2023

Charlotte County District School Board

Financial Statements and Independent Auditor's Report

June 30, 2023

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

CHARLOTTE COUNTY
DISTRICT SCHOOL BOARD
PORT CHARLOTTE, FLORIDA

JUNE 30, 2023

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FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

CHARLOTTE COUNTY
DISTRICT SCHOOL BOARD
PORT CHARLOTTE, FLORIDA

JUNE 30, 2023

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PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charlotte County District School Board (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the school internal funds, which are reported herein as non-major special revenue funds, which represent 13 percent, 3 percent, 18 percent, 11 percent, and 10 percent, respectively, of the total assets; liabilities; net position and fund balance; revenues and additions; and expenses, deductions, and expenditures of the aggregate remaining fund information. In addition, we did not audit the financial statements of the Charlotte Local Education Foundation, Inc. or the Babcock Neighborhood School Inc., the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the discretely presented component units' column. The financial statements of the school internal funds and the discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our

report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the school internal funds and the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards.*

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 9, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Purvis Gray

February 9, 2024
Sarasota, Florida

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Charlotte County has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2023. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and it should be considered in conjunction with the District's financial statements found on pages 14-56.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year are as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2022, by $400,168,583.91.

- The District's total net position increased by $7,273,767.70; from the 2022-2023 fiscal year.

- General revenues total $271,101,119.88, or 94.7% of all revenues in the 2022-2023 fiscal year compared to $227,026,583.56, or 93.8% in the prior year. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total $15,588,906.79, or 5.4%, compared to $15,361,762.78, or 6.3% in the prior year.

- At June 30, 2023, the District's governmental funds reported combined fund balances of $171,892,048.69, an increase of $8,938,614.30 for the year.

- The unassigned fund balance of the General Fund, representing the net current financial resources available for future appropriation, totals $40,167,379.95 at June 30, 2023, or 21.8% of total General Fund expenditures.

- During the current year, General Fund revenues and other financing sources exceeded expenditures and other financing uses by $4,082,162.58. This may be compared to last year's results in which General Fund revenues and other financing sources exceeded expenditures and other financing uses by $4,256,013.17.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the District presented on the

accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred outflows/inflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equal net position, which is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

- Governmental Activities – This represents most of the District's services, including its educational programs: basic, career, adult, and exceptional education. Support functions, such as transportation and administration, are also included. Local property taxes and the state's education finance program provide most of the resources that support these activities. The District uses governmental activities to account for resources held for student activities and groups.

- Component Units – The District presents three separate legal entities in this report. The Charlotte Local Education Foundation, Inc. and Babcock Neighborhood School, Inc. are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the District.

  The Charlotte School Board Leasing Corporation (Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the District.

Over a period of time, changes in the District's net position are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets, including its school buildings and administrative facilities.

Fund Financial Statements

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

- **Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds use a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This

financial resources measurement focus allows the governmental fund statements to provide information on *near-term* inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. In particular, the sum of the assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's *near-term* financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

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

The District adopts an annual appropriated budget for each of 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. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses an internal service fund to account for the Employee Benefits Fund. Since the services predominately benefit governmental rather than business-type functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

The District uses agency funds to account for resources held for student activities and groups.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide other postemployment benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following is a summary of the District's net position as of June 30, 2023, compared to net position as of June 30, 2022:

Charlotte County District School Board
Net Position
As of June 30, 2023 and 2022

	Governmental Activities	
	2023	**2022**
Assets		
Current and Other Assets	$ 194,595,834.78	$ 180,701,446.53
Capital Assets	360,865,644.26	368,728,415.75
Total Assets	555,461,479.04	549,429,862.28
Deferred Outflows of Resources	44,382,822.00	37,792,143.00
Liabilities		
Long-Term Liabilities	181,324,337.38	127,574,095.63
Other Liabilities	10,444,639.75	8,867,054.44
Total Liabilities	191,768,977.13	136,441,150.07
Deferred Inflows of Resources	7,906,740.00	57,886,039.00
Net Position		
Net Investment in Capital Assets	298,348,506.71	303,655,980.30
Restricted	125,698,182.81	110,887,226.29
Unrestricted	(23,878,105.61)	(21,648,390.38)
Total Net Position	$ 400,168,583.91	$ 392,894,816.21

The largest portion of the District's net position, $298,348,506.71 (74.6%), reflects its investment in capital assets (e.g., land, buildings, furniture, fixtures, and equipment), net of any related debt outstanding. The District uses these net capital assets to provide services to students; consequently, these net assets are not available for future spending. Although the District's investment in 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 restricted portion of the District's net position, $125,698,182.81 (31.4%), represents resources that are subject to external restrictions on how they may be used. The remaining deficit unrestricted net position, ($23,878,105.61), or (-6.0%), is generally used to meet the District's on-going obligations to citizens and creditors. The unrestricted net position turned negative in 2015 in conjunction with the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Governmental Activities – Key elements of the changes in the District's net position for the fiscal years ended June 30, 2023 and June 30, 2022, are as follows:

Charlotte County District School Board
Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Program Revenues		
Charges for Services	$ 3,059,053.18	$ 2,921,275.15
Operating Grants and Contributions	11,865,494.75	11,579,494.69
Capital Grants and Contributions	664,358.86	860,992.94
General Revenues		
Property Taxes, Operational Purposes	138,284,320.88	115,206,078.62
Property Taxes, Capital Projects	41,041,869.53	32,300,712.02
Grants and Contributions Not Restricted to Specific Programs	75,342,389.92	68,641,685.83
Unrestricted Investment Earnings	6,768,522.96	593,727.98
Miscellaneous	9,664,016.59	10,284,379.11
Total Revenues	286,690,026.67	242,388,346.34
Program Expenses		
Instruction	132,353,992.58	110,952,991.75
Student Personnel Services	14,667,945.37	12,377,318.46
Instructional Media Services	2,041,098.26	1,801,010.37
Instruction and Curriculum Development Services	8,468,550.66	6,418,540.89
Instructional Staff Training Services	6,125,922.07	4,533,378.48
Instruction Related Technology	1,524,241.01	1,954,037.78
School Board	869,148.01	865,977.37
General Administration	1,421,492.57	940,195.41
School Administration	13,828,667.36	12,437,814.02
Facilities Acquisition and Construction	10,429,908.66	10,681,710.40
Fiscal Services	1,512,670.66	1,116,462.42
Food Services	12,071,933.07	10,514,606.06
Central Services	4,440,691.73	2,998,855.83
Pupil Transportation Services	9,856,329.67	8,044,393.33
Operation of Plant	20,759,521.34	17,463,195.15
Maintenance of Plant	25,069,388.18	4,900,990.22
Administrative Technology Services	2,047,274.82	1,889,582.88
Community Services	8,464,415.56	8,870,894.83
Unallocated Interest on Long-Term Debt	3,463,067.39	3,422,339.09
Total Program Expenses	279,416,258.97	222,184,294.74
Change in Net Position	7,273,767.70	20,204,051.60
Net Position - Beginning	392,894,816.21	372,690,764.61
Net Position - Ending	$ 400,168,583.91	$ 392,894,816.21

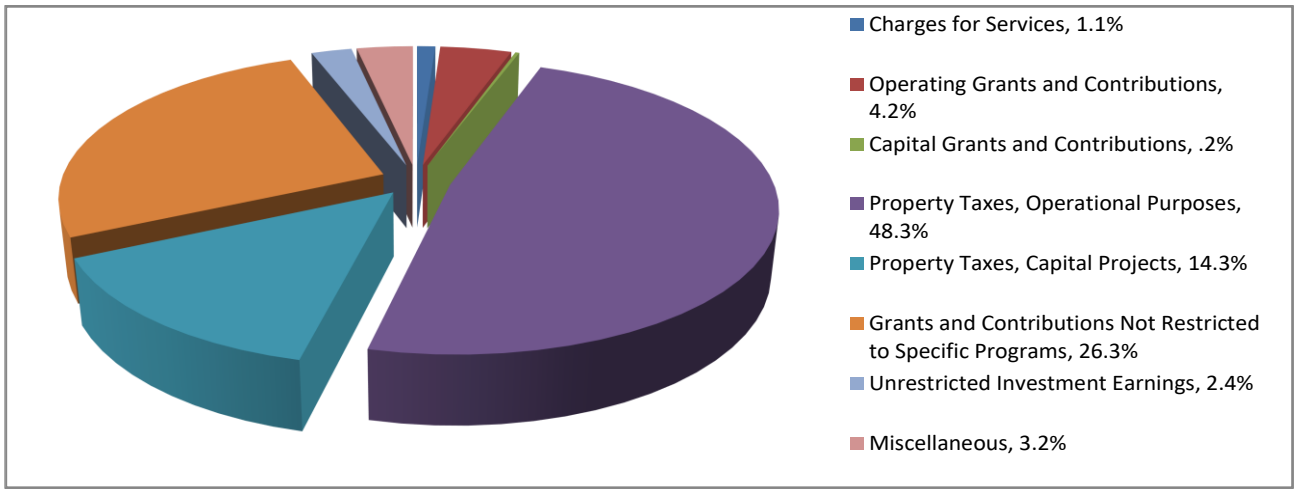
Governmental activities increased the District's net position by $7,273,767.70. Key elements are as follows:

- The largest revenue source is property taxes for operational purposes, which increased by $23,078,242.26, or 20%, due to a higher tax basis from increasing property values.

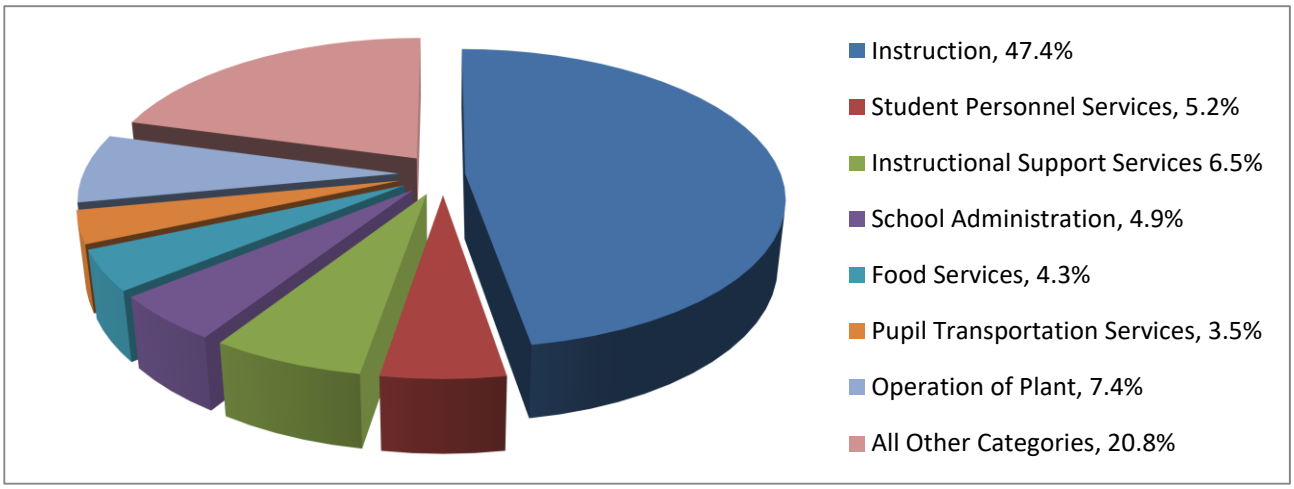
- Total grants and contributions not restricted to specific program revenues increased by $6,700,740.09, or 9.8%, primarily due to an increase in Federal grants.

- Instruction expenses accounted for approximately 47.4% of total governmental expenses for the 2022-2023 fiscal year. Instruction expenses increased by $21,401,000.83 or 19.3% from the previous year due mainly to changes in pension funding.

The following graph shows total revenues by source:



The following pie chart shows total expenses by function:



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

The total fund balances of governmental funds increased by $8,939,614.30 during the fiscal year to $171,892,048.69 at June 30, 2023. Approximately 23.4% of this amount, $40,167,379.95, is unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is non-spendable, restricted, or assigned to indicate that it is: 1) not in spendable form, $1,583,492.07, 2) restricted for particular purposes, $124,935,883.79, or 3) assigned for particular purposes, $5,205,292.88.

Major Governmental Funds

General Fund—The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance is $40,167,379.95 while the total fund balance is $46,400,436.57. As a measure of the General Fund's liquidity, it may be useful to compare the total unassigned fund balance to General Fund total revenues. The total unassigned fund balance is approximately 22.2% of the total General Fund revenues, while total fund balance represents approximately 25.6% of total General Fund revenues.

The total fund balance increased by $4,082,162.58 during the fiscal year. Key factors impacting the change are as follows:

- Increases in local property tax revenue due to the referendum which results in increased tax revenues of $23,078,242.26.
- Expenditures were $13.3 million less than budgeted due to a lapse in filled positions.

The Special Revenue—Federal Education Stabilization Fund has total revenues and expenditures of $13,842,725.41 each, and the funding was mainly used for instruction and instruction-related services. Because grant revenues and expenditures in this fund are recognized as mentioned in the previous paragraph, this fund generally does not accumulate a fund balance. Activity in this fund increased by 36.8%.

The Debt Service—Federal Economic Stimulus Fund has an ending fund balance of $46,451,506.29. This fund is restricted for the accumulation of resources for, and the payment of, debt principal, interest, and related costs on the Qualified School Construction Bonds. The fund balance increased in the current fiscal year due to scheduled sinking fund deposits.

The Capital Projects—Local Capital Improvement Fund has an ending fund balance of $64,881,028.02, all of which is restricted for the acquisition, construction, and maintenance of capital assets. The fund balance increased by $14,716,630.06 due mainly to the lack of any major building projects.

Proprietary Funds

Unrestricted net position of the Employee Self-Insurance Fund increased by $3,248,083.83 during the 2022-2023 fiscal year to $11,031,894.96 at June 30, 2023. Fund premium revenues and reimbursements exceeded expenses.

BUDGET VARIANCES IN THE GENERAL FUND

During the 2022-2023 fiscal year, the District amended its General Fund budget several times, which resulted in an increase of total budgeted revenues of $6,633,038.00 or 3.8%. At the same time, final revenues are higher than the original budgeted amounts by $5,311,471.47 or 3%. Budget revisions occurred primarily from changes in tax revenues received, adjustments to State FEFP revenues, and corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

Actual revenues are $1,321,566.53 less than budgeted revenues. Actual expenditures are $13,320,874.03, or 6.7%, less than final budget amounts. The decrease in expenditures was primarily due to continued cost containment measures implemented by the District. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by $12,140,438.57.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets totaled $360,865,644.26 at June 30, 2023 (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; construction in progress; and computer software. The total decrease in capital assets for the current fiscal year was approximately 2.1%.

Major capital asset events included the following:

- Construction in progress increased by a total of $5,015,936.66.
- Under District policy, school buses are to be replaced every thirteen years. Total cost of new buses for the current year totaled $1,392,373.00.

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

Long-Term Debt

At June 30, 2023, the District has total long-term debt outstanding of $60,000,000.00, comprised entirely of Qualified School Construction Bonds payable.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The latest enrollment projections for the District indicate an increase of 765 students during the 2023-2024 fiscal year, which will increase State revenue to some extent.

Charlotte County voters passed a referendum which will yield approximately $31.8 million in revenue generated by the one millage levy.

Ad-valorem millage rates reflect a decrease from 6.554 mills to 6.473 mills.

For fiscal year 2023-2024, the District anticipates an overall increase in General Fund revenues of approximately $25.1 million, due mainly to the one millage levy and increased property values.

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer.

BASIC FINANCIAL STATEMENTS

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and Cash Equivalents	$ 135,969,272.56	$ 4,090,137.00
Investments	-	1,914,347.00
Accounts Receivable	64,701.31	11,891.00
Due from Other Agencies	7,991,746.05	102,291.00
Inventories	1,582,942.07	6,500.00
Prepaid Items	2,535,666.50	768,715.00
Restricted Cash	46,451,506.29	-
Capital Assets:		
Non-Depreciable Capital Assets	25,132,432.24	2,395,505.00
Depreciable Capital Assets, Net	335,733,212.02	26,940,005.00
Total Assets	555,461,479.04	36,229,391.00
Deferred Outflows of Resources		
Pension Related	43,831,186.00	-
Other Postemployment Benefits	551,636.00	-
Total Deferred Outflows of Resources	44,382,822.00	-
Liabilities		
Salaries and Benefits Payable	3,374,496.33	432,973.00
Payroll Deductions and Withholdings	1,310,392.50	-
Accounts Payable	3,063,183.27	233,511.00
Construction Contracts Payable	2,211,755.99	-
Construction Contracts Payable - Retained Percentage	305,381.56	-
Accrued Interest Payable	41,000.00	471,751.00
Deposits Payable	138,430.10	-
Unearned Revenue	-	351,221.00
Long-Term Liabilities:		
Portion Due Within One Year	2,934,350.38	171,745.00
Portion Due After One Year	178,389,987.00	30,506,107.00
Total Liabilities	191,768,977.13	32,167,308.00
Deferred Inflows of Resources		
Pension Related	6,761,893.00	-
Other Postemployment Benefits	1,144,847.00	-
Total Deferred Inflows of Resources	7,906,740.00	-
Net Position		
Net Investment in Capital Assets	298,348,506.71	(692,342.00)
Restricted For:		
State Required Carryover Programs	499,189.57	-
Food Service	6,104,577.03	-
Debt Service	46,410,506.29	2,706,136.00
Capital Projects	68,860,674.21	-
Internal Accounts	3,823,235.71	-
Other Purposes	-	285,822.00
Unrestricted	(23,878,105.61)	1,762,467.00
Total Net Position	$ 400,168,583.91	$ 4,062,083.00

See accompanying notes.

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Governmental Activities			
Instruction	$ 132,353,992.58	$ 1,071,719.74	$ -
Pupil Personnel Services	14,667,945.37	-	-
Instructional Media Services	2,041,098.26	-	-
Instruction and Curriculum Development Services	8,468,550.66	-	-
Instructional Staff Training Services	6,125,922.07	-	-
Instruction Related Technology	1,524,241.01	-	-
School Board	869,148.01	-	-
General Administration	1,421,492.57	-	-
School Administration	13,828,667.36	-	-
Facilities Acquisition and Construction	10,429,908.66	35,174.62	-
Fiscal Services	1,512,670.66	-	-
Food Services	12,071,933.07	549,851.96	11,865,494.75
Central Services	4,440,691.73	-	-
Pupil Transportation Services	9,856,329.67	359,543.07	-
Operation of Plant	20,759,521.34	-	-
Maintenance of Plant	25,069,388.18	-	-
Administrative Technology Services	2,047,274.82	-	-
Community Services	8,464,415.56	1,042,763.79	-
Interest on Long-Term Debt	3,463,067.39	-	-
Total Governmental Activities	279,416,258.97	3,059,053.18	11,865,494.75
Component Units			
Charlotte Local Education Foundation, Inc.	857,028.00	-	-
Babcock Neighborhood School, Inc.	11,698,370.00	258,929.00	997,747.00
Total Component Units	$ 12,555,398.00	$ 258,929.00	$ 997,747.00
General Revenues			
Taxes:			
Property Taxes, Levied for Operational Purposes			
Property Taxes, Levied for Capital Projects			
Grants and Contributions Not Restricted to Specific Programs			
Unrestricted Investment Earnings			
Miscellaneous			
Total General Revenues			
Change in Net Position			
Net Position - Beginning of Year			
Net Position - End of Year			

See accompanying notes.

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
Capital Grants and Contributions	Governmental Activities	Component Units
$ -	$ (131,282,272.84)	$ -
-	(14,667,945.37)	-
-	(2,041,098.26)	-
-	(8,468,550.66)	-
-	(6,125,922.07)	-
-	(1,524,241.01)	-
-	(869,148.01)	-
-	(1,421,492.57)	-
-	(13,828,667.36)	-
-	(10,394,734.04)	-
-	(1,512,670.66)	-
664,358.86	1,007,772.50	-
-	(4,440,691.73)	-
-	(9,496,786.60)	-
-	(20,759,521.34)	-
-	(25,069,388.18)	-
-	(2,047,274.82)	-
-	(7,421,651.77)	-
-	(3,463,067.39)	-
664,358.86	(263,827,352.18)	-
-	-	(857,028.00)
425,890.00	-	(10,015,804.00)
$ 425,890.00	-	(10,872,832.00)
	138,284,320.88	-
	41,041,869.53	-
	75,342,389.92	664,549.00
	6,768,522.96	2,772.00
	9,664,016.59	10,205,139.00
	271,101,119.88	10,872,460.00
	7,273,767.70	(372.00)
	392,894,816.21	4,062,455.00
	$ 400,168,583.91	$ 4,062,083.00

See accompanying notes.

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue - Federal Education Stabilization Fund
Assets		
Cash and Cash Equivalents	$ 43,223,423.36	$ -
Accounts Receivable	64,701.31	-
Due from Other Funds	4,146,271.71	-
Due from Other Agencies	3,358,060.80	2,414,228.17
Inventories	779,643.05	-
Prepaids	550.00	-
Restricted Cash and Cash Equivalents	-	-
Total Assets	51,572,650.23	2,414,228.17
Liabilities, Deferred Inflows, and Fund Balances		
Liabilities		
Salaries and Benefits Payable	2,926,072.74	137,398.20
Payroll Deductions and Withholdings	1,016,414.36	148,512.28
Accounts Payable	1,229,726.56	111,089.39
Construction Contracts Payable	-	-
Construction Contracts Payable - Retainage Payable	-	-
Due to Other Funds	-	2,017,228.30
Deposits Payable	-	-
Total Liabilities	5,172,213.66	2,414,228.17
Deferred Inflows of Resources		
Unavailable Revenues	-	-
Total Deferred Inflows of Resources	-	-
Fund Balances		
Non-Spendable:		
Inventories	779,643.05	-
Prepaid Items	550.00	-
Restricted:		
State Required Carryover Programs	499,189.57	-
Debt Service	-	-
Capital Projects	-	-
Food Service	-	-
Internal Accounts	-	-
Assigned:		
Subsequent Year's Budget	4,953,674.00	-
Disaster Recovery	-	-
Unassigned	40,167,379.95	-
Total Fund Balances	46,400,436.57	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 51,572,650.23	$ 2,414,228.17

See accompanying notes.

Debt Service - Federal Economic Stimulus Fund	Capital Projects - Local Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ 66,534,807.38	$ 13,935,179.24	$ 123,693,409.98
-	-	-	64,701.31
-	-	-	4,146,271.71
-	893,319.44	1,326,137.64	7,991,746.05
-	-	803,299.02	1,582,942.07
-	-	-	550.00
46,451,506.29	-	-	46,451,506.29
46,451,506.29	67,428,126.82	16,064,615.90	183,931,127.41
-	7,854.88	302,162.27	3,373,488.09
-	22,106.37	94,140.84	1,281,173.85
-	-	324,541.43	1,665,357.38
-	2,211,755.99	-	2,211,755.99
-	305,381.56	-	305,381.56
-	-	811,263.45	2,828,491.75
-	-	138,430.10	138,430.10
-	2,547,098.80	1,670,538.09	11,804,078.72
-	-	235,000.00	235,000.00
-	-	235,000.00	235,000.00
-	-	803,299.02	1,582,942.07
-	-	-	550.00
-	-	-	499,189.57
46,451,506.29	-	-	46,451,506.29
-	64,881,028.02	3,979,646.19	68,860,674.21
-	-	5,301,278.01	5,301,278.01
-	-	3,823,235.71	3,823,235.71
-	-	-	4,953,674.00
-	-	251,618.88	251,618.88
-	-	-	40,167,379.95
46,451,506.29	64,881,028.02	14,159,077.81	171,892,048.69
$ 46,451,506.29	$ 67,428,126.82	$ 16,064,615.90	$ 183,931,127.41

See accompanying notes.

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Fund Balances - Governmental Funds		$ 171,892,048.69
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.		
Capital Assets	$ 641,308,716.64	
Accumulated Depreciation	(280,443,072.38)	360,865,644.26
Deferred outflows of resources are not available to pay for current-period expenditures and are, therefore, not reported in governmental funds.		
Related to Pensions	43,831,186.00	
Related to Other Postemployment Benefits	551,636.00	44,382,822.00
Deferred inflows of resources are not available to pay for current-period expenditures and are, therefore, not reported in governmental funds.		
Related to Pensions	(6,761,893.00)	
Related to Other Postemployment Benefits	(1,144,847.00)	(7,906,740.00)
Certain funding is not available to pay for current period expenditures and, therefore, is reported as unavailable revenue on the governmental fund statements. However, under full accrual, this amount increases net position in the statement of net position.		235,000.00
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the government funds until due. This amount is the amount of accrued interest payable at fiscal year-end.		(41,000.00)
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.		11,031,894.96
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Long-term liabilities at year-end consist of:		
Qualified School Construction Bond Payable	(60,000,000.00)	
Net Pension Liability	(108,410,221.00)	
Compensated Absences Payable	(9,193,416.00)	
Other Postemployment Benefits Payable	(2,687,449.00)	(180,291,086.00)
Total Net Position - Governmental Activities		$ 400,168,583.91

See accompanying notes.

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue - Federal Education Stabilization Fund
Revenues		
Intergovernmental:		
Federal Direct	$ 230,852.74	$ 668,593.71
Federal Through State and Local	621,318.64	13,174,131.70
State	35,138,540.16	-
Local:		
Property Taxes	138,284,320.88	-
Charges for Services - Food Service	-	-
Miscellaneous	6,690,778.05	-
Total Revenues	180,965,810.47	13,842,725.41
Expenditures		
Current - Education:		
Instruction	106,348,332.52	8,579,134.98
Student Support Services	11,339,105.21	1,124,684.55
Instructional Media Services	1,867,346.64	1,949.25
Instruction and Curriculum Development Services	6,286,561.16	719,713.82
Instructional Staff Training Services	2,089,225.81	1,476,407.39
Instruction Related Technology	1,482,615.14	-
School Board	818,251.24	-
General Administration	584,698.33	437,995.93
School Administration	12,301,214.92	145,653.64
Facilities Acquisition and Construction	600,810.00	-
Fiscal Services	1,380,499.34	-
Food Services	-	-
Central Services	3,854,790.84	-
Student Transportation Services	9,048,838.57	2,692.95
Operation of Plant	18,509,840.23	1,223,949.27
Maintenance of Plant	5,375,864.96	-
Administrative Technology Services	1,904,129.52	-
Community Services	174,845.94	54,021.71
Fixed Capital Outlay:		
Facilities Acquisition and Construction	-	-
Other Capital Outlay	437,367.60	76,521.92
Debt Service:		
Principal	-	-
Interest and Fiscal Charges	-	-
(Total Expenditures)	184,404,337.97	13,842,725.41
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,438,527.50)	-
Other Financing Sources (Uses)		
Transfers In	7,379,558.12	-
Insurance Loss Recoveries	141,131.96	-
Transfers (Out)	-	-
Total Other Financing Sources (Uses)	7,520,690.08	-
Net Change in Fund Balances	4,082,162.58	-
Fund Balances, Beginning of Year	42,318,273.99	-
Fund Balances, End of Year	$ 46,400,436.57	$ -

See accompanying notes.

Debt Service - Federal Economic Stimulus Fund	Capital Projects - Local Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
$ 1,496,541.00	$ -	$ 4,062,484.24	$ 6,458,471.69
-	-	30,732,687.90	44,528,138.24
-	600,810.00	1,146,283.44	36,885,633.60
-	41,041,869.53	-	179,326,190.41
-	-	549,851.96	549,851.96
1,586,498.72	2,548,409.89	7,739,922.15	18,565,608.81
3,083,039.72	44,191,089.42	44,231,229.69	286,313,894.71
-	-	8,336,380.54	123,263,848.04
-	-	1,005,238.74	13,469,028.50
-	-	624.05	1,869,919.94
-	-	727,421.88	7,733,696.86
-	-	2,190,080.88	5,755,714.08
-	-	2,723.45	1,485,338.59
-	-	1,579.63	819,830.87
-	-	342,619.99	1,365,314.25
-	-	178,276.85	12,625,145.41
-	9,302,677.11	482,164.30	10,385,651.41
-	-	5,562.22	1,386,061.56
-	-	11,524,990.48	11,524,990.48
-	-	250,339.71	4,105,130.55
-	-	174,061.08	9,225,592.60
-	-	297,307.30	20,031,096.80
-	-	19,327,399.54	24,703,264.50
-	-	6,368.65	1,910,498.17
-	-	8,215,747.87	8,444,615.52
-	5,458,060.38	96,057.99	5,554,118.37
-	2,709,660.33	210,938.63	3,434,488.48
-	-	5,000,000.00	5,000,000.00
3,421,250.00	-	817.39	3,422,067.39
3,421,250.00	17,470,397.82	58,376,701.17	277,515,412.37
(338,210.28)	26,720,691.60	(14,145,471.48)	8,798,482.34
4,381,801.82	-	242,701.60	12,004,061.54
-	-	-	141,131.96
-	(12,004,061.54)	-	(12,004,061.54)
4,381,801.82	(12,004,061.54)	242,701.60	141,131.96
4,043,591.54	14,716,630.06	(13,902,769.88)	8,939,614.30
42,407,914.75	50,164,397.96	28,061,847.69	162,952,434.39
$ 46,451,506.29	$ 64,881,028.02	$ 14,159,077.81	$ 171,892,048.69

See accompanying notes.

CHARLOTTE 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, 2023

Net Change in Fund Balances - Governmental Funds		
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		$ 8,939,614.30
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current period:		
Capital Outlay	$ 8,988,606.60	
Depreciation Expense	(16,807,121.09)	(7,818,514.49)
The loss on the disposal of capital assets during the current period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balances by the undepreciated cost of disposed assets.		(44,257.00)
Repayment of long-term debt is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.		5,000,000.00
Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrued in the statement of activities. This is the net change in accrued interest in the current period.		(41,000.00)
Certain funding is not available to pay for current period expenditures and, therefore, is reported as unavailable revenue on the governmental fund statements. However, under full accrual, this amount increases net position in the statement of net position.		17,807.00
The change in accrued compensated absences and other postemployment benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net (increase) decrease in these long-term liabilities for the current fiscal year:		
Accrued Compensated Absences	(33,290.94)	
Accrued Postemployment Benefit Obligation	95,616.00	62,325.06
Certain changes in the items related to the District's participation in a multiple-employer retirement system are reported only at the government-wide level. Following are the changes in these amounts for the current fiscal year:		
FRS Pension Contribution	9,842,374.00	
HIS Pension Contribution	2,017,900.00	
FRS Pension Expense	(12,225,265.00)	
HIS Pension Expense	(1,725,300.00)	(2,090,291.00)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.		3,248,083.83
Change in Net Position - Governmental Activities		$ 7,273,767.70

See accompanying notes.

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Governmental Activities - Internal Service Fund
	Self-Insurance
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 12,275,862.58
Prepaid Expenses	2,535,116.50
Total Assets	14,810,979.08
Liabilities	
Current Liabilities:	
Salaries and Benefits Payable	1,008.24
Payroll Deductions and Withholdings	29,218.65
Accounts Payable	1,397,825.89
Due to Other Funds	1,317,779.96
Estimated Insurance Claims Payable	1,033,251.38
Total Current Liabilities	3,779,084.12
Net Position	
Unrestricted	$ 11,031,894.96

See accompanying notes.

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Governmental Activities - Internal Service Fund
	Self-Insurance
Operating Revenues	
Premium Contributions	$ 17,381,308.56
Other Income	1,631,539.33
Total Operating Revenues	19,012,847.89
Operating Expenses	
Salaries	44,845.14
Employee Benefits	12,018.45
Purchased Services	6,898,733.43
Insurance Claims	8,809,167.04
Total Operating Expenses	15,764,764.06
Operating Income	3,248,083.83
Change in Net Position	3,248,083.83
Total Net Position - Beginning of Year	7,783,811.13
Total Net Position - End of Year	$ 11,031,894.96

See accompanying notes.

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2023

	Governmental Activities - Internal Service Fund
	Self-Insurance
Cash Flows from Operating Activities	
Cash Received from Board Funds	$ 17,381,308.56
Cash Payments for Claims	(8,656,869.23)
Cash Payments to Suppliers for Goods and Services	(7,556,906.23)
Cash Payments to Employees for Services	(55,242.93)
Other Receipts	1,631,539.33
Net Cash Provided by Operating Activities	2,743,829.50
Net Increase in Cash and Cash Equivalents	2,743,829.50
Cash and Cash Equivalents, Beginning of Year	9,532,033.08
Cash and Cash Equivalents, End of Year	$ 12,275,862.58
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	$ 3,248,083.83
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Prepaids	(2,535,116.50)
Increase (Decrease) in Salaries and Benefits Payable	213.95
Increase (Decrease) in Payroll Deductions and Withholdings	1,406.71
Increase (Decrease) in Accounts Payable	1,258,485.60
Increase (Decrease) in Due to Other Funds	618,458.10
Increase (Decrease) in Estimated Insurance Claims Payable	152,297.81
Total Adjustments	(504,254.33)
Net Cash Provided by Operating Activities	$ 2,743,829.50

See accompanying notes.

Note I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Charlotte County School District's (the District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is reported as unallocated.

B. Reporting Entity

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

- **Blended Component Unit**—A blended component unit is, in substance, part of the primary government's operations, even though it is a legally separate entity.
    - The Charlotte County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- **Discretely Presented Component Units**—The component unit columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District:

- Charlotte Local Education Foundation, Inc. (the Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, and administer property and to make expenditures for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a discretely presented component unit. During a prior period, the Foundation's bequest receivable was overstated due to misinformation relayed by the bank as the Trust Advisor for the Estate. A reduction of $107,140 was adjusted to reflect the decrease in the amount recorded as being received from the Estate. This is shown on the statement of activities.

- Babcock Neighborhood School, Inc. (charter school) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the *Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter school operates under a charter approved by their sponsor, the Board. The charter school is considered to be a component unit of the District because the District is financially accountable for the charter school as the District established the charter school by approval of the charter, which is tantamount to the initial appointment of the charter school, and there is the potential for the charter school to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter school is a public school, and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the Foundation's and charter schools' audited financial statements for the fiscal year ended June 30, 2023. The audit reports are filed in the District's administrative offices at 1445 Education Way, Port Charlotte, Florida 33948.

C. Basis of Presentation—Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds and proprietary funds.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided or used.

D. Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the District's funds, including the blended component unit. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major funds. Each major governmental fund is displayed in a separate column, and non-major governmental funds are aggregated and reported in a single column.

The District reports the following major governmental funds:

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

- **Special Revenue—Federal Education Stabilization Fund**—to account for certain federal education program resources.

- **Debt Service—Federal Economic Stimulus Fund**—to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs on the District's Qualified School Construction Bonds (QSCB).

- **Capital Projects—Local Capital Improvement Fund**—to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments.

Additionally, the District reports the following proprietary fund type:

- **Internal Service Fund**—to account for the District's Employee Benefits Program.

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

E. Measurement Focus and Basis of Accounting

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

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

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

The proprietary fund and discretely presented component units are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Assets, Liabilities, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents include cash on hand, demand deposits, and short-term, highly-liquid investments with original maturities of three months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME and money market funds, except that amounts held in escrow for long-term debt are not considered to be cash equivalents.

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

2. Investments

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

Investments made locally include a money market fund and a Federated Home Loan Mortgage Corporation (FHLMC) note and are reported at fair value.

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

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

3. Receivables/Due from Other Agencies

Accounts receivable and due from other agencies are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts at June 30, 2023, is $0.00.

4. Inventories and Prepaid Items

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

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than $5,000. A policy change was made effective July 1, 2021, that increased the capitalization threshold from $1,000 to $5,000 for new acquisitions after that date. Property acquired prior to July 1, 2021, will follow the financial reporting rules under which the assets were acquired. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated using group depreciation and the straight-line method over the following original estimated useful lives of the asset group:

Description	Estimated Lives
Improvements Other Than Buildings	15 Years
Buildings and Fixed Equipment	20-50 Years
Furniture, Fixtures, and Equipment	7 Years
Motor Vehicles	7-10 Years
Audio Visual Materials and Computer Software	5 Years

6. Pensions

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

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

7. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond premiums, discounts, and refunding losses are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the unamortized bond premium/discount. Unamortized refunding losses are reported as deferred outflows. Issuance costs are expensed in the year incurred.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

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

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

8. Deferred Outflows/Deferred Inflows

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category, including the deferred amounts on pension and other postemployment benefits reported in the government-wide statement of net position. The deferred outflows of resources related to pensions and other postemployment benefits are discussed in subsequent note.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category on the statement of net position. These items are deferred inflows of resources related to pensions and other postemployment benefits, which are discussed in subsequent notes. Additionally, the District reports unavailable revenue for amounts not received during the period of availability on the governmental fund balance sheet.

9. Net Position Flow Assumptions

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

10. Fund Balance Flow Assumption

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

11. Fund Balance Policies

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

The committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balance at June 30, 2023.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Also classified as assigned are amounts that are constrained to be used for specific purposes based on actions of the Superintendent. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. Amounts for disaster recovery and subsequent year's budget are designated as assigned at June 30, 2023.

Board Policy #6233 provides that "to promote and maintain the financial strength and stability of the District, the Board directs that each year's final adopted budget shall include an appropriated (unassigned) projected fund balance of not less than five percent (5%) of the District's general fund revenues". The projected fund balance may be allowed to fall below five percent (5%) only after a super majority vote of the Board.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. State Revenue Sources

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

The state provides financial assistance to administer certain educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward

into the following year to be expended for the same educational programs. The Department generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the unencumbered balance of categorical and earmarked educational program resources.

The state allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the District recognizes the allocation of Public Education Capital Outlay funds as advanced revenue until such time as an encumbrance authorization is received.

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

3. Local Taxes

District Property Taxes

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

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

The Board adopted the 2022 tax levy on September 8, 2022. 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.

On November 6, 2018, the voters of Charlotte County approved a one mill ad valorem increase in the County for 4 years, effective July 1, 2019, to pay for essential operating expenses in accordance with Sections 1011.71(9) and 1011.73(2), Florida Statutes. Revenues will be used to maintain the quality of the public school system, to enhance school security, to recruit and retain highly effective teachers and employees with competitive salaries, to enhance student achievement, to provide workforce development, and to increase instructional time.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Charlotte County Tax Collector at fiscal year-end but not yet remitted to the District.

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

4. Federal Revenue Sources

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

5. Compensated Absences

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

6. Proprietary Fund Operating and Non-Operating Revenues and Expenses

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

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used are those used in the actuarial assumptions for the other postemployment benefits liability, net pension liability, and the incurred but not reported liability along with depreciable useful lives of capital assets.

Note II - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits—In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

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

B. Investments

As of June 30, 2023, the District had the following investments and maturities:

Investments	Maturities	Fair Value
State Board of Administration (SBA):		
Florida PRIME (1)(2)	37-Day Average	$ 165,092,319.55
Bank of America – Money Market (1)	8 Days	105,161.22
Goldman Sachs Financial Square Government Fund (1)(3)	13 Days	1,576.55
Total Investments		$ 165,199,057.32

Notes: (1) Investments that have original maturities of three months or less are considered cash equivalents for financial reporting purposes.
(2) A portion of these investments ($46,451,506.29) are held under a master trust agreement and supplemental master trust agreement in connection with the Qualified School Construction Bonds (QSCB).
(3) This investment is held under a master trust agreement and supplemental master trust agreement in connection with the Qualified School Construction Bond (QSCB).

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

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Florida PRIME meets all the necessary criteria to elect to measure all of their investments in Florida PRIME at amortized cost.

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

Florida PRIME had a weighted average days to maturity (WAM) of 37 days at June 30, 2023. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

For Florida PRIME, Section 218.409(8), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days".

With regard to liquidity fees, Florida Statute 218.409(4) provides the authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and propose of such fees. At present, no such disclosure has been made.

As of June 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The District's investment in the FHLB discount note is authorized under a forward delivery agreement (FDA) with the QZAB paying agent. The FDA guarantees an interest rate of 3.25%. The provider of the FDA bears the interest rate risk.

Credit Risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the Local Government Surplus Funds Trust Fund (Florida PRIME), or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act* as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits must be in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District's investment policy does not further limit its investment choices.

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

The District's investment in Florida PRIME, Bank of America money market mutual funds, and Goldman Sachs Financial Square Government Fund are rated AAAm by Standard & Poor's. The FHLB investment note is rated Aaa by Moody's Investor Services and AA+ by Standard & Poor's.

Custodial Credit Risk—Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and: 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the state, or any other state or territory of the United States which has a branch or principal place of business in this state, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this state, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investment policy does not address custodial credit risk. The District's investment in the FHLMC discount note is held in a custodial account by the paying agent.

Concentration of Credit Risk—Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a formal investment policy that limits the amount the District may invest in any one issuer. The FHLB comprises 3% of total investments and 100% of investment in the nonmajor Debt Service – Other Fund.

C. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 10,337,853.08	$ -	$ -	$ 10,337,853.08
Construction in Progress	9,778,642.50	5,554,118.37	538,181.71	14,794,579.16
Total Capital Assets Not Being Depreciated	20,116,495.58	5,554,118.37	538,181.71	25,132,432.24
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	25,157,581.79	258,599.47	-	25,416,181.26
Buildings and Fixed Equipment	557,994,157.25	235,324.99	117,662.50	558,111,819.74
Furniture, Fixtures, and Equipment	23,842,373.36	1,108,079.54	9,759,567.49	15,190,885.41
Motor Vehicles	15,266,597.53	2,290,152.89	1,076,000.00	16,480,750.42
Audio Visual Materials and Computer Software	1,218,638.27	36,256.05	278,246.75	976,647.57
Total Capital Assets Being Depreciated	623,479,348.20	3,928,412.94	11,231,476.74	616,176,284.40
Less Accumulated Depreciation:				
Improvements Other Than Buildings	8,938,300.78	1,380,956.39	-	10,319,257.17
Buildings and Fixed Equipment	234,776,803.49	12,637,031.12	117,662.50	247,296,172.11
Furniture, Fixtures, and Equipment	19,111,918.34	1,569,938.19	9,759,567.49	10,922,289.04
Motor Vehicles	10,822,765.19	1,211,445.18	1,076,000.00	10,958,210.37
Audio Visual Materials and Computer Software	1,217,640.23	7,750.21	278,246.75	947,143.69
Total Accumulated Depreciation	274,867,428.03	16,807,121.09	11,231,476.74	280,443,072.38
Total Being Depreciated, Net	348,611,920.17	(12,878,708.15)	-	335,733,212.02
Total Governmental Activities Capital Assets, Net	$ 368,728,415.75	$ (7,324,589.78)	$ 538,181.71	$ 360,865,644.26

Depreciation and amortization expense were charged to functions as follows for the year ended June 30, 2023.

Function	Total
Governmental Activities	
Instruction	$ 9,674,100.54
Student Support Services	1,274,579.07
Instructional Media Services	182,235.84
Instruction and Curriculum Development	782,076.87
Instructional Staff Training Services	393,769.46
Instruction-Related Technology	40,557.89
Board	51,949.33
General Administration	56,490.32
School Administration	1,281,769.47
Fiscal Services	134,927.85
Food Services	582,879.05
Central Services	353,316.89
Student Transportation Services	669,856.37
Operation of Plant	773,280.89
Maintenance of Plant	388,980.23
Administrative Technology Services	145,274.32
Community Services	21,076.70
Total Depreciation Expense – Governmental Activities	$ 16,807,121.09

D. Florida Retirement System

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (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 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 two cost-sharing, multiple-employer defined benefit plans and other non-integrated 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' website (www.dms.myflorida.com).

The District's pension expense totaled $13,950,565.00 for the fiscal year ended June 30, 2023 (all plans). The District's deferred outflows for all plans totaled $43,831,186.00, and the District's deferred inflows for all plans totaled $6,761,893.00. The District's total net pension liability for all plans totaled $108,410,221.00 for the fiscal year ended June 30, 2023.

For the year ended September 30, 2023, the District's contributions to all plans totaled $11,860,274.00.

Payables to the Pension Plan. At June 30, 2023, the District reported a payable of $3,259,270.00 for the outstanding amount of contributions to the Plan required for the fiscal year-ended June 30, 2023.

FRS Pension Plan

Plan Description. The FRS Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a DROP available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. The general classes of membership applicable to the District are as follows:

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

Employees enrolled in the FRS Pension Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Pension Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the FRS Pension Plan may include up to four years of credit for military service toward creditable service. The FRS Pension 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 FRS Pension Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Pension Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 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 FRS Pension 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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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 chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class 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 Class 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 Class	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is 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% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. 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 District's 2022-23 fiscal year were as follows:

FRS – District:

	Percent of Gross Salary	
Class	**Employee**	**Employer** (1)
FRS, Regular	3.00	10.19
FRS, Elected District Officers	3.00	55.28
FRS, Senior Management Service	3.00	29.85
DROP – Applicable to Members from All of the Above Classes	0.00	16.94
FRS, Reemployed Retiree	(1)	(2)

Notes: (1) Employer rates include 1.66 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 $9,842,374.00 for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the District reported a liability of $77,415,959.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an

actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the District's 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the District's proportion was 0.2080624696%, which was an increase of 0.0093679063 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $12,225,265.00 related to the Plan. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the FRS Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions after Measurement Date	$ 9,842,374.00	$ -
Difference Between Expected and Actual Experience	3,676,811.00	-
Changes of Assumptions	9,534,099.00	-
Changes in Proportion and Difference Between District Contributions and Proportionate Share of Contributions	7,882,071.00	844,232.00
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,111,765.00	-
Total	$ 36,047,120.00	$ 844,232.00

The deferred outflows of resources related to pensions, totaling $9,842,374.00, resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2024	$ 6,114,883.00
2025	3,534,356.00
2026	497,649.00
2027	14,283,693.00
2028	929,933.00
Total	$ 25,360,514.00

Actuarial Assumptions. The total pension liability in the July 1, 2022, actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.70%
Long-Term Expected Rate of Return, Net of Investment Expense	6.70%
Municipal Bond Index	N/A

Mortality rates were based on the PUB2010 base tables, which vary by member category and sex, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2022 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return 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:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.3%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. 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 was 6.80% in the July 1, 2021 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 6.70%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.70%) or 1 percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's Proportionate Share of the Net Pension Liability	$ 133,885,578.00	$ 77,415,959.00	$ 30,200,638.00

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

HIS Pension Plan

Plan Description. The HIS Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs.

Benefits Provided. For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30, and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include 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 HIS Plan fiscal years ended June 30, 2022 and 2021, the contribution rates were 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The District contributed 100% of its statutorily required contributions for the current and all preceding years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled $2,017,900.00 for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the District reported a net pension liability of $30,994,263.00 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability (HIS) was based on the District's 2021-22 fiscal year contributions relative to the total 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.2926306806%, which was an increase of 0.0113344004 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the District recognized pension expense of $1,725,300.00 related to the HIS Plan. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions after Measurement Date	$ 2,017,900.00	$ -
Difference Between Expected and Actual Experience	940,749.00	136,377.00
Changes of Assumptions	1,776,611.00	4,794,793.00
Changes in Proportion and Difference Between District Contributions and Proportionate Share of Contributions	3,003,933.00	986,491.00
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	44,873.00	-
Total	$ 7,784,066.00	$ 5,917,661.00

The deferred outflows of resources related to pensions, totaling $2,017,900.00, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2024	$ (367,274.00)
2025	74,054.00
2026	366,937.00
2027	342,966.00
2028	(348,995.00)
Thereafter	(219,183.00)
Total	$ (151,495.00)

Actuarial Assumptions. The total pension liability in the July 1, 2022, actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%	
Salary Increases	3.25%	Average, Including Inflation
Discount Rate	3.54%	
Long-Term Expected Rate of Return, Net of Investment Expense	N/A	
Municipal Bond Rate	3.54%	Net of Pension Plan Investment Expense Including Inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered

to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 2.16% in the July 1, 2021 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 3.54%, 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 (2.54%) or 1 percentage-point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
District's Proportionate Share of the Net Pension Liability	$ 35,459,982.00	$ 30,994,263.00	$ 27,298,973.00

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.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA's annual financial statements and in the State of Florida'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. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected District 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% of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2022-23 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30%
FRS, Elected District Officers	11.34%
FRS, Senior Management Service	7.67%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's contribution to the Investment Plan totaled $5,436,195.56 for the fiscal year ended June 30, 2023.

E. Other Postemployment Benefits

Plan Description—The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District and their eligible dependents are eligible to participate in the District's health and hospitalization plan for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are generally expected to result in higher costs to the Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

Benefit Provided. The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. As of the valuation date, June 30, 2021, there were 1,364 active participants and 56 inactive participants (retirees and beneficiaries) receiving postemployment healthcare benefits. The District provided required contributions of $169,608.00 toward the annual OPEB cost. Required contributions are based upon projected pay-as-you-go financing.

Total OPEB Liability. The District's total OPEB liability of $2,687,449.00 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

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:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	3.69%
Salary Increases	Salary increase rates used in the July 1, 2021, actuarial valuation of the FRS: 3.4% - 7.8%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2021, actuarial valuation of the FRS. They are based on the results of a state-wide experience study covering the period 2013 through 2018.
Mortality	Mortality tables used in the July 1, 2021, actuarial valuation of the FRS for Regular K-12 Instructional Class members and non-K-12 Instruction Regular 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 state-wide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 3.75% by 2040.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.
Notes	Changes in assumption and other inputs include the change in discount rate from 1.92% as of the beginning of the measurement period to 3.69% as of June 30, 2022. There were no benefit changes during the year.

Changes to the Total OPEB Liability. Below are the details regarding the total OPEB liability for the measurement period from June 30, 2022 to June 30, 2023:

Measurement Year Ended June 30,	2023
Total OPEB Liability	
Service Cost	$ 157,451.00
Interest in the Total OPEB Liability	59,354.00
Changes in Assumptions and Other Inputs	(378,431.00)
Benefit Payments	(169,608.00)
Net Change in Total OPEB Liability	(331,234.00)
Total OPEB Liability – Beginning	3,018,683.00
Total OPEB Liability – Ending	$ 2,687,449.00

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.69% (based on the daily rate closest to but not later than the measurement date of Fidelity's "20-Year Municipal GO AA Index").

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following 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 (2.69 percent) or 1 percentage point higher (4.69 percent) than the current discount rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	$ 2,893,992.00	$ 2,687,449.00	$ 2,503,055.00

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend. The following 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 and 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.0% down to 2.75%)	Current Healthcare Cost Trend Rate Assumptions (6.0 down to 3.75%)	1% Increase (7.0% down to 4.75%)
Total OPEB Liability	$ 2,380,623.00	$ 2,687,449.00	$ 3,062,667.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the District recognized OPEB expense of $91,434. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 295,274.00	$ 39,409.00
Changes in Assumptions	69,312.00	1,105,438.00
Employer Contributions after Measurement Date	187,050.00	-
Total	$ 551,636.00	$ 1,144,847.00

Of the total amount reported as deferred outflows of resources related to OPEB, $187,050.00 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Fiscal Year Ending	Amount
2024	$ (125,371.00)
2025	(125,371.00)
2026	(125,371.00)
2027	(125,371.00)
2028	(109,740.00)
Thereafter	(169,037.00)
Total	$ (780,261.00)

F. Construction and Other Significant Commitments

Construction Contracts—The following is a schedule of major construction contract commitments at June 30, 2023:

Project	Contract Amount	Completed to-Date	Balance Committed
Murdock Middle School HVAC Upgrade	$ 3,609,219.00	$ 1,486,947.00	$ 2,122,272.00
L.A. Ainger HVAC Upgrade	3,177,538.00	1,362,475.00	1,815,063.00
CTC HVAC Upgrade	3,316,383.00	128,327.00	3,188,056.00
Technology Upgrades - Various Schools	2,386,690.00	881,813.00	1,504,877.00
Lemon Bay Football Practice Field	997,332.00	749,176.00	248,156.00
Deep Creek Fire Alarm Replacement	576,651.00	191,909.00	384,742.00
Liberty Fire Alarm Replacement	546,550.00	169,184.00	377,366.00
	$ 14,610,363.00	$ 4,969,831.00	$ 9,640,532.00

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

The following is a schedule of encumbrances at June 30, 2023:

Major Funds				
General	Special Revenue Federal Education Stabilization	Capital Projects Local Capital Improvement	Non-Major Governmental Funds	Total Governmental Funds
$ 632,379.00	$ 1,302,674.00	$ 18,866,434.00	$ 320,648.00	$ 21,122,135.00

G. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has established self-insurance programs for its employee health and hospitalization and its workers' compensation liability coverage. The Board is a member of the Florida School Board Insurance Trust (FSBIT), a protected self-insurance fund for Florida school boards. FSBIT was established under the authority of Section 624.462, Florida Statutes, for the purpose of pooling property, casualty, and workers' compensation exposure; purchasing and procuring insurance coverage of various types or providing self-insurance; and providing risk management services for the Florida school boards.

The District's health insurance program for its employees is provided on a self-insured basis up to specific limits. The District has entered into an agreement with an insurance company to provide specific excess coverage of claims above $300,000 on an individual basis, and aggregate excess coverage of $5 million when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

As of June 30, 2023, a liability in the amount of $1,003,251.38 was actuarially determined to cover estimated incurred, but not report, health and hospitalization insurance claims reported.

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

Fiscal Year	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimated Liability	Claims Payments	Balance at Fiscal Year-End
2022-23	$ 880,957.00	$ 8,809,164.00	$ 8,656,869.38	$ 1,033,251.38
2021-22	$ 859,739.00	$ 10,403,989.00	$ 10,382,774.00	$ 880,954.00

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

H. Long-Term Liabilities

1. Qualified Zone Academy Bonds Payable

On November 27, 2006, the District entered into a financing arrangement, characterized as a lease-purchase agreement, with the Leasing Corporation, whereby the District secured financing under the Qualified Zone Academy Bonds (QZAB) Program in the amount of $5,000,000.00. The QZAB Program provides no interest cost financing to purchase certain goods or services for schools located in eligible District areas (zones). Interest on the debt is "paid" by the United States Government through the issuance of federal income tax credits to the holder of the QZAB debt (the bank). The rate of return to the lender (Bank of America) was established by the United States Government at the time of the sale.

The financing was accomplished through the issuance of a Series 2006-QZAB Note on November 27, 2006. The $5,000,000.00 note proceeds were designated for technology upgrades/replacements, computer laptops, and instructional equipment/materials at the following schools: The Academy at Charlotte Tech Center, Charlotte Harbor Center School, Neil Armstrong Elementary School, Port Charlotte Middle School, and Port Charlotte High School. The Leasing Corporation issued the bonds, purchased the equipment, and then leased the equipment to the District under terms of the lease-purchase agreement.

The $5,000,000.00 note was paid in full on November 27, 2022. As the lease term ends on the date the note is paid in full, the lease term is over at June 30, 2023.

2. Qualified School Construction Bond Payable

In 2010, the District established a master lease-purchase program for the lease-purchase financing of various current and future educational facilities and sites. The general terms of this program were determined pursuant to a Master Lease-Purchase Agreement and Master Trust Agreement between the District and the Leasing Corporation.

On May 28, 2010, the District entered into a financing arrangement with the Leasing Corporation under this program whereby the District secured financing under the Qualified School Construction Bond (QSCB) Program in the amount of $60,000,000.00. The QSCB Program was established by Section 1521 of the *American Recovery and Reinvestment Act* (ARRA) and codified in Section 54A and 54F of the Internal Revenue Code. Among other things, the program provides low interest cost financing to school districts to construct certain education facilities. Interest on the debt is paid by the District and reimbursed in part by the federal government.

The financing was accomplished through the issuance of a School Board of Charlotte County, Florida Master Lease Program – Master Lease Certificates, Series 2010A – QSCB in the principal amount of $60 million. The certificate proceeds were received from the lender (Bank of America) and designated for the replacement construction of two schools, Meadow Park Elementary School and Lemon Bay High School. Under terms of Lease Schedule 2010A to the Master Lease-Purchase Agreement, and other related agreements, the District provided a ground lease to the Leasing Corporation, then would construct, acquire, install, and lease-purchase the projects from the Leasing Corporation.

Repayment of the original $60 million certificate proceeds is due in full on May 1, 2027. Interest payments are due semi-annually based on a 5.70% annual interest rate, and a federal interest subsidy reimbursement is available, initially projected at an annual rate of 5.29%. (The subsidy was reduced for 2023, pursuant to the requirements of the *Balanced Budget and Emergency Deficit Control Act of 1985*, as amended. Interest payments in 2023 were $3,420,000.00 and interest subsidies were $1,496,451.00). An IRS subsidy payment of $1,496,541 due May 1, 2023 has not yet been received. The IRS has been notified. Rent paid by the District to the Leasing Corporation corresponds to the annual debt service requirements on the bonds. Rents are paid from "Available Revenues" of the District, including capital outlay millage revenues. The lease term ends on the date the certificates are paid in full.

In connection with the financing and pursuant to a Series 2010A Supplemental Master Trust Agreement, the Leasing Corporation assigned its rights to the rent collections to a Trustee (Regions Bank), requiring the District to deposit the 17 annual "basic" rent payments of $3,529,412.00 (corresponding to the principal portion of the bond), beginning in 2011, into a sinking fund held by the Trustee, as security for the bond. These amounts will be sufficient to pay the $60 million principal balance at maturity. Investment income earned in the sinking fund can be used to reduce future annual rent payments. At June 30, 2023, the market value of the sinking fund account was $46,451,506.00.

3. Bonds Payables

Annual requirements to amortize all state school bonded debt outstanding as of June 30, 2023, are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
State School Bonds			
2024	$ 3,420,000.00	$ -	$ 3,420,000.00
2025	3,420,000.00	-	3,420,000.00
2026	3,420,000.00	-	3,420,000.00
2027	63,420,000.00	60,000,000.00	3,420,000.00
Total	$ 73,680,000.00	$ 60,000,000.00	$ 13,680,000.00

4. Changes in Long-Term Liabilities

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

Description	Beginning Balance (Restated)	Additions	Deletions	Ending Balance	Due in One Year
Governmental Activities					
Qualified Zone Academy Bonds	$ 5,000,000.00	$ -	$ (5,000,000.00)	$ -	$ -
Qualified School Construction Bond	60,000,000.00	-	-	60,000,000.00	-
Estimated Insurance Claims Payable	880,953.57	8,809,167.00	(8,656,869.19)	1,033,251.38	1,033,251.38
Compensated Absences Payable	9,160,125.06	1,977,222.00	(1,943,931.06)	9,193,416.00	1,714,049.00
Other Postemployment Benefits Payable	3,018,683.00	216,805.00	(548,039.00)	2,687,449.00	187,050.00
Net Pension Liability	49,514,334.00	58,895,887.00	-	108,410,221.00	-
Total Governmental Activities	$ 127,574,095.63	$ 69,899,081.00	$ (16,148,839.25)	$ 181,324,337.38	$ 2,934,350.38

For the governmental activities, compensated absences and other postemployment benefits are generally liquidated with resources of the General Fund. Estimated insurance claims payable are generally liquidated with resources of the General Fund. Due to the nature of the liability, none of the postemployment benefits obligations are considered due in one year.

I. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in the Fund Balance Policies note disclosure, fund balances may be classified as follows:

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

- *Restricted Fund Balance.* Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws, or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance.

- *Unassigned Fund Balance.* The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

J. Interfund Receivables and Payables

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

Funds	Interfund Receivables	Interfund Payables
Major Funds:		
General Fund	$ 4,146,271.71	$ -
Special Revenue:		
Federal Education Stabilization Fund	-	2,017,228.30
Non-Major Funds	-	811,263.45
Internal Service Funds	-	1,317,779.96
Total	$ 4,146,271.71	$ 4,146,271.71

The interfund receivables and payables represents moneys owed to the General Fund to cover expenditures incurred awaiting reimbursement from various grant sources and for temporary cash advances. Interfund receivables and payables are expected to be collected within one year of the fiscal period.

K. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue for the 2022-2023 fiscal year:

Sources	Amount
Florida Education Finance Program	$ 13,247,324.00
Categorical Educational Program - Class Size Reduction	16,506,640.00
Workforce Development	3,004,094.00
Motor Vehicle License Tax (CO and DS)	686,032.37
PIPELINE Nursing Grant	618,774.00
School Recognition	612,697.00
Charter School Capital Outlay	600,810.00
Voluntary Prekindergarten Program	506,556.50
Facilities Security Grant	287,678.85
Civics Seal of Excellence Bonus	201,000.00
Racing Commission Funds	148,833.32
DEO A & P Grant	104,550.00
Food Service Supplement	121,894.00
State License Tax	96,946.56
Fuel Tax Refund	60,795.00
Open Door Career Center	46,735.00
Computer Science Certification Grant	34,000.00
Worker's Compensation Refund	273.00
Total	$ 36,885,633.60

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

2. Property Taxes

The following is a summary of millages and taxes levied on the 2022 tax roll for the 2022-2023 fiscal year:

General Fund	Millages	Taxes Levied
Non-Voted School Tax:		
Required Local Effort	3.304	$ 94,032,213.00
Prior Period Funding Adjustment	0.002	5,692.00
Basic Discretionary Local Effort	0.748	21,288,164.00
Voted School Tax:		
Additional Voted Operations Millage	1.000	28,460,112.00
Capital Projects Funds		
Non-Voted Tax:		
Local Capital Improvements	1.500	42,690,169.00
Total	6.554	$ 186,476,350.00

L. Interfund Transfers

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

Funds	Interfund Transfers In	Interfund Transfers (Out)
Major Funds:		
General Fund	$ 7,379,558.12	$ -
Debt Service:		
Federal Economic Stimulus Fund	4,381,801.82	-
Capital Projects:		
Local Capital Improvement Fund	-	12,004,061.54
Non-Major Debt Service Fund	242,701.60	-
Total	$ 12,004,061.54	$ 12,004,061.54

Interfund transfers represent permanent transfers of money between funds. The transfers out of the Capital Projects – Local Capital Improvement Fund were to provide for debt service payments in the Debt Service – Other Debt Service Fund and Debt Service – Federal Economic Stimulus Fund, and to provide funding for minor maintenance, property/casualty insurance, and transportation expenditures in the General Fund.

Note III - CONSORTIUMS

The District is a member of both the Small School District Council Consortium and the Greater Florida Consortium of School Boards. These consortiums are organized to provide educational information, interpretation, and consultation assistance to the affected Districts.

Note IV - ACCOUNTING CHANGES

GASB Statement No. 96 – The District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). GASB 96 improves financial reporting by establishing a definition for Subscription-Based Technology Arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition, which provides greater consistency in practice. Governments are required to report a subscription asset and subscription liability for all SBITAs.

REQUIRED SUPPLEMENTARY INFORMATION

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	$ 170,000.00	$ 230,853.00	$ 230,852.74	$ (0.26)
Federal Through State and Local	600,000.00	669,477.00	621,318.64	(48,158.36)
State	31,734,035.00	35,240,260.00	35,138,540.16	(101,719.84)
Local:				
Property Taxes	143,150,304.00	146,005,655.00	138,284,320.88	(7,721,334.12)
Miscellaneous	-	141,132.00	6,690,778.05	6,549,646.05
Total Revenues	175,654,339.00	182,287,377.00	180,965,810.47	(1,321,566.53)
Expenditures				
Current - Education:				
Instruction	115,483,850.00	114,883,040.00	106,348,332.52	8,534,707.48
Student Support Services	12,823,725.00	12,823,725.00	11,339,105.21	1,484,619.79
Instructional Media Services	2,022,348.00	2,022,348.00	1,867,346.64	155,001.36
Instruction and Curriculum Development Services	6,627,791.00	6,627,791.00	6,286,561.16	341,229.84
Instructional Staff Training Services	1,848,409.00	2,300,973.00	2,089,225.81	211,747.19
Instruction Related Technology	1,648,332.00	1,698,353.00	1,482,615.14	215,737.86
School Board	858,927.00	858,927.00	818,251.24	40,675.76
General Administration	471,316.00	588,538.00	584,698.33	3,839.67
School Administration	13,088,702.00	13,088,702.00	12,301,214.92	787,487.08
Facilities Acquisition and Construction	-	600,810.00	600,810.00	-
Fiscal Services	1,553,041.00	1,553,041.00	1,380,499.34	172,541.66
Central Services	3,662,902.00	3,857,237.00	3,854,790.84	2,446.16
Student Transportation Services	9,305,667.00	9,305,667.00	9,048,838.57	256,828.43
Operation of Plant	19,413,102.00	19,413,102.00	18,509,840.23	903,261.77
Maintenance of Plant	5,921,162.00	5,921,162.00	5,375,864.96	545,297.04
Administrative Technology Services	1,981,878.00	1,981,878.00	1,904,129.52	77,748.48
Community Services	199,918.00	199,918.00	174,845.94	25,072.06
Fixed Capital Outlay:				
Other Capital Outlay	-	-	437,367.60	(437,367.60)
(Total Expenditures)	196,911,070.00	197,725,212.00	184,404,337.97	13,320,874.03
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,256,731.00)	(15,437,835.00)	(3,438,527.50)	11,999,307.50
Other Financing Sources				
Transfers In	6,820,000.00	7,379,559.00	7,379,558.12	(0.88)
Insurance Loss Recoveries	-	-	141,131.96	141,131.96
Total Other Financing Sources	6,820,000.00	7,379,559.00	7,520,690.08	141,131.08
Net Change in Fund Balances	(14,436,731.00)	(8,058,276.00)	4,082,162.58	12,140,438.58
Fund Balances, Beginning of Year	42,318,274.00	42,318,274.00	42,318,273.99	(0.01)
Fund Balances, End of Year	$ 27,881,543.00	$ 34,259,998.00	$ 46,400,436.57	$ 12,140,438.57

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE—FEDERAL EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Special Revenue - Federal Education Stabilization Fund			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	$ 340,416.00	$ 668,594.00	$ 668,593.71	$ (0.29)
Federal Through State and Local	31,488,959.00	33,557,815.00	13,174,131.70	(20,383,683.30)
Total Revenues	31,829,375.00	34,226,409.00	13,842,725.41	(20,383,683.59)
Expenditures				
Current - Education:				
Instruction	23,426,187.00	22,111,813.00	8,579,134.98	13,532,678.02
Student Support Services	1,949,451.00	2,077,147.00	1,124,684.55	952,462.45
Instructional Media Services	-	1,950.00	1,949.25	0.75
Instruction and Curriculum Development Services	49,396.00	1,398,265.00	719,713.82	678,551.18
Instructional Staff Training Services	885,471.00	4,122,095.00	1,476,407.39	2,645,687.61
School Board	557,000.00	-	-	-
General Administration	1,603,779.00	1,057,633.00	437,995.93	619,637.07
School Administration	627,643.00	475,345.00	145,653.64	329,691.36
Facilities Acquisition and Construction	112,907.00	-	-	-
Food Services	-	112,332.00	-	112,332.00
Student Transportation Services	123,613.00	219,474.00	2,692.95	216,781.05
Operation of Plant	2,376,794.00	2,258,117.00	1,223,949.27	1,034,167.73
Maintenance of Plant	53,000.00	1,922.00	-	1,922.00
Community Services	64,125.00	390,303.00	54,021.71	336,281.29
Fixed Capital Outlay:				
Other Capital Outlay	-	-	76,521.92	(76,521.92)
(Total Expenditures)	31,829,366.00	34,226,396.00	13,842,725.41	20,383,670.59
Net Change in Fund Balances	9.00	13.00	-	(13.00)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	$ 9.00	$ 13.00	$ -	$ (13.00)

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

	2023	2022	2021
Total OPEB Liability			
Service Cost	$ 157,451.00	$ 146,304.00	$ 136,356.00
Interest on the Total OPEB Plan Liability	59,354.00	67,573.00	82,920.00
Difference Between Expected and Actual Experiences	-	359,464.00	-
Changes of Assumptions	(378,431.00)	(58,109.00)	94,668.00
Benefit Payments	(169,608.00)	(216,642.00)	(213,392.00)
Net Change in Total OPEB Plan Liability	(331,234.00)	298,590.00	100,552.00
Total OPEB Plan Liability, Beginning	3,018,683.00	2,720,093.00	2,619,541.00
Total OPEB Plan Liability, Ending	$ 2,687,449.00	$ 3,018,683.00	$ 2,720,093.00
Covered-Employee Payroll	$ 69,416,467.00	$ 67,394,628.00	$ 64,542,725.00
Total OPEB Liability as Percentage of Covered-Employee Payroll	3.87%	4.48%	4.21%

* The District Implemented GASB Statement No.75 for the fiscal year ended June 30, 2018.
As a result, this schedule will present 10 years as information is available.

2020	2019	2018
$ 168,149.00	$ 188,955.00	$ 202,219.00
134,686.00	133,884.00	112,984.00
(64,833.00)	(18,706.00)	-
(1,020,955.00)	(347,109.00)	(199,300.00)
(299,925.00)	-	(75,204.00)
(1,082,878.00)	(42,976.00)	40,699.00
3,702,419.00	3,745,395.00	3,704,696.00
$ 2,619,541.00	$ 3,702,419.00	$ 3,745,395.00
$ 62,999,244.00	$ 80,894,560.00	$ 81,639,624.00
4.16%	4.58%	4.59%

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
LAST 10 FISCAL YEARS

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended June 30,	District's Proportion of the FRS Net Pension Plan	District's Proportion Share of the FRS Net Pension Plan Liability	District's Covered-Employee Payroll (FYE June 30)	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	0.193020325%	$ 33,227,389.00	$ 61,900,940.00	53.68%	88.54%
2014	0.205279740%	12,525,083.00	65,195,464.00	19.21%	96.09%
2015	0.206555340%	26,614,836.00	66,386,422.00	40.09%	92.00%
2016	0.189108069%	47,749,936.00	63,848,757.00	74.79%	84.88%
2017	0.176681365%	52,261,162.00	85,825,992.00	60.89%	83.89%
2018	0.173204545%	52,170,107.00	85,281,045.00	61.17%	84.26%
2019	0.165418288%	56,967,755.00	96,031,764.00	59.32%	82.61%
2020	0.177943805%	77,123,467.53	99,623,385.00	77.42%	78.85%
2021	0.198694566%	15,009,116.00	99,623,385.00	15.07%	96.40%
2022	0.208062469%	77,415,959.00	106,668,214.00	72.58%	82.89%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended June 30,	District's Proportion of the HIS Net Pension Plan	District's Proportion Share of the HIS Net Pension Liability	District's Covered-Employee Payroll (FYE June 30)	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	0.285622663%	$ 24,867,208.00	$ 83,239,500.00	29.87%	1.78%
2014	0.291585519%	27,263,957.00	86,635,181.00	31.47%	0.99%
2015	0.289535232%	29,528,039.00	87,860,115.00	33.61%	0.50%
2016	0.287123520%	33,463,057.00	85,825,992.00	38.99%	0.97%
2017	0.269234423%	28,787,787.00	85,825,992.00	33.54%	1.64%
2018	0.261067708%	27,631,699.00	85,281,045.00	32.40%	2.15%
2019	0.251659743%	28,158,205.00	96,031,764.00	29.32%	2.63%
2020	0.276422612%	33,750,750.64	99,623,385.00	33.88%	3.00%
2021	0.281296276%	34,505,218.00	99,623,385.00	34.64%	3.56%
2022	0.292630680%	30,994,263.00	106,668,214.00	29.06%	4.81%

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
LAST 10 FISCAL YEARS

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	FRS Contribution in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered-Employee Payroll (FYE June 30)	FRS Contributions as a Percentage of Covered-Employee Payroll
2014	$ 4,496,497.00	$ (4,496,497.00)	$ -	$ 65,195,464.00	6.90%
2015	5,023,809.00	(5,023,809.00)	-	66,386,422.00	7.57%
2016	4,611,702.00	(4,611,702.00)	-	66,522,127.00	6.93%
2017	4,599,451.00	(4,599,451.00)	-	63,848,757.00	7.20%
2018	4,936,190.00	(4,936,190.00)	-	85,281,045.00	5.79%
2019	5,129,161.00	(5,129,161.00)	-	84,195,314.00	6.09%
2020	5,912,284.00	(5,912,284.00)	-	96,031,764.00	6.16%
2021	7,569,404.00	(7,569,404.00)	-	99,623,385.00	7.60%
2022	8,878,404.00	(8,878,404.00)	-	106,668,214.00	8.32%
2023	9,842,374.00	(9,842,374.00)	-	121,557,223.00	8.10%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	HIS Contribution in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered-Employee Payroll (FYE June 30)	HIS Contributions as a Percentage of Covered-Employee Payroll
2014	$ 998,874.00	$ (998,874.00)	$ -	$ 86,635,181.00	1.15%
2015	1,106,784.00	(1,106,784.00)	-	87,860,115.00	1.26%
2016	1,471,691.00	(1,471,691.00)	-	88,705,630.00	1.66%
2017	1,424,866.00	(1,424,866.00)	-	85,825,992.00	1.66%
2018	1,415,777.00	(1,415,777.00)	-	85,281,045.00	1.66%
2019	1,397,442.00	(1,397,442.00)	-	84,195,314.00	1.66%
2020	1,592,894.00	(1,592,894.00)	-	96,031,764.00	1.66%
2021	1,653,462.00	(1,653,462.00)	-	99,623,385.00	1.66%
2022	1,770,662.00	(1,770,662.00)	-	106,668,214.00	1.66%
2023	2,017,900.00	(2,017,900.00)	-	121,557,223.00	1.66%

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Note 1 - BUDGETARY BASIS OF ACCOUNTING

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel 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 of accounting as is used for financial reporting in governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

Note 2 - SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75 to pay related benefits. The June 30, 2023, total other postemployment benefits (OPEB) liability decreased from $3,018,683.00 to $2,687,449.00 as a result of changes to benefits and assumptions as discussed below:

Changes in Assumptions:

- The discount rate was changed from 1.92 percent for the June 30, 2020 valuation date to 3.69 percent for the June 30, 2021 valuation date.

Change in Benefit Terms:

- There were no benefit changes during the year.

Note 3 - SCHEDULES OF NET PENSION LIABILITY AND SCHEDULES OF CONTRIBUTIONS

Changes of Benefit Terms:

- No significant changes of benefit terms.

Changes of Assumptions:

- **FRS**: The long-term expected rate of return decreased from 6.80 to 6.70 percent, and the active member mortality assumption was updated.
- **HIS**: The municipal rate used to determine total pension liability was increased from 2.16% to 3.54%.

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

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing (AL) Number	Pass-Through Grantor Number	Amount of Expenditures (1) (2) (4)	Passed Through to Subrecipients
Clustered				
Child Nutrition Cluster:				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	19002	$ 1,795,835.72	
National School Lunch Program	10.555 (5)	19001, 19003	8,324,005.01	
National School Lunch Program	10.555	22020	770,241.11	
Summer Food Service Program for Children	10.559	18006, 18007, 19006, 19007	240,821.91	
Total Child Nutrition Cluster			11,130,903.75	
Head Start Cluster:				
United States Department of Health and Human Services:				
Head Start	93.600 (3)	N/A	3,072,055.57	
COVID-19 Head Start	93.600	N/A	340,416.14	
Total Head Start Cluster			3,412,471.71	
Student Financial Assistance Cluster:				
United States Department of Education:				
Federal Pell Grant Program	84.063	N/A	974,042.00	
Federal Supplemental Educational Opportunity Grants	84.007	N/A	16,386.67	
Total Student Financial Assistance Cluster			990,428.67	
Special Education Cluster:				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027A	263	3,931,632.82	
Special Education - Preschool Grants	84.173A	267	152,625.74	
COVID-19 Special Education - Grants to States	84.027X	263	448,006.78	
COVID-19 Special Education - Preschool Grants	84.173X	267	34,843.50	
Sarasota County District School Board:				
Special Education - Grants to States	84.027	N/A	51,842.07	
Total Special Education Cluster			4,618,950.91	
Not Clustered				
United States Department of Education:				
COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund - Student Aid *	84.425E	N/A	37,297.57	
Florida Department of Education:				
COVID-19 Education Stabilization Fund: Elementary and Secondary School Emergency Relief Fund *	84.425D	124	2,976,562.34	
COVID-19 Education Stabilization Fund: American Rescue Plan - Elementary and Secondary School Emergency Relief *	84.425U	121	9,652,752.14	
COVID-19 Education Stabilization Fund: American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth Fund *	84.425W	122	61,966.94	
Total Education Stabilization Fund			12,728,578.99	

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing (AL) Number	Pass-Through Grantor Number	Amount of Expenditures (1) (2) (4)	Passed Through to Subrecipients
Adult Education - Basic Grants to States	84.002A	191, 193	$ 303,966.87	
Title I Grants to Local Educational Agencies *	84.010, 84.010A	212, 222, 223, 226, 228	3,783,076.38	
Career and Technical Education - Basic Grants to States	84.048A	151, 161	289,459.61	
Education for Homeless Children and Youth	84.196A	127	61,704.65	
English Language Acquisition State Grants	84.365A	102	66,807.37	
Supporting Effective Instruction State Grants	84.367A	224	737,185.97	$ 2,732.58
Student Support and Academic Enrichment Program	84.424A	241	320,563.47	15,801.47
Total United States Department of Education			23,900,722.89	18,534.05
United States Department of Defense:				
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	230,852.74	
Federal Communications Commission:				
Emergency Connectivity Fund Program	32.009	N/A	290,880.00	
United States Department of Homeland Security:				
Federal Emergency Management Agency (FEMA)				
Florida Division of Emergency Management				
Disaster Grants - Public Assistance *	97.036	N/A	$ 10,189,761.27	
Total Expenditures of Federal Awards			$ 49,155,592.36	$ 18,534.05

*Denotes major federal award program.

Notes:

(1) **Basis of Presentation:** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Charlotte County District School Board (the District) under programs of the federal government for the fiscal year ended June 30, 2023. 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 allowed or are limited as to reimbursement.

(3) **Head Start:** Expenditures include $877,138.94 for grant number/program year 04CH011701/03 and $2,194,916.63 for grant number/program year 04CH011701/04.

(4) **Indirect Cost Rate Election:** The District has not elected to use the de minimus cost rate allowed under the Uniform Guidance.

(5) **Non-Cash Assistance**

(A) National School Lunch Program - Of the total reported above, $871,144.85 represents the amount of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(B) Emergency Connectivity Fund - Of the total reported above, $290,880.00 represents the fair value of equipment and services received during the fiscal year.

PURVIS GRAY

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*

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charlotte County District School Board (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 9, 2024. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. For the charter school audits, 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. The financial statements of the school internal funds and the Charlotte Local Education Foundation, Inc., were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the school internal funds and the Charlotte Local Education Foundation, Inc. or that are reported separately by those auditors who audited the financial statement of the school internal funds an Charlotte Local Education Foundation, Inc.

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.

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Purvis Gray

February 9, 2024
Sarasota, Florida

PURVIS GRAY

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

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Charlotte County District School Board's (the District's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questions costs. The District's basic financial statements include the operations of component units which expended federal awards during the year ended June 30, 2023. Our audit, described below, did not include the operations of these component units because those entities were audited by other auditors.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance requirements referred to above.

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

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

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

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

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

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

Purvis Gray

February 9, 2024
Sarasota, Florida

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance 2 CFR Section 200.516(a)?	No
Identification of Major Programs:	
U.S. Department of Education	
COVID-19 Education Stabilization Fund:	
Emergency Relief Fund – Student	84.425E
Elementary and Secondary School Emergency Relief Fund	84.425D
Secondary School Emergency Relief	84.425U
Emergency Relief – Homeless Children and Youth Fund	84.425W
U.S. Department of Education	
Passed through Florida Department of Education	
Title I Grants to Local Educational Agencies	84.010, 84.010A
U.S. Department of Homeland Security	
Federal Emergency Management Agency (FEMA)	
Florida Division of Emergency Management	
Disaster Grants – Public Assistance	97.036
Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$1,474,668
Auditee Qualified as Low-Risk Auditee?	Yes

CHARLOTTE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II—FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

OTHER MATTERS

A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings.

A Corrective Action Plan is not required because there are no current year findings related to federal awards.

PURVIS GRAY

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

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

We have examined the Charlotte County District School Board's (the District) compliance with Section 218.415, Florida Statutes during the fiscal year ended June 30, 2023. District Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements during the fiscal year ended June 30, 2023.

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

Purvis Gray

February 9, 2024
Sarasota, Florida

PURVIS GRAY

MANAGEMENT LETTER

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

Report on the Financial Statements
We have audited the financial statements of the Charlotte County District School Board (the District), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated February 9, 2024. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the discretely presented component units, as described in our report on the District's financial statements. This report does not include matters related to these separate audits.

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

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 9, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Financial Condition and Management
Section 10.804(1)(f)2., *Rules of the Auditor General*, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Charlotte County District School Board and
Superintendent
Port Charlotte, Florida

MANAGEMENT LETTER

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

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

Transparency

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, District School Board members, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

February 9, 2024
Sarasota, Florida

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com