

STATE OF FLORIDA AUDITOR GENERAL

Financial and Federal Single Audit

Report No. 2026-150
March 2026

**BREVARD 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. Mark J Rendell served as Superintendent of the Brevard County Schools and the following individuals served as School Board Members:

	District No.
Megan Wright, Chair through 11-18-24	1
Gene Trent, Chair from 11-19-24, Vice Chair through 11-18-24	2
John Thomas from 11-19-24	3
Jennifer Jenkins through 11-18-24	3
Matthew Susin, Vice Chair from 11-19-24	4
Katy Campbell	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 Mark D. Kenny, CPA, and the audit was supervised by Clare Waters, CPA.

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

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

Printed copies of our reports may be requested by contacting us at:

State of Florida Auditor General

Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

BREVARD COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS

	Page No.
SUMMARY	i
INDEPENDENT AUDITOR'S REPORT	
Report on the Audit of the Financial Statements.....	1
Other Reporting Required by <i>Government Auditing Standards</i>	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Statement of Net Position.....	17
Statement of Activities.....	18
Balance Sheet – Governmental Funds.....	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	26
Statement of Net Position – Proprietary Funds.....	27
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29
Notes to Financial Statements.....	30
OTHER REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General and Major Special Revenue Funds	78
Schedule of Changes in the District's Total OPEB Liability and Related Ratios.....	80
Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	81
Schedule of District Contributions – Florida Retirement System Pension Plan	81
Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan	82
Schedule of District Contributions – Health Insurance Subsidy Pension Plan.....	82
Notes to Required Supplementary Information.....	83
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	84

BREVARD COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS (CONTINUED)

	Page No.
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	86
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	88
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	91
ADDITIONAL MATTER PRIOR AUDIT FOLLOW-UP	92
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.....	93

SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the Brevard 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 was audited as the major Federal program. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on the Title I Program.

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 action was taken for the additional matter finding included in our report No. 2023-164.

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

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

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 Brevard 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 Brevard 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 aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is 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**, 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 24, 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 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources for the governmental activities, at June 30, 2025, by \$565.6 million. Of this amount, \$560.4 million represents a net investment in capital assets and \$5.2 million represents the net of the restricted and unrestricted deficit net positions of \$355.1 million and (\$349.9) million, respectively.
- The District's total net position for governmental activities increased by \$48 million, or 9.3 percent.
- Program revenues for governmental activities accounted for \$67.7 million, or 6.2 percent of total revenues and transfers. General revenues and transfers accounted for \$1 billion, or 93.8 percent of the combined amount.
- The governmental funds reported combined fund balances of \$324.3 million, a decrease of \$5.6 million, or (1.7) percent from last year. The fund balances are comprised of \$9 million of nonspendable, \$275.3 million of restricted, \$18.1 million of assigned, and \$21.9 million in unassigned funds.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$50.3 million or 6.9 percent of the General Fund total revenues. This fund balance was comprised of \$7 million nonspendable, \$17.4 million of restricted, \$21.9 million unassigned, and \$4 million of assigned funds.

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.

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 primary government presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, deferred outflows, liabilities, and deferred inflows, using an economic resources measurement focus. Net position is a measurement of the financial health of the District. The statement of activities presents information about the change in the District's financial position or 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 – These activities represent most of the District's services, including 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 (FEFP) provide most of the resources that support these activities.
- Business-type activities – The District charges fees to cover the cost of operating its Extended Day Care program. At the end of the 2024-25 fiscal year, this program was transitioned from a Proprietary Fund to the General Fund.
- Component units – The District has identified 15 separate legal entities which meet the criteria to be included as a component unit, including 14 charter schools and the Brevard Schools Foundation, Inc. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government. The Brevard County School Board Leasing Corporation (Leasing Corporation), although a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

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

Governmental Funds: Most of the District's activities are reported in governmental funds, which focus on how money flow into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the modified accrual accounting method, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

The District has the following governmental funds: general, debt service, special revenue (including school food services) and capital projects. Within fund types, the District currently maintains 13 major and nonmajor funds. Of those funds, the General Fund, Special Revenue – Federal Education Stabilization Fund, Debt Service – Other Fund, Capital Projects – Local Capital Improvement Fund, Capital Projects – Local Sales Surtax Fund, and Capital Projects – Impact Fees Fund are considered to

be major funds. Data from the nonmajor governmental funds are combined into a single, aggregate 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 fund to account for its Extended Day Care Program through enterprise fund reporting.

At the end of the 2024-25 fiscal year, the Extended Day Care Program was transitioned from a Proprietary Fund to the General Fund. The Program activity for the 2024-25 fiscal year is presented in the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds and the Statement of Cash Flows – Proprietary Funds. Since the fund was closed at year end, its remaining assets, deferred outflows, liabilities, deferred inflows, and net position have been incorporated into the General Fund. These balances are now reflected in the Balance Sheet, Governmental Funds and the Statement of Net Position, Governmental Activities.

- 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 the internal service funds to account for its self-insurance programs. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have 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. Conversely, the internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

**Net Position, End of Year
(in thousands)**

	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	\$ 524,464	\$ 474,331	\$ -	\$ 3,767	\$ 524,464	\$ 478,098
Capital Assets	933,596	903,102	-	118	933,596	903,220
Total Assets	1,458,060	1,377,433	-	3,885	1,458,060	1,381,318
Deferred Outflows of Resources	152,934	138,560	-	1,332	152,934	139,892
Long-Term Liabilities	814,423	847,208	-	4,685	814,423	851,893
Other Liabilities	159,522	109,267	-	117	159,522	109,384
Total Liabilities	973,945	956,475	-	4,802	973,945	961,277
Deferred Inflows of Resources	71,460	41,948	-	424	71,460	42,372
Net Position:						
Net Investment in Capital Assets	560,390	589,292	-	118	560,390	589,410
Restricted	355,053	254,205	-	-	355,053	254,205
Unrestricted (Deficit)	(349,854)	(325,927)	-	(127)	(349,854)	(326,054)
Total Net Position	\$ 565,589	\$ 517,570	\$ -	\$ (9)	\$ 565,589	\$ 517,561

Within the District's governmental activities, the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$565.6 million at the end of the fiscal year. The largest portion of the District's net position, \$560.4 million, reflects its investment in capital assets less any related debt used to acquire those assets. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remainder of net position is comprised of a restricted balance of \$355.1 million, which is externally restricted for specific uses and an unrestricted net position of \$(349.9) million.

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
(in thousands)**

	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	\$ 9,620	\$ 8,567	\$ 8,980	\$ 9,108	\$ 18,600	\$ 17,675
Operating Grants and Contributions	49,684	47,572	-	-	49,684	47,572
Capital Grants and Contributions	8,391	5,279	-	-	8,391	5,279
General Revenues:						
Property Taxes, Levied for Operational Purposes	352,900	329,035	-	-	352,900	329,035
Property Taxes, Levied for Capital Projects	110,360	101,507	-	-	110,360	101,507
Local Sales Taxes	69,986	68,141	-	-	69,986	68,141
Grants and Contributions Not Restricted to Specific Programs	445,984	496,006	-	-	445,984	496,006
Special Items	-	2,244	-	-	-	2,244
Unrestricted Investment Earnings	15,562	17,564	76	49	15,638	17,613
Miscellaneous	25,276	24,727	4	5	25,280	24,732
Total Revenues	1,087,763	1,100,642	9,060	9,162	1,096,823	1,109,804
Functions/Program Expenses:						
Instruction	530,966	566,700	-	-	530,966	566,700
Student Support Services	37,770	40,216	-	-	37,770	40,216
Instructional Media Services	9,288	9,488	-	-	9,288	9,488
Instruction and Curriculum Development Services	39,115	40,433	-	-	39,115	40,433
Instructional Staff Training Services	7,338	7,220	-	-	7,338	7,220
Instruction-Related Technology	13,012	14,093	-	-	13,012	14,093
Board	1,649	1,569	-	-	1,649	1,569
General Administration	3,297	4,830	-	-	3,297	4,830
School Administration	51,772	54,625	-	-	51,772	54,625
Facilities Acquisition and Construction	62,730	62,522	-	-	62,730	62,522
Fiscal Services	4,578	4,914	-	-	4,578	4,914
Food Services	44,688	46,668	-	-	44,688	46,668
Central Services	9,628	10,340	-	-	9,628	10,340
Student Transportation Services	24,631	25,018	-	-	24,631	25,018
Operation of Plant	74,990	76,789	-	-	74,990	76,789
Maintenance of Plant	25,879	24,083	-	-	25,879	24,083
Administrative Technology Services	6,806	6,756	-	-	6,806	6,756
Community Services	15,005	13,623	-	-	15,005	13,623
Unallocated Interest on Long-Term Debt	17,240	12,619	-	-	17,240	12,619
Unallocated Depreciation Expense	62,226	56,482	-	-	62,226	56,482
Extended Day Program	-	-	6,187	6,236	6,187	6,236
Total Functions/Program Expenses	1,042,608	1,078,988	6,187	6,236	1,048,795	1,085,224
Excess of Revenues Over Expenses Before Transfers	45,155	21,654	2,873	2,926	48,028	24,580
Transfers	6,508	1,190	(6,508)	(1,190)	-	-
Change in Net Position	51,663	22,844	(3,635)	1,736	48,028	24,580
Net Position - Beginning	517,570	494,726	(9)	(1,745)	517,561	492,981
Adjustment to Beginning Net Position (1)	(3,644)	-	3,644	-	-	-
Net Position - Beginning, as Restated	513,926	494,726	3,635	(1,745)	517,561	492,981
Net Position - Ending	\$ 565,589	\$ 517,570	\$ -	\$ (9)	\$ 565,589	\$ 517,561

(1) Adjustment to beginning net position is due to the transfer of the Extended Day Program from an enterprise fund to a governmental fund, as discussed in Note XXII.

Governmental Activities

The District's governmental activities net position increased by \$51.7 million from the 2023-24 fiscal year. Key components of this increase are as follows:

- Property taxes for all governmental activities increased by \$32.7 million, or 7.6 percent over the previous year. This overall change is due to an increase in tax collections resulting from increases in property values and new construction.
- Nonrestricted grants and contributions decreased by \$50 million, primarily due to the expiration of the Elementary and Secondary School Emergency Relief (ESSER) COVID-19 funding, which ended on September 30, 2024. Additionally, Florida Education Finance Program (FEFP) Workforce and Class Size State funding decreased by \$4.1 million.
- Instructional expenditures declined by \$35.7 million, primarily due to the conclusion of the ESSER program and year-end actuarial pension adjustments. These reductions offset increased spending associated with the implementation of new millage related programs.
- In November 2020, the citizens of Brevard County approved the referendum to renew the half-cent sales tax surtax to fund capital needs of the District for 6 more years until December 2026. The reported revenues were \$70 million in the 2024-25 fiscal year, an increase of \$1.8 million from the prior year. In the current school year, the charter schools received 13.9 percent of the sales surtax revenues collected.
- In November 2022, the citizens of Brevard County approved the referendum to implement an additional one mill property tax dedicated to school operations for 4 years. The reported revenues were \$72.5 million in the 2024-25 fiscal year, an increase of \$6.3 million from the prior year. In the current school year, the charter schools received 13.6 percent of the millage revenues collected.

Business-Type Activities

Effective at the close of the 2024-25 fiscal year, the Extended Day Care Program was transitioned from a Proprietary Fund to the General Fund.

The Program reported a \$3.6 million decrease in net position during the year (\$9.1 million in operating and non-operating income offset by \$12.7 million in operating expenses and transfers out).

Prior to its closure, a \$3.6 million reversal of GASB entries was performed to convert the fund's accrual basis balances to the modified accrual basis required for Governmental Funds. Following this adjustment, the fund transferred a total of \$6.5 million to the General Fund.

All remaining fund balances (assets, liabilities, and net position) have been incorporated into the General Fund as of year end. The fund's activity for the 2024-25 fiscal year is presented in the Proprietary Fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The District's governmental funds reported a combined fund balance of \$324.3 million, which is a \$5.6 million decrease from last year's combined governmental fund balances of \$329.9 million. The following schedule indicates the fund balances and the total change in fund balances by major fund and

other governmental funds (nonmajor) as reported in the basic financial statements for the fiscal years ended June 30, 2025, and 2024.

Fund Balance (in thousands)	2025	2024	Increase (Decrease)	Percentage Change
General Fund	\$ 50,320	\$ 63,246	\$ (12,926)	-20.44%
Debt Service Fund - Other	87	3	84	2800.00%
Capital Projects Funds:				
Local Capital Improvement	53,560	59,202	(5,642)	-9.53%
Local Sales Surtax	141,697	130,957	10,740	8.20%
Impact Fees	36,549	28,762	7,787	27.07%
Other Governmental Funds (nonmajor)	42,080	47,729	(5,649)	-11.84%
Total	\$ 324,293	\$ 329,899	\$ (5,606)	-1.70%

Governmental funds fund balances are further classified as nonspendable, restricted, assigned, or unassigned to indicate limitations that affect the availability of fund resources for future use. Detailed information regarding fund balance is included in the notes to the financial statements.

General Fund

Fund balance for the General Fund had a net decrease of \$12.9 million, compared to a net increase of \$11.6 million in the prior year. The tables and data that follow illustrate the financial activities and changes in fund balance for the General Fund:

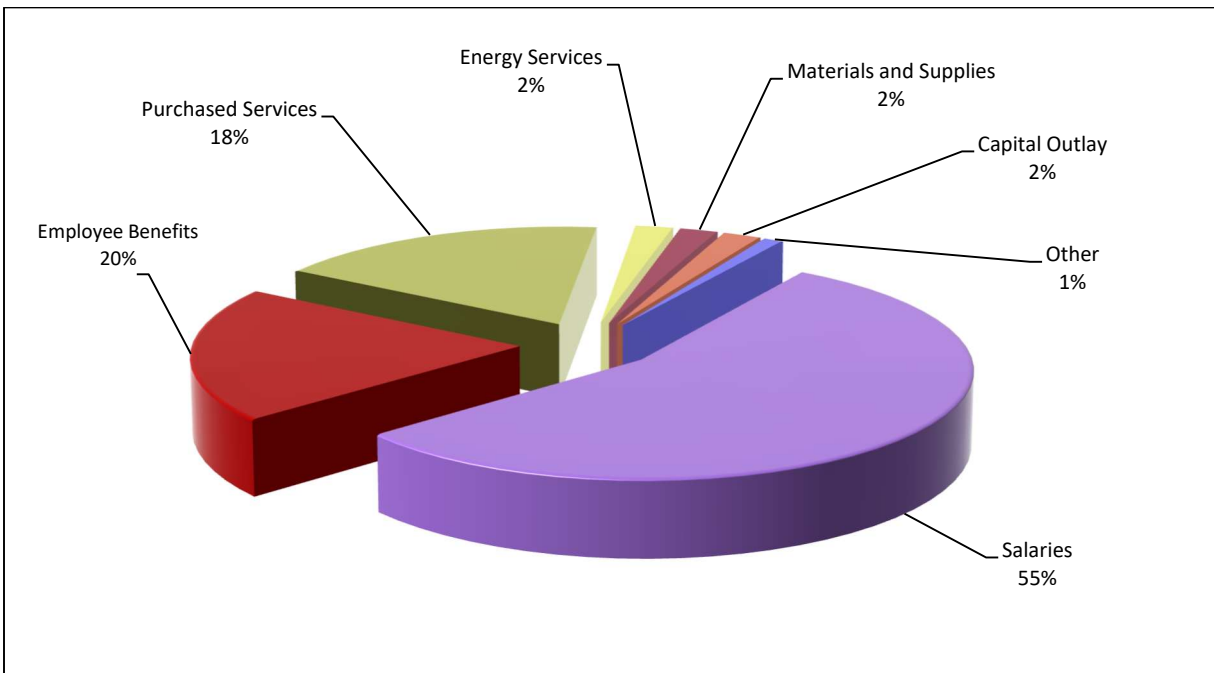
Revenues (in thousands)	2025	2024	Increase (Decrease)	Percentage Change
Taxes	\$ 352,900	\$ 329,035	\$ 23,865	7.25%
Interest Earnings	4,291	4,864	(573)	-11.78%
State Revenues	357,902	362,497	(4,595)	-1.27%
Federal Revenues	2,323	3,200	(877)	-27.41%
Other Revenues	8,455	9,859	(1,404)	-14.24%
Total	\$ 725,871	\$ 709,455	\$ 16,416	2.31%

During the fiscal year, General Fund revenues increased by \$16.4 million, representing a 2.3 percent growth over the prior year. This increase was primarily driven by a \$23.9 million (7.25 percent) rise in property tax collections. Offsetting this gain, other combined revenues declined by \$7.5 million, largely due to a \$4.6 million reduction in State revenues. Notably, Florida Education Finance Program (FEFP) funding decreased by \$6.2 million, and Class Size Reduction funding declined by \$1.3 million. These reductions were partially mitigated by increases from the Workforce Development Capitalization Incentive Grant funding of \$2.1 million and School Recognition Program revenues of \$0.7 million.

As the table below illustrates, the largest portions of General Fund expenditures are for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

Expenditures by Object (in thousands)	2025	2024	Increase (Decrease)	Percentage Change
Salaries	\$ 439,087	\$ 402,537	\$ 36,550	9.08%
Employee Benefits	161,805	144,002	17,803	12.36%
Purchased Services	146,600	136,028	10,572	7.77%
Energy Services	17,501	18,518	(1,017)	-5.49%
Material and Supplies	11,048	11,654	(606)	-5.20%
Capital Outlay	13,912	5,598	8,314	148.52%
Other	10,158	9,064	1,094	12.07%
Total	\$ 800,111	\$ 727,401	\$ 72,710	10.00%

**General Fund Expenditures by Object
Fiscal Year 2024-25**



Labor and fringe benefit expenditures increased by \$54.4 million, primarily due to millage funded initiatives, increased health insurance premiums, and increased retirement plan contributions. Purchased services rose by \$10.6 million, reflecting higher payments to charter schools, expanded use of professional and technical consulting services in the areas of healthcare, security, and specialized services related to facilities maintenance. Capital outlay expenditures increased as a result of greater investments in computer hardware, vehicles, furniture and fixtures, remodeling and site improvements. Energy services costs declined, primarily due to a reduction in electric utility charges. The increase in other expenditures was driven by higher capital disbursements to charter schools.

Special Revenues – Federal Education Stabilization Fund

Revenues for the 2024-25 fiscal year for this fund was a result of funding related to impact on K-12 education from the Coronavirus pandemic thru the American Rescue Plan Act. The District’s scheduled allocation through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and

the American Rescue Plan (ARP ESSER) Act was \$208.5 million, which includes the portion to be shared with the Charter Schools. The funding ended in September 2024.

Debt Service – Other Fund

On July 10, 2024, Brevard Public Schools closed a refinancing of \$101.5 million of its outstanding Series 2013A and 2014 Certificates of Participation. Based upon net present value calculations at the time of the refinancing, this transaction lowered the District’s debt service costs by approximately \$4.8 million (\$5.4 million gross savings), impacting the 2025 through 2030 fiscal years.

On April 29, 2025, Brevard Public Schools refinanced \$57.9 million of its outstanding Certificates of Participation, Series 2015C. Based upon net present value calculations at the time of the refinancing, this transaction lowered the District's debt service costs by approximately \$3.8 million (\$4.4 million gross savings), impacting fiscal years 2026 through 2032. In combination with the Series 2024A COP refunding which closed last July, the District has lowered its future debt service costs in net present value calculations by approximately \$8.6 million dollars (\$9.8 million gross savings).

Capital Projects – Local Capital Improvement Fund

The fund balance of the Capital Projects – Local Capital Improvement Fund decreased by \$5.6 million, or 9.5 percent. Ad valorem tax revenue increased by \$8.9 million over the 2023-24 fiscal year as property values continued to increase in Brevard County. Transfers to the General and Debt Service funds totaled \$82.6 million for the current year, an increase of \$31.7 million from the prior year. The increases were made to cover costs of transportation, information systems, and plant operations & maintenance costs of the General Fund.

Capital Projects – Local Sales Surtax Fund

Changes in this fund are due primarily to the increase in Local Sales Surtax revenue. Surtax collections during the 2024-25 fiscal year were \$70 million, an increase of \$1.8 million from the prior year. In November 2020, the voters approved the renewal of the Sales Surtax referendum for 6 more years. Due to a change in the State law in 2020, surtax revenues collected are required to be shared with charter schools based on proportionate enrollment.

Capital Projects – Impact Fees Fund

Impact fees for the 2024-25 fiscal year were \$19.4 million, a decrease of \$4.3 million over the 2023-24 fiscal year. Changes in this fund are due primarily to the decrease in impact fees collected on new residential construction for the 2024-25 fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District’s budget is prepared in accordance with Florida Statutes and is based on the modified accrual basis of accounting, which is the same basis used to account for actual transactions. The most significant budgeted fund is the General Fund.

The District amends its budget throughout the fiscal year to reflect changes in available revenues and anticipated expenditures. General Fund revenues were originally budgeted at \$742.3 million and actual revenues were lower than the original budget by \$16.5 million. General Fund expenditures were originally

budgeted at \$774.9 million and actual expenditures exceeded the original budget by \$25.2 million. This increase in expenditures and the decrease in revenue was offset through \$29.9 million increase in other financing sources, and a \$11.8 million reduction in the budgeted fund balance. During the fiscal year ended June 30, 2025, all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, adherence to policy directives, management initiatives, etc. These amendments were made as part of the routine budget process of the District, none of which were deemed to be significant by management.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District has \$933.6 million invested in capital assets net of depreciation, with virtually all of it attributed to governmental activities. This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; audio-visual materials and computer software; and intangible right-to-use software and infrastructure under SBITAs and leases, including those assets held in the Internal Service Fund.

The District placed \$80.4 million in new capital assets into service during the 2024-25 fiscal year. The majority of the acquisitions were capital improvements, furniture, computer equipment, and motor vehicles throughout the District, but also included intangible right-to-use software and right-to-use – lease - infrastructure. The District also incurred \$63 million on construction and renovation projects that it expects to complete in the next fiscal year. Depreciation and amortization of existing assets totaled \$64.8 million, with \$2.6 million directly charged to the transportation function. Amortization for software and right-to-use property under lease totaled \$2.9 million. The District also retired \$10 million of unusable or obsolete furniture, equipment, motor vehicles, and computer software. Detailed information regarding capital asset activity is included in the notes to financial statements.

Long-Term Debt

At June 30, 2025, the District had a total of \$273.7 million in outstanding long-term debt, comprised of \$0.1 million of outstanding State Board of Education bonds issued on behalf of the District, \$264.5 million in outstanding certificates of participation, and \$9.1 million in obligations under leases and SBITA.

The portion of all these obligations estimated to be due within 1 year is \$29.2 million. Detailed information regarding long-term debt activity can be found in the notes to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

The District adopted millage rates for the 2025-26 fiscal year in September 2025. The adopted rate for required local effort (RLE) was 3.062 mills, a decrease of 0.001 mills from the 2023-24 fiscal year. The adopted local levy of 0.748 mills and the capital outlay millage of 1.5 mills are unchanged from the 2024-25 fiscal year. The voters approved in November 2022, an additional 1.0 mills for teacher and support staff competitive compensation, as well as improvement of academic programs and technology. The District also adopted its budget for the 2025-26 in September 2025. Budgeted General Fund revenues are \$738.5 million, other financing sources of \$39.1 million, and budgeted expenditures are \$774.9 million.

The State of Florida and Brevard County continue to experience improvements in the economy. The District has a long-standing practice of conservative spending and diligent monitoring of actual vs. budgeted expenditures. The District is working on identifying any residual federal funding effects on the District's Budget and making necessary budget adjustments as needed.

REQUESTS FOR INFORMATION

This annual financial report is designed to provide a general financial overview of the School Board of Brevard County, Florida. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Board of Brevard County, Florida, Attn: Chief Financial Officer, or Director of Accounting Services at 2700 Judge Fran Jamieson Way, Viera, Florida 32940.

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 357,847,236	\$ -	\$ 357,847,236	\$ 23,142,393
Investments	32,269,844	-	32,269,844	17,056,872
Receivables	2,184,978	-	2,184,978	363,207
Due from Other Agencies	30,089,918	-	30,089,918	2,957,343
Due from Related Party, Net	-	-	-	2,312,652
Prepaid Items	6,756,197	-	6,756,197	3,757,496
Inventories	2,276,993	-	2,276,993	321,181
Cash with Fiscal Agent	93,038,537	-	93,038,537	-
Restricted Cash and Cash Equivalents	-	-	-	10,166,805
Capital Assets:				
Nondepreciable	184,087,763	-	184,087,763	14,904,433
Depreciable, Net	749,507,963	-	749,507,963	158,098,840
TOTAL ASSETS	1,458,059,429	-	1,458,059,429	233,081,222
DEFERRED OUTFLOWS OF RESOURCES				
Net Carrying Amount of Debt Refundings	258,772	-	258,772	1,720,125
Pensions	148,690,418	-	148,690,418	-
OPEB	3,985,227	-	3,985,227	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	152,934,417	-	152,934,417	1,720,125
LIABILITIES				
Accounts, Contracts, and Retainage Payable	27,467,518	-	27,467,518	1,612,214
Accrued Salaries and Benefits	41,013,000	-	41,013,000	5,572,384
Due to Other Agencies	1,513,638	-	1,513,638	1,102,221
Matured Certificates Payable	81,710,000	-	81,710,000	-
Matured Interest Payable	7,191,949	-	7,191,949	-
Accrued Interest Payable	-	-	-	1,564,442
Unearned Revenue	627,314	-	627,314	42,768
Other Current Liabilities	-	-	-	15,489
Long-Term Liabilities:				
Due Within 1 Year	45,129,066	-	45,129,066	4,459,517
Due After 1 Year	769,292,573	-	769,292,573	195,875,392
TOTAL LIABILITIES	973,945,058	-	973,945,058	210,244,427
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	11,629,709	-	11,629,709	67,591
Pensions	56,140,946	-	56,140,946	-
OPEB	3,689,389	-	3,689,389	-
TOTAL DEFERRED INFLOWS OF RESOURCES	71,460,044	-	71,460,044	67,591
NET POSITION				
Net Investment in Capital Assets	560,389,577	-	560,389,577	(25,702,686)
Restricted for:				
State Required Carryover Programs	13,466,966	-	13,466,966	-
Food Service	19,688,997	-	19,688,997	54,528
Debt Service	81,799,302	-	81,799,302	10,453,835
Capital Projects	240,098,358	-	240,098,358	4,467,657
Other Purposes	-	-	-	6,595,407
Unrestricted	(349,854,456)	-	(349,854,456)	28,620,588
TOTAL NET POSITION	\$ 565,588,744	\$ -	\$ 565,588,744	\$ 24,489,329

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

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 530,966,392	\$ 179,070	\$ -	\$ -
Student Support Services	37,769,564	-	-	-
Instructional Media Services	9,288,178	-	-	-
Instruction and Curriculum Development Services	39,114,540	-	-	-
Instructional Staff Training Services	7,337,967	-	-	-
Instruction-Related Technology	13,011,866	-	-	-
Board	1,648,707	-	-	-
General Administration	3,296,957	-	-	-
School Administration	51,771,779	-	-	-
Facilities Acquisition and Construction	62,730,517	-	-	8,270,291
Fiscal Services	4,578,219	-	-	-
Food Services	44,688,062	9,218,205	36,875,983	-
Central Services	9,627,904	-	-	-
Student Transportation Services	24,631,176	222,750	12,807,572	-
Operation of Plant	74,989,957	-	-	-
Maintenance of Plant	25,878,787	-	-	-
Administrative Technology Services	6,806,252	-	-	-
Community Services	15,005,016	-	-	-
Unallocated Interest on Long-Term Debt	17,240,336	-	-	120,642
Unallocated Depreciation/Amortization Expense*	62,225,641	-	-	-
Total Governmental Activities	<u>1,042,607,817</u>	<u>9,620,025</u>	<u>49,683,555</u>	<u>8,390,933</u>
Business-Type Activities:				
Extended Day Program	6,187,040	8,979,795	-	-
Total Primary Government	<u>\$ 1,048,794,857</u>	<u>\$ 18,599,820</u>	<u>\$ 49,683,555</u>	<u>\$ 8,390,933</u>
Component Units				
Total Nonmajor Component Units	<u>\$ 127,104,657</u>	<u>\$ 4,604,468</u>	<u>\$ 9,274,402</u>	<u>\$ 14,216,218</u>

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Loss on Investments/Scholarships

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Adjustment to Beginning Net Position

Net Position - Beginning, as Restated

Net Position - Ending

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

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (530,787,322)	\$ -	\$ (530,787,322)	\$ -
(37,769,564)	-	(37,769,564)	-
(9,288,178)	-	(9,288,178)	-
(39,114,540)	-	(39,114,540)	-
(7,337,967)	-	(7,337,967)	-
(13,011,866)	-	(13,011,866)	-
(1,648,707)	-	(1,648,707)	-
(3,296,957)	-	(3,296,957)	-
(51,771,779)	-	(51,771,779)	-
(54,460,226)	-	(54,460,226)	-
(4,578,219)	-	(4,578,219)	-
1,406,126	-	1,406,126	-
(9,627,904)	-	(9,627,904)	-
(11,600,854)	-	(11,600,854)	-
(74,989,957)	-	(74,989,957)	-
(25,878,787)	-	(25,878,787)	-
(6,806,252)	-	(6,806,252)	-
(15,005,016)	-	(15,005,016)	-
(17,119,694)	-	(17,119,694)	-
(62,225,641)	-	(62,225,641)	-
(974,913,304)	-	(974,913,304)	-
-	2,792,755	2,792,755	-
(974,913,304)	2,792,755	(972,120,549)	-
-	-	-	(99,009,569)
352,899,753	-	352,899,753	-
110,360,213	-	110,360,213	-
69,985,869	-	69,985,869	-
445,984,293	-	445,984,293	97,925,455
-	-	-	(9,856)
15,562,187	75,570	15,637,757	1,669,872
25,275,883	4,395	25,280,278	2,368,384
6,507,457	(6,507,457)	-	-
1,026,575,655	(6,427,492)	1,020,148,163	101,953,855
51,662,351	(3,634,737)	48,027,614	2,944,286
517,569,979	(8,849)	517,561,130	21,602,810
(3,643,586)	3,643,586	-	(57,767)
513,926,393	3,634,737	517,561,130	21,545,043
\$ 565,588,744	\$ -	\$ 565,588,744	\$ 24,489,329

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

	<u>General Fund</u>	<u>Special Revenue - Federal Education Stabilization Fund</u>	<u>Debt Service - Other Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 40,869,543	\$ 55,154	\$ 10,075
Cash with Fiscal Agent	-	-	88,498,769
Accounts and Interest Receivable	232,046	-	480,560
Due from Other Agencies	2,868,096	117,035	-
Due from Budgetary Funds	48,216,565	-	-
Prepaid Items	6,756,197	-	-
Inventories	254,065	-	-
TOTAL ASSETS	<u>\$ 99,196,512</u>	<u>\$ 172,189</u>	<u>\$ 88,989,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts, Contracts, and Retainage Payable	\$ 6,930,986	\$ -	\$ -
Accrued Salaries and Benefits	39,394,003	-	-
Due to Other Agencies	450,675	-	-
Due to Budgetary Funds	237,911	172,189	-
Matured Certificates Payable	-	-	81,710,000
Matured Interest Payable	-	-	7,191,949
Unearned Revenue	-	-	-
Total Liabilities	<u>47,013,575</u>	<u>172,189</u>	<u>88,901,949</u>
Deferred Inflows of Resources:			
Deferred Revenue - Unavailable	1,862,601	-	-
Fund Balances:			
Nonspendable	7,010,262	-	-
Restricted	17,369,420	-	87,455
Assigned	4,031,685	-	-
Unassigned	21,908,969	-	-
Total Fund Balances	<u>50,320,336</u>	<u>-</u>	<u>87,455</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 99,196,512</u>	<u>\$ 172,189</u>	<u>\$ 88,989,404</u>

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Local Sales Surtax Fund	Capital Projects - Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 87,744,142	\$ 140,765,710	\$ 34,692,737	\$ 40,776,701	\$ 344,914,062
-	-	4,537,921	1,847	93,038,537
273,565	455,155	161,884	98,058	1,701,268
47,495	13,390,553	-	13,666,739	30,089,918
-	-	-	245,417	48,461,982
-	-	-	-	6,756,197
-	-	-	2,022,928	2,276,993
<u>\$ 88,065,202</u>	<u>\$ 154,611,418</u>	<u>\$ 39,392,542</u>	<u>\$ 56,811,690</u>	<u>\$ 527,238,957</u>
\$ 2,850,706	\$ 12,263,867	\$ 2,187,122	\$ 2,838,076	\$ 27,070,757
-	-	-	1,610,522	41,004,525
-	650,213	-	412,750	1,513,638
31,654,912	-	656,242	8,223,837	40,945,091
-	-	-	-	81,710,000
-	-	-	-	7,191,949
-	-	-	627,314	627,314
<u>34,505,618</u>	<u>12,914,080</u>	<u>2,843,364</u>	<u>13,712,499</u>	<u>200,063,274</u>
-	-	-	1,019,713	2,882,314
-	-	-	2,022,928	9,033,190
53,559,584	141,697,338	36,549,178	25,960,174	275,223,149
-	-	-	14,096,376	18,128,061
-	-	-	-	21,908,969
<u>53,559,584</u>	<u>141,697,338</u>	<u>36,549,178</u>	<u>42,079,478</u>	<u>324,293,369</u>
<u>\$ 88,065,202</u>	<u>\$ 154,611,418</u>	<u>\$ 39,392,542</u>	<u>\$ 56,811,690</u>	<u>\$ 527,238,957</u>

**Brevard 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 \$ 324,293,369

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.

Total capital assets not being depreciated	\$ 184,087,763	
Total capital assets being depreciated	1,998,396,272	
Total net capital assets presented in internal service funds	(1,119,332)	
Total accumulated depreciation	<u>(1,248,888,309)</u>	932,476,394

The difference between the reacquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements and amortized over the life of the debt, but is not reported in governmental funds. 258,772

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. 20,064,595

Deferred gain on refunding is not recognized in the governmental funds, however, it is recorded in the statement of net position under full accrual accounting. (11,629,709)

Certain revenues are not available to pay for current year expenditures and, therefore, are reported as unavailable revenue in the governmental funds statements. 2,882,314

Deferred outflows and inflows of resources related to the net pension liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

Deferred Outflows Related to Pensions	\$ 148,690,418	
Deferred Inflows Related to Pensions	<u>(56,140,946)</u>	92,549,472

Deferred outflows and inflows of resources related to the net other postemployment benefits (OPEB) are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

Deferred Outflows Related to OPEB	\$ 3,985,227	
Deferred Inflows Related to OPEB	<u>(3,689,389)</u>	295,838

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

Certificates of Participation Payable	\$ (264,526,425)	
Bonds Payable	(61,092)	
Obligations under Leases and SBITAs	(9,138,067)	
Compensated Absences Payable	(46,770,436)	
Accrued Interest	(240,204)	
Total OPEB Liability	(13,982,952)	
Net Pension Liability	<u>(460,883,125)</u>	<u>(795,602,301)</u>

Net Position - Governmental Activities \$ 565,588,744

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

THIS PAGE INTENTIONALLY LEFT BLANK

**Brevard 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	Debt Service - Other Fund
Revenues			
Local Sources:			
Ad Valorem Taxes	\$ 352,899,753	\$ -	\$ -
Local Sales Taxes	-	-	-
Food Service Sales	-	-	-
Investment Income	4,291,298	-	567,046
Impact Fees	-	-	-
Other	8,455,236	-	-
Total Local Revenues	<u>365,646,287</u>	<u>-</u>	<u>567,046</u>
State Sources:			
Florida Education Finance Program	273,390,495	-	-
Workforce Development	6,896,435	-	-
Categorical Programs	76,659,844	-	-
Public Education Capital Outlay	-	-	-
Food Services	-	-	-
Other	954,948	-	-
Total State Sources	<u>357,901,722</u>	<u>-</u>	<u>-</u>
Federal Sources:			
Federal Direct	653,285	-	-
Other Federal Grants	1,669,650	11,105,855	-
Food Services	-	-	-
Total Federal Sources	<u>2,322,935</u>	<u>11,105,855</u>	<u>-</u>
Total Revenues	<u>725,870,944</u>	<u>11,105,855</u>	<u>567,046</u>
Expenditures			
Current - Education:			
Instruction	504,684,482	8,490,419	-
Student Support Services	31,207,985	155,083	-
Instructional Media Services	9,470,849	-	-
Instruction and Curriculum Development Services	22,809,638	64,413	-
Instructional Staff Training Services	2,818,672	468,787	-
Instruction-Related Technology	11,429,834	18,605	-
School Board	1,667,753	-	-
General Administration	1,531,430	40,653	-
School Administration	52,661,577	103,914	-
Facilities Acquisition and Construction	8,095,214	-	-
Fiscal Services	4,506,143	-	-
Food Services	1,577,596	-	-
Central Services	9,482,276	88,254	-
Student Transportation Services	21,746,886	86,087	-
Operation of Plant	75,636,344	10,052	-
Maintenance of Plant	24,355,761	1,549,644	-
Administrative Technology Services	6,702,219	-	-
Community Services	603,945	-	-
Capital Outlay:			
Facilities Acquisition and Construction	315,738	-	-
Other Capital Outlay	8,323,200	29,944	-
Debt Service:			
Principal	449,752	-	23,895,930
Interest and Fiscal Charges	33,212	-	15,363,452
Total Expenditures	<u>800,110,506</u>	<u>11,105,855</u>	<u>39,259,382</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(74,239,562)</u>	<u>-</u>	<u>(38,692,336)</u>
Other Financing Sources (Uses)			
Transfers In	64,265,094	-	37,337,128
Issuance of Lease Agreements and SBITAs	-	-	-
Refunding Certificates of Participation Issued	-	-	149,575,000
Premium on Refunding Certificates of Participation	-	-	10,701,317
Payments to Refunding Escrow Agent	-	-	(158,836,560)
Loss Recoveries	78,264	-	-
Transfers Out	(3,030,000)	-	-
Total Other Financing Sources (Uses)	<u>61,313,358</u>	<u>-</u>	<u>38,776,885</u>
Net Change in Fund Balances	<u>(12,926,204)</u>	<u>-</u>	<u>84,549</u>
Fund Balances, Beginning	63,246,540	-	2,906
Fund Balances, Ending	<u>\$ 50,320,336</u>	<u>\$ -</u>	<u>\$ 87,455</u>

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Local Sales Surtax Fund	Capital Projects - Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 110,360,213	\$ -	\$ -	\$ -	\$ 463,259,966
-	69,985,869	-	-	69,985,869
-	-	-	9,218,205	9,218,205
3,428,516	5,144,588	1,162,929	967,810	15,562,187
-	-	19,396,069	-	19,396,069
121,094	70,838	19,535	15,791,931	24,458,634
<u>113,909,823</u>	<u>75,201,295</u>	<u>20,578,533</u>	<u>25,977,946</u>	<u>601,880,930</u>
-	-	-	-	273,390,495
-	-	-	-	6,896,435
-	-	-	-	76,659,844
-	-	-	8,277,618	8,277,618
-	-	-	393,226	393,226
-	-	-	5,321,815	6,276,763
-	-	-	13,992,659	371,894,381
-	-	-	7,320,963	7,974,248
-	-	-	52,742,738	65,518,243
-	-	-	36,482,757	36,482,757
-	-	-	96,546,458	109,975,248
<u>113,909,823</u>	<u>75,201,295</u>	<u>20,578,533</u>	<u>136,517,063</u>	<u>1,083,750,559</u>
-	-	-	26,230,495	539,405,396
-	-	-	7,066,331	38,429,399
-	-	-	3,320	9,474,169
-	-	-	17,043,358	39,917,409
-	-	-	4,120,745	7,408,204
-	-	-	1,779,690	13,228,129
-	-	-	-	1,667,753
-	-	-	1,746,438	3,318,521
-	-	-	49,644	52,815,135
16,398,064	33,722,504	902,603	2,495,639	61,614,024
-	-	-	146,987	4,653,130
-	-	-	43,770,029	45,347,625
-	-	-	282,357	9,852,887
-	-	-	565,393	22,398,366
-	-	-	71,242	75,717,638
-	-	-	154,961	26,060,366
-	-	-	193,598	6,895,817
-	-	-	14,599,379	15,203,324
12,398,792	29,083,519	9,995,284	11,753,114	63,546,447
15,463,106	1,223,953	1,893,537	3,479,978	30,413,718
1,199,601	404,086	-	116,000	26,065,369
8,109	26,523	-	10,481	15,441,777
<u>45,467,672</u>	<u>64,460,585</u>	<u>12,791,424</u>	<u>135,679,179</u>	<u>1,108,874,603</u>
<u>68,442,151</u>	<u>10,740,710</u>	<u>7,787,109</u>	<u>837,884</u>	<u>(25,124,044)</u>
-	-	-	4,413,266	106,015,488
8,562,875	-	-	-	8,562,875
-	-	-	-	149,575,000
-	-	-	-	10,701,317
-	-	-	-	(158,836,560)
-	-	-	-	78,264
(82,647,517)	-	-	(10,900,514)	(96,578,031)
(74,084,642)	-	-	(6,487,248)	19,518,353
(5,642,491)	10,740,710	7,787,109	(5,649,364)	(5,605,691)
59,202,075	130,956,628	28,762,069	47,728,842	329,899,060
<u>\$ 53,559,584</u>	<u>\$ 141,697,338</u>	<u>\$ 36,549,178</u>	<u>\$ 42,079,478</u>	<u>\$ 324,293,369</u>

Brevard 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 \$ (5,605,691)

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 net effect of capital outlay transactions for the current fiscal year.

Capital Outlay - Facilities, Acquisition, and Construction	\$ 63,546,447	
Capital Outlay - Other	30,413,718	
Other Adjustments	1,253,252	
Loss on Disposal of Capital Assets	(85,894)	
Less, Depreciation and Amortization Expense	<u>(64,777,855)</u>	30,349,668

Certain issuance costs and premiums for new debt issues are reported when issued as expenditures and other financing sources in the governmental funds, but are deferred and amortized over the term of the debt in the statements of activities.

Deferred Outflow:		
Current Year	\$ 258,772	
Prior Year	<u>6,994,760</u>	(6,735,988)
Unamortized Premiums:		
Current Year	\$ (15,227,517)	
Prior Year	<u>(20,713,998)</u>	5,486,481
Deferred Inflow		
Current Year	\$ (11,629,709)	
Prior Year	<u>-</u>	(11,629,709)

Government-wide statements are affected only to the extent these amounts differ. 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. This is the net effect of these transactions.

Payment of Principal - Certificates of Participation	\$ 23,895,930	
Payment of Principal - Bonds	116,000	
Refunding Certificates of Participation Issued	(149,575,000)	
Payments to Refunding Escrow Agent	<u>159,410,000</u>	33,846,930

Other Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Payment of Principal - Obligations Under Leases and SBITAs	\$ 2,053,439	
SBITA Issued	(8,562,875)	
Accrued Interest Payable	<u>(216,115)</u>	(6,725,551)

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 change in compensated absences in the current year. 539,809

Earned revenues not received within the availability period are reported as unavailable revenues in the governmental funds, but are recorded in as revenue in the government-wide statements. 1,976,078

In the statement of activities, the cost of other postemployment benefits (OPEB) is a measurement of the amortized unfunded actuarial calculation of deferred inflows and deferred outflows until amounts are actually paid for OPEB. This is the amount of deferred inflows and outflows related to the OPEB activity.

Deferred Outflows Related to OPEB - Current Year	\$ 3,985,227	
Deferred Outflows Related to OPEB - Prior Year	<u>5,298,907</u>	(1,313,680)
OPEB Liability - Current Year	\$ (13,982,952)	
OPEB Liability - Prior Year	<u>(14,492,036)</u>	509,084
Deferred Inflows Related to OPEB - Current Year	\$ (3,689,389)	
Deferred Inflows Related to OPEB - Prior Year	<u>(4,223,450)</u>	534,061

Contributions to the Florida Retirement System are recorded as expenditures in the funds when paid. In the statement of activities, pension contributions are included in the Plan's actuarial calculation of deferred inflows and deferred outflows until benefits are paid to plan participants. This is the amount of deferred inflows and outflows related to pension activity.

Deferred Outflows Related to Pensions - Current Year	\$ 148,690,418	
Deferred Outflows related to Pensions - Prior Year	<u>127,598,431</u>	21,091,987
Pension Liability - Current Year	\$ (460,883,125)	
Pension Liability - Prior Year	<u>(462,729,780)</u>	1,846,655
Deferred Inflows Related to Pensions - Current Year	\$ (56,140,946)	
Deferred Inflows Related to Pensions - Prior Year	<u>(38,141,047)</u>	(17,999,899)

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 internal service funds is reported with governmental activities. 5,492,116

Change in Net Position - Governmental Activities \$ 51,662,351

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

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

	Enterprise Fund	Internal Service
	Extended Day Program	Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ 12,933,174
Investments	-	32,269,844
Accounts Receivable	-	236,588
Other Receivables	-	247,122
Total Current Assets	-	45,686,728
Noncurrent Assets:		
Depreciable Capital Assets, Net	-	1,119,332
TOTAL ASSETS	-	46,806,060
LIABILITIES		
Current Liabilities:		
Accounts Payable	-	156,557
Salaries and Wages Payable	-	8,475
Due to Budgetary Funds	-	7,516,891
Estimated Insurance Claims Payable	-	9,592,829
Total Current Liabilities	-	17,274,752
Noncurrent Liabilities:		
Estimated Insurance Claims Payable	-	9,466,713
TOTAL LIABILITIES	-	26,741,465
NET POSITION		
Investment in Capital Assets	-	1,119,332
Unrestricted	-	18,945,263
TOTAL NET POSITION	\$ -	\$ 20,064,595

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

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

	<u>Enterprise Fund</u> <u>Extended Day</u> <u>Program</u>	<u>Internal Service</u> <u>Funds</u>
OPERATING REVENUES		
Charges for Services	\$ 8,979,795	\$ -
Premium Revenues	-	97,728,251
Other Operating Revenue	4,395	10,508,221
Total Operating Revenues	<u>8,984,190</u>	<u>108,236,472</u>
OPERATING EXPENSES		
Salaries	4,079,928	626,986
Employee Benefits	1,298,776	223,003
Purchased Services	357,945	2,800,135
Energy Services	7,684	10,490
Materials and Supplies	337,531	149
Capital Outlay	66,841	2,252
Claims Expense	-	97,996,898
Depreciation	14,781	27,460
Other	23,554	-
Total Operating Expenses	<u>6,187,040</u>	<u>101,687,373</u>
Operating Income	<u>2,797,150</u>	<u>6,549,099</u>
NONOPERATING REVENUES		
Investment Earnings	75,570	1,873,017
Income Before Transfers	2,872,720	8,422,116
Transfers In	-	3,030,000
Transfers Out	(6,507,457)	(5,960,000)
Change in Net Position	<u>(3,634,737)</u>	<u>5,492,116</u>
Total Net Position - Beginning	(8,849)	14,572,479
Adjustment to Beginning Net Position	3,643,586	-
Total Net Position - Beginning, as Restated	<u>3,634,737</u>	<u>14,572,479</u>
Total Net Position - Ending	<u>\$ -</u>	<u>\$ 20,064,595</u>

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

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

	Enterprise Fund	Internal Service
	Extended Day Program	Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Services	\$ 8,983,522	\$ -
Cash Received from Premiums	-	97,496,954
Cash Payments to Suppliers for Goods and Services	(802,640)	-
Cash Payments to Employees for Services	(5,448,429)	(841,514)
Cash Payments for Insurance Claims	-	(99,787,352)
Other Receipts	4,395	13,357,133
Other Payments	-	(3,661,565)
	2,736,848	6,563,656
Net Cash Provided by Operating Activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from Other Funds	-	3,030,000
Transfer to Other Funds	(6,507,457)	(5,960,000)
	(6,507,457)	(2,930,000)
Net Cash Used by Noncapital Financing Activities		
CASH FLOWS FOM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(68,285)	-
	(68,285)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(1,713,512)
Proceeds from Sales and Maturity of Investments	-	477,121
Interest Income	75,570	1,395,895
	75,570	159,504
Net Cash Provided by Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(3,763,324)	3,793,160
Cash and Cash Equivalents, Beginning	3,763,324	9,140,014
Cash and Cash Equivalents, Ending	\$ -	\$ 12,933,174
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 2,797,150	\$ 6,549,099
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	14,781	27,460
Changes in Assets and Liabilities:		
Accounts Receivable	3	(231,297)
Other Receivables	-	15,853
Due from Other Agencies	3,724	-
Salaries and Wages Payable	(69,725)	8,475
Accounts Payable	(9,085)	(848,538)
Due to Budgetary Funds	-	2,833,058
Estimated Insurance Claims Payable	-	(1,790,454)
	(60,302)	14,557
Total Adjustments	(60,302)	14,557
Net Cash Provided by Operating Activities	\$ 2,736,848	\$ 6,563,656

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Brevard 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 Brevard County School District (District) is 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 composed of five elected members. The appointed Superintendent of Schools is the executive officer of the District. The general operating authority of the Board and the Superintendent is contained in Chapters 1000 through 1013, Florida Statutes. Geographic boundaries of the District correspond with those of Brevard County.

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

Blended Component Unit. The Brevard County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate the financing and refinancing for the acquisition of facilities and equipment as further discussed in a subsequent note. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units. The component unit columns in the government-wide financial statements include the financial data of the Brevard Schools Foundation, Inc. (Foundation) and the District's charter schools for the fiscal year ending June 30, 2025.

The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes. Its purpose is to receive, hold, invest, and administer property and to make expenditures to and for the benefit of students in public kindergarten through twelfth grade at Brevard Public Schools. The Foundation's Board of Directors are approved by the District School Board. The Foundation is considered a component unit due to the nature and significance of its relationship with the District and the financial accountability of the Board appointment.

The District's charter schools are not-for-profit corporations organized and operating as charter schools under Section 1002.33, Florida Statutes. Charter schools operate under a charter which is approved by the District School Board as a sponsor. The FDOE has determined that charter schools should be reported as component units of the District, as they are dependent on the District School Board for their tax levy, which is a major source of their revenue. There is also a potential for charter schools to provide specific financial benefits or impose specific financial burdens on the District.

The financial data reported on the accompanying statements was derived from the audited financial statement of the Foundation and charter schools for the fiscal year ended June 30, 2025. The audit reports are filed in the District's administrative offices located at 2700 Judge Fran Jamieson Way, Viera, Florida 32940.

During the fiscal year ended June 30, 2025, there were 14 charter schools under the sponsorship of the School Board of Brevard County and reported as component units of the District. The schools are listed below:

- Brevard Innovative Charter Schools, Inc. d/b/a Sculptor Charter School
- Educational Horizons, Inc.
- Emma Jewel Charter Academy, Inc.
- Milestones Community School, Inc., d/b/a Imagine Schools at West Melbourne
- Odyssey Charter School, Inc. d/b/a Odyssey Charter School
- Odyssey Charter School, Inc. d/b/a Odyssey Preparatory Academy
- Palm Bay Academy, Inc.
- Pineapple Cove Classical Academy, Inc.
- Pineapple Cove Classical Academy at Lockmar, Inc.
- Pineapple Cove Classical Academy at West Melbourne, Inc.
- Pincrest Academy Space Coast
- Riverside Charter High School
- Royal Palm Charter School, Inc.
- Viera Charter Schools, Inc. d/b/a Viera Charter School

B. Measurement Focus, Basis of Presentation, and Financial Statement Presentation

Government-wide Financial Statements – Government-wide financial statements include the statements of net position and the statement of activities, and present information about the District as a whole. These statements include the financial activity of the primary government, which distinguish between governmental activities and business-type activities of the District. The governmental activities column presents data from governmental funds and internal service funds, while business-type activities present data from the District's enterprise fund.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for 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 and amortization expense are not associated with a particular function and are reported as unallocated.

Programs revenues include charges paid by the recipient of the goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. 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 fund and the business-type activity is self-financing or draws from the general revenues of the District.

The District eliminates, from the statement of net position and the statement of activities, most interfund receivables and payables and transfers between funds to minimize the effect of duplication. The effect of interfund activities has been eliminated from the government-wide statements, except for interfund services provided and used.

Fund Financial Statements – Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Internal service funds are combined, and the totals are presented in a single column on the face of the proprietary funds' financial statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the statement of net position. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

All proprietary funds are based on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. Proprietary funds' operating statements present increases (revenues) and decreases (expenses) in net position and use the accrual basis of accounting.

Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliations are presented with each of the governmental fund financial statements. The District reports the following major governmental funds:

- **General Fund** – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes. The General Fund is the primary operating fund.
- **Special Revenue – Federal Education Stabilization Fund** – to account for certain Federal grant program resources provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.

- Debt Service – Other Fund – to account for the accumulation of resources for, and the payment of, principal, interest, and related costs for the District’s certificates of participation.
- 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, debt service payments for certificates of participation, equipment purchases, costs of leasing portable educational facilities, maintenance of existing District schools, and renovation and remodeling projects.
- Capital Projects – Local Sales Surtax Fund – to account for the financial resources generated by the local sales surtax levied by the District for critical education capital outlay needs, such as security, technology, and existing facilities renovation and remodeling projects.
- Capital Projects – Impact Fees Fund – to account for the capital projects financed with the District’s impact fees.

The District reports the following nonmajor governmental funds:

- Special Revenue – Food Service Fund – to account for the financial resources of the school food services program.
- Special Revenue – Contracted Programs Fund – to account for programs funded by Federal and State sources that are segregated due to legal or regulatory restrictions.
- Special Revenue – School Internal Fund – to account for funds collected at District schools in connection with school, student athletic, class, and club activities.
- Debt Service – SBE/COBI Bonds Fund – to account for payment of debt service for State school bonds issued by the State Board of Education on behalf of the District.
- Capital Projects – Public Education Capital Outlay (PECO) Fund – to account for capital projects financed through the District’s allocation of the State Public Education Capital Outlay program.
- Capital Projects – Capital Outlay and Debt Service Fund – to account for capital projects financed through the District’s allocation of State Capital Outlay and Debt Service program.
- Capital Projects – Other Capital Projects Fund – to account for the financial resources generated by the miscellaneous capital outlay funding sources, such as fuel tax receipts, and other miscellaneous local sources. Funds are used for capital outlay needs such as new construction, remodel, renovation, and debt service.

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

- Internal Service Funds – to account for the District’s individual self-insurance programs, including medical, workers’ compensation, and general liability.
- Enterprise Fund – Extended Day Program – to account for business-type activities for extended day care services which are provided by all of the District’s elementary schools. This fund is intended to be self-supporting through customer charges. At the end of fiscal year 2025, this program was transitioned from a Proprietary Fund to the General Fund.

C. Basis of Accounting

Basis of accounting refers to a method by which revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources.

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

Governmental fund financial statements are prepared using the current 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. 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. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Proprietary funds are prepared under the economic resource measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing goods and services as a part of normal ongoing operations. The principal operating revenues for the District's internal service funds for self-insurance are health and workers' compensation benefits. The principal operational expenses are insurance claims, personnel, and other administrative costs attributed to the fund.

Enterprise fund operating revenues are charges for extended daycare services. Operating expenses include costs associated with providing daycare services, including salaries, employee benefits, and supplies. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Charter schools are reported as discretely presented component units and follow the same accounting model as the District's governmental activities.

The Foundation is accounted for as a not-for-profit corporation, organized for educational and charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code and follows the standards issued by the Financial Accounting Standards Board. The Foundation allows the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Deposits and Investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits held in the name of the School Board of Brevard County are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash and cash equivalents as amounts included in demand deposits, all highly liquid investments with an original maturity of 3 months or less, cash held by fiscal agents and amounts held on deposit in money market accounts.

Investments include U.S. Government securities, collateralized repurchase agreements, money market mutual funds, corporate notes, and commercial paper which are carried at fair value based on quoted market prices or an amortized cost that is equally equivalent to fair value. All money market mutual funds are AAA rated by the various rating agencies. Rule 2a-7 of the Investment Company Act of 1940 comprises the rules governing money market funds and includes the Florida Public Assets for Liquidity Management (FL Palm) Investments authorized in Section 163.01, Florida Statutes. The District relies on policies developed by the FL PALM's Board of Trustees for managing interest and credit risk. Investments held at year end are disclosed in a subsequent note.

F. Receivables and Payables

The District reports lending and borrowing arrangements that are outstanding as of June 30 of each fiscal year as "Due to/Due from other funds." Residual balances outstanding between the governmental and business-type activities are reported in the government-wide statements. A summary of interfund payable and receivables is described in a subsequent note.

G. Prepaid Items and Inventories

Prepaid items are unexpired costs that cover more than one reporting period and represent expenses/expenditures to be consumed in future periods. These items are reported as current assets on the District's Statement of Net Position in the Government-wide financial statements and will be expended systematically in future periods in which they are used or consumed.

Inventories consist of expendable supplies and commodities held for consumption in the course of District operations. The purchased food inventories are stated at cost, determined on the last invoice price, which approximates the first-in, first-out basis. Central warehouse and transportation inventories are stated at weighted-average cost. The United States Department of Agriculture non-processed surplus commodities in the District's warehouse are stated at fair value at the time of donation to the District's food service program while processed commodities are valued at fair market value plus processing costs. The costs of inventories are recorded as expenditures when used rather than when purchased.

H. Capital Assets and Depreciation

Expenditures for capital assets, whether acquired or constructed, are reported in the fund that financed the cost of the asset. Capital assets are reported in the government-wide statement of net position but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or historical cost) and updated for additions and retirements during the year. The District follows a procedure of capitalizing fixed and moveable assets with a cost threshold greater than \$5,000 and a useful life in excess of 1 year. The District does not possess any infrastructure. Donated assets are recorded at acquisition value at the date of donation.

All reported capital assets, with the exception of land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Land	Not Depreciated
Construction in Progress	Not Depreciated
Buildings and Fixed Equipment	15 - 50 years
Improvements Other Than Buildings	15 years
Motor Vehicles	5 - 10 years
Furniture, Fixtures, and Equipment	5 - 10 years
Audio Visual Materials and Computer Software	5 years

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

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. They are deferred amounts on refunding reported in the government-wide statement of net position, deferred amounts on pension liabilities for Florida Retirement System (FRS) and Health Insurance Subsidy (HIS), and deferred amounts for other postemployment benefits (OPEB). A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred amount on pension results from the recognition for the District's proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to the pension plan. A deferred amount on OPEB results from differences between expected and actual experience and changes in assumptions that are deferred over a closed period equal to the average of expected remaining service lives of all employees in the OPEB Plan.

In addition to liabilities, the statement of net position and the governmental funds balance sheet report 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 types of deferred inflows in the statement of net position: one which arises from the FRS and HIS pensions, one arises for OPEB, and one arises from a refunding of debt. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report unavailable revenues related to FEMA reimbursements, settlements, grants and state revenue, which arise only under modified accrual basis of accounting. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available.

J. Pensions and OPEB Liabilities

In the government-wide statements, net pension liability represents the District's proportionate share of the combined net pension liability of the State-administered, multiple employer, cost-sharing, defined benefit plans. The plans are two separate defined benefits plans, the FRS Pension Plan and the retiree HIS Program. Changes in the net pension liability will be immediately recognized as pension expense on the statement of activities or reported as deferred outflows of resources and inflows of resources, depending on the nature of the change. For this purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, the fiduciary net position as well as the additions to/deductions from fiduciary net positions have been determined on the same basis as reported by the FRS Pension Plan and the HIS Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. The District's retirement plans, and related deferred outflows of resources and inflows of resources are described in a subsequent note.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, requires the net OPEB liability to be measured as the portion of the actuarial present value of projected benefit payments that are attributed to the past periods of employee service. Changes in the net OPEB liability will be immediately recognized as OPEB expense in the statement of activities or reported as deferred outflows of resources or inflows of resources, depending on the nature of the change. Projected benefits are based on the substantive plan provisions and include the benefits that are in force at the measurement date. For measuring the net OPEB liability, outflows of resources, inflows of resources and pension expense, assumptions used in the OPEB actuarial valuation were the same as those employed in the July 1, 2023, actuarial valuation of the FRS, Defined Benefit Pension Plan. There are currently no invested plan assets held in trust to finance the OPEB obligations. Information about other postemployment benefits is further described in a subsequent note.

K. 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. 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, provided the benefits are attributable to services already rendered by the employees, and the benefits

accumulate. Board policy allows employees to accumulate earned leave benefits, primarily vacation and sick leave, under varying forms.

Vacation Leave: Employees earn vacation based on service and classification. Unused vacation leave, up to sixty days, is paid out upon separation, and a liability is recorded for the estimated value, including salary related payments, at the end of the fiscal year.

Sick Leave: Employees earn sick leave based on service. Unused sick leave is paid out upon retirement only and is calculated based on District years of service. A liability is recognized for the estimated value more likely than not to be used as time off or already used but unpaid.

The liability is measured using the employee's rate of pay at fiscal year end (June 30).

The entire compensated absences liability is reported on the government-wide financial statements. For the governmental fund financial statements, only the amount payable to employees who terminated their employment as of the end of the fiscal year is reported. The liability at year end includes salary related payments such as Social Security, Medicare, and Florida Retirement System contributions.

Changes in the compensated absences liability for the current year are further described in a subsequent note.

L. 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. Bond premiums and discounts are deferred and amortized over the life of the related debt. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due and payable. Governmental fund types recognize debt premiums and discounts, and debt issuance costs, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. 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.

N. Governmental Funds - Fund Balance Flow Assumptions

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establishes a hierarchy for fund balance classifications and the constraints imposed on the use of those resources. The District does not have a written policy regarding the commitment or assignment of fund balances. Amounts included in either committed or

assigned fund balance are encumbrances and/or other resources that have been authorized by the School Board to be liquidated in a future period. When restricted, assigned and unassigned funds are available for use, it is the District's procedure to use restricted funds first, then assigned followed by unassigned. Information regarding fund balance reporting is provided in a subsequent note.

O. State Revenue Sources

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

The State provides financial assistance to administer certain educational programs. State Board of Education rules require that revenues earmarked for certain programs can only be expended for the program for which the money is designated and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for those educational programs. The Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the unencumbered balance of categorical and earmarked educational program resources. A schedule of revenue from State sources for the current year is presented in a subsequent note.

P. Half-Cent Surtax

On November 4, 2014, the citizens of Brevard County authorized a half-cent sales surtax to fund the capital needs of the District, under the authority of Section 212.055(6), Florida Statutes. The sales surtax was effective beginning January 2015 and continued through December 2020. In November 2020, citizens renewed the sales surtax for another 6 years. Revenues will be used to fund critical needs related to security, technology, facility renovations, and remodeling projects.

Q. District Property Taxes

The School 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 Brevard County Property Appraiser, and property taxes are collected by the Brevard County Tax Collector.

The Board adopted the 2024 tax levy on September 5, 2024. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are deemed available, which is generally within 45 days of the fiscal year end. Millages and taxes levied for the current year are presented in a subsequent note.

R. Educational Impact Fees

The District receives educational impact fees subject to an ordinance adopted by the Brevard County Commission on August 10, 2004. The fees are collected by the County for new residential construction and are used for project-related expenditures that increase student capacity such as site acquisition, construction, design, site development, necessary off-site improvements, and equipment for education facilities. Expenditures may also include payments for outstanding principal and interest due to the financing of these construction related expenditures.

S. 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.

II. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Deposits

Florida Statutes authorize the deposit of School Board funds in demand deposits with financial institutions that are approved as qualified public depositories, pursuant to chapter 280, the *Florida Security for Public Deposits Act*. Under this act, all qualified public depositories are required to pledge eligible collateral and deposit such collateral with the State Treasurer to ensure against losses of public deposits. The District's bank balances of \$45,077,391 are deposited with qualified public depositories as of June 30. Cash held with a fiscal or service agent includes \$88,498,769 held with U.S. Bank for payments due to certificate of participation holders, \$4,537,921 held by the Office of Brevard County Florida on behalf of the School Board, \$1,847 held by the State Board of Education (SBE) on behalf of the School Board. The District has balances of \$56,212 in petty cash and change funds.

B. Custodial Credit Risk

Section 218.415(18), Florida Statutes, requires every security purchased on behalf of Brevard School Board to be earmarked and:

- If registered with the issuer or its agents, the securities must be immediately placed for safekeeping with a third-party holder to protect the District's interest in the securities;
- If in book entry form, the security must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in Florida, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or
- If physically issued to the holder, but not registered with the issuer or its agents, the security must be immediately placed in safekeeping in a secured vault.

The District has \$88,498,769 held with U.S. Bank in First American Money Market Funds which is held for payment of principal and interest due to certificate holders on July 1, 2025. These funds are held with a fiscal agent under a trust agreement for certificates of participation.

C. Foreign Currency Risk

The District investments are denominated in U.S. dollars and, therefore, there is no exposure to foreign currency risk.

D. Interest Rate Risk

The District has established an investment policy, pursuant to Section 218.415, Florida Statutes. As means of limiting exposure to fair value losses resulting from increases in interest rates, the District's investment policy limits operating funds to maturities of 2 years or less. All other funds shall be managed to provide sufficient liquidity needs for the fund purpose, but in no event shall exceed 5 and one-half years. The average overall effective duration of the aggregated portfolios is limited to 3 years.

The District has \$22,472,839 invested in 130 notes that contain embedded options to call the entire security or a portion thereof prior to the original maturity date at the option of the issuer or, depending on market conditions, the issuer may decide to leave the security intact at stated interest rates until final maturity. The call dates of the callable notes range from August 25, 2025, through September 16, 2030.

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

Investments	Totals	Maturities Less Than or Equal to:			Greater Than 2 Years
		6 Months	1 year	2 Years	
Asset-Backed Securities	\$ 7,202,079	\$ -	\$ 12,718	\$ 321,038	\$ 6,868,323
Corporate Notes	8,937,860	35,104	647,245	3,702,025	4,553,486
Federal Agencies and Instrumentalities	4,398,209	423,255	287,107	1,678,190	2,009,657
Intergovernmental Investment Pool	17,918,193	17,918,193	-	-	-
Money Market Funds	294,569,765	294,569,765	-	-	-
US Treasury Bills/Notes	11,957,371	-	-	6,158,639	5,798,732
Total Investments	\$ 344,983,477	\$ 312,946,317	\$ 947,070	\$ 11,859,892	\$ 19,230,198
Total Cash, Cash Equivalents, and Investments		Totals			
Total Investments	\$ 344,983,477				
Qualified Public Depositories	45,077,391				
Petty Cash and Change Funds	56,212				
Deposits with Fiscal/Service Agent	93,038,537				
Total	\$ 483,155,617				
Cash and Cash Equivalents - Statement of Net Position	\$ 357,847,236				
Deposits with Fiscal/Service Agent	93,038,537				
Investments - Statement of Net Position	32,269,844				
Total	\$ 483,155,617				

E. Credit Risk

Section 218.415(17), Florida Statutes, limits investments that can be invested by the District, unless specifically authorized by District policy. Investments authorized by District policy are:

- Direct Obligations of U.S. Treasury;
- U.S. Federal Government Agency Securities;
- U.S. Government Sponsored Entities (GSE)/Federal Instrumentalities;
- Interest Bearing Time Deposits/Savings Accounts, including certificates of deposit;
- Repurchase Agreements fully collateralized at 103 percent of market value, by U.S. Treasuries, U.S. Government Agencies, and U.S. Government Sponsored Agencies/Federal Instrumentalities;
- Commercial paper rated A-1 by Standard and Poor's (S&P) or P-1 by Moody's;
- Corporate Notes/Securities issued or guaranteed by a domestic corporation, financial institution, nonprofit, or other entity rated AA- by S&P or BAA1 by Moody's;
- State and/or Local Government taxable and/or tax-exempt securities (Municipals), rated SP-1/MIG-1, A-/A3 or equivalent;
- Registered Investment companies (money market funds) rates the highest fund rating by all NRSROs who rate the fund (AAAm or equivalent);
- Intergovernmental Investment Pools provided the fund has the highest fund quality and volatility rating category by all NRSROs who rate the fund (AAAm or equivalent);
- Florida Local Government Surplus Trust Funds (Florida PRIME) if the fund has the highest fund rating by all NRSROs who rate the fund (AAAm or equivalent); and,
- Asset-backed Securities rated A+/BBB+ by S&P or A1/BAA1 by Moody's.

F. Concentration of Credit Risk

The District's investment policy specifies the maximum percentage of the portfolio composition per individual issuer and type of investment as listed below:

Type of Investment	Issuer Limits	Sector Maximum
Direct Obligations of U.S. Treasury	100%	100%
Intergovernmental Investment Pool	50%	75%
Registered Investment Companies	50%	75%
Federal Agency/GSA Securities	40%	75%
Federal Agency/GSE Securities MBS/CMO (1)	40%	25%
Florida PRIME (SBA)	25%	25%
Interest Bearing Time Deposits/Savings Accounts, including Certificates of Deposit	25%	50%
Repurchase Agreements	15%	25%
Asset-Back Securities	5%	25%
Commercial Paper	5%	50%
Corporate Notes	5%	50%
State and/or Local Government Taxable or Tax Exempt Securities	5%	25%

(1) Issuer limit for Federal agency or government sponsored entity (GSE) and MBS/CMO combined wherein the District holds both types of investments from any one issuer. MBS = Mortgage Backed Securities; CMO = Collateralized Mortgage Obligation.

On June 30, 2025, the District had total investments by issuer with credit ratings as outlined below:

Investment	Fair Value	Percent of Investment Balance	Credit Ratings	
			S & P	Moody's
Asset-Backed Securities				
Ally Auto ABS	\$ 105,011	0.03%	AAA	AAA
American Express ABS	226,377	0.07%	AAA	N/A
Bank of America ABS	631,765	0.18%	AAA	N/A
BMW Vehicle ABS	65,372	0.02%	AAA	N/A
BMW Vehicle Own ABS	162,542	0.05%	AAA	AAA
Capital One ABS	26,612	0.01%	AAA	AAA
Carmax Auto Own ABS	73,570	0.02%	AAA	AAA
Chase Issuance ABS	464,300	0.13%	AAA	N/A
Citibank CREDIT ABS	276,603	0.08%	AAA	N/A
CNH Equip ABS	537,504	0.16%	AAA	AAA
Daimler Trucks ABS	80,561	0.02%	N/A	AAA
Fifth Third Auto ABS	181,054	0.05%	AAA	AAA
Ford Credit Auto Own ABS	657,474	0.19%	AAA	AAA
GM Financial ABS	475,290	0.14%	AAA	AAA
Harley Davidson Motorcycle ABS	70,085	0.02%	AAA	AAA
Honda Auto Rece ABS	7,936	0.00%	AAA	AAA
Hyundai Auto Rec ABS	130,807	0.04%	AAA	N/A
John Deere Owner ABS	566,982	0.16%	N/A	AAA
Kubota Credit ABS	70,280	0.02%	N/A	AAA
Mercedes-Benz Auto ABS	172,612	0.05%	AAA	AAA

(Continued)

Investment (Continued)	Fair Value	Percent of Investment Balance	Credit Ratings	
			S & P	Moody's
Asset-Backed Securities (Continued)				
Nissan Auto Rec ABS	409,358	0.12%	N/A	AAA
Toyota Auto ABS	241,662	0.07%	AAA	AAA
USAA Owner ABS	90,730	0.03%	AAA	AAA
Verizon Master ABS	210,922	0.06%	N/A	AAA
Volkswagen Auto Loan ABS	206,523	0.06%	N/A	AAA
Volvo Financial ABS	85,547	0.02%	N/A	AAA
Wells Fargo Card ABS	570,840	0.17%	AAA	AAA
World Omni Auto ABS	403,760	0.12%	AAA	N/A
Corporate Notes				
Accenture Capital	54,832	0.02%	AA-	AA3
Adobe Inc.	228,690	0.07%	A+	A1
Advanced Micro Device	115,845	0.03%	A	A2
American Express	126,421	0.04%	A-	A2
American Honda MTN	206,791	0.06%	A-	A3
Analog Devices Inc.	165,762	0.05%	A-	A2
Apple Inc.	275,523	0.08%	AA+	AAA
Astrazeneca Finance	111,211	0.03%	A+	A1
Bank of America Corp	233,280	0.07%	A-	A1
Bank of NY mellon Corp	278,641	0.08%	A	AA3
Blackrock Funding Inc.	151,832	0.04%	AA-	AA3
BMW US Capital LLC	226,269	0.07%	A	A2
BP Capital Markets	168,010	0.05%	A-	A1
BrightHouse Financial MTN	177,744	0.05%	A+	A3
Bristol-Myers Squibb	55,701	0.02%	A	A2
Caterpillar Financial	100,593	0.03%	A	A2
Caterpillar FINL MTN	126,498	0.04%	A	A2
Chevron USA Inc.	197,326	0.06%	AA-	AA2
Cintas CORP	90,215	0.03%	A-	A3
Cisco Systems Inc.	227,729	0.07%	AA-	A1
Cummins Inc.	15,068	0.00%	A	A2
Eli Lilly & Co.	151,211	0.04%	A+	AA3
General Dynamics Corp	170,261	0.05%	A	A2
Goldman Sachs	181,485	0.05%	A+	A1
Hershey Co	60,759	0.02%	A	A1
Home Depot Inc.	101,194	0.03%	A	A2
Honeywell Intl Inc.	146,523	0.04%	A	A2
Hormel Foods Corp	65,662	0.02%	A-	A1
John Deere Capital	176,101	0.05%	A	A1
Johnson & Johnson	244,066	0.07%	AAA	AAA
JPMorgan Chase	260,359	0.08%	A	A1
Mars Inc.	55,447	0.02%	A	A2
Mastercard Inc.	161,499	0.05%	A+	AA3
Morgan Stanley MTN	117,132	0.03%	A-	A1
National Rural Utility	60,114	0.02%	A-	A2
National Rural Utility Coop	45,581	0.01%	N/A	A2
New York Life Global	343,414	0.10%	AA+	AA1

(Continued)

Investment (Continued)	Fair Value	Percent of Investment Balance	Credit Ratings	
			S & P	Moody's
Corporate Notes (Continued)				
Northwestern Mutual Global	311,465	0.09%	AA+	AA1
Paccar Financial MTN	227,349	0.07%	A+	A1
Pacific Life Gf II	156,694	0.05%	AA-	AA3
Pepsico Inc.	237,916	0.07%	A+	A1
Pnc Financial Services	20,029	0.01%	A-	A3
Principal Life Global	242,727	0.07%	A+	A1
Protective Life Global	326,755	0.09%	AA-	A1
Roche Holdings Inc.	406,004	0.12%	AA	AA2
State Street Corp.	252,432	0.07%	A	AA3
Target Corp.	35,210	0.01%	A	A2
Texas Instruments Inc.	136,230	0.04%	A+	AA3
Toyota Auto ABS	220,880	0.06%	A+	A1
Toyota Mtr Cr MTN	30,104	0.01%	A+	A1
Truist Financial Corp MTN	195,373	0.06%	A-	BAA1
Unitedhealth Group Inc.	226,348	0.07%	A+	A2
Walmart Inc.	75,317	0.02%	AA	AA2
Wells Fargo MTN	162,238	0.05%	BBB+	A1
Federal Agencies & Instrumentalities				
FHLMC Ser CMO	3,987,872	1.16%	AAA	N/A
FNAM	410,337	0.12%	N/A	N/A
Intergovernmental Investment Pool				
FL PALM	17,918,193	5.19%	AAAm	Aaa-mf
Money Market Funds				
Fed Hermes Govt	294,569,765	85.34%	AAAm	Aaa-mf
US Treasury Bills/Notes				
	11,957,371	3.47%	N/A	AA1
	<u>344,983,477</u>	<u>100.00%</u>		
Cash Deposits:				
Qualified Public Depository	45,077,391			
Petty Cash & Change Funds	56,212			
Fiscal Service/Agent (a)	93,038,537			
	<u>\$ 483,155,617</u>			

- (a) Cash with fiscal agents includes \$4,537,921 held with Brevard County, Florida that is comingled with other funds in consolidated bank accounts, \$7,147,243 held with US Bank in First American Governmental Obligations, and \$81,351,526 held with US Bank in First American Treasury Obligations with a weighted average maturity not to exceed 60 days. Funds held in First American are at a stable NAV of \$1 per share, have a credit rating of AAAm by S&P and Aaa-mf by Moody's, and allow a maximum 7-day redemption of proceeds. These funds invest 100 percent of the total assets in securities that are a direct obligation of the U.S. Government and/or in securities that are backed by the full faith and credit the U.S. Government or collateralized repurchase agreements comprised of such obligations at all times and are not subject to liquidity fees or redemption gates. The participants own a share of the fund and not a share of the underlying assets in the fund; funds totaling \$1,847 held with the State Board of Education and managed by the State Board of Administration.

G. Fair Value Measurement

In compliance with GASB Statement No. 72, *Fair Value Measurement and Application*, all assets meeting the definition of an investment should be reported using certain valuation techniques and categorized in a hierarchy with the following criteria:

Hierarchy Levels:

- Level 1 Inputs – quoted prices in active markets for identical assets.
- Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3 Inputs – unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The District uses the market approach for fair value measurements using measurement techniques that include matrix pricing, municipal pricing tapes, institutional collateralized mortgage obligations (CMO) pricing, and institutional bond quotes obtained through third party independent pricing services such as IDSI.

As of June 30, 2025, the District has investments in the following levels:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Hierarchy Level</u>	<u>Effective Duration</u>
Asset-Backed Securities	\$ 7,202,079	2	3.04
Corporate Notes	8,937,860	2	2.07
Federal Agencies & Instrumentalities	4,398,209	2	1.91
U.S. Treasury Bills/Notes	11,957,371	2	2.11
Total Investments by Fair Value Level	<u>32,495,519</u>		
Investments Reported at Amortized Cost			
Intergovernmental Investment Pool	17,918,193		
Money Market Funds	<u>294,569,765</u>		
Total Investments Reported at Amortized Cost	<u>312,487,958</u>		
Total Investments	<u>\$ 344,983,477</u>		

In accordance with GASB 72, the investments reported at amortized cost are not assigned a level in the fair value hierarchy. As of June 30, the District had money market funds held in Federated Hermes Government Obligations and an intergovernmental investment pool held with the Florida Public Assets for Liquidity Management (FL PALM) reported at amortized cost.

Money Market funds held with the Federated Hermes Government Obligations maintain a constant net asset value (NAV) of \$1.00 per share on amortized cost. The fund allows a maximum 7-day redemption of proceeds, have no unfunded commitments, have a weighted average maturity not to exceed 60 days, and invest primarily in U.S. Treasury and Government Agency securities, repurchase agreements collateralized by the U.S. Treasury, and Government Agency securities. This fund will not institute liquidity fees or redemptions gates on the government money market funds. The fund

complies with Rule 2a-7 definition of a government money market fund. The fund's investment objective is to pursue current income consistent with stability of principal and liquidity.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* addressing accounting and financial reporting for certain external investment pools and pool participants. A pool meets the criteria to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria. The specific criteria address:

- How the external investment pool transacts with participants
- Requirements for portfolio maturity, quality, diversification, and liquidity
- Calculation and requirements of a shadow price (amortized cost vs. market value)

FL PALM meets the above criteria and operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 allows funds to use amortized cost to maintain a constant NAV of \$1 per share. This fund has a weighted average maturity not to exceed 60 days, allows unlimited daily redemptions and investments with a 1-day minimum holding period, has no restrictions or fees to withdraw from the pool, and has not unfunded commitments. The fund's investment objective is to earn a high rate of return while preserving principal, providing liquidity, and seeking a stable NAV of \$1.

FL PALM has investments in negotiable certificate of deposits, commercial paper, repurchase agreements, bank notes, Federal Agencies, U.S. Treasuries, corporate notes, money market mutual funds, and bank deposits. The investment advisor, on behalf of the fund, determines the net asset value of the shares at the close of each business day and monitors the difference between the amortized cost and market value on a monthly basis (shadow price). Trustees of the fund can suspend the right of withdrawal or postpone the date of payment if the Trustees determine there is an emergency that makes the sale of a portfolio's securities or determination of its net asset value not reasonably practical. All underlying securities in the fund have a credit rating of BAA-1 or better by S&P. The District owns a share of the pool and not a share of the underlying assets in the pool.

III. DUE FROM OTHER AGENCIES

The schedule below represents amounts owed to the District from other State/Federal sources and other local sources. All amounts are expected to be collected in full.

Funds/Source	Amount
General Fund:	
FEMA - Hurricane Receivable	\$ 472,441
FEFP Accrual	2,130,664
Unremitted Property Taxes - Current Year	27,787
Unremitted Property Taxes - Prior Year	39,404
Juul Settlement	197,696
Other - State	104
Special Revenue Funds:	
Contracted Programs	9,395,927
Federal Education Stabilization	117,035
Food Services	286,796
Capital Projects Funds:	
Local Discretionary Surtax Fund	13,390,553
PECO	121,263
Capital Outlay & Debt Service	2,833,465
Unremitted Property Taxes - Current Year	47,495
Capital Other	1,029,288
Total Due From Other Agencies - Governmental Funds	\$30,089,918

IV. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the following table:

	Beginning Balance	Transfer Business-Type Activities to Governmental Activities	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital Assets Not Being Depreciated/Amortized:					
Land	\$ 36,271,589	\$ -	\$ -	\$ -	\$ 36,271,589
Construction in Progress	132,904,336	-	63,009,980	(48,098,142)	147,816,174
Total Capital Assets Not Being Depreciated/Amortized	169,175,925	-	63,009,980	(48,098,142)	184,087,763
Capital Assets Being Depreciated/Amortized:					
Improvements Other Than Buildings	101,259,230	234,941	10,577,343	-	112,071,514
Buildings and Fixed Equipment	1,634,083,935	48,268	39,464,062	-	1,673,596,265
Furniture, Fixtures, and Equipment	121,000,659	377,078	17,096,569	(7,355,758)	131,118,548
Motor Vehicles	54,478,245	13,881	4,555,011	(2,319,620)	56,727,517
AV Materials and Computer Software	2,857,563	6,724	102,900	(271,755)	2,695,432
Intangible Right-to-Use Software Agreements	5,179,557	-	8,562,875	(85,894)	13,656,538
Intangible Right-to-Use Leases - Infrastructure	8,530,458	-	-	-	8,530,458
Total Capital Assets Being Depreciated/Amortized	1,927,389,647	680,892	80,358,760	(10,033,027)	1,998,396,272
Less Accumulated Depreciation/Amortization for:					
Improvements Other Than Buildings	(76,194,955)	(151,077)	(3,079,377)	-	(79,425,409)
Buildings and Fixed Equipment	(988,385,334)	(37,910)	(40,091,594)	-	(1,028,514,838)
Furniture, Fixtures, and Equipment	(85,514,865)	(356,536)	(14,404,922)	7,355,758	(92,920,565)
Motor Vehicles	(37,919,973)	(13,881)	(4,226,319)	2,319,620	(39,840,553)
AV Materials and Computer Software	(2,770,571)	(6,724)	(82,662)	271,755	(2,588,202)
Intangible Right-to-Use Software Agreements	(1,825,255)	-	(2,493,918)	-	(4,319,173)
Intangible Right-to-Use Leases - Infrastructure	(853,046)	-	(426,523)	-	(1,279,569)
Total Accumulated Depreciation/Amortization	(1,193,463,999)	(566,128)	(64,805,315)	9,947,133	(1,248,888,309)
Total Capital Assets Being Depreciated/Amortized, Net	733,925,648	114,764	15,553,445	(85,894)	749,507,963
Governmental Activities Capital Assets, Net	\$ 903,101,573	\$ 114,764	\$ 78,563,425	\$ (48,184,036)	\$ 933,595,726

Depreciation/amortization expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 2,579,674
Unallocated (direct depreciation excluded)	59,305,200
Unallocated (direct amortization excluded)	2,920,441
Total Depreciation/Amortization Expense – Governmental Activities	<u>\$ 64,805,315</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer to Governmental Activities</u>	<u>Ending Balance</u>
BUSINESS-TYPE ACTIVITIES					
Capital Assets Being Depreciated:					
Improvements Other Than Buildings	\$ 230,941	\$ 4,000	\$ -	\$ (234,941)	\$ -
Buildings and Fixed Equipment	48,268	-	-	(48,268)	-
Furniture, Fixtures, and Equipment	378,337	7,104	(8,363)	(377,078)	-
Motor Vehicles	13,881	-	-	(13,881)	-
AV Materials and Computer Software	6,724	-	-	(6,724)	-
Total Capital Assets Being Depreciated	<u>678,151</u>	<u>11,104</u>	<u>(8,363)</u>	<u>(680,892)</u>	<u>-</u>
Less Accumulated Depreciation for:					
Improvements Other Than Buildings	(143,633)	(7,444)	-	151,077	-
Buildings and Fixed Equipment	(37,614)	(296)	-	37,910	-
Furniture, Fixtures, and Equipment	(357,858)	(7,041)	8,363	356,536	-
Motor Vehicles	(13,881)	-	-	13,881	-
AV Materials and Computer Software	(6,724)	-	-	6,724	-
Total Accumulated Depreciation	<u>(559,710)</u>	<u>(14,781)</u>	<u>8,363</u>	<u>566,128</u>	<u>-</u>
Total Capital Assets, Net	<u>\$ 118,441</u>	<u>\$ (3,677)</u>	<u>\$ -</u>	<u>\$ (114,764)</u>	<u>\$ -</u>

V. ACCRUED LIABILITIES

Accrued liabilities reported on the statement of net position at June 30, 2025, were as follows:

	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES	
Accounts Payable	\$ 17,366,041
Contracts Payable	8,087,652
Retainage Payable	1,773,621
Accrued Interest	240,204
Total Accrued Liabilities	<u>\$ 27,467,518</u>

VI. CERTIFICATES OF PARTICIPATION

Outstanding certificates of participation at June 30, 2025, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
2008A	\$ 56,000,000	5.05	2036	\$ 56,000,000
2017A	52,425,000	3.00 - 5.00	2032	52,425,000
2017B	3,365,000	2.45	2026	29,960,000
2024A	83,550,000	5.00	2030	95,610,000
2025A	53,965,000	5.00	2032	53,965,000
Total Certificates of Participation	<u>\$ 249,305,000</u>			<u>\$ 287,960,000</u>

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

As a condition of the financing arrangements, the District has given ground leases on District property to the Corporation, with rental fees of \$1 per year. The initial terms of the leases end on the earlier of the maturity date or the date on which the certificates are paid in full; however, if lease obligations remain outstanding, the ground leases may be renewed for additional terms as specified in the arrangements. The properties covered by the ground leases are, together with improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to the end of the term, the District may be required to surrender the properties included under the ground lease agreements for the benefit of the securers of the certificates as specified by the arrangement. Payments to bondholders are payable semiannually on July 1 and January 1.

The table below provides the schedule of certificates under lease agreements and their related refunding series of certificates with the outstanding amounts:

Original COP Series	Refunded to Series	Refunded to Series	Outstanding Amount
2002	2007A	2017B	\$ 3,365,000
2004A	2013A	2024A	13,435,000
2006A	2013A	2024A	20,485,000
2006A	2014	2024A	49,630,000
2007B	2017A		52,425,000
2007C	2015C	2025A	53,965,000
2008A			56,000,000
			<u>\$ 249,305,000</u>

The refundings of 2024A and 2025A occurred in the current year and the difference between reacquisition price and carrying value resulted in the deferred inflow with a balance of \$11,629,709 as of June 30, 2025.

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

Series 2002 Certificates of Participation

- Cambridge Elementary School Addition
- Cocoa Beach Jr./Sr. High School Addition
- Columbia Elementary School Addition
- Discovery Elementary School Addition
- Edgewood Jr. High School
- Endeavour Elementary School Addition
- Gardendale Elementary School Addition
- Gemini Elementary School Addition
- Indialantic Elementary School Addition
- Jupiter Elementary School Addition
- Lewis Carroll Elementary School Addition
- Manatee Elementary School
- McAuliffe Elementary School Addition
- Mila Elementary School Addition
- Mims Elementary School Addition
- Palm Bay Elementary School Addition
- Palm Bay High School Addition
- Port Malabar Elementary School Addition
- Quest Elementary School
- Riverview Elementary School Addition
- Tropical Elementary School Addition
- Turner Elementary School Addition
- University Park Elementary School Addition
- West Shore Jr./Sr. High School Addition

Series 2004A Certificates of Participation

- Rockledge High School Addition
- Viera High School

Series 2006A Certificates of Participation

- Astronaut High School
- Cocoa Beach Jr./Sr. High School
- Coquina Elementary School Addition
- Imperial States Elementary School Addition
- Johnson Middle School Addition
- McNair Middle School Addition
- Mims Elementary School Addition
- Palm Bay High School
- Stevenson Elementary School Addition
- Sunrise Elementary School
- Titusville High School
- Viera High School Addition

Series 2007B Certificates of Participation

- Astronaut High School
- Cocoa Beach Jr./Sr. High School
- Coquina Elementary School Addition
- Imperial States Elementary School Addition
- Johnson Middle School Addition
- McNair Middle School Addition
- Mims Elementary School Addition
- Palm Bay High School
- Stevenson Elementary School Addition
- Titusville High School

Series 2007C Certificates of Participation

- Bayside High School
- Cocoa Stadium
- Melbourne High School
- Merritt Island High School
- Rockledge High School
- Satellite High School
- West Shore Jr./Sr. High School

Series 2008A Certificates of Participation

- Heritage High School

The following table provides a schedule of the District's future minimum lease payments under the lease agreements as of June 30, 2025, for all outstanding certificates of participation:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 36,281,818	\$ 24,005,000	\$ 12,276,818
2027	35,882,375	24,720,000	11,162,375
2028	35,881,375	25,955,000	9,926,375
2029	35,873,625	27,245,000	8,628,625
2030	35,877,875	28,545,000	7,332,875
2031-2035	120,684,685	103,795,000	16,889,685
2036	15,799,520	15,040,000	759,520
Total Minimum Lease Payments	316,281,273	249,305,000	66,976,273
Add: Unamortized Premium	15,221,425	15,221,425	-
Total Certificates of Participation	<u>\$ 331,502,698</u>	<u>\$ 264,526,425</u>	<u>\$ 66,976,273</u>

Direct Borrowing and Direct Placements

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowing and Direct Placements requires the District to disclose information about significant events related to direct placement borrowings, which includes events of default, consequences related to such events and significant subjective acceleration clauses. The District has two private or direct placement financings related to its governmental activities:

- The District entered into a direct financing for its 2008A Series certificates in March 2008. As of June 30, 2025, outstanding 2008A certificates total \$56,000,000. While the certificates were issued as a direct placement with the Purchaser, there were no special considerations provided, in the event of default. The certificates were issued under a Master Trust Agreement which provides for the certificates to be issued as special limited obligations of the School Board that evidence an undivided ownership interest in the basic lease payments, thereby providing no special considerations to the Purchaser of the 2008 series certificates.

<u>Outstanding at Year End</u>	<u>Governmental Activities</u>		
	<u>Total</u>	<u>2008A Principal</u>	<u>Interest</u>
2026	\$ 2,828,000	\$ -	\$ 2,828,000
2027	2,828,000	-	2,828,000
2028	2,828,000	-	2,828,000
2029	2,828,000	-	2,828,000
2030	2,828,000	-	2,828,000
2031-2035	53,098,685	40,960,000	12,138,685
2036	15,799,520	15,040,000	759,520
Subtotal	83,038,205	56,000,000	27,038,205
Add: Unamortized Premium	3,037,195	3,037,195	-
Total	<u>\$ 86,075,400</u>	<u>\$ 59,037,195</u>	<u>\$ 27,038,205</u>

- The District also entered into a direct financing for its 2017B series certificates in April 2017. As of June 30, 2025, outstanding 2017B certificates total \$3,365,000.

<u>Outstanding at Year End</u>	Governmental Activities		
	<u>Total</u>	<u>2017B Principal</u>	<u>Interest</u>
2026	<u>\$ 3,447,442</u>	<u>\$ 3,365,000</u>	<u>\$ 82,442</u>

Special considerations are provided to the Purchaser in the following events:

- While the 2017B certificates remain outstanding, and upon the occurrence and continuance of a credit event, the fixed rate shall be adjusted to the default rate until the credit event shall be remedied. The default is the greater of the Series 2017B Purchaser's prime rate plus 4 percent per annum, the Federal funds rate plus 5 percent annum, and 10 percent per annum.
- In the event that the District enters into any credit agreement, purchase agreement, liquidity agreement, or any other agreement or instrument relating to the Certificates, which permits another obligee to accelerate or demand such Certificates to be due prior to their scheduled maturity date, upon the occurrence of an event of default, then the 2017B Purchaser is entitled to such remedy.

VII. STATE SCHOOL BONDS

State School Bonds are issued by the State Board of Education 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 pledged as security for these bonds. The State Board of Education and the State Board of Administration are responsible for administering the debt service requirements and all compliance regarding issuance and reporting.

The District receives annual financial data from the Florida Department of Education for recording the District's portion of the motor vehicle license revenues and related debt service and other expenditures. Total funding sources received in the current fiscal year are \$120,642 all of which relates to debt service.

Outstanding State Board of Education Bonds are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rate (Percent)</u>	<u>Annual Maturity To</u>	<u>Original Amount</u>
Series 2017-A	<u>\$ 55,000</u>	5.00	2026	<u>\$ 362,000</u>

The following table provides a schedule of the District's future minimum lease payments for State Board of Education Bonds:

<u>Outstanding at Year End</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 57,750	\$ 55,000	\$ 2,750
Add: Unamortized Premium	6,092	6,092	-
Total Bonds Payable	<u>\$ 63,842</u>	<u>\$ 61,092</u>	<u>\$ 2,750</u>

VIII. DEFEASED DEBT

On July 10, 2024, the Board issued \$95,610,000 in Certificates of Participation, Series 2024A, Refunding, with an average interest rate of 5 percent, to advance-refund the remaining \$101,475,000 of the District's

Certificates of Participation, Series 2013A which mature after July 1, 2025, and Certificates of Participation, Series 2014 which mature after July 1, 2027. The net proceeds of \$101,661,728 (including a premium at issuance of \$6,287,488 and after payment of \$634,207 in underwriting fees, insurance, and other issuance costs) was placed in an irrevocable trust to provide for the future debt service payments on the Certificates of Participation, Series 2013A and Certificates of Participation, Series 2014. As a result, the Certificates of Participation, Series 2013A and Certificates of Participation, Series 2014 are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements. The Certificates of Participation, Series 2013A and Certificates of Participation, Series 2014 were refunded to reduce total debt service payments over the next 6 years by approximately \$5,415,693 and to obtain an economic gain (difference between the present value of the debt service payments) on the old and new debt of \$4,782,239.

On April 29, 2025, the Board issued \$53,965,000 in Certificates of Participation, Series 2025A, Refunding, with an average interest rate of 5 percent, to advance-refund the remaining \$57,935,000 of the District's Certificates of Participation, Series 2015C which mature after July 1, 2025. The net proceeds of \$58,378,829 (including a premium at issuance of \$4,413,829 and after payment of \$406,665 in underwriting fees, insurance, and other issuance costs) was placed in an irrevocable trust to provide for the future debt service payments on the Certificates of Participation, Series 2015C. As a result, the Certificates of Participation, Series 2015C are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements. The Certificates of Participation Series 2015C were refunded to reduce total debt service payments over the next 7 years by approximately \$4,415,170 and to obtain an economic gain (difference between the present value of the debt service payments) on the old and new debt of \$3,768,606.

IX. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2025:

Description	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due In One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 283,035,930	\$ 149,575,000	\$ 183,305,930	\$ 249,305,000	\$ 24,005,000
Plus: Unamortized Net Premium	20,690,177	10,701,317	16,170,069	15,221,425	3,047,629
Net Certificate of Participation Payable	303,726,107	160,276,317	199,475,999	264,526,425	27,052,629
Bonds Payable	171,000	-	116,000	55,000	55,000
Plus: Unamortized Net Premium	23,821	-	17,729	6,092	6,092
Net Bonds Payable	194,821	-	133,729	61,092	61,092
Obligations Under Leases and SBITA	2,628,631	8,562,875	2,053,439	9,138,067	2,112,871
Estimated Insurance Claims Payable	20,849,996	98,527,039	100,317,493	19,059,542	9,592,829
Compensated Absences Payable (1) (2)	47,310,245	-	539,809	46,770,436	5,002,095
Total OPEB Liability (1)	14,492,036	1,129,693	1,638,777	13,982,952	759,634
Net Pension Liability (1)	462,729,780	26,405,038	28,251,693	460,883,125	547,916
Total Governmental Activities	\$ 851,931,616	\$ 294,900,962	\$ 332,410,939	\$ 814,421,639	\$ 45,129,066

(1) The beginning balance was adjusted to reflect a change to or within the reporting entity, as discussed in Note XXII.

(2) 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 liquidated with resources from internal service funds. Compensated absences, pensions, and other postemployment benefits for business-type activities are generally liquidated with resources from the enterprise fund.

X. ARBITRAGE PAYABLE

Certain long-term debt obligations are subject to Section 148 of the Internal Revenue Code. The code requires a rebate to the Federal Government for interest earned on tax exempt proceeds if the earnings exceed the interest cost on the related debt. Pursuant to the IRS regulations, the arbitrage liabilities have been calculated for outstanding Certificates of Participation, and the District’s liability is zero as of June 30, 2025.

XI. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 48,216,565	\$ 237,911
Special Revenue:		
Federal Education Stabilization	-	172,189
Capital Projects:		
Local Capital Improvement	-	31,654,912
Impact Fees	-	656,242
Nonmajor Governmental	245,417	8,223,837
Internal Service	-	7,516,891
Total	\$ 48,461,982	\$ 48,461,982

The interfund receivables/payables at June 30, 2025, are primarily due to the reclassification of cash balances in the District’s Master Account in order to cover cash deficits in capital projects, special revenue and internal service funds. The interfund receivables and payables represent the payments of expenditures paid by one fund for another fund and will be repaid within 12 months after year end.

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

Fund	Transfers In	Transfers Out
Major Funds:		
General	\$ 64,265,094	\$ 3,030,000
Debt Service - Other	37,337,128	-
Capital Projects - Local Capital Improvement	-	82,647,517
Nonmajor Governmental	4,413,266	10,900,514
Nonmajor Enterprise	-	6,507,457
Internal Service	3,030,000	5,960,000
Total	\$ 109,045,488	\$ 109,045,488

The District transferred \$82.6 million from the Capital Projects – Local Capital Improvement Fund. Of that, \$37.3 million went to the Debt Service – Other Fund to pay principal and interest payments due on certificates of participation and \$45.3 million went to the General Fund (\$8.1 million for property insurance premium, \$18.6 million for plant maintenance, and \$18.6 million for bus driver, mechanic, and school technician salaries). The District also transferred to the General Fund \$6.5 million from nonmajor governmental funds including \$6 million from Capital Projects Fund – PECO for charter schools, \$0.5 million from Capital Projects – Other for charter school security grants (\$0.2 million) and for consultant services for property sales (\$0.3 million), \$6 million from the Internal Service Workers’ Compensation Fund, and \$6.5 million from the Enterprise Fund after its close-out. The nonmajor Special Revenue – Food Service Fund transferred \$4.4 million to the Capital Projects – Other Fund for renovation and maintenance of the District’s kitchens. The District transferred \$3 million from the General Fund to the Internal Service Fund to support ongoing insurance operations and to maintain adequate reserves for anticipated automotive claims.

XII. SCHEDULE OF REVENUE SOURCES

The following is a schedule of the District’s State and Federal revenue for the fiscal year ended June 30, 2025:

<u>State Revenue Sources</u>	<u>Amount</u>
Florida Education Finance Program (FEFP):	
Class Size Reduction	\$ 68,403,841
ESE Guaranteed Allocation	39,239,439
Educational Enrichment Instruction	21,361,297
Transportation	12,807,572
Safe Schools	7,387,670
DJJ Supplemental Allocation	33,228
FEFP - All Other	192,561,289
School Recognition Program	5,601,918
Charter School Capital Outlay	6,030,524
Workforce Development Program	3,740,107
Workforce Development Capital Incentive	3,156,328
Capital Outlay and Debt Service Withheld for SBE Bonds	2,997,482
Voluntary Prekindergarten Program	2,654,085
Gross Receipts Tax (Public Education Capital Outlay)	2,247,094
Food Service Supplement	393,226
Other:	
Motor Vehicle License Tax	259,529
Racing Commission Funds	223,250
Miscellaneous	2,796,502
Total	\$ 371,894,381

Federal Revenue Sources	Amount
Contracted Programs:	
Special Education Cluster (IDEA)	\$ 21,636,735
Title I Grants to Local Educational Agencies	22,714,995
Head Start	6,153,029
Other	9,558,942
Federal Education Stabilization	11,105,855
Food Service Program	36,482,757
Other Federal Funds	2,322,935
Total	\$ 109,975,248

XIII. PROPERTY TAXES

The following table represents a summary of millages and taxes levied for the fiscal year ended June 30, 2025, based on the District's final Certification of School Taxable Value received from the Brevard County Property Appraiser:

General Fund	Millages	Taxes Levied
Nonvoted School Tax:		
Required Local Effort	3.063	\$ 233,424,238
Basic Discretionary Local Effort	0.748	57,003,373
Voted School Tax:		
BPS Voted Teacher Pay	1.000	76,207,717
Capital Projects - Local Capital Improvement Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	114,311,576
Total	6.311	\$480,946,904

XIV. RETIREMENT PLANS

A. FRS – Defined Benefit Pension Plans

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

General Information about the FRS

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

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

The District's FRS and HIS pension expense totaled \$50,431,493 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.

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

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

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

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
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 \$46,048,795 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 \$303,460,812 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 0.784446535 percent, which was an increase of 0.021160417 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 \$44,934,860. 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	\$ 30,657,689	\$ -
Change of Assumptions	41,592,079	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	20,169,584
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	9,572,368	11,380,877
District FRS Contributions Subsequent to the Measurement Date	46,048,795	-
Total	\$ 127,870,931	\$ 31,550,461

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$46,048,795, 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	\$ (4,989,416)
2027	49,385,941
2028	1,967,078
2029	775,530
2030	3,132,542
Total	\$ 50,271,675

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

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

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

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

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

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

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

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

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

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

	1% Decrease (5.7%)	Current Discount Rate (6.7%)	1% Increase (7.7%)
District's Proportionate Share of the Net Pension Liability	\$ 533,776,943	\$ 303,460,812	\$ 110,522,202

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

Payables to the Pension Plan. At June 30, 2025, the District reported a payable of \$6,259,210 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2025.

HIS Pension Plan

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

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized.

HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$9,321,443 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 \$157,422,313 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 1.049413745 percent, which was an increase of 0.050855168 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized the HIS Plan pension expense of \$5,496,633. 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	\$ 1,520,019	\$ 302,274
Change of Assumptions	2,786,005	18,636,783
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	56,934
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	7,192,020	5,594,494
District HIS Contributions Subsequent to the Measurement Date	9,321,443	-
Total	<u>\$ 20,819,487</u>	<u>\$ 24,590,485</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$9,321,443, 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	\$ (3,008,415)
2027	(3,202,459)
2028	(4,170,996)
2029	(2,266,094)
2030	(391,637)
Thereafter	(52,840)
Total	\$ (13,092,441)

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	\$ 179,205,071	\$ 157,422,313	\$ 139,339,103

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

Payables to the Pension Plan. At June 30, 2025, the District reported a payable of \$806,888 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

B. 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. Service retirement benefits are based upon the value of the member’s account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. 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 \$20,367,324 for the fiscal year ended June 30, 2025.

Payables to the Investment Plan. At June 30, 2025, the District reported a payable of \$3,360,345 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2025.

XV. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, establishes the standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expenses/expenditures for postemployment benefits.

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District pursuant to Section 112.0801, Florida Statutes. Eligible retirees may choose the Brevard School Board's medical plan that is available to active employees until Medicare eligible. Dependents of retirees may be covered at the retiree's option. Prescription drug coverage is extended to retirees and their dependents who are covered on the medical plan. Retirees and their dependents are also eligible to participate in the employer-sponsored vision and dental plans; however, these benefits are fully insured and purchased by the employee/retiree and not considered a postemployment benefit. Retiring employees have an option of participating in the employer-sponsored group life policy; however, the cost is not subsidized by the employer and is not considered a postemployment benefit.

The OPEB Plan does not issue a stand-alone report and is not included in the report of another entity. There are no assets that are accumulated in a trust that meets the criteria in paragraph 4 of the Statement. The following chart contains a summary of participants covered by the Plan as of June 30, 2023.

Inactive Employees or Beneficiaries Currently Receiving Benefits	189
Active Employees	5,699
Total	<u>5,888</u>

Total OPEB Liability. The District's total OPEB liability of \$13,982,952 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023, and update procedures were used to determine the total OPEB liability as of June 30, 2024.

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	2.5 percent
Salary Increases	3.4 to 8.2 percent, average, including inflation
Discount Rate	3.93 percent
Healthcare Cost Trend Rates	Trend starting at 7 percent and gradually decreasing to an ultimate trend rate of 4 percent

The Actuarial Cost Method is the Individual Entry Age Normal Cost Method with an increasing normal cost pattern consistent with the salary increase assumptions listed in the above table and used in the July 1, 2023, actuarial valuation of the Florida Retirement System.

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

Mortality rates are the same as used in the July 1, 2023, actuarial valuation of the Florida Retirement System for Regular Class members (separately for K-12 instructional and non-K-12 instructional), and Senior Management Service Class members. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2024	<u>\$ 14,492,036</u>
Changes for the year:	
Service Cost	578,592
Interest	551,101
Changes of Assumptions or Other Inputs	(51,996)
Benefit Payments	<u>(1,586,781)</u>
Net Changes	<u>(509,084)</u>
Balance at June 30, 2025	<u><u>\$ 13,982,952</u></u>

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

- The discount rate increased from 3.86 percent as of the beginning of the measurement period to 3.93 percent as of June 30, 2024.

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

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 14,726,162	\$ 13,982,952	\$ 13,246,809

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 12,752,961	\$ 13,982,952	\$ 15,403,195

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$1,030,169. 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	\$ 2,905,466	\$ -
Changes of Assumptions or Other Inputs	320,127	3,689,389
Benefits Paid Subsequent to the Measurement Date	759,634	-
Total	<u>\$ 3,985,227</u>	<u>\$ 3,689,389</u>

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling \$759,634, will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (99,524)
2027	(99,524)
2028	(77,047)
2029	(28,660)
2030	(7,541)
Thereafter	(151,500)
Total	<u>\$ (463,796)</u>

XVI. COMMITMENTS

The District uses encumbrances accounting for recording purchase order commitments for goods and services and has recorded \$51,602,194 in encumbrances for major funds (General \$3,902,454, Local

Capital Improvement \$19,689,092, Local Sales Surtax \$25,069,604, Impact Fees \$3,000,108, and Debt Service – Other \$32,305) and \$7,556,464 in nonmajor funds at June 30, 2025. The District has also recorded the following major construction contract commitments as of June 30, 2025, which may include encumbrances:

Project	Balance Committed
Anderson ES - Chiller Replacement	\$ 388,809
Apollo ES Fire Alarm Replacement	108,975
Apollo ES Restroom/Classroom Reno	1,070,593
Astronaut HS Facility Renewal	997,526
Audubon ES Classroom Casework	470,510
Bayside HS HVAC	3,289,085
Cambridge ES Roof	964,693
Central MS Electrical Renewal	457,211
Central MS Restroom Renovation	119,972
Clearlake Education Center Electrical Renewal	948,346
Clearlake Education Center CDL	270,407
Cocoa Beach Jr Sr HS Electrical	213,128
Cocoa HS Tennis Courts	249,000
Coquina ES Classroom Casework	887,797
DeLaura Door Replacement	539,448
Eau Gallie CTE Diesel Bay Modifications	293,541
Edgewood Electrical Renewal	375,338
Edgewood Elevator Modernization	110,835
Edgewood IT & Intercom Renewal	2,530,953
Fairglen ES HVAC & Electrical Renewal	1,696,476
Freedom 7 ES Classroom Casework	1,047,057
Gemini ES Electrical Upgrades	242,371
Gemini ES Roof Renewal	183,484
Golfview ES Bathroom Renovation	100,607
Heritage HS Advanced Manufacturing Lab Reno	136,404
Heritage HS Chiller Replacement	271,667
Heritage HS Exterior Stair Removal	340,601
Heritage HS Food Service Remodel	831,969
Heritage HS Intercom	159,385
Indialantic ES Electrical Renewal	271,799
Indialantic ES Intercom	348,566
Indialantic ES Roof Renewal	3,383,304
Jefferson MS Track	358,168
Kennedy Culinary Lab	109,948
Longleaf ES Bldg 5 Roof Repairs	960,689
McAuliffe ES Classroom Casework	615,564
Meadowland PS Electrical Renewal	98,964
Melbourne HS Chillers 3 & 5	262,953
Melbourne HS Culinary Lab Reno	155,497
Merritt Island HS Locker Room Reno	349,207
Mila ES Classroom Addition	1,653,486
Mims ES Bldg 13 HVAC	691,648
Ocean Breeze Cooling Tower	260,813
Ocean Breeze Parking Lot Repairs	285,148

(Continued)

Project (Continued)	Balance Committed
Palm Bay ES Covered Plan Pavilion	700,923
Palm Bay HS Fire Alarm System	1,441,432
Palm Bay HS Front Office Access	92,439
Palm Bay HS Sand Volleyball Courts	114,349
Pinewood ES IT & Intercom Renewal	98,713
Port Malabar ES Playground Install	95,219
Portable Relocation	891,721
Quest ES Chilled Water Pump Replacement	395,417
Quest ES Chiller Replacement	126,381
Riviera ES Front Office Access	100,844
Rockledge HS Tennis Courts Renewal	168,934
Roosevelt ES Outdoor Classroom	241,830
Sherwood ES Chiller Replacement	717,350
Southwest MS Electrical Renewal	317,225
Southwest MS Track	195,755
Space Coast HS Tech Infrastructure & Electrical	1,198,113
Space Coast HS Tennis Courts	405,000
Stevenson ES Bldg 3 HVAC	270,109
Stone MS Canopy Repairs	132,125
Stone MS Intercom Replacement	196,741
Stone MS Restroom Reno	317,652
Sunrise ES Chiller Replacement	543,662
Suntree ES Front Office Access	140,034
Surfside Intercom	121,918
Titusville HS Roof	1,926,532
Tropical ES Electrical	242,371
Tropical ES Food Service	682,174
Tropical ES Restroom Renovation	368,685
Turner ES Coller/Freezer	195,647
University Park ES Electrical Renewal	357,815
Viera HS Addition	225,159
Viera HS Food Service Remodel	756,643
Viera HS IT	212,227
Viera MS New School	1,631,135
Westside ES Cooler/Freezer	101,439
Total	<u>\$ 44,825,655</u>

XVII. RISK MANAGEMENT PROGRAMS

The District is exposed to various casualty risks including workers' compensation related injuries to employees and volunteers, State tort claims (auto and general liability exposures), and allegations of wrongful or intentional acts that result in claims of negligence typically handled in the State court system, but on occasion depending on how the claim is plead may be handled in Federal court jurisdictions. The District utilizes a third-party administrator to adjust or handle all of these claims. In addition to the self-insured portion of these casualty claims, the District procures insurance with high deductibles and/or retentions to reduce the effect of excessive losses for all of these exposures through commercial insurance companies. A list of these exposures and how they are treated can be found below. In the last 3 years, no claim has exceeded the self-insured retention limits as stated in State statute and though

no claim exceeded the self-insured limit the District further protects itself by purchasing insurance to protect the District in the event of this type of loss exposure.

In addition to casualty-loss exposure, the District provides employees and their dependents with health insurance to benefit eligible employees and their dependents through a self-insured medical program that includes prescription drug benefits which is administered through a single third-party administrator (TPA). Under both casualty and healthcare programs, claims are presented to the service agents/TPAs for processing and payment. The TPA sends the District a monthly invoice to reimburse them for the claims paid during each month of the year as well as to cover their fees charged for providing this service on the District's behalf.

Workers' Compensation: Work related injuries to officers, employees, and official school volunteers' liability claims.

- The first \$1,350,000 of each workers' compensation claim is paid via the Districts self-insurance trust funds. These claims are administered through a third-party administrator, Sedgwick CMS.
- All workers' compensation claims with values in excess of \$1,350,000 are paid via an excess workers' compensation policy purchased through a commercial insurance carrier (Safety National Casualty Co.). Excess workers' compensation claims remain under the control of Sedgwick CMS as they handle the claim to its conclusion. For claims whose payments exceed \$1,350,000, Sedgwick CMS will communicate with Safety National Casualty Co. and they request reimbursement of dollars paid in excess. The excess dollars are received by Sedgwick CMS from Safety National Casualty Co. These dollars are then used to offset costs for the continuing excess claim and other claims that incur cost during the month received thereby reducing the reimbursement the District would incur otherwise.

General Liability and Automobile Liability Claims

- The first \$200,000 of any single incident, single individual, or \$300,000 for multiple claims that arise from a single incident are paid via the District's self-insured trust funds. These claims are capped at the above stated figures by State law specifically Section 768.28, Florida Statutes, better known as the State's doctrine of Sovereign Immunity. All of these claims are administered through a third-party administrator, Sedgwick CMS.
- Section 768.28, Florida Statutes, provides for payments in excess of the above stated figures if the Legislature approves a claims bill allowing for such payment. The District also purchases a commercial insurance policy to pay a maximum of \$2,000,000 if any claim should exceed the deductible of \$500,000. The insurance carrier is Safety National Casualty Co.

Errors and Omissions Liability Claims

- The first \$250,000 of each wrongful act is self-insured via the District's self-insured trust funds. Though these claims are not adjusted by Sedgwick CMS this third-party administrator pays the fees associated with claim investigation, legal representation, and claim settlement/payout.
- For claims in excess of \$250,000, the District purchases a commercial insurance policy that will pay up to an annual aggregate of \$2,000,000. The insurance carrier is Safety Specialty Insurance Company.

Self-Insured Health Claims

- The District offers a self-insured medical and prescription drug program which provides access to many in-network providers who have contracted/reduced rates through the TPA. This program is offered to active, benefit-eligible employees and their dependents as well as retirees. To pay claims generated by plan participants, a Health Insurance Trust Fund is in place which is funded

by contributions from the District, enrolled employees (who pay a portion of the premium through payroll deduction), and from retirees (who pay the full premium).

The liability for workers' compensation is \$8,606,483, general liability is \$2,344,297, automobile liability is \$2,268,562, and medical claims is \$5,840,200 for a total amount of \$19,059,542. The liability amounts were determined based on claims adjusters' evaluation of individual claims and management's evaluation, along with actuarial calculations with respect to the probable number and nature of claims arising from losses that have been incurred but have not been reported.

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	\$ 20,625,718	\$ 89,294,745	\$ (89,070,467)	\$ 20,849,996
2024-25	20,849,996	97,996,898	(99,787,352)	19,059,542

Commercially Purchased Insurance

The District is also exposed to various risks that could result in severe financial loss or losses that due to the minimal cost are better treated with commercial insurance. These exposures are related to property loss, boiler and machinery related losses, employee crime/theft, and under and above ground fuel storage tanks.

Property Insurance

- Losses related to fire, earthquake, non-named storms, theft/vandalism, etc., are subject to a deductible of \$100,000 and will pay a maximum loss of \$100,000,000 for any one incident.
- Losses related to named windstorms and flood damage are subject to 2 percent per building replacement value as a deductible. The windstorm deductible is further limited to a maximum loss per storm of \$10,000,000 before insurance pays for the remaining amount of the loss subject to the maximum loss limit for a named windstorm. To trigger insurance coverage the minimum loss deductible of \$500,000 must be met. The policy will pay a maximum of \$70,000,000 toward the District's Named Storm losses.

Boiler and Machinery

- Losses related to boiler or machinery failure are subject to a deductible of \$25,000 and will pay up to \$100,000,000 in equipment breakdown and property damage.

Employee Theft/Crime

- Losses related to cash theft or mishandling of assets are subject to a \$25,000 deductible and will reimburse the District up to \$2,500,000 in the event of a loss.

Under and Above Ground Storage Tanks

- Losses related to diesel and gasoline fuel spills are subject to a varying deductible depending on tank location and will reimburse the District up to \$1,000,000 toward expenses related to the clean-up and recovery.

Terrorism Property and General Liability

- Losses of Property and General Liability losses related to an act of terrorism. Property limit of liability is \$50,000,000 per occurrence and in the annual aggregate with a \$10,000 deductible. General limit of liability is \$50,000,000 per occurrence annual aggregate with a \$10,000 deductible.

Cyber Liability

- Any act including force or violence, or the threat thereof directed against the District's computer system with a network extortion, standard cyber incident \$1,000,000 maximum single limit, \$1,000,000 maximum policy aggregate limit, subject to a deductible of \$250,000. Coverage is included for third party and first party events such as multimedia liability, security and privacy liability, PCI DDS liability, privacy regulatory defense and penalties, bodily and property injury liability, and TCPA defense as more specifically detailed in the policy.

Student Accident

- Losses of accidental death and dismemberment as well as catastrophic losses sustained by students of the District. Accidental Death & Dismemberment benefit is 365 days from time-period of loss. Catastrophic losses \$100,000 lump sum payment after first 6 months, \$40,000 for 10 years annual payment. Maximum accident medical expense, 10 years after the date of the covered accident, maximum benefit period \$5,000,000 with \$25,000 deductible 2 years from the date of the covered accident deductible incurred period.

During the fiscal year ended June 30, 2025, the District did not experience any significant reductions in insurance coverage nor did any claim settlement as noted in any area above exceed the insurance coverage purchased in each of the last 3 fiscal years.

XVIII. FUND BALANCE REPORTING

In addition to the nonspendable fund balances, GASB 54 has provided a hierarchy of *spendable* fund balances, based on a hierarchy of spending constraints.

- **Restricted**: fund balances that are constrained by external parties, constitutional provisions, or enabling legislature. District restricted fund balances include carryforward revenues resulting from Federal, State, and local laws or contract provisions that would constrain or restrict the use of these funds.
- **Committed**: fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The School Board is the highest level of decision-making authority. Fund balances can only be committed by the adoption of a resolution. Likewise, committed fund balances can only be increased or decreased by action (the adoption of another resolution) of the School Board.
- **Assigned**: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. District assigned fund balances are constrained for specific purposes, either by the School Board or the Superintendent.
- **Unassigned**: fund balances of the General Fund that are not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance. Other governmental funds may not report positive unassigned fund balances; however, if other governmental funds other than the General Fund, should incur expenditures that exceed the amounts classified as restricted, committed, or assigned, the fund may report a negative unassigned fund balance in the governmental fund.

The District has classified its fund balance with the following hierarchy:

Nonspendable: The District has a total of \$9,033,190 classified as nonspendable which consists of \$2,276,993 for inventories and \$6,756,197 for prepaid items.

Spendable: The District has classified the spendable fund balances as *Restricted, Committed, Assigned, and Unassigned* and considers each to have been spent when expenditures are incurred. The District does not have a policy regarding either committed or assigned fund balances. When assigned and unassigned balances are available for use, assigned resources will be used first and the unassigned resources will be used as needed.

- **Restricted for Capital Projects, State Categoricals, Debt Service, and Food Service:** Florida Statutes require that certain revenues be specifically designated for the purposes of capital and debt service requirements, certain designated State categorical spending and other earmarked spending programs, and food services. These funds have been included in the restricted category of fund balance. The restricted fund balances for capital projects, State categoricals, encumbrances, debt service, and food service total \$240,098,358, \$13,466,966, \$3,902,454, \$89,302, and \$17,666,069, respectively.
- **Committed to Funding Priorities:** The District has set aside no funds for funding priorities in fiscal year 2025.
- **Assigned for School Reserves, School Internal Funds, and Capital Projects:** For fiscal year 2025, the assigned fund balance is \$29,689,713, of which \$2,317,116 is for carryforwards, \$1,714,569 is for settlements, \$11,669,169 is for school internal funds, and \$2,427,207 is for capital projects not restricted for a particular purpose.
- **Unassigned:** The unassigned fund balance for the General Fund is \$21,908,969, which represents the contingency reserves.

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

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service - Other	Capital Projects - Local Capital Improvement	Capital Projects - Local Sales Surtax	Capital Projects - Impact Fees		
Fund Balances							
Nonspendable:							
Inventories	\$ 254,065	\$ -	\$ -	\$ -	\$ -	\$ 2,022,928	\$ 2,276,993
Prepaid Items	6,756,197	-	-	-	-	-	6,756,197
Restricted:							
State Required Carryover	13,466,966	-	-	-	-	-	13,466,966
Encumbrances	3,902,454	-	-	-	-	-	3,902,454
Debt Service	-	87,455	-	-	-	1,847	89,302
Food Service	-	-	-	-	-	17,666,069	17,666,069
Capital Projects	-	-	53,559,584	141,697,338	36,549,178	8,292,258	240,098,358
Assigned:							
Carryforwards	2,317,116	-	-	-	-	-	2,317,116
Other - Settlements	1,714,569	-	-	-	-	-	1,714,569
School Internal Funds	-	-	-	-	-	11,669,169	11,669,169
Capital Projects	-	-	-	-	-	2,427,207	2,427,207
Unassigned	21,908,969	-	-	-	-	-	21,908,969
Total Fund Balances	\$50,320,336	\$ 87,455	\$53,559,584	\$141,697,338	\$36,549,178	\$ 42,079,478	\$324,293,369

GASB Statement No. 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples

of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventory and prepaid items that are considered nonspendable. The District has no nonspendable funds related to endowment.

The District has set aside “contingency reserves” per Board Policy 6235, to help sustain the financial stability of the District during times of emergency spending for items such as disaster recovery and revenue shortfalls that could potentially occur after the current year’s budget adoption. Per Policy 6235, the Board is committed to maintaining a fund balance of 3.50 percent of the District’s General Fund revenue to be reserved for contingencies. Annually, the adopted budget shall include a reserve for contingencies of at least 3 percent of the District’s General Fund revenue. In the event these reserves are needed, a majority vote of the Board is required before using these funds. If contingency reserves decrease below 3 percent of the District’s General Fund revenue, the Superintendent shall prepare for Board approval a financial plan and timeline to restore the reverse to the minimum amount. The contingency funds of \$21,908,969 make up the entirety of the unassigned general fund balance and equate to 3.02 percent of the 2025 fiscal year total general fund revenues.

XIX. LITIGATION

The School Board is a defendant in a number of lawsuits as of June 30, 2025. It is the opinion of the District’s management, after giving consideration to the District’s related insurance coverage, as well as the Florida statutory limitations on governmental liability on uninsured risks, that the amount of losses resulting from litigation, which exceeded the above-mentioned, would not be material to the financial position of the District.

XX. LEASES

The District entered into a contract agreement in March 2020 with a company for the Fiber Wide Area Network. The construction that took place was for 200+ miles of fiber optic cabling that was installed throughout the county at District sites and was substantially completed in July 2022. This lease includes the construction of the network and a monthly connectivity and internet service contract for 10 years with two (2) optional five (5) year renewal terms that the District will most likely renew.

The vendor was paid in full for the special construction costs of \$8,530,458, which included the cabling and installation. Per the terms of the contract, the District paid 20 percent of this amount which totaled to \$1,706,092 and the Federal E-rate program paid the remaining 80 percent, which totaled \$6,824,366. After the construction of the network was completed, the vendor owns and maintains the cabling. Under the agreement, the District has the exclusive right to use the fiber optic cabling.

The fiber optic cabling was recorded as an asset and will be amortized over the contract terms which is for 20 years.

<u>Outstanding at Year End</u>	<u>Prepaid</u>	<u>Prepaid Amortization</u>	<u>Prepaid Ending</u>
2026	\$ 7,250,889	\$ 426,523	\$ 6,824,366
2027	6,824,366	426,523	6,397,843
2028	6,397,843	426,523	5,971,320
2029	5,971,320	426,523	5,544,797
2030	5,544,797	426,523	5,118,274
2031-2035	5,118,274	2,132,615	2,985,659
2036-2040	2,985,659	2,132,615	853,044
2041-2042	853,044	853,044	-

XXI. SUBSCRIPTION-BASED IT ARRANGEMENT (SBITA) LIABILITY

During 2024-25 fiscal year, \$8,562,875 has been recorded as additional intangible right-to-use software arrangements in the governmental fund capital assets. Due to the implementation of GASB Statement No. 96 in the 2022-23 fiscal year, the arrangement for Microsoft EES enterprise resource software met the criteria of a SBITA; thus, requiring it to be recorded by the District as an intangible asset and a corresponding SBITA liability, if applicable.

The District has imputed an interest rate of 3.02 percent to determine the present value of the new intangible right-to-use asset and the SBITA liability and used interest rate of 2.4 percent for previously added software arrangements. For the fiscal year ended June 30, 2025, the District reported the corresponding SBITA liabilities in the combined amount of \$9,138,066. These assets will be amortized over the software agreement terms. There are no residual value guarantees in the arrangement provisions. The enrollment for enterprise resource software agreement will end in the 2029-30 fiscal year and all other software arrangements will end by the 2027-28 fiscal year.

During the 2024-25 fiscal year, the District received a one-time incentive for the GPS and bus tracking software and revised the amortization schedule over the remaining 4 year subscription term. The discount resulted in a decrease of \$45,600 to the subscription liability and a corresponding decrease to the subscription asset. The subscription liability for this arrangement does not include variable payments that depend on a variable index or rate such as the Consumer Price Index (CPI), variable payments totaling \$3,635 related to CPI adjustments were expensed in the current fiscal year ending June 30, 2025.

Summary of outstanding liabilities is as follows:

<u>Outstanding at Year End</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,370,555	\$ 2,112,871	\$ 257,684
2027	2,308,632	2,108,362	200,270
2028	1,863,373	1,716,036	147,337
2029	1,673,256	1,576,592	96,664
2030	1,673,257	1,624,206	49,051
	<u>\$ 9,889,073</u>	<u>\$ 9,138,067</u>	<u>\$ 751,006</u>

XXII. ACCOUNTING CHANGE

Changes to or within the Financial Reporting Entity

Transfer of Extended Day Program. During the 2024-25 fiscal year, the District transferred the extended day program from an enterprise fund to the General Fund. As these services no longer meet the characteristics of an enterprise-type activity, presentation under a governmental fund basis is now considered more appropriate. The effect of this change to or within the financial reporting entity is shown in the table below.

	Reporting Units Affected by Restatements of Beginning Balances	
	Government-Wide	
	Governmental Activities	Business-Type Activities
Beginning Balances, as previously reported	\$ 517,569,979	\$ (8,849)
Change to reporting entity	(3,643,586)	3,643,586
Beginning Balances, as restated	<u>\$ 513,926,393</u>	<u>\$ 3,634,737</u>

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal				
Federal Direct	\$ 800,000	\$ 800,000	\$ 653,285	\$ (146,715)
Other Federal Grants	2,500,000	2,500,000	1,669,650	(830,350)
Total Federal Revenue	<u>3,300,000</u>	<u>3,300,000</u>	<u>2,322,935</u>	<u>(977,065)</u>
State:				
Florida Education Finance Program	296,701,220	274,582,959	273,390,495	(1,192,464)
Workforce Development	4,740,391	8,191,206	6,896,435	(1,294,771)
Categorical Programs	73,359,680	76,525,759	76,659,844	134,085
Other	724,393	1,597,869	954,948	(642,921)
Total State Revenues	<u>375,525,684</u>	<u>360,897,793</u>	<u>357,901,722</u>	<u>(2,996,071)</u>
Local:				
Ad Valorem Taxes	351,051,684	353,894,001	352,899,753	(994,248)
Investment Income	4,300,000	4,578,716	4,291,298	(287,418)
Other	8,169,787	10,561,218	8,455,236	(2,105,982)
Total Local Revenues	<u>363,521,471</u>	<u>369,033,935</u>	<u>365,646,287</u>	<u>(3,387,648)</u>
Total Revenues	<u>742,347,155</u>	<u>733,231,728</u>	<u>725,870,944</u>	<u>(7,360,784)</u>
Expenditures				
Current - Education:				
Instruction	499,417,357	504,731,281	504,684,482	46,799
Student Support Services	27,850,620	31,209,495	31,207,985	1,510
Instructional Media Services	8,410,558	9,471,079	9,470,849	230
Instruction and Curriculum Development Services	23,203,123	22,841,408	22,809,638	31,770
Instructional Staff Training Services	2,125,162	3,055,339	2,818,672	236,667
Instruction-Related Technology	9,248,309	11,453,860	11,429,834	24,026
Board	2,037,868	1,694,939	1,667,753	27,186
General Administration	(1,366,498)	1,513,582	1,531,430	(17,848)
School Administration	51,829,797	52,664,977	52,661,577	3,400
Facilities Acquisition and Construction	7,176,628	8,310,978	8,095,214	215,764
Fiscal Services	4,357,938	4,506,155	4,506,143	12
Food Services	42,225	1,584,508	1,577,596	6,912
Central Services	16,059,590	9,484,266	9,482,276	1,990
Student Transportation Services	18,871,437	21,752,528	21,746,886	5,642
Operation of Plant	75,821,451	75,647,262	75,636,344	10,918
Maintenance of Plant	21,883,262	27,092,023	24,355,761	2,736,262
Administrative Technology Services	5,368,518	6,702,454	6,702,219	235
Community Services	383,014	622,016	603,945	18,071
Fixed Capital Outlay:				
Facilities Acquisition and Construction	2,500	1,038,744	315,738	723,006
Other Capital Outlay	2,214,804	9,518,098	8,323,200	1,194,898
Debt Service:				
Principal	-	449,752	449,752	-
Interest and Fiscal Charges	-	33,212	33,212	-
Total Expenditures	<u>774,937,663</u>	<u>805,377,956</u>	<u>800,110,506</u>	<u>5,267,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(32,590,508)</u>	<u>(72,146,228)</u>	<u>(74,239,562)</u>	<u>(2,093,334)</u>
Other Financing Sources (Uses)				
Transfers In	31,405,831	63,690,320	64,265,094	574,774
Transfers Out	-	(3,030,000)	(3,030,000)	-
Loss Recoveries	-	74,182	78,264	4,082
Total Other Financing Sources (Uses)	<u>31,405,831</u>	<u>60,734,502</u>	<u>61,313,358</u>	<u>578,856</u>
Net Change in Fund Balances	<u>(1,184,677)</u>	<u>(11,411,726)</u>	<u>(12,926,204)</u>	<u>(1,514,478)</u>
Fund Balances, Beginning	63,272,993	63,246,540	63,246,540	-
Fund Balances, Ending	<u>\$ 62,088,316</u>	<u>\$ 51,834,814</u>	<u>\$ 50,320,336</u>	<u>\$ (1,514,478)</u>

Special Revenue - Federal Education Stabilization Fund

Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ -	\$ -	\$ -	\$ -
12,282,783	11,285,941	11,105,855	(180,086)
12,282,783	11,285,941	11,105,855	(180,086)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
12,282,783	11,285,941	11,105,855	(180,086)
7,456,065	8,650,125	8,490,419	159,706
560,790	155,083	155,083	-
-	-	-	-
1,466	64,413	64,413	-
746,296	468,787	468,787	-
99,857	18,605	18,605	-
128,363	-	-	-
192,456	54,429	40,653	13,776
326,909	103,914	103,914	-
40,762	-	-	-
1,158	-	-	-
41,970	-	-	-
367,591	88,254	88,254	-
293,631	86,160	86,087	73
119,833	10,052	10,052	-
1,699,289	1,549,644	1,549,644	-
6,547	-	-	-
70,469	6,531	-	6,531
-	-	-	-
129,331	29,944	29,944	-
-	-	-	-
-	-	-	-
12,282,783	11,285,941	11,105,855	180,086
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability					
Service Cost	\$ 578,592	\$ 653,728	\$ 809,789	\$ 911,985	\$ 801,266
Interest	551,101	551,530	331,249	415,665	533,219
Differences Between Expected and Actual Experience	-	271,004	-	3,068,212	-
Changes of Assumptions or Other Inputs	(51,996)	(381,753)	(1,358,361)	(1,901,863)	562,647
Benefit Payments	<u>(1,586,781)</u>	<u>(1,790,724)</u>	<u>(2,074,327)</u>	<u>(2,136,097)</u>	<u>(2,019,239)</u>
Net Change in Total OPEB Liability	<u>(509,084)</u>	<u>(696,215)</u>	<u>(2,291,650)</u>	<u>357,902</u>	<u>(122,107)</u>
Total OPEB Liability - Beginning	<u>14,492,036</u>	<u>15,188,251</u>	<u>17,479,901</u>	<u>17,121,999</u>	<u>17,244,106</u>
Total OPEB Liability - Ending	<u>\$ 13,982,952</u>	<u>\$ 14,492,036</u>	<u>\$ 15,188,251</u>	<u>\$ 17,479,901</u>	<u>\$ 17,121,999</u>
Covered-Employee Payroll	\$ 293,249,787	\$ 284,708,531	\$ 303,582,684	\$ 294,740,470	\$ 308,270,311
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.77%	5.09%	5.00%	5.93%	5.55%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 841,493	\$ 811,938	\$ 854,258
Interest	646,869	647,616	561,206
Differences Between Expected and Actual Experience	1,567,375	-	-
Changes of Assumptions or Other Inputs	(2,015,353)	(66,791)	(734,540)
Benefit Payments	<u>(1,648,178)</u>	<u>(1,840,799)</u>	<u>(1,492,251)</u>
Net Change in Total OPEB Liability	<u>(607,794)</u>	<u>(448,036)</u>	<u>(811,327)</u>
Total OPEB Liability - Beginning	<u>17,851,900</u>	<u>18,299,936</u>	<u>19,111,263</u>
Total OPEB Liability - Ending	<u>\$ 17,244,106</u>	<u>\$ 17,851,900</u>	<u>\$ 18,299,936</u>
Covered-Employee Payroll	\$ 282,824,077	\$ 275,258,394	\$ 273,228,712
Total OPEB Liability as a Percentage of Covered-Employee Payroll	6.10%	6.49%	6.70%

**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	0.873903029%	\$ 112,876,297	\$ 342,344,742	32.97%	92.00%
2016	0.849038350%	214,382,850	358,930,491	59.73%	84.88%
2017	0.830993172%	245,886,574	360,321,185	68.24%	83.89%
2018	0.820142493%	247,031,172	363,166,019	68.02%	84.26%
2019	0.789852551%	272,014,222	362,793,286	74.98%	82.61%
2020	0.790194007%	342,481,728	377,336,293	90.76%	78.85%
2021	0.834092290%	279,475,535	373,836,319	74.76%	96.40%
2022	0.804877887%	299,479,256	371,002,550	80.72%	82.89%
2023	0.763286118%	304,145,360	396,159,837	76.77%	82.38%
2024	0.784446535%	303,460,812	444,267,124	68.31%	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	\$ 20,705,154	\$ (20,705,154)	\$ -	\$ 358,930,491	5.77%
2017	21,632,798	(21,632,798)	-	360,321,185	6.00%
2018	23,373,402	(23,373,402)	-	363,166,019	6.44%
2019	24,491,128	(24,491,128)	-	362,793,286	6.75%
2020	26,254,645	(26,254,645)	-	377,336,293	6.96%
2021	31,775,313	(31,775,313)	-	373,836,319	8.50%
2022	34,345,604	(34,345,604)	-	371,002,550	9.26%
2023	36,718,972	(36,718,972)	-	396,159,837	9.27%
2024	44,420,330	(44,420,330)	-	444,267,124	10.00%
2025	46,048,795	(46,048,795)	-	466,368,128	9.87%

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

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

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.128125564%	\$ 115,051,062	\$ 342,344,742	33.61%	0.50%
2016	1.161730818%	135,394,914	358,930,491	37.72%	0.97%
2017	1.129495875%	120,770,910	360,321,185	33.52%	1.64%
2018	1.111687614%	117,662,265	363,166,019	32.40%	2.15%
2019	1.084522471%	121,347,212	362,793,286	33.45%	2.63%
2020	1.086802930%	132,696,868	377,336,293	35.17%	3.00%
2021	1.055755753%	129,504,316	373,836,319	34.64%	3.56%
2022	1.017589508%	107,778,982	371,002,550	29.05%	4.81%
2023	0.998558577%	158,584,420	396,159,837	40.03%	4.12%
2024	1.049413745%	157,422,313	444,267,124	35.43%	4.80%

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

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

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2016	\$ 5,954,611	\$ (5,954,611)	\$ -	\$ 358,930,491	1.66%
2017	5,977,618	(5,977,618)	-	360,321,185	1.66%
2018	6,028,710	(6,028,710)	-	363,166,019	1.66%
2019	6,022,248	(6,022,248)	-	362,793,286	1.66%
2020	6,262,736	(6,262,736)	-	377,336,293	1.66%
2021	6,205,741	(6,205,741)	-	373,836,319	1.66%
2022	6,157,273	(6,157,273)	-	371,002,550	1.66%
2023	6,568,695	(6,568,695)	-	396,159,837	1.66%
2024	8,884,647	(8,884,647)	-	444,267,124	2.00%
2025	9,321,443	(9,321,443)	-	466,368,128	2.00%

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

1. Budgetary Basis of Accounting

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

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

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

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

Changes of Assumptions. In 2025, the discount rate was changed from 3.86 percent to 3.93 percent.

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

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

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

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

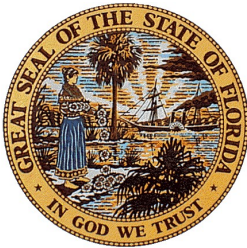
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Brevard County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	25002	\$ -	\$ 8,351,166
National School Lunch Program	10.555	25001, 25003	-	25,952,839
Summer Food Service Program for Children	10.559	24006, 24007, 25006, 25007	-	309,861
Fresh Fruit and Vegetable Program	10.582	25004	-	135,386
Total Child Nutrition Cluster			-	34,749,252
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	459,882	20,968,667
Special Education - Preschool Grants	84.173	267	-	668,068
Total Special Education Cluster			459,882	21,636,735
Head Start Cluster				
United States Department of Health and Human Services:				
Head Start	93.600	N/A	-	6,153,029
Not Clustered				
United States Department of Agriculture				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-4383, S-4279	-	1,583,505
Florida Department of Agriculture and Consumer Services:				
Child Nutrition Discretionary Grants Limited Availability	10.579	22013	-	150,000
Total United States Department of Agriculture			-	1,733,505
United States Department of Defense				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	550,082
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	336,988
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	185,988
Marines Junior Reserve Officers Training Corps	12.UNK	N/A	-	94,875
Total United States Department of Defense			-	1,167,933
United States Department of Education				
Impact Aid	84.041	N/A	-	653,285
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	788,155
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	703,681	22,714,995
Career and Technical Education - Basic Grants to States	84.048	161	-	917,896
Education for Homeless Children and Youth	84.196	127	-	99,418
Charter Schools	84.282	298	118,829	118,829
Twenty-First Century Community Learning Centers	84.287	244	-	1,820,759
English Language Acquisition State Grants	84.365	102	-	557,375
Supporting Effective Instruction State Grants	84.367	224	139,619	2,685,950
Student Support and Academic Enrichment Program	84.424	241	118,749	1,402,628
Education Stabilization Fund:				
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	287,711	11,104,739
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	-	1,116
Total Education Stabilization Fund	84.425		287,711	11,105,855
Total United States Department of Education			1,368,589	42,865,145
United States Department of Homeland Security				
Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	4635, 2636	-	15,018
Total Expenditures of Federal Awards			\$ 1,828,471	\$ 108,320,617

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 Brevard 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 \$3,409,701 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Head Start. Expenditures are for grant numbers 04CH012171-03.
- (6) Disaster Grants – Public Assistance (Presidentially Declared Disaster). The District incurred \$15,018 in expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disaster) grant in prior fiscal years.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

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 Brevard 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 24, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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*.

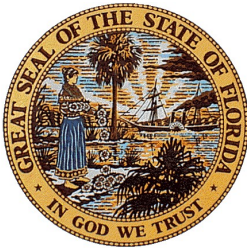
Purpose of this Report

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 24, 2026



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Brevard 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 the District's major Federal program for the fiscal year ended June 30, 2025. The District's major Federal program is 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 its major Federal program for the fiscal year ended June 30, 2025.

Basis for Opinion on the 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 the

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

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The District's basic financial statements include the operations of Emma Jewel Charter Academy and Odyssey Charter School (Charter Schools) as part of the reported aggregate discretely presented component units on the accompanying basic financial statements. The Charter Schools expended \$3,858,541 in Federal awards, which is not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2025. Our compliance audit, described in the ***Opinion on the Major Federal Program*** section of our report, does not include the operations of the Charter Schools because the Charter Schools engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the 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 24, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
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 program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major Federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal program:	
Assistance Listing Number: 84.010	Name of Federal Program or Cluster: Title I Grants to Local Educational Agencies
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

ADDITIONAL MATTER PRIOR AUDIT FOLLOW-UP

The District took action to correct additional matter Finding AM 2022-001 included in our report No. 2023-164.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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