-	-	-	280,449.52
-	-	-	3,474,012.18
-	-	-	5,061,555.13
-	-	-	263,949.91
<u>123,396,023.42</u>	<u>23,146,650.48</u>	<u>17,397,048.58</u>	<u>171,789,045.93</u>
<u>\$ 140,234,640.29</u>	<u>\$ 27,165,964.71</u>	<u>\$ 21,326,908.55</u>	<u>\$ 277,550,062.34</u>

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

**Total Fund Balances - Governmental Funds** \$ 171,789,045.93

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. 173,415,068.16

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. 6,484,383.49

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	\$ 21,333,911.17	
Deferred Outflows Related to OPEB	2,145,524.41	
Deferred Inflows Related to Pensions	(11,120,322.28)	
Deferred Inflows Related to OPEB	<u>(5,494,427.91)</u>	6,864,685.39

The deferred inflows of resources related to certain funding are applicable to future periods and therefore, are not reported in the governmental funds. 10,061,753.01

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:

Bonds Payable	\$ (207,088,566.65)	
Compensated Absences Payable	(9,157,409.66)	
Net Pension Liability	(72,610,608.71)	
Total OPEB Liability	<u>(3,479,382.02)</u>	<u>(292,335,967.04)</u>

**Net Position - Governmental Activities** \$ 76,278,968.94

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

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**Putnam 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 - Federal Education Stabilization Fund	Capital Projects - Public Education Capital Outlay Fund
<b>Revenues</b>			
Intergovernmental:			
Federal Direct	\$ 599,916.64	\$ -	\$ -
Federal Through State and Local	301,771.34	3,618,756.31	-
State	57,124,358.46	-	21,986,211.37
Local:			
Property Taxes	31,604,487.77	-	-
Charges for Services - Food Service	-	-	-
Miscellaneous	2,835,409.11	-	-
Total Local Revenues	34,439,896.88	-	-
<b>Total Revenues</b>	<u>92,465,943.32</u>	<u>3,618,756.31</u>	<u>21,986,211.37</u>
<b>Expenditures</b>			
Current - Education:			
Instruction	56,369,194.79	2,301,012.13	-
Student Support Services	5,356,222.57	51,788.69	-
Instructional Media Services	339,588.73	-	-
Instruction and Curriculum Development Services	2,524,539.02	18,985.00	-
Instructional Staff Training Services	1,172,122.49	898,441.21	-
Instruction-Related Technology	806,699.66	-	-
Board	655,790.89	-	-
General Administration	1,211,665.71	289,095.83	-
School Administration	9,513,923.37	-	-
Facilities Acquisition and Construction	2,148.39	-	-
Fiscal Services	1,718,484.94	-	-
Food Services	16,328.24	-	-
Central Services	1,619,093.50	5,336.83	-
Student Transportation Services	6,365,405.99	3,430.00	-
Operation of Plant	8,252,031.82	3,017.50	-
Maintenance of Plant	2,583,338.18	-	-
Administrative Technology Services	2,647,520.38	-	-
Community Services	4,181.59	5,269.12	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	750,208.00	-	31,200,377.35
Other Capital Outlay	293,556.80	42,380.00	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<u>102,202,045.06</u>	<u>3,618,756.31</u>	<u>31,200,377.35</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(9,736,101.74)</u>	<u>-</u>	<u>(9,214,165.98)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	4,190,913.00	-	-
Issuance of Bonds	-	-	-
Bond Premium	-	-	-
Loss Recoveries	19,510.04	-	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>4,210,423.04</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(5,525,678.70)</u>	<u>-</u>	<u>(9,214,165.98)</u>
Fund Balances, Beginning	22,580,816.27	-	8,351.86
Adjustment to Beginning Fund Balances	-	-	-
Fund Balances, Beginning, as Restated	<u>22,580,816.27</u>	<u>-</u>	<u>8,351.86</u>
<b>Fund Balances, Ending</b>	<u>\$ 17,055,137.57</u>	<u>\$ 0.00</u>	<u>\$ (9,205,814.12)</u>

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

<b>Capital Projects - District Bonds Fund</b>	<b>Capital Projects - Local Capital Improvement Fund</b>	<b>Special Revenue - Food Service Fund (Former Major Fund)</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 19,800.00	\$ 619,716.64
-	-	-	25,039,842.04	28,960,369.69
-	-	-	3,155,737.70	82,266,307.53
-	12,517,047.04	-	7,049,771.12	51,171,305.93
-	-	-	303,403.06	303,403.06
3,688,358.76	832,147.83	-	3,188,701.70	10,544,617.40
3,688,358.76	13,349,194.87	-	10,541,875.88	62,019,326.39
3,688,358.76	13,349,194.87	-	38,757,255.62	173,865,720.25
-	-	-	9,764,331.57	68,434,538.49
-	-	-	750,280.97	6,158,292.23
-	-	-	-	339,588.73
-	-	-	2,760,851.35	5,304,375.37
-	-	-	632,377.59	2,702,941.29
-	-	-	-	806,699.66
-	-	-	-	655,790.89
-	-	-	345,707.29	1,846,468.83
-	-	-	-	9,513,923.37
-	-	-	-	2,148.39
-	-	-	-	1,718,484.94
-	-	-	11,078,619.90	11,094,948.14
-	-	-	-	1,624,430.33
-	-	-	11,953.15	6,380,789.14
-	-	-	-	8,255,049.32
-	-	-	-	2,583,338.18
-	-	-	12,000.00	2,659,520.38
-	-	-	2,338,143.00	2,347,593.71
80,665,709.23	1,153,158.54	-	695,665.34	114,465,118.46
-	897,131.58	-	1,192,667.62	2,425,736.00
-	-	-	1,772,000.00	1,772,000.00
788,629.39	-	-	4,655,947.33	5,444,576.72
81,454,338.62	2,050,290.12	-	36,010,545.11	256,536,352.57
(77,765,979.86)	11,298,904.75	-	2,746,710.51	(82,670,632.32)
-	-	-	-	4,190,913.00
100,000,000.00	-	-	-	100,000,000.00
4,112,537.00	-	-	-	4,112,537.00
-	-	-	-	19,510.04
-	(3,902,328.00)	-	(288,585.00)	(4,190,913.00)
104,112,537.00	(3,902,328.00)	-	(288,585.00)	104,132,047.04
26,346,557.14	7,396,576.75	-	2,458,125.51	21,461,414.72
97,049,466.28	-	10,836,891.56	19,852,105.24	150,327,631.21
-	15,750,073.73	(10,836,891.56)	(4,913,182.17)	-
97,049,466.28	15,750,073.73	-	14,938,923.07	150,327,631.21
\$ 123,396,023.42	\$ 23,146,650.48	\$ 0.00	\$ 17,397,048.58	\$ 171,789,045.93

**Putnam 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** \$ 21,461,414.72

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.

Fixed Capital Outlay - Facilities Acquisition and Construction	\$ 114,465,118.46	
Fixed Capital Outlay - Other Capital Outlay	2,425,736.00	
Depreciation Expense	<u>(6,233,806.13)</u>	110,657,048.33

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, whereas these amounts are amortized in the statement of activities. This is the debt related activity in the current fiscal year.

Bond Proceeds	\$ (100,000,000.00)	
Bond Premiums	(4,112,537.00)	
Bond Principal Payments	1,772,000.00	
Amortization of Bond Premium	<u>63,055.20</u>	(102,277,481.80)

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 used in excess of the amount earned in the current fiscal year. 1,592,018.70

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	\$ 610,995.32	
Decrease in Deferred Outflows of Resources - OPEB	(824,280.83)	
Decrease in Deferred Inflows of Resources - OPEB	<u>1,162,677.84</u>	949,392.33

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

FRS Pension Contribution	\$ 3,434,610.37	
HIS Pension Contribution	653,294.25	
FRS Pension Expense	(3,130,098.20)	
HIS Pension Expense	<u>(203,875.66)</u>	753,930.76

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 fund is reported with governmental activities. 146,556.29

Governmental funds recognize revenues when they are measurable and available to pay liabilities in the current period. However, in the statement of activities, revenue is recognized as soon as it is earned regardless of availability. This is the effect of the timing difference between the two methods of revenue recognition. (21,986,211.37)

**Change in Net Position - Governmental Activities** **\$ 11,296,667.96**

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

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

	<b>Enterprise Funds</b>			<b>Internal Service Fund</b>
	<b>NEFEC Risk Management (Property/Casualty) Program</b>	<b>NEFEC Other Programs</b>	<b>Total</b>	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 21,461,896.82	\$ 16,618,222.91	\$ 38,080,119.73	\$ 7,517,459.18
Cash with Fiscal Agent	1,375,000.00	-	1,375,000.00	-
Accounts Receivable	-	93,476.53	93,476.53	23,625.06
Due from Other Agencies	244,505.37	2,948,500.95	3,193,006.32	41,465.57
Due from Excess Insurer	1,506,799.39	-	1,506,799.39	-
<b>Total Current Assets</b>	<b>24,588,201.58</b>	<b>19,660,200.39</b>	<b>44,248,401.97</b>	<b>7,582,549.81</b>
Noncurrent Assets:				
Nondepreciable Capital Assets	-	45,000.00	45,000.00	-
Depreciable Capital Assets, Net	-	776,888.43	776,888.43	-
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>821,888.43</b>	<b>821,888.43</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>24,588,201.58</b>	<b>20,482,088.82</b>	<b>45,070,290.40</b>	<b>7,582,549.81</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	59,776.98	1,701,502.65	1,761,279.63	-
OPEB	9,697.52	136,691.07	146,388.59	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>69,474.50</b>	<b>1,838,193.72</b>	<b>1,907,668.22</b>	<b>-</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accrued Salaries and Benefits	20,455.00	33,460.53	53,915.53	633.71
Accounts Payable	921.85	513,974.61	514,896.46	653,732.61
Compensated Absences Payable	7,814.16	148,469.12	156,283.28	-
Estimated Liability for Self-Insurance Program	6,220,000.00	-	6,220,000.00	-
Estimated Health Claims Payable	-	-	-	443,800.00
Total OPEB Liability	2,944.50	28,757.19	31,701.69	-
<b>Total Current Liabilities</b>	<b>6,252,135.51</b>	<b>724,661.45</b>	<b>6,976,796.96</b>	<b>1,098,166.32</b>
Noncurrent Liabilities:				
Compensated Absences Payable	31,256.66	593,876.47	625,133.13	-
Estimated Liability for Self-Insurance Program	9,596,000.00	-	9,596,000.00	-
Net Pension Liability	212,450.06	4,473,965.23	4,686,415.29	-
Total OPEB Liability	22,748.81	222,140.48	244,889.29	-
<b>Total Noncurrent Liabilities</b>	<b>9,862,455.53</b>	<b>5,289,982.18</b>	<b>15,152,437.71</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>16,114,591.04</b>	<b>6,014,643.63</b>	<b>22,129,234.67</b>	<b>1,098,166.32</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	41,182.39	845,583.33	886,765.72	-
OPEB	18,369.25	254,326.84	272,696.09	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>59,551.64</b>	<b>1,099,910.17</b>	<b>1,159,461.81</b>	<b>-</b>
<b>NET POSITION</b>				
Investment in Capital Assets	-	821,888.43	821,888.43	-
Unrestricted	8,483,533.40	14,383,840.31	22,867,373.71	6,484,383.49
<b>TOTAL NET POSITION</b>	<b>\$ 8,483,533.40</b>	<b>\$ 15,205,728.74</b>	<b>\$ 23,689,262.14</b>	<b>\$ 6,484,383.49</b>

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

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

	<b>Enterprise Funds</b>			<b>Internal Service Fund</b>
	<b>NEFEC Risk Management (Property/Casualty) Program</b>	<b>NEFEC Other Programs</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ -	\$ 9,079,373.95	\$ 9,079,373.95	\$ -
Charges for Sales	-	210,064.82	210,064.82	-
Premiums	19,071,390.98	-	19,071,390.98	9,142,603.87
Other	-	-	-	779,929.23
<b>Total Operating Revenues</b>	<b>19,071,390.98</b>	<b>9,289,438.77</b>	<b>28,360,829.75</b>	<b>9,922,533.10</b>
<b>OPERATING EXPENSES</b>				
Salaries	181,959.78	5,778,490.65	5,960,450.43	75,585.75
Employee Benefits	44,780.33	1,580,076.59	1,624,856.92	79,326.73
Purchased Services	700,234.85	8,051,202.95	8,751,437.80	2,812,398.50
Energy Services	-	54,090.97	54,090.97	-
Materials and Supplies	85.93	1,085,835.22	1,085,921.15	-
Capital Outlay	803.51	68,872.09	69,675.60	-
Insurance Claims	6,166,984.00	-	6,166,984.00	6,643,027.00
Excess Insurance Premiums	8,046,035.29	-	8,046,035.29	-
Policyholder Dividends	375,942.26	-	375,942.26	-
Other	-	646,221.65	646,221.65	447,549.99
Depreciation	-	300,123.88	300,123.88	-
<b>Total Operating Expenses</b>	<b>15,516,825.95</b>	<b>17,564,914.00</b>	<b>33,081,739.95</b>	<b>10,057,887.97</b>
<b>Operating Income (Loss)</b>	<b>3,554,565.03</b>	<b>(8,275,475.23)</b>	<b>(4,720,910.20)</b>	<b>(135,354.87)</b>
<b>NONOPERATING REVENUES</b>				
Interest	1,130,918.45	658,917.19	1,789,835.64	281,911.16
Federal Grants	-	7,851,713.63	7,851,713.63	-
State Grants	-	3,955,647.26	3,955,647.26	-
<b>Total Nonoperating Revenues</b>	<b>1,130,918.45</b>	<b>12,466,278.08</b>	<b>13,597,196.53</b>	<b>281,911.16</b>
<b>Change in Net Position</b>	<b>4,685,483.48</b>	<b>4,190,802.85</b>	<b>8,876,286.33</b>	<b>146,556.29</b>
Total Net Position - Beginning	3,798,049.92	11,014,925.89	14,812,975.81	6,337,827.20
<b>Total Net Position - Ending</b>	<b>\$ 8,483,533.40</b>	<b>\$ 15,205,728.74</b>	<b>\$ 23,689,262.14</b>	<b>\$ 6,484,383.49</b>

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

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

	Enterprise Funds			
	NEFEC Risk Management (Property/Casualty) Program	NEFEC Other Programs	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Board Funds and Participants	\$ 19,071,390.98	\$ -	\$ 19,071,390.98	\$ 9,163,962.07
Cash Payments to Suppliers for Goods and Services	(8,747,041.14)	(9,681,329.80)	(18,428,370.94)	(2,165,682.79)
Cash Payments to Employees for Services	(312,919.81)	(8,211,160.26)	(8,524,080.07)	(154,278.77)
Cash Payments for Insurance Claims	(7,303,984.00)	-	(7,303,984.00)	(6,862,577.00)
Cash Payments for Policyholder Dividends	(375,942.26)	-	(375,942.26)	-
Cash Receipts (Payments) for Other Operating Activities	(943,860.07)	8,425,843.34	7,481,983.27	332,379.24
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,387,643.70</b>	<b>(9,466,646.72)</b>	<b>(8,079,003.02)</b>	<b>313,802.75</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Received from Federal and State Grants	-	11,807,360.89	11,807,360.89	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	-	(530,853.96)	(530,853.96)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of Investments	18,943,334.67	8,478,787.65	27,422,122.32	6,244,041.00
Interest Income	1,130,918.45	658,917.19	1,789,835.64	281,911.16
<b>Net Cash Provided by Investing Activities</b>	<b>20,074,253.12</b>	<b>9,137,704.84</b>	<b>29,211,957.96</b>	<b>6,525,952.16</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>21,461,896.82</b>	<b>10,947,565.05</b>	<b>32,409,461.87</b>	<b>6,839,754.91</b>
Cash and Cash Equivalents, Beginning	1,375,000.00	5,670,657.86	7,045,657.86	677,704.27
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 22,836,896.82</b>	<b>\$ 16,618,222.91</b>	<b>\$ 39,455,119.73</b>	<b>\$ 7,517,459.18</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ 3,554,565.03	\$ (8,275,475.23)	\$ (4,720,910.20)	\$ (135,354.87)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided(Used) by Operating Activities:				
Depreciation	-	300,123.88	300,123.88	-
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:				
Accounts Receivable	-	(85,044.03)	(85,044.03)	(22,104.05)
Due from Other Agencies	(243,926.97)	(863,595.43)	(1,107,522.40)	43,462.25
Due from Insurer	(699,933.10)	-	(699,933.10)	-
Accrued Salaries and Benefits	18,924.94	(29,632.42)	(10,707.48)	633.71
Accounts Payable	118.44	309,937.11	310,055.55	646,715.71
Compensated Absences Payable	(87,975.29)	162,341.76	74,366.47	-
Estimated Health Claims Payable	-	-	-	(219,550.00)
Estimated Liability for Self-Insurance Program	(1,137,000.00)	-	(1,137,000.00)	-
Net Pension Liability	(1,157.77)	(1,090,059.12)	(1,091,216.89)	-
Total OPEB Liability	(33,358.43)	14,690.75	(18,667.68)	-
Deferred Outflows of Resources Related to OPEB	1,718.91	23,465.26	25,184.17	-
Deferred Inflows of Resources Related to OPEB	(2,424.56)	(33,098.60)	(35,523.16)	-
Deferred Outflows of Resources Related to Pensions	(11,647.12)	(447,824.93)	(459,472.05)	-
Deferred Inflows of Resources Related to Pensions	29,739.62	547,524.28	577,263.90	-
<b>Total Adjustments</b>	<b>(2,166,921.33)</b>	<b>(1,191,171.49)</b>	<b>(3,358,092.82)</b>	<b>449,157.62</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,387,643.70</b>	<b>\$ (9,466,646.72)</b>	<b>\$ (8,079,003.02)</b>	<b>\$ 313,802.75</b>

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

# **NOTES TO FINANCIAL STATEMENTS**

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## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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 Putnam 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 associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

### **B. Reporting Entity**

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

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

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

The District's charter schools are the Children's Reading Center Charter School and the Putnam Academy of Arts and Sciences. The Children's Reading Center, Inc., which owns and operates the

Children’s Reading Center Charter School and the Putnam Academy of Arts and Sciences, Inc., which owns and operates the Putnam Academy of Arts and Sciences, are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Putnam County District School Board. The District may choose not to renew the charters under grounds specified in the charters. During the term of the charters, the District may terminate the charters if good cause is shown. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter schools’ audited financial statements for the fiscal year ended June 30, 2025. The audit reports are filed in the District’s administrative offices at 200 Reid Street, Palatka, Florida 32177.

### **C. Basis of Presentation: Government-Wide Financial Statements**

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

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. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – 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.
- Capital Projects – Public Education Capital Outlay Fund – to account for State Public Education Capital Outlay moneys to be used, in part, for the construction of the Crescent City Junior/Senior High.

- Capital Projects – District Bonds Fund – to account for the financial resources generated by the General Obligation Bond, to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, implementation of safety enhancements and instructional technology upgrades.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and motor vehicle purchases.

The District reports the following major enterprise funds:

- NEFEC – Risk Management (Property/Casualty) Program Fund – to account for the North East Florida Educational Consortium (NEFEC) property and casualty self-insurance program (including workers' compensation), for which the District is fiscal agent.
- NEFEC – Other Programs Fund – to account for the financial activities of the NEFEC cooperative programs and services provided to member districts other than the self-insurance program.

Additionally, the District reports the following proprietary fund type:

- Internal Service Fund – to account for the District's group health insurance program.

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

## **E. Measurement Focus and Basis of Accounting**

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

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

donations are recognized as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 45 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 45 days of year end). Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

The Children's Reading Center Charter School is accounted for as a not-for-profit organization and uses the not-for-profit accounting model. The Putnam Academy of Arts and Sciences is accounted for as a governmental organization and follows the same accounting model as the District's governmental activities.

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

### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with Florida Fixed Income Trust (FIT) Cash Pool. The statement of cash flows also considers as cash and cash equivalents those amounts on deposit with fiscal agents.

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 Board of Administration (SBA) debt service accounts for investment of debt service moneys and those made locally.

Investments made locally consist of amounts placed in intergovernmental investment pools and are reported at fair value. 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 in the course of District operations. Inventories are stated at cost on the moving-average basis, except that General Fund transportation inventories are stated at cost based on the last invoice, which approximates the first-in, first-out method, and United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

## 4. Capital Assets

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

Capital assets are depreciated using the unweighted average composite method for governmental activities and the straight-line method for business-type activities over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	10 - 35 years
Buildings and Fixed Equipment	15 - 50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials	5 years
Computer Software	5 years

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

## 5. Pensions

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

Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

## **6. 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 payable are reported net of the applicable premium.

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

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

## **7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

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

## **8. 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.

## **9. 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.

## **10. 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. On August 17, 2010, the Board, by resolution, authorized the Chief Financial Officer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed, above, an additional action is essential to either remove or revise a commitment.

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are

presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment 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. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

The District received various allocations from the State for specific construction needs. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

Pursuant to Section 1013.64, Florida Statutes, the District received special allocations in the 2023-24 and 2024-25 fiscal years for specific construction needs through the Public Education Capital Outlay and Debt Service Trust Fund – Special Facility Construction Account. As a condition for receiving these funds, other construction funding must be pledged for the project, including the capital outlay millage levied pursuant to Section 1011.71(2), Florida Statutes, for the total amount of 3 fiscal years' maximum millage. The District is required to budget no more than the value of 1 mill per year to the project until the District's participation requirement is satisfied.

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

## **3. District Property Taxes**

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

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

The Board adopted the 2024 tax levy on September 17, 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 Putnam County Tax Collector at fiscal year end but not yet remitted to the District.

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

#### **4. 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.

#### **5. 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.

#### **6. 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 enterprise funds are charges for information technology services, and premiums for property, casualty, and workers’ compensation insurance. Operating expenses include purchased services, salaries and benefits, materials and supplies, capital outlay, and depreciation, related to information technology services provided; and purchased services, insurance claims, excess insurance premiums, and salaries and benefits related to insurance programs. The principal operating revenues of the District’s internal service fund are charges for employee health insurance premiums. Operating expenses consist primarily of purchased services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## II. ACCOUNTING CHANGES

### A. Changes to or within the Financial Entity

**Change from Major to Nonmajor Fund.** The Special Revenue – Food Service Fund met the quantitative requirements for reporting as a major fund in the previous fiscal year. The fund did not meet those requirements for reporting as a major fund in the current fiscal year and as such is reported as a nonmajor fund. The effect of this change to or within the financial reporting entity is shown in the table below.

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

	<b>Reporting Units Affected by Restatements of Beginning Balances</b>		
	<b>Funds</b>		
	<b>Special Revenue - Food Service</b>	<b>Capital Projects - Local Capital Improvement</b>	<b>Nonmajor Governmental</b>
Beginning Balances, as previously reported	\$ 10,836,891.56	\$ -	\$ 19,852,105.24
Change from major to nonmajor fund	(10,836,891.56)	-	10,836,891.56
Change from nonmajor to major fund	-	15,750,073.73	(15,750,073.73)
Beginning Balances, as restated	<u>\$ 0.00</u>	<u>\$ 15,750,073.73</u>	<u>\$ 14,938,923.07</u>

## III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**Deficit Fund Balance.** At June 30, 2025, the Capital Projects – Public Education Capital Outlay Fund had a deficit fund balance of \$9,205,814.12. The deficit is due to the timing of cash requested from the FDOE and the receipt of the requested funds to offset expenditures incurred for the Crescent City Junior/Senior High School project.

## IV. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

### A. Cash Deposits with Financial Institutions

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

### B. Investments

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

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA:		
Debt Service Accounts	6 Months	\$ 3,697.40
Florida Fixed Income Trust (FIT) Cash Pool (1)	85 Days	<u>117,702,786.34</u>
<b>Total Investments</b>		<b><u>\$ 117,706,483.74</u></b>

(1) This investment is reported as a cash equivalent for financial statement reporting purposes.

### **Fair Value Measurement**

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

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

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

### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the Local Government Surplus Funds Trust Fund [Florida PRIME], or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United

States Treasury. The Board has adopted an invest policy that authorizes investing in qualified depositories, certificates of deposit, time deposits, securities of the United States Government, investment pools managed and directed by an approved agency of the State, and certain forms of investments authorized in accordance with Section 218.415, Florida Statutes.

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

The District's investments in the Florida FIT are rated AA Af/S1 by Fitch.

### C. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 2,798,224.26	\$ -	\$ -	\$ 2,798,224.26
Construction in Progress	14,012,669.93	112,134,206.07	-	126,146,876.00
Total Capital Assets Not Being Depreciated	16,810,894.19	112,134,206.07	-	128,945,100.26
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	10,724,949.64	725,755.33	-	11,450,704.97
Buildings and Fixed Equipment	150,805,156.26	1,564,045.59	-	152,369,201.85
Furniture, Fixtures, and Equipment	21,887,487.26	1,856,632.37	57,663.30	23,686,456.33
Motor Vehicles	11,827,885.43	610,215.10	79,943.10	12,358,157.43
Audio Visual Materials	113,159.61	-	-	113,159.61
Computer Software	1,325,295.51	-	-	1,325,295.51
Total Capital Assets Being Depreciated	196,683,933.71	4,756,648.39	137,606.40	201,302,975.70
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	7,719,835.41	240,718.63	-	7,960,554.04
Buildings and Fixed Equipment	118,313,897.80	3,361,874.52	-	121,675,772.32
Furniture, Fixtures, and Equipment	12,993,346.94	2,001,391.13	57,663.30	14,937,074.77
Motor Vehicles	10,361,800.49	607,189.93	79,943.10	10,889,047.32
Audio Visual Materials	22,631.92	22,631.92	-	45,263.84
Computer Software	1,325,295.51	-	-	1,325,295.51
Total Accumulated Depreciation	150,736,808.07	6,233,806.13	137,606.40	156,833,007.80
Total Capital Assets Being Depreciated, Net	45,947,125.64	(1,477,157.74)	-	44,469,967.90
Governmental Activities Capital Assets, Net	<u>\$ 62,758,019.83</u>	<u>\$ 110,657,048.33</u>	<u>\$ 0.00</u>	<u>\$ 173,415,068.16</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 45,000.00	\$ -	\$ -	\$ 45,000.00
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	25,428.00	-	-	25,428.00
Buildings and Fixed Equipment	2,563,477.17	373,584.39	-	2,937,061.56
Furniture, Fixtures, and Equipment	2,131,069.33	157,269.57	-	2,288,338.90
Motor Vehicles	73,884.00	-	-	73,884.00
Computer Software	3,604,113.33	-	-	3,604,113.33
Total Capital Assets Being Depreciated	<u>8,397,971.83</u>	<u>530,853.96</u>	<u>-</u>	<u>8,928,825.79</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	14,184.00	3,748.00	-	17,932.00
Buildings and Fixed Equipment	2,286,996.24	174,364.28	-	2,461,360.52
Furniture, Fixtures, and Equipment	1,881,783.15	118,962.52	-	2,000,745.67
Motor Vehicles	73,884.00	-	-	73,884.00
Computer Software	3,594,966.09	3,049.08	-	3,598,015.17
Total Accumulated Depreciation	<u>7,851,813.48</u>	<u>300,123.88</u>	<u>-</u>	<u>8,151,937.36</u>
Total Capital Assets Being Depreciated, Net	<u>546,158.35</u>	<u>230,730.08</u>	<u>-</u>	<u>776,888.43</u>
Business-Type Activities Capital Assets, Net	<u>\$ 591,158.35</u>	<u>\$ 230,730.08</u>	<u>\$ 0.00</u>	<u>\$ 821,888.43</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
Student Transportation Services	\$ 607,189.93
Unallocated	5,626,616.20
Total Depreciation Expense – Governmental Activities	<u>\$ 6,233,806.13</u>
<b>BUSINESS-TYPE ACTIVITIES</b>	
NEFEC Other Programs	<u>\$ 300,123.88</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](http://www.dms.myflorida.com)).

The District's FRS and HIS pension expense totaled \$7,638,557 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:

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.
- *Senior Management Service* – Members in senior management level positions.
- *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 on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<b><u>Class, Initial Enrollment, and Retirement Age/Years of Service</u></b>	<b><u>Percent Value</u></b>
<b>Regular Members Initially Enrolled Before July 1, 2011</b>	
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
<b>Regular Members Initially Enrolled On or After July 1, 2011</b>	
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
<b>Elected County Officers</b>	3.00
<b>Senior Management Service</b>	2.00
<b>Special Risk</b>	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, Senior Management Service	3.00	34.52
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 \$7,869,128 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 \$51,560,852 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District’s proportionate share of the net pension liability was based on the District’s 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District’s proportionate share was 0.133284860 percent, which was a decrease of 0.008905775 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 \$7,171,452. 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	\$ 5,209,030	\$ -
Change of Assumptions	7,066,886	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	3,427,002
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	714,670	3,406,190
District FRS Contributions Subsequent to the Measurement Date	7,869,128	-
<b>Total</b>	<b>\$ 20,859,714</b>	<b>\$ 6,833,192</b>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$7,869,128, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (1,299,080)
2027	7,927,485
2028	(201,943)
2029	(575,986)
2030	306,918
<b>Total</b>	<b>\$ 6,157,394</b>

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%
<b>Total</b>	<b>100%</b>			
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:

	<b>1% Decrease (5.7%)</b>	<b>Current Discount Rate (6.7%)</b>	<b>1% Increase (7.7%)</b>
District’s Proportionate Share of the Net Pension Liability	\$ 90,693,734	\$ 51,560,852	\$ 18,778,764

**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 \$1,496,780 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 \$25,736,172 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.171563300 percent, which was a decrease of 0.008684644 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 \$467,105. 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	\$ 248,500	\$ 49,417
Change of Assumptions	455,470	3,046,833
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	9,308
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	34,727	2,068,338
District HIS Contributions Subsequent to the Measurement Date	1,496,780	-
<b>Total</b>	<b>\$ 2,235,477</b>	<b>\$ 5,173,896</b>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$1,496,780 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	\$ (909,151)
2027	(939,105)
2028	(1,104,256)
2029	(820,699)
2030	(518,682)
Thereafter	(143,306)
<b>Total</b>	<b>\$ (4,435,199)</b>

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

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

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

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

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

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

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

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 29,297,323	\$ 25,736,172	\$ 22,779,839

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

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 \$2,690,764.85 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 Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District’s health and hospitalization plan for medical, prescription drug, and life insurance coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare and life insurance benefits for retirees and their dependents. In addition to the implicit subsidy described above, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees pursuant to negotiated union bargaining agreements.

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	521
Active Employees	<u>1,261</u>
Total	<u>1,782</u>

Total OPEB Liability. The District’s total OPEB liability of \$3,755,973 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023 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	2.4 percent
Salary Increases	3.4 – 7.8 percent, average, including inflation
Discount Rate	5.2 percent
Healthcare Cost Trend Rates	Based on the Getzen Model with trend rates starting at 6.4 percent for 2024-25, decreasing to an ultimate rate of 3.7 percent for the fiscal year 2072-73 and later fiscal years.

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

The demographic actuarial assumptions for retirement, mortality, disability, and withdrawal used in the July 1, 2023, OPEB Plan valuation are predominantly consistent with those used in the July 1, 2021, valuation of the FRS

Changes in the Total OPEB Liability.

	<b>Amount</b>
Balance at June 30, 2024	\$ 4,385,636
Changes for the year:	
Service Cost	60,234
Interest	167,189
Changes of Assumptions or Other Inputs	(469,947)
Benefit Payments	(387,139)
Net Changes	(629,663)
Balance at June 30, 2025	\$ 3,755,973

The changes of assumptions or other inputs consisted of a change in the discount rate 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:

	<b>1% Decrease (4.2%)</b>	<b>Current Discount Rate (5.2%)</b>	<b>1% Increase (6.2%)</b>
Total OPEB Liability	\$ 4,115,929	\$ 3,755,973	\$ 3,454,126

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:

	<b>Healthcare Cost Trend</b>		
	<u>1% Decrease</u>	<u>Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 3,170,827	\$ 3,755,973	\$ 4,440,335

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 a negative OPEB expense of \$591,260. 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	\$ 663,272	\$ 4,949,874
Changes of Assumptions or Other Inputs	1,628,641	817,250
<b>Total</b>	<b>\$ 2,291,913</b>	<b>\$ 5,767,124</b>

The 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	\$ (852,816)
2027	(852,813)
2028	(1,177,534)
2029	(794,560)
2030	81,532
Thereafter	120,980
<b>Total</b>	<b>\$ (3,475,211)</b>

## 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>
Crescent City Pre-K through Grade 6 Center	\$ 68,657,591.00	\$ 37,593,445.18	\$ 31,064,145.82
Special Facility Project Crescent City Junior-Senior High School	84,985,273.00	33,258,106.61	51,727,166.39
New Palatka Grade 3 - Grade 6 Center	60,292,594.83	53,762,631.90	6,529,962.93
<b>Total</b>	<b>\$ 213,935,458.83</b>	<b>\$ 124,614,183.69</b>	<b>\$ 89,321,275.14</b>

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

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

<b>Major Funds</b>					
<b>General</b>	<b>Capital Projects - Public Education Capital Outlay</b>	<b>Capital Projects - District Bonds</b>	<b>Capital Projects - Local Capital Improvement</b>	<b>Nonmajor - Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,733,050.06	\$ 51,731,486.39	\$ 37,594,108.75	\$ 1,134,159.31	\$ 3,124,469.27	\$ 96,317,273.78

At June 30, 2025, the encumbrances for the Capital Projects – Public Education Capital Outlay Fund exceeded the total fund balance by \$60,937,300.51. The encumbrances are expected to be honored using resources received in subsequent fiscal years from the Public Education Capital Outlay and Debt Service Trust Fund- Special Facility Construction Account.

## **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. The District is a member of the North East Florida Educational Consortium (NEFEC) (see Note IV.) and participates in the NEFEC Risk Management Program (NEFEC RMP) relating to property and casualty insurance, under which several district school boards have established a combined limited self insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members of the NEFEC. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such risk management programs. The NEFEC RMP for property and casualty insurance is a risk sharing public entity pool that is self-sustaining through member assessments (premiums). Coverage is purchased through commercial companies for claims in excess of specified amounts. Activities applicable to the NEFEC RMP are included in the business-type activities on the financial statements.

In addition, the Board provides life insurance equivalent to each employee's salary rounded to the next \$1,000 to a maximum of \$50,000. The Board also offers a cafeteria plan to its employees, in which the employees select among a variety of plan benefits.

In January 2024, the District transitioned from a commercial health insurance plan to a health and hospitalization self-insured plan, which includes medical and prescription drug coverage. The District's group health and hospitalization plan is being provided on a self-insured basis up to specified limits. The District has entered into an agreement with an insurance carrier wherein the total premium is divided, and the District retains on deposit a portion of the premium in a minimum premium account. The insurance carrier draws on this account to pay claims submitted by District employees and dependents.

The District has also entered into an agreement with an insurance company to provide specific excess coverage for claims amounts above \$250,000 per insured per year. The District liability was limited by the aggregate excess insurance for amounts above \$1 million.

A liability in the amount of \$443,800 was actuarially determined for the estimated insurance claims payable for claims incurred but not reported (IBNR) for health and hospitalization coverage.

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

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2023-24	\$ -	\$ 8,939,877.00	\$ (8,276,527.00)	\$ 663,350.00
2024-25	663,350.00	6,643,027.00	(6,862,577.00)	443,800.00

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

## H. Public Entity Risk Pool

**Fund Description.** The NEFEC RMP public entity risk pool was organized on July 1, 1982, to provide property and casualty insurance coverage for its member districts. The NEFEC RMP was established under the authority of Sections 1001.42(12)(k), 111.072, 1001.42(11)(d), 1011.18(6), 440.38(6), and 768.28, Florida Statutes. The NEFEC RMP was established to formulate, develop, and administer, on behalf of the member districts, a program of group self-insurance for achieving lower costs through the development of a comprehensive loss control program. If the assets of the NEFEC RMP were to be exhausted, members would be responsible for their allocable portion of the NEFEC RMP liabilities. The NEFEC RMP members currently include 12 districts and the Florida Virtual School. Members may withdraw from the NEFEC RMP by providing a 60-day written notice of intent to withdraw and may withdraw on the next anniversary date of the program. Annual assessments and increases are based on the assessment formula developed by the member districts.

### Summary of Significant Accounting Policies

- **Unpaid Claims Liabilities.** The NEFEC RMP establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported, but not settled, and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards. Accordingly, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability and workers' compensation. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect settlements, claim frequency, and other economic and social factors.
- **Excess Insurance.** The NEFEC RMP has entered into agreements with various insurance companies to provide specific excess coverage for claim amounts above a stated amount on an individual claim basis and aggregate excess coverage when total claims minus specific excess coverage exceed the loss fund. The amount of \$1,506,799.39 in excess insurance recoverable on unpaid claims was deducted from the liability for unpaid claims at June 30, 2025.
- **Investment Income.** Investment income is not treated as an offset to reserves.

## Unpaid Claims Liabilities

The following schedule presents the changes in claims liability for the past 2 years in the NEFEC RMP:

	<u>Reconciliation of Claims Liability</u>	
	<u>2023-24</u>	<u>2024-25</u>
Estimated Insurance Claims Payable, Beginning of Fiscal Year	\$ 16,071,000	\$ 16,953,000
Incurred Claims and Claims Adjustment Expenses:		
Provision for Insured Events of Current Fiscal Year	6,858,689	8,047,522
Decrease in Provision for Insured Events of Prior Fiscal Years	(4,327,487)	(6,273,567)
Increase in Estimated Incurred Claims Assigned	6,174,550	4,393,029
Total Incurred Claims and Claims Adjustment Expenses	8,705,751	6,166,984
Payments:		
Claims and Claims Adjustment Expenses Attributable to:		
Insured Events of the Current Fiscal Year	1,785,967	2,232,980
Insured Events of Prior Fiscal Years	8,240,230	(505,224)
Adjustments for Payments from Excess Insurers and Subrogation	(2,202,446)	5,576,228
Total Payments	7,823,751	7,303,984
<b>Estimated Insurance Claims Payable, End of Fiscal Year</b>	<b>\$ 16,953,000</b>	<b>\$ 15,816,000</b>

## I. Long-Term Liabilities

### 1. Bonds Payable

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

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2017A, Refunding	\$ 162,000.00	3 - 5	2028
General Obligation School Bonds:			
Series 2023	96,660,000.00	4 - 5	2052
Series 2025	100,000,000.00	5 - 5.25	2054
Subtotal Bonds Payable	196,822,000.00		
Plus: Unamortized Premium	10,266,566.65		
<b>Total Bonds Payable</b>	<b>\$ 207,088,566.65</b>		

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

### State School Bonds

These bonds are issued by the SBE on behalf of the District. The bonds mature serially and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest

payments, investment of debt service fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

**General Obligation School Bonds**

On November 8, 2022, pursuant to Florida Statutes, Sections 1010.40 through 1010.54, voter residents of the District approved a referendum authorizing the School Board to issue General Obligation School Bonds in an aggregate amount not exceeding \$300 million, to be issued as required, for the purposes of constructing, renovating and replacing public schools facilities throughout the District, including implementation of safety enhancements and instructional technology upgrades. The General Obligation School Bonds, Series 2023 are the initial series of new money general obligation bonds, and were issued on June 29, 2023, in the amount of \$99,995,000 with a premium of \$6,245,621.90. The General Obligation School Bonds, Series 2025 are the second series of new money general obligation bonds, and were issued on June 20, 2025, in the amount of \$100,000,000 with a premium of \$4,112,537. The District expects to issue additional series of new money general obligation bonds in several tranches over the next four to five years. Principal and interest on the bonds are paid from ad valorem school district taxes on all taxable real and personal property, excluding homestead exemption as required by Florida law, without limitation as to rate or amount.

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

<b><u>Fiscal Year Ending June 30</u></b>	<b><u>Total</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
State School Bonds:			
2026	\$ 56,940.00	\$ 50,000.00	\$ 6,940.00
2027	58,440.00	54,000.00	4,440.00
2028	59,740.00	58,000.00	1,740.00
<b>Total State School Bonds</b>	<b>175,120.00</b>	<b>162,000.00</b>	<b>13,120.00</b>
General Obligation School Bonds:			
2026	12,895,273.37	3,245,000.00	9,650,273.37
2027	12,897,937.50	3,565,000.00	9,332,937.50
2028	12,899,687.50	3,745,000.00	9,154,687.50
2029	12,892,437.50	3,925,000.00	8,967,437.50
2030	12,891,187.50	4,120,000.00	8,771,187.50
2031-2035	64,479,937.50	23,930,000.00	40,549,937.50
2036-2040	64,474,825.00	30,580,000.00	33,894,825.00
2041-2045	64,473,700.00	39,110,000.00	25,363,700.00
2046-2050	64,472,318.76	49,095,000.00	15,377,318.76
2051-2054	39,123,725.00	35,345,000.00	3,778,725.00
<b>Subtotal</b>	<b>361,501,029.63</b>	<b>196,660,000.00</b>	<b>164,841,029.63</b>
Unamortized Premium	10,266,566.65	10,266,566.65	-
<b>Total General Obligation School Bonds</b>	<b>371,767,596.28</b>	<b>206,926,566.65</b>	<b>164,841,029.63</b>
<b>Total Bonds Payable</b>	<b>\$ 371,942,716.28</b>	<b>\$ 207,088,566.65</b>	<b>\$ 164,854,149.63</b>

## 2. 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
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds Payable					
General Obligation School Bonds	\$ 98,380,000.00	\$100,000,000.00	\$ 1,720,000.00	\$ 196,660,000.00	\$ 3,245,000.00
Unamortized Premium	6,217,084.85	4,112,537.00	63,055.20	10,266,566.65	131,710.55
Total General Obligation School Bonds	104,597,084.85	104,112,537.00	1,783,055.20	206,926,566.65	3,376,710.55
State School Bonds	214,000.00	-	52,000.00	162,000.00	50,000.00
Total Bonds Payable	104,811,084.85	104,112,537.00	1,835,055.20	207,088,566.65	3,426,710.55
Compensated Absences Payable (1)	10,749,428.36	-	1,592,018.70	9,157,409.66	1,831,481.93
Net Pension Liability	79,506,621.82	4,838,272.62	11,734,285.73	72,610,608.71	-
Total OPEB Liability	4,090,377.34	178,160.76	789,156.08	3,479,382.02	398,796.92
<b>Total Governmental Activities</b>	<b>\$199,157,512.37</b>	<b>\$109,128,970.38</b>	<b>\$15,950,515.71</b>	<b>\$292,335,967.04</b>	<b>\$5,656,989.40</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Estimated Insurance Claims Payable	\$ 16,953,000.00	\$ 806,866.29	\$ 1,943,866.29	\$ 15,816,000.00	\$ 6,220,000.00
Compensated Absences Payable	707,049.94	267,611.26	193,244.79	781,416.41	156,283.28
Net Pension Liability	5,777,632.18	212,592.64	1,303,809.53	4,686,415.29	-
Total OPEB Liability	295,258.66	49,262.24	67,929.92	276,590.98	31,701.69
<b>Total Business-Type Activities</b>	<b>\$ 23,732,940.78</b>	<b>\$ 1,336,332.43</b>	<b>\$ 3,508,850.53</b>	<b>\$ 21,560,422.68</b>	<b>\$ 6,407,984.97</b>

(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.

## J. 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.

## K. 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	\$ 6,843,433.04	\$ -
Capital Projects:		
District Bonds	3,381,402.06	-
Public Education Capital Outlay	-	3,381,402.06
Local Capital Improvement	-	3,902,328.00
Nonmajor Governmental	-	2,941,105.04
<b>Total</b>	<b>\$ 10,224,835.10</b>	<b>\$ 10,224,835.10</b>

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

## L. Revenues

### 1. Schedule of State Revenue Sources

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

Source	Amount
Governmental Funds:	
Florida Education Finance Program	\$ 46,776,120.00
Special Facility Construction Account (Public School Capital Outlay)	21,986,211.37
Categorical Educational Program - Class Size Reduction	9,386,683.00
Voluntary Prekindergarten Program	567,035.93
Motor Vehicle License Tax (Capital Outlay and Debt Service)	519,323.93
Miscellaneous	3,030,933.30
Subtotal Governmental Funds	<u>82,266,307.53</u>
Enterprise Funds:	
Regional Education Consortium Services	750,000.00
Civics Professional Development Grant	3,012,500.00
Other State Grants and Contracts	193,147.26
Subtotal Enterprise Funds	<u>3,955,647.26</u>
<b>Total</b>	<b><u>\$ 86,221,954.79</u></b>

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>
<b>General Fund</b>		
Nonvoted School Tax:		
Required Local Effort	3.033	\$ 25,865,883.75
Basic Discretionary Local Effort	0.748	6,379,054.51
<b>Debt Service - District Bonds Fund</b>		
Voted Tax:		
Debt Service - Bonds	0.849	7,240,410.76
<b>Capital Projects - Local Capital Improvement Fund</b>		
Nonvoted Tax:		
Local Capital Improvements	1.500	12,792,423.96
<b>Total</b>	<b>6.130</b>	<b>\$ 52,277,772.98</b>

## M. Interfund Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 4,190,913	\$ -
Capital Projects:		
Local Capital Improvement	-	3,902,328
Nonmajor Governmental	-	288,585
<b>Total</b>	<b>\$ 4,190,913</b>	<b>\$ 4,190,913</b>

Transfers from the Capital Projects – Local Capital Improvement and nonmajor governmental funds to the General Fund were for facilities maintenance work, property and casualty insurance premiums, and charter school capital outlay.

## V. CONSORTIUMS

The District is a member of, and the fiscal agent for, the NEFEC. The NEFEC offers risk management programs for property and casualty (including workers' compensation) and information technology and other contracted services. The NEFEC also provides for the purchase of certain materials, supplies, equipment, and services to be used by member districts. The NEFEC is governed by a board of directors composed of the superintendents of the participating districts. As fiscal agent, the District has established enterprise funds to account for the NEFEC's resources and operations.

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# 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	
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 165,000.00	\$ 175,000.00	\$ 599,916.64	\$ 424,916.64
Federal Through State and Local	200,000.00	510,000.00	301,771.34	(208,228.66)
State	60,979,079.00	58,731,143.30	57,124,358.46	(1,606,784.84)
Local:				
Property Taxes	31,144,387.00	27,749,509.00	31,604,487.77	3,854,978.77
Miscellaneous	2,300,000.00	2,727,457.88	2,835,409.11	107,951.23
Total Local Revenues	<u>33,444,387.00</u>	<u>30,476,966.88</u>	<u>34,439,896.88</u>	<u>3,962,930.00</u>
<b>Total Revenues</b>	<u>94,788,466.00</u>	<u>89,893,110.18</u>	<u>92,465,943.32</u>	<u>2,572,833.14</u>
<b>Expenditures</b>				
Current - Education:				
Instruction	62,317,205.18	65,242,187.02	56,369,194.79	8,872,992.23
Student Support Services	5,688,803.94	5,862,748.04	5,356,222.57	506,525.47
Instructional Media Services	458,582.79	572,193.05	339,588.73	232,604.32
Instruction and Curriculum Development Services	3,286,668.63	3,030,513.27	2,524,539.02	505,974.25
Instructional Staff Training Services	643,455.23	1,301,286.25	1,172,122.49	129,163.76
Instruction-Related Technology	1,490,154.83	820,564.45	806,699.66	13,864.79
Board	719,768.62	656,478.51	655,790.89	687.62
General Administration	896,744.61	1,211,665.71	1,211,665.71	-
School Administration	9,098,155.20	9,513,923.37	9,513,923.37	-
Facilities Acquisition and Construction	1,003.50	72,314.68	2,148.39	70,166.29
Fiscal Services	1,228,676.00	1,768,484.94	1,718,484.94	50,000.00
Food Services	-	16,328.24	16,328.24	-
Central Services	1,620,395.29	1,700,226.94	1,619,093.50	81,133.44
Student Transportation Services	7,402,187.12	7,623,923.72	6,365,405.99	1,258,517.73
Operation of Plant	10,222,787.70	8,316,668.04	8,252,031.82	64,636.22
Maintenance of Plant	4,824,062.62	4,526,628.82	2,583,338.18	1,943,290.64
Administrative Technology Services	2,568,537.59	2,666,685.56	2,647,520.38	19,165.18
Community Services	-	4,718.06	4,181.59	536.47
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	750,208.00	750,208.00	-
Other Capital Outlay	-	293,556.80	293,556.80	-
<b>Total Expenditures</b>	<u>112,467,188.85</u>	<u>115,951,303.47</u>	<u>102,202,045.06</u>	<u>13,749,258.41</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(17,678,722.85)</u>	<u>(26,058,193.29)</u>	<u>(9,736,101.74)</u>	<u>16,322,091.55</u>
<b>Other Financing Sources</b>				
Transfers In	4,600,364.00	4,767,560.00	4,190,913.00	(576,647.00)
Loss Recoveries	25,000.00	39,110.98	19,510.04	(19,600.94)
<b>Total Other Financing Sources</b>	<u>4,625,364.00</u>	<u>4,806,670.98</u>	<u>4,210,423.04</u>	<u>(596,247.94)</u>
<b>Net Change in Fund Balances</b>	<u>(13,053,358.85)</u>	<u>(21,251,522.31)</u>	<u>(5,525,678.70)</u>	<u>15,725,843.61</u>
Fund Balances, Beginning	22,580,816.27	22,580,816.27	22,580,816.27	-
<b>Fund Balances, Ending</b>	<u>\$ 9,527,457.42</u>	<u>\$ 1,329,293.96</u>	<u>\$ 17,055,137.57</u>	<u>\$ 15,725,843.61</u>

**Special Revenue - Federal Education Stabilization Fund**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
\$ -	\$ -	\$ -	\$ -
3,923,607.13	3,923,607.13	3,618,756.31	(304,850.82)
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,923,607.13</u>	<u>3,923,607.13</u>	<u>3,618,756.31</u>	<u>(304,850.82)</u>
2,390,849.51	2,431,726.16	2,301,012.13	130,714.03
51,178.87	52,412.54	51,788.69	623.85
-	-	-	-
-	19,979.16	18,985.00	994.16
1,078,167.76	1,053,186.43	898,441.21	154,745.22
-	-	-	-
-	-	-	-
73,361.87	299,443.15	289,095.83	10,347.32
-	-	-	-
-	-	-	-
-	-	-	-
26,400.00	9,800.00	5,336.83	4,463.17
-	5,120.00	3,430.00	1,690.00
6,246.31	3,017.50	3,017.50	-
-	-	-	-
-	-	-	-
25,558.38	6,542.19	5,269.12	1,273.07
-	-	-	-
-	42,380.00	42,380.00	-
<u>3,651,762.70</u>	<u>3,923,607.13</u>	<u>3,618,756.31</u>	<u>304,850.82</u>
<u>271,844.43</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
271,844.43	-	-	-
-	-	-	-
<u>\$ 271,844.43</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

**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>
<b>Total OPEB Liability</b>					
Service Cost	\$ 60,234	\$ 58,721	\$ 50,810	\$ 84,794	\$ 419,236
Interest	167,189	115,286	107,531	276,542	282,277
Differences Between Expected and Actual Experience	-	861,264	-	(9,073,839)	-
Changes of Assumptions or Other Inputs	(469,947)	359,130	179,352	(845,014)	84,563
Benefit Payments	(387,139)	(215,212)	(234,031)	(114,879)	(724,794)
<b>Net Change in Total OPEB Liability</b>	<u>(629,663)</u>	<u>1,179,189</u>	<u>103,662</u>	<u>(9,672,396)</u>	<u>61,282</u>
Total OPEB Liability - Beginning	<u>4,385,636</u>	<u>3,206,447</u>	<u>3,102,785</u>	<u>12,775,181</u>	<u>12,713,899</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 3,755,973</u>	<u>\$ 4,385,636</u>	<u>\$ 3,206,447</u>	<u>\$ 3,102,785</u>	<u>\$ 12,775,181</u>
Covered-Employee Payroll	\$ 57,419,368	\$ 57,419,368	\$ 52,533,833	\$ 52,533,883	\$ 42,369,340
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	6.54%	7.64%	6.10%	5.91%	30.15%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 175,044	\$ 215,249	\$ 224,512
Interest	355,145	376,877	365,608
Differences Between Expected and Actual Experience	(2,358,885)	-	-
Changes of Assumptions or Other Inputs	4,891,760	514,360	(395,708)
Benefit Payments	(636,726)	(677,781)	(641,484)
<b>Net Change in Total OPEB Liability</b>	<u>2,426,338</u>	<u>428,705</u>	<u>(447,072)</u>
Total OPEB Liability - Beginning	<u>10,287,561</u>	<u>9,858,856</u>	<u>10,305,928</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 12,713,899</u>	<u>\$ 10,287,561</u>	<u>\$ 9,858,856</u>
Covered-Employee Payroll	\$ 42,369,340	\$ 52,728,938	\$ 52,728,938
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	30.01%	19.51%	18.70%

**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	0.163488026%	\$ 21,116,413	\$ 63,535,875	33.24%	92.00%
2016	0.151876888%	38,349,033	64,098,700	59.83%	84.88%
2017	0.148978073%	44,066,714	63,895,894	68.97%	83.89%
2018	0.146017810%	43,981,321	64,258,481	68.44%	84.26%
2019	0.140819865%	48,496,401	64,329,319	75.39%	82.61%
2020	0.141188708%	61,193,266	67,126,847	91.16%	78.85%
2021	0.148701475%	11,232,706	66,636,378	16.86%	96.40%
2022	0.146561087%	54,532,502	67,236,054	81.11%	82.89%
2023	0.142190635%	56,658,468	71,460,051	79.29%	82.38%
2024	0.133284860%	51,560,852	72,608,267	71.01%	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	\$ 3,703,760	\$ (3,703,760)	\$ -	\$ 64,098,700	5.78%
2017	3,878,266	(3,878,266)	-	63,895,894	6.07%
2018	4,161,390	(4,161,390)	-	64,258,481	6.48%
2019	4,366,432	(4,366,432)	-	64,329,319	6.79%
2020	4,691,075	(4,691,075)	-	67,126,847	6.99%
2021	5,664,884	(5,664,884)	-	66,636,378	8.50%
2022	6,254,028	(6,254,028)	-	67,236,054	9.30%
2023	6,840,284	(6,840,284)	-	71,460,051	9.57%
2024	7,547,433	(7,547,433)	-	72,608,267	10.39%
2025	7,869,128	(7,869,128)	-	74,967,301	10.50%

(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)**

<b>Fiscal Year Ending June 30</b>	<b>District's Proportion of the HIS Net Pension Liability</b>	<b>District's Proportionate Share of the HIS Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	0.209557909%	\$ 21,371,610	\$ 63,535,875	33.64%	0.50%
2016	0.207602932%	24,195,262	64,098,700	37.75%	0.97%
2017	0.200419398%	21,429,767	63,895,894	33.54%	1.64%
2018	0.196712351%	20,820,256	64,258,481	32.40%	2.15%
2019	0.192311928%	21,517,780	64,329,319	33.45%	2.63%
2020	0.193376248%	23,610,925	67,126,847	35.17%	3.00%
2021	0.188155333%	23,080,080	66,636,378	34.64%	3.56%
2022	0.184427700%	19,533,839	67,236,054	29.05%	4.81%
2023	0.180247944%	28,625,778	71,460,051	40.06%	4.12%
2024	0.171563300%	25,736,172	72,608,267	35.45%	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)**

<b>Fiscal Year Ending June 30</b>	<b>Contractually Required HIS Contribution</b>	<b>HIS Contributions in Relation to the Contractually Required Contribution</b>	<b>HIS Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>HIS Contributions as a Percentage of Covered Payroll</b>
2016	\$ 1,064,097	\$ (1,064,097)	\$ -	\$ 64,098,700	1.66%
2017	1,060,677	(1,060,677)	-	63,895,894	1.66%
2018	1,066,776	(1,066,776)	-	64,258,481	1.66%
2019	1,067,889	(1,067,889)	-	64,329,319	1.66%
2020	1,114,337	(1,114,337)	-	67,126,847	1.66%
2021	1,105,979	(1,105,979)	-	66,636,378	1.66%
2022	1,115,943	(1,115,943)	-	67,236,054	1.66%
2023	1,185,703	(1,185,703)	-	71,460,051	1.66%
2024	1,452,506	(1,452,506)	-	72,608,267	2.00%
2025	1,496,780	(1,496,780)	-	74,967,301	2.00%

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

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**Ten-Year Claims Development Information-**  
**North East Florida Educational Consortium – Risk Management Property/Casualty Program**  
**For the Fiscal Year ended June 30**

	2016	2017	2018	2019
Net Earned Required Contribution and Investment Revenues:				
Earned	\$ 14,124,757	\$ 13,643,467	\$ 12,771,608	\$ 13,394,501
Excess Insured	6,239,140	6,028,102	5,126,507	5,432,391
 Total Net Earned Required Contribution and Investment Revenues	 7,885,617	 7,615,365	 7,645,101	 7,962,110
 Unallocated Expenses	 1,194,208	 948,365	 3,023,592	 3,354,016
Estimated Incurred Claims and Expenses, End of Policy Year:				
Incurred	6,048,000	7,270,000	6,799,000	7,917,000
Net Paid (Cumulative) as of:				
End of Policy Year	2,261,000	2,040,000	2,303,000	2,946,000
One Year Later	3,770,000	3,992,000	3,987,000	4,230,000
Two Years Later	4,578,000	4,639,000	4,719,000	5,058,000
Three Years Later	5,174,000	5,122,000	5,352,000	5,276,000
Four Years Later	5,734,000	5,526,000	5,943,000	5,566,653
Five Years Later	5,883,000	6,231,000	6,384,725	5,640,175
Six Years Later	6,002,000	6,397,452	6,491,422	5,842,830
Seven Years Later	6,015,289	6,439,898	6,626,870	-
Eight Years Later	6,021,826	6,473,711	-	-
Nine Years Later	6,075,183	-	-	-
 Reestimated Excess Insured Claims and Expenses	 (1)	 (1)	 (1)	 (1)
Reestimated Net Incurred Claims and Expenses:				
End of Policy Year	6,048,000	7,270,000	6,799,000	7,917,000
One Year Later	6,255,000	6,840,000	6,395,000	6,546,000
Two Years Later	6,004,000	6,611,000	6,575,000	6,940,000
Three Years Later	6,270,000	6,642,000	6,713,000	6,629,000
Four Years Later	6,552,000	6,741,000	6,947,000	6,252,973
Five Years Later	6,419,000	6,819,000	6,813,907	6,457,138
Six Years Later	6,371,000	6,831,643	6,826,540	6,312,085
Seven Years Later	6,231,551	6,885,883	6,868,911	-
Eight Years Later	6,246,475	6,784,150	-	-
Nine Years Later	6,075,183	-	-	-
 Increase (Decrease) in Estimated Incurred Claims	 27,183	 (485,850)	 69,911	 (1,604,915)

(1) Information relating to excess insured is not available.

2020	2021	2022	2023	2024	2025
\$ 13,418,043	\$ 13,754,504	\$ 14,237,205	\$ 15,524,641	\$ 20,298,250	\$ 20,202,309
5,226,556	5,837,588	6,235,569	6,871,141	11,036,079	8,046,035
8,191,487	7,916,916	8,001,636	8,653,500	9,262,171	12,156,274
2,991,672	2,233,457	4,121,278	846,720	2,973,167	1,303,807
6,548,000	7,433,000	7,906,000	9,609,079	6,858,689	8,047,522
2,438,000	2,159,000	2,581,000	2,781,151	1,785,967	2,232,980
4,437,000	3,859,000	4,828,877	4,733,551	3,479,323	-
5,044,000	4,831,131	5,881,346	5,751,348	-	-
5,564,164	5,175,124	6,315,304	-	-	-
6,131,337	5,809,561	-	-	-	-
6,281,213	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1)	(1)	(1)	(1)	(1)	(1)
6,548,000	7,433,000	7,906,000	9,609,079	6,858,689	8,047,522
7,053,000	7,082,000	8,016,366	9,736,162	7,137,456	-
7,202,000	6,844,601	7,887,607	8,196,439	-	-
6,722,128	6,646,511	7,637,430	-	-	-
7,098,120	6,397,157	-	-	-	-
6,593,727	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,727	(1,035,843)	(268,570)	(1,412,640)	278,767	-

## 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.

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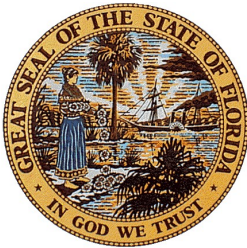
# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

## Putnam 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
<b>Clustered</b>				
<b>Child Nutrition Cluster</b>				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	25002	\$ -	\$ 3,771,295.29
National School Lunch Program	10.555	25001, 25003	-	7,007,609.22
Summer Food Service Program for Children	10.559	24006, 24007, 25006, 25007	-	474,985.80
<b>Total Child Nutrition Cluster</b>			<u>-</u>	<u>11,253,890.31</u>
<b>Special Education Cluster</b>				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	25,000.00	6,908,229.47
Special Education - Preschool Grants	84.173	267	-	120,301.67
<b>Total Special Education Cluster</b>			<u>25,000.00</u>	<u>7,028,531.14</u>
<b>Not Clustered</b>				
<b>United States Department of Defense</b>				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	223,073.67
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	376,842.77
<b>Total United States Department of Defense</b>			<u>-</u>	<u>599,916.44</u>
<b>United States Department of Labor</b>				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	-	170,051.90
<b>United States Department of Education</b>				
Education Innovation and Research	84.411	N/A	-	821,741.34
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 226	-	7,463,613.01
Migrant Education - State Grant Program	84.011	217	-	264,546.71
Career and Technical Education - Basic Grants to States	84.048	161	-	304,854.35
Education for Homeless Children and Youth	84.196	127	-	304,382.69
Twenty-First Century Community Learning Centers	84.287	244	-	1,098,815.67
Rural Education	84.358	110	-	375,608.97
English Language Acquisition State Grants	84.365	102	-	108,550.35
Supporting Effective Instruction State Grants	84.367	224	-	1,772,548.45
Student Support and Academic Enrichment Program	84.424	241, 242	-	1,439,923.93
Education Stabilization Fund:				
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	-	2,466,697.32
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	-	1,152,058.99
Total Education Stabilization Fund	84.425		<u>-</u>	<u>3,618,756.31</u>
<b>Total United States Department of Education</b>			<u>-</u>	<u>17,573,341.78</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 25,000.00</u>	<u>\$ 36,625,731.57</u>

The accompanying notes are an integral part of this Schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Putnam 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 \$374,550.10 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

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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 Putnam 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 reference to other auditors who audited the financial statements of the school internal funds and 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **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*.

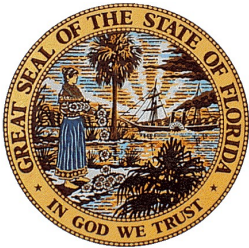
### **Purpose of this Report**

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  
House of Representatives, and the  
Legislative Auditing Committee

## 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 Putnam 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.

### ***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**

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## **SECTION I – SUMMARY OF AUDITOR’S RESULTS**

### **Financial Statements**

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

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? 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:	Name of Federal Program or Cluster:
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Century Community Learning Centers
84.367	Supporting Effective Instruction State Grants
84.424	Student Support and Academic Enrichment Program
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$1,098,771

Auditee qualified as low risk auditee? No

## SECTION II – FINANCIAL STATEMENT FINDING

No matters are reported.

## SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

No matters are reported.

# SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



**PUTNAM COUNTY  
SCHOOL DISTRICT**  
SHAPING THE FUTURE

**200 Reid Street  
Palatka, Florida 32177  
386.329.0538**

Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
2021-175 (2020-001); 2022-168 (2021-001); 2023-147 (2022-001); 2024-167 (2023-001); 2025-156 (2024-001)	Financial Reporting	District financial reporting procedures need improvement to ensure that financial statements, notes to the financial statements, and required supplementary information are properly presented in the annual financial report submitted to the Florida Department of Education.	Fully Corrected	The District has strengthened AFR review procedures.
2025-156 (2024-002)	Education Stabilization Fund (ESF) (ALNs 84.425D and 84.425U)	District controls over ESF Program expenditures did not always ensure compliance with Federal regulations, resulting in questioned costs totaling \$6,028,388.	Fully Corrected	The grantor accepted the District's explanation and documentation in resolution of the finding. The grantor did not require restoration of questioned costs.