

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020



THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**THE SCHOOL BOARD OF MARION COUNTY
OCALA, FLORIDA**

**FISCAL YEAR ENDED
JUNE 30, 2020**

**Dr. Heidi Maier, Superintendent of Schools to June 30, 2020
Dr. Diane V. Gullett, Superintendent of Schools from July 1, 2020**

**Prepared By:
Finance and Accounting Department
Theresa Boston-Ellis, Chief Financial Officer
Alice A. Posada, Director of Finance
Valerie Brown, Senior Accountant**

**The School Board of Marion County
P.O. Box 670
Ocala, FL 34478-0670**

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**THE SCHOOL BOARD OF MARION COUNTY
OCALA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2020**

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I N T R O D U C T O R Y



Principal Officials as of June 30, 2020

District School Board



Mr. Eric Cummings
School Board Chair,
District 3



Mrs. Nancy Thrower
Vice Chair, District 4



Mrs. Nancy Stacy
Member, District 1



Mrs. Beth McCall
Member, District 2



Mrs. Kelly King
Member, District 5

Executive Officials



Dr. Heidi Maier
Superintendent



Dr. Jonathan H. Grantham
Deputy Superintendent



Ms. Theresa Boston-Ellis
Chief Financial Officer

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December 11, 2020

Members of the Board
Marion County School Board
512 SE 3rd Street
Ocala, Florida 34471

Dear School Board Members and Citizens of Marion County,

State statute requires that all local governments publish after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Marion County District School Board (the District), for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the District. Responsibility for the administration and management of the schools and the administrative support units of the District is vested in the Superintendent of Schools who serves as the Board Secretary and Chief Executive Officer. Accordingly, responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the Superintendent and the designated representatives of the Superintendent. To provide a reasonable basis for making these representations, the Superintendent and/or her representatives have established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As District representatives, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The State of Florida Auditor General has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The Auditor General's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the District was part of a broader, Federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies.

Dr. Diane Gullett
Superintendent

Allison Campbell
District 1

Beth McCall
District 2

Eric Cummings
District 3

Nancy Thrower
District 4

Kelly King
District 5



Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

The CAFR contains the audited financial statements for all operations over which the District is financially accountable. Various potential component units were evaluated to determine whether they should be considered as part of the District's reporting entity. A component unit was considered to be part of the District's reporting entity when it was concluded that the District was financially accountable for the entity or the nature and significance of the relationship between the District and the entity was such that exclusion would cause the District's financial statements to be misleading. Based on established criteria, it was determined that a leasing corporation is identified as a component unit requiring blended presentation, and one direct support organization and four charter schools are component units with discrete presentations in the basic financial statements. Charter schools are funded by the State and Federal governments, and funds pass through the District for distribution to each charter school. Charter schools also receive grants and donations that do not pass through the school system. The notes to financial statements include a detailed discussion of the blended component unit and the component units that are discretely presented in the basic financial statements.

The District is required to undergo an annual Single Audit in conformity with the provisions of the Uniform Guidance. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this Single Audit, including the schedule of expenditures of Federal awards, the independent auditor's reports on internal control over financial reporting and on compliance and other matters, the independent auditor's report on Federal program compliance, and the schedule of findings and questioned costs, is included in section IV as additional elements of this report.

Profile of the School District

The District and its governing board (the Board) were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered and supervised by District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five (5) elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The Superintendent is responsible for the administration and management of the schools within the applicable parameters of State laws, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts for the District by State Board of Education Rule 6A-1.001, Florida Administrative Code.

The geographic boundaries of the District are coterminous with those of Marion County. Management of the District is independent of county and city governments. Covering 1,663 square miles, Marion County is one of the largest counties in Florida. With 43,008 students, Marion County student enrollment increased by 190 students from the 2018-19 fiscal year to the 2019-20 fiscal year. There is little projected growth for the 2020-21 fiscal year student enrollment.

The District provides a full range of educational programs in Marion County. These include early childhood, kindergarten through 12th grade, basic and enriched programs, and exceptional student education. The District also provides vocational, workforce and adult programs.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Economy. The District relies heavily upon state funding for the core of the educational programs within the District, and while the economic conditions of the nation and state interact with state funding adequacy and availability, the economic outlook for the District is consistent with the national situation. The State of Florida is dependent upon sales tax collections and tourism. In addition, the community within the District is wholly supportive of the educational program, as evidenced by the contribution of money, time and effort. Any funding fluctuations will mean that new programs, innovative initiatives and educational enhancements may not be available within the desired time frames. Due to the pandemic the District was required to close schools in March of 2020. While the Florida Department of Education maintained the level of funding in 2019-20, the full impact of the pandemic on the District's state funding may not be felt until later in the 2020-21 fiscal year.

The Board, Superintendent, and staff are acutely aware of the perils of interrupted revenue receipts. Prudent business practices, accompanied by statutes mandating balanced budgets, result in a continual review of the financial condition of the District.

Career Development. As the work force needs in the community change, the District works with the Ocala/Marion County Chamber and Economic Partnership, Career Source, local employers and other organizations to help ensure our students are prepared to continue on to post-secondary education, the military, or to join our local work force.

Public-private partnerships are shaping strategies to help ensure students are prepared for highly skilled jobs available in Marion County. Marion Technical College (MTC) postsecondary programs and all Marion County secondary career and technical programs work cooperatively with local business advisory committees to ensure that all programs meet the standards for preparing students for productive careers and for continued education. New program offerings at the secondary levels are selected for implementation based upon projected job openings and high-skill, high-wage criteria.

Long-Term Financial Planning

Budgetary Controls. The District strives to maintain adequate fund balances and top debt ratings by careful management of its financial resources. The District establishes and maintains policies, procedures, and budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds are included in the annual appropriations budget. Although project length financial plans are adopted for the Capital Project Funds, the funding is contingent upon the annual budget adoption. Budgetary control is maintained for individual accounts or group of accounts within each school or department through the use of an encumbrance accounting system. This process tests for availability of funds, which precludes a requisition for services, equipment, supplies or materials from becoming a purchase order if the account would be overspent. The budgetary process is discussed under the Budgetary Compliance and Accountability section of the Notes to Required Supplementary Information.

Capital/Facilities Plan. Long-term financial facility needs are addressed in a Five-Year District Facilities Work Plan encompassing all construction, maintenance, and facility renovation. The

Facilities Work Plan is updated every year. Funding is provided primarily from the local capital outlay millage levy on an annual basis.

All school buildings across the county are maintained by the Facilities Department and vary among age and structure. Eighth Street Elementary, built in 1914, marks as the oldest school while Legacy Elementary, which was completed in 2011, marks as the newest addition. A complete list of schools with their year acquired and square footage can be referenced in the Statistical Section of this CAFR on pages 120-121.

To protect, improve, and maintain our schools in our District takes many hours and days. The District has worked to provide enough capacity to reduce class sizes and meet anticipated student enrollment. After many years of student growth, the District's student numbers have leveled out. It has become necessary to focus our capital outlay resources on preventative maintenance, repairs, and the upkeep or replacement of building systems. This is critical to continue to meet health, safety and accessibility requirements. School districts in Florida have been hit hard by the reduction in local capital outlay taxing authority and fluctuation in property values over the past ten years. In response to the U.S. recession in 2008 and 2009, the Florida Legislature reduced the capital millage authority of local school boards by 25%. This 25% reduction of the taxing rate, previously used by districts to meet the needs of facility maintenance, has forced school systems to utilize General Fund dollars to cover the expense of the ongoing, everyday operational projects at school sites and in turn has grown the deferred capital project listings. We continue to update, adopt and review existing facility maintenance needs within available resources.

Financial Information

A detailed explanation of the financial position and operating results of the District is provided in the CAFR. The accounting policies of the District conform to GAAP applicable to governmental units. The statements and schedules included in the financial section of this report demonstrate the District's continued commitment to sound financial management.

Retirement Program

The District participates in the Florida Retirement System, which is administered by the State of Florida Department of Management Services. Note II.E to the financial statements describes the District's retirement program in greater detail.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District of Marion County, Florida, for its CAFR for fiscal year ended June 30, 2019. This is the twentieth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the CAFR could not have been accomplished without the loyal and dedicated assistance of the entire staff of the Finance Department, as well as the entire District administrative staff who provided assistance throughout the preparation of this report.

We would like to thank the School Board Members for their interest and support in establishing responsible and progressive financial policies for the District. The citizens of Marion County are also to be commended for their continued support of the public schools.

As this fiscal year ends, and we look back at the events that have affected us as a District and as a community, our commitment to quality education is as strong as ever.

Respectfully submitted,



Diane V. Gullett, Ed.D., Superintendent of Schools



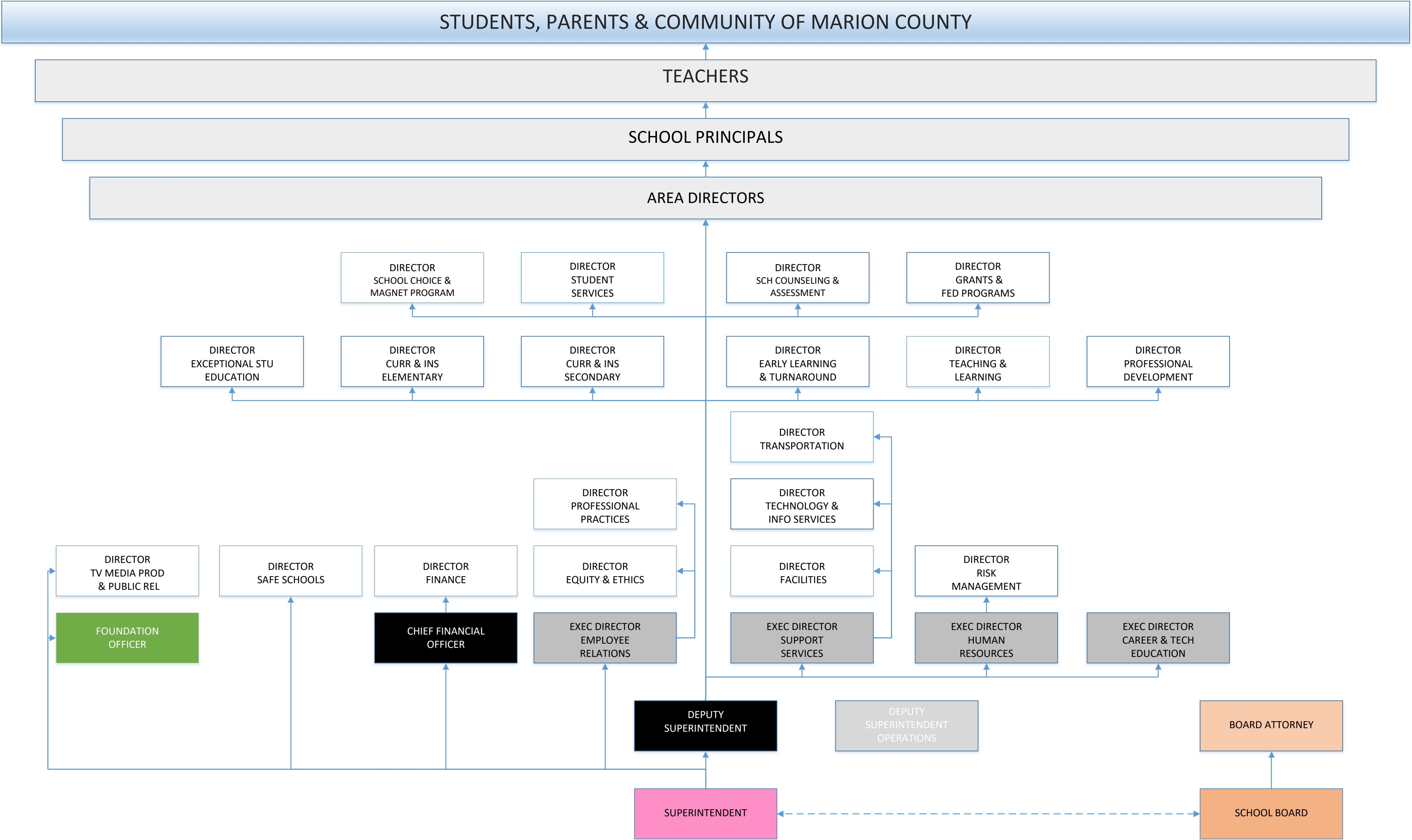
Theresa Boston-Ellis, Chief Financial Officer



Alice A. Posada, Director of Finance

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MARION COUNTY PUBLIC SCHOOLS
ORGANIZATIONAL CHART – 2019-2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**School District of Marion County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

F I N A N C I A L



"Talent wins games, but teamwork and intelligence win championships."

Michael Jordan



FINANCIAL SECTION

This section contains the following subsections:

**Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements**

**Notes to Financial Statements
Required Supplementary Information
Notes to Required Supplementary Information**

**Supplementary Information:
Combining and Individual Fund Statements and Schedules**

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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 Marion County District School Board, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 13 percent and 24 percent, respectively, of the assets and liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Marion County District School Board, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Major Fund – General Fund; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Major Special Revenue Fund – Other Federal Programs Fund; Schedule of Proportionate Share of Net Pension Liability; Schedule of Contributions – Pension Plans; Schedule of Changes in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios; and Notes to Required Supplementary Information**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements

and schedules and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, 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.

The combining and individual fund financial statements and schedules and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible.

Sherrill F. Norman, CPA
Tallahassee, Florida
December 11, 2020
Audit Report No. 2021-077

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Marion County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2020. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-20 fiscal year are as follows:

- Total net position is \$292,549,804, which represents a 6.16 percent decrease from the 2018-19 fiscal year.
- General revenues total \$421,802,441, or 92.91 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$32,170,314 or 7.09 percent of all revenues.
- Expenses total \$473,171,389; only \$32,170,314 of these expenses were offset by program revenues, with the remainder paid from general revenues. Total expenses exceed total revenues by \$19,198,634.
- The total combined assigned and unassigned fund balance of the General Fund, representing the net fund balance that is spendable and not restricted, totals \$40,696,240 at June 30, 2020, or 11.29 percent of total General Fund revenues. The unassigned fund balance totals \$29,752,838 which represents 8.25 percent of total General Fund revenues.
- The total assets and deferred outflows of resources of the District is \$724,243,601 and total liabilities and deferred inflows of resources is \$431,693,797.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

Government-wide financial statements

Fund financial statements

Notes to financial statements

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, its liabilities, its deferred inflows and its deferred outflows of resources using an economic resources

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

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

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

Component units—The District presents five separate legal entities in this report including the Marion Charter School, Inc.; the McIntosh Area School, Incorporated; the Francis Marion Military Academy, Inc.; Francis Marion Charter School, Inc., d/b/a Ocali Middle School; and the Public Education Foundation of Marion County, Inc. Although these entities do not meet the specific financial accountability criteria, they are included in this report as component units based on the nature and significance of their relationship with the District to prevent the District's financial statements from being misleading. Financial information for these component units are reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

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 utilize the current financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The current 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.

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 funds balance sheet and the governmental funds 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 – Other Federal Programs Fund, Capital Projects – Local Capital Improvement Fund and Capital Project – Other Capital Projects Fund. Data from the other five governmental funds are considered nonmajor and are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and are presented as supplementary information.

Proprietary Fund—Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains an internal service fund to report activities that provide services to support the District's other programs and functions through user charges. The District uses the internal service fund to account for the cost of the District's self-insurance risk management programs. Since these services predominantly benefit governmental functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same types of information as the government-wide financial statements, only in more detail. The internal service fund is presented in a single column in the proprietary fund financial statements.

Fiduciary Funds—Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds and the Silver River Museum. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District uses Agency Funds to account for resources held for student activities and groups, and a Private-Purpose Trust Fund to account for private funds held for the Silver River Museum.

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.

Required Supplementary Information

The District adopts an annual budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the major Special Revenue Fund to demonstrate compliance with the budget. Additional required supplementary information is presented relating to the schedule of change in other postemployment benefit plan liability and related ratios, and net pension liabilities and contributions.

Notes to Required Supplementary Information

The notes provide additional information that is essential for a full understanding of the data provided in the required supplementary information.

Other Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2020, compared to net position as of June 30, 2019:

	Net Position, End of Year	
	Governmental Activities	
	6-30-20	6-30-19
Current Assets	\$ 124,791,636	\$ 128,560,957
Capital Assets, Net of Depreciation	510,896,722	507,343,044
Total Assets	635,688,358	635,904,001
Deferred Outflows of Resources	88,555,243	96,340,907
Current Liabilities	15,661,340	13,063,543
Noncurrent Liabilities	387,171,421	381,818,313
Total Liabilities	402,832,761	394,881,856
Deferred Inflows of Resources	28,861,036	25,614,614
Net Position:		
Net Investment in Capital Assets	436,909,134	423,039,762
Restricted	53,631,332	63,844,205
Unrestricted (Deficit)	(197,990,662)	(175,135,529)
Total Net Position	\$ 292,549,804	\$ 311,748,438

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

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit net position was the result of liabilities related to the defined benefit pension plans, compensated absences, and Other Postemployment Benefits (OPEB).

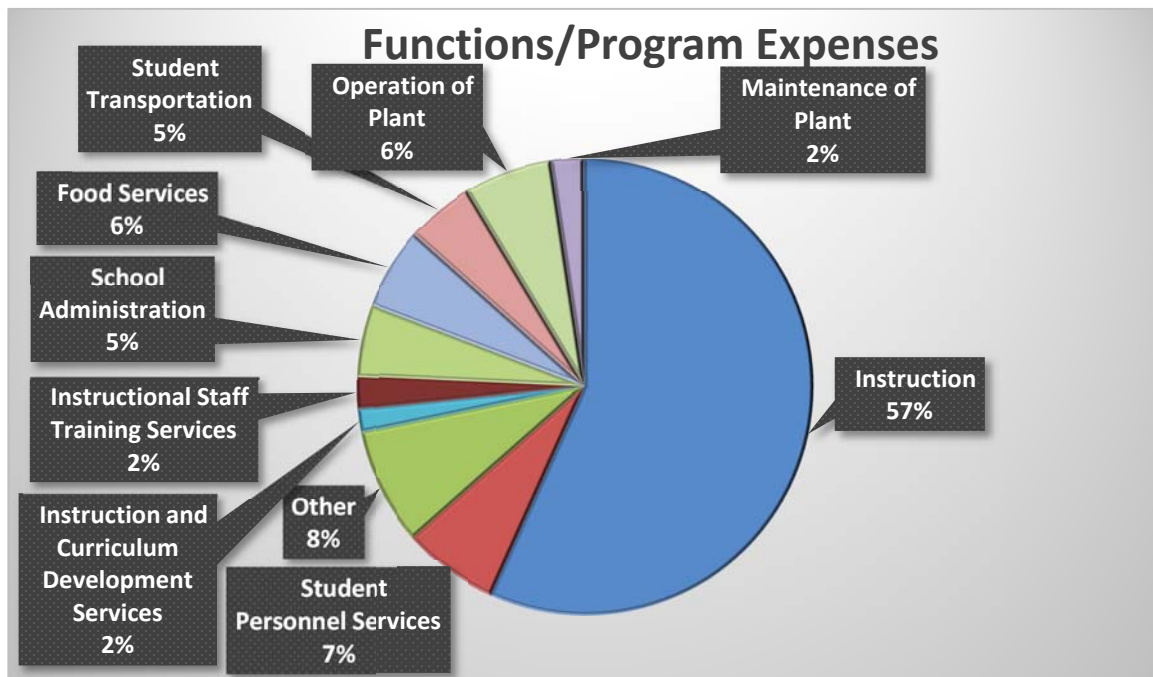
The deficit unrestricted net position significantly increased from 2018-19 to 2019-20 as the result of pension expense of the Florida Retirement System and Health Insurance Subsidy program.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2020, and June 30, 2019, are as follows:

- The increase in net investment in capital assets is due primarily to asset addition and debt retirement.
- The decrease in deferred outflows and increase in deferred inflows is the result of the Florida Retirement System, Health Insurance Subsidy, and OPEB activities.

Governmental activities decreased the District's net position by \$19,198,634 during the 2019-20 fiscal year, detailed as follows:

Operating Results for the Fiscal Year Ended			
Governmental Activities			
	6-30-20	6-30-19	
Program Revenues:			
Charges for Services	\$ 8,079,496	\$ 9,735,008	
Operating Grants and Contributions	22,108,361	26,435,943	
Capital Grants and Contributions	1,982,457	2,777,090	
General Revenues:			
Property Taxes Levied for Operational Purposes	114,954,917	110,053,950	
Property Taxes Levied for Capital Projects	30,332,362	28,361,978	
Grants and Contributions Not Restricted to Specific Programs	267,735,554	262,511,580	
Unrestricted Investment Earnings	2,800,887	3,233,404	
Miscellaneous	5,978,721	7,914,602	
Total Revenues	453,972,755	451,023,555	
Functions/Program Expenses:			
Instruction	268,339,463	258,161,945	
Student Personnel Services	32,023,172	32,571,703	
Instructional Media Services	4,983,809	4,440,743	
Instruction and Curriculum Development	7,766,711	7,224,920	
Instructional Staff Training Services	10,953,527	11,091,720	
Instruction Related Technology	2,696,383	2,553,752	
Board of Education	1,116,072	851,172	
General Administration	3,454,028	3,301,361	
School Administration	23,974,881	21,449,659	
Facility Services	4,474,895	2,687,241	
Fiscal Services	3,447,126	3,152,753	
Food Services	27,592,616	29,537,513	
Central Services	5,606,928	5,332,555	
Student Transportation Services	22,628,422	22,651,212	
Operation of Plant	29,457,066	25,018,755	
Maintenance of Plant	11,241,356	10,068,853	
Administrative Technology Services	5,171,426	5,055,202	
Community Services	5,569,166	5,655,715	
Unallocated Interest on Long-Term Debt	2,674,342	2,762,058	
Total Functions/Program Expenses	473,171,389	453,568,832	
Increase (Decrease) in Net Position	(19,198,634)	(2,545,277)	
Net Position - Beginning	311,748,438	314,293,715	
Net Position - Ending	\$ 292,549,804	\$ 311,748,438	

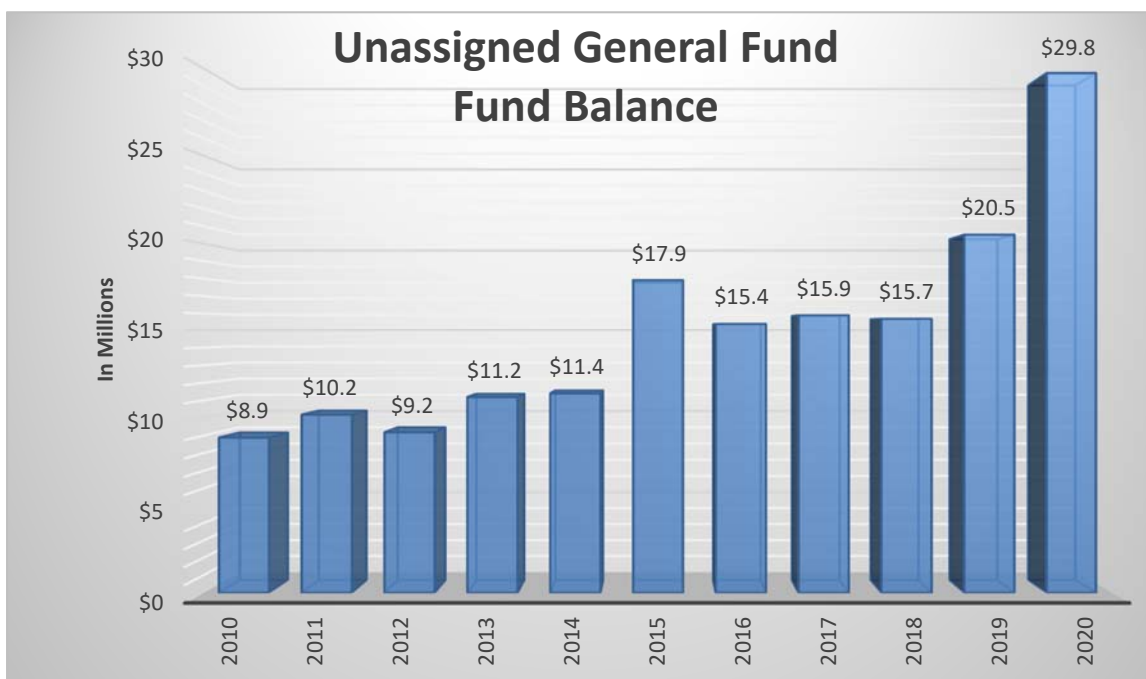


Key elements of the change in net position are as follows:

- Property values continue to rise providing increased property taxes for operations and capital projects.
- Overall Instructional related expenses increased significantly due to the additional one mill levied for educational enhancements.
- Other increases in expenses resulted from the recording of net pension liability expenses which increased expenditures by approximately \$26.8 million.
- Certain expenditures decreased as a result of the COVID-19 shutdown in March 2020.

Major Governmental Funds

General Fund: This fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance was \$29,752,838 while the total fund balance was \$56,957,199. The total fund balance increased by \$7,346,629 during the 2019-20 fiscal year. The increase in fund balance is primarily due to an increase in State FEFP revenue along with the increase in property values. The fund balance remains above the level set by Board policy which is 3 percent of General Fund revenues.



Special Revenue – Other Federal Programs Fund: This fund had revenues and expenditures of \$35,263,463. Expenditures were primarily for salaries and benefits. Because revenues in this fund are recognized to the extent expenditures are incurred, this fund generally does not accumulate a fund balance.

Capital Projects – Local Capital Improvement Fund: This fund has a total fund balance of \$21,076,499, all of which is restricted for the acquisition, construction, and maintenance of capital assets. Funds were used for property insurance, debt payments, and HVAC upgrades.

Capital Projects – Other Capital Projects Fund: This fund has a total fund balance of \$6,838,821, all of which is restricted for the acquisition, construction, and maintenance of capital assets. Funds were used to provide security fencing and pay for busses.

Proprietary Fund

Unrestricted net position of the Internal Service Fund totaled \$3,281,427 at June 30, 2020, a decrease of \$1,313,173 from the previous fiscal year. Total operating expenses were \$5,852,260 comprised of salaries, employee benefits, purchased services, and claims expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2019-20 fiscal year, the District amended its General Fund budget several times due primarily to changes in estimated local and Federal through State funding levels and made corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

The District made several management decisions to curtail spending, which resulted in actual expenditures being approximately \$24.6 million less than original budget amounts.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$510,896,722 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Major capital asset events during the current fiscal year included the following:

- Several heating, ventilating and air conditioning and re-modeling projects were completed during the year.
- Purchased 150 school busses.
- Disposal of portable buildings, equipment, and vehicles totaled approximately \$5 million.
- Depreciation expense totaled \$20,064,091.

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

Long-Term Debt

At June 30, 2020, the District has \$73,107,554 total capital asset-related debt outstanding. This amount is composed of \$53,175,000 of certificates of participation payable, \$2,867,000 of bonds payable, \$14,430,984 of notes payable, and \$2,634,570 of unamortized premiums.

Other items classified as long-term liabilities, in the government-wide financial statements, include the compensated absences liability totaling \$33,891,733, other postemployment benefits payable in the amount of \$19,838,239, estimated insurance claims payable totaling \$10,207,996 and net pension obligations totaling \$250,125,899.

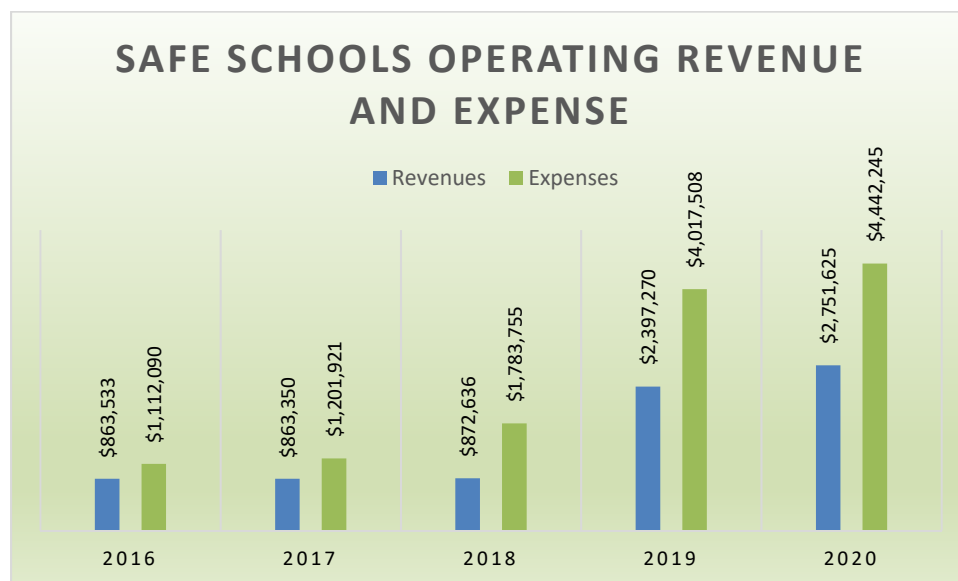
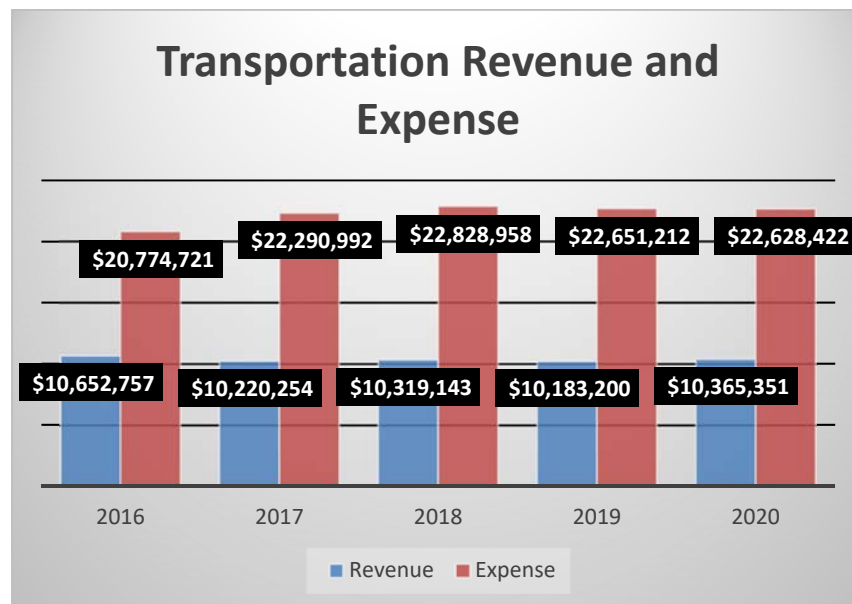
Additional information on the District's long-term liabilities can be found in Note II.I. to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

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

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

Transportation, as well as unfunded mandates such as safe schools, continue to exceed revenues. For fiscal year 2019-20, expenses exceeded revenues by \$12.3 million for Transportation and \$1.7 million for operating funds related to Safe Schools. Funding these areas from current operations continue to be challenging.



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Marion County District School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, School District of Marion County, Florida, 512 SE 3rd Street, Ocala, FL 34471.

BASIC FINANCIAL STATEMENTS

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government Governmental Activities	Component Units
Assets		
Cash	\$ 16,882,942	\$ 1,204,359
Investments	89,194,889	552,869
Accounts Receivable	605,558	85,087
Deposits Receivable	140,000	15,906
Due from Other Agencies	11,265,534	-
Inventories	3,912,835	349,519
Prepaid Items	2,789,878	25,153
Assets Held by Others	-	1,926,669
Capital Assets:		
Capital Assets Not Being Depreciated	20,259,544	364,833
Capital Assets Being Depreciated, Net	490,637,178	575,648
Total Assets	635,688,358	5,100,043
Deferred Outflows of Resources		
Deferred Amount on Refunding	1,409,141	-
Deferred Amount on Other Postemployment Benefits	1,292,245	-
Deferred Amount on Pension Liability	85,853,857	424,054
Total Deferred Outflows of Resources	88,555,243	424,054
Liabilities		
Salaries and Benefits Payable	6,515,715	28,490
Payroll Deductions and Withholdings Payable	1,623,071	-
Accounts Payable	4,049,951	242,659
Sales Tax Payable	1,786	-
Deposits Payable	174,611	-
Construction Contracts Payable	1,950,830	-
Construction Contracts Payable - Retainage	406,886	-
Accrued Interest Payable	318,835	-
Due to Other Agencies	107,932	-
Unearned Revenue	511,723	-
Long-term Liabilities Due Within One Year	20,790,665	74,458
Long-term Liabilities Due After One Year	366,380,756	1,053,695
Total Liabilities	402,832,761	1,399,302
Deferred Inflows of Resources		
Deferred Revenue	-	72,851
Deferred Amount on Other Postemployment Benefits	9,060,394	-
Deferred Amount on Pension Liability	19,800,642	-
Total Deferred Inflows of Resources	28,861,036	72,851
Net Position		
Net Investment in Capital Assets	436,909,134	940,481
Restricted for:		
State Required Carryover Programs	8,882,249	39,437
Food Service	7,227,762	-
Debt Service	296,651	-
Capital Projects	32,809,288	171,942
Referendum Property Tax	4,415,382	-
Other Purposes	-	2,485,316
Permanent Endowments:		
Nonexpendable	-	108,548
Unrestricted (Deficit)	(197,990,662)	306,220
Total Net Position	\$ 292,549,804	\$ 4,051,944

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

**MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 268,339,463	\$ 6,349,546	\$ -
Student Personnel Services	32,023,172	-	-
Instructional Media Services	4,983,809	-	-
Instruction and Curriculum Development	7,766,711	-	-
Instructional Staff Training Services	10,953,527	-	-
Instruction Related Technology	2,696,383	-	-
Board of Education	1,116,072	-	-
General Administration	3,454,028	-	-
School Administration	23,974,881	-	-
Facility Services	4,474,895	-	-
Fiscal Services	3,447,126	-	-
Food Services	27,592,616	1,615,654	22,108,361
Central Services	5,606,928	-	-
Student Transportation Services	22,628,422	114,296	-
Operation of Plant	29,457,066	-	-
Maintenance of Plant	11,241,356	-	-
Administrative Technology Services	5,171,426	-	-
Community Services	5,569,166	-	-
Unallocated Interest on Long-term Debt	2,674,342	-	-
Total Primary Government	\$ 473,171,389	\$ 8,079,496	\$ 22,108,361
Component Units			
Charter Schools/Foundation	\$ 6,299,560	\$ 62,802	\$ 88,943

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

Net Position - Ending

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

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
Capital Grants and Contributions	Governmental Activities	Component Units
\$ -	\$ (261,989,917)	\$ -
-	(32,023,172)	-
-	(4,983,809)	-
-	(7,766,711)	-
-	(10,953,527)	-
-	(2,696,383)	-
-	(1,116,072)	-
-	(3,454,028)	-
-	(23,974,881)	-
1,703,302	(2,771,593)	-
-	(3,447,126)	-
-	(3,868,601)	-
-	(5,606,928)	-
-	(22,514,126)	-
-	(29,457,066)	-
-	(11,241,356)	-
-	(5,171,426)	-
-	(5,569,166)	-
279,155	(2,395,187)	-
<u>\$ 1,982,457</u>	<u>(441,001,075)</u>	<u>-</u>
<u>\$ 286,066</u>	<u>-</u>	<u>(5,861,749)</u>

114,954,917	-
30,332,362	-
267,735,554	5,650,255
2,800,887	22,656
5,978,721	27,485
<u>421,802,441</u>	<u>5,700,396</u>
(19,198,634)	(161,353)
311,748,438	4,213,297
<u>\$ 292,549,804</u>	<u>\$ 4,051,944</u>

**MARION COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Special Revenue - Other Federal Programs Fund
Assets		
Cash	\$ 6,409,181	\$ 515,767
Investments	49,765,972	-
Accounts Receivable	571,359	31,227
Due From Other Agencies	4,164,591	4,659,788
Due From Budgetary Funds	3,703,057	-
Inventories	2,320,530	-
Prepaid Items	642,798	45,505
Total Assets	\$ 67,577,488	\$ 5,252,287
Liabilities and Fund Balances		
Liabilities		
Salaries and Benefits Payable	\$ 6,052,941	\$ 374,351
Payroll Deductions and Withholdings Payable	1,563,190	52,069
Accounts Payable	2,658,508	207,036
Sales Tax Payable	1,786	-
Accrued Interest Payable	-	-
Deposits Payable	3,547	-
Construction Contracts Payable	-	-
Construction Contracts Payable - Retainage	286	-
Due to Other Agencies	90,514	14,420
Due to Budgetary Funds	-	3,703,057
Unearned Revenue	249,517	901,354
Total Liabilities	10,620,289	5,252,287
Fund Balances		
Nonspendable:		
Inventories	2,320,530	-
Prepaid Items	642,798	45,505
Total Nonspendable Fund Balance	2,963,328	45,505
Restricted for:		
State Required Carryover Programs	8,882,249	-
Referendum Property Tax	4,415,382	-
Debt Service	-	-
Capital Projects	-	-
Food Service	-	-
Total Restricted Fund Balance	13,297,631	-
Assigned for:		
Budget Shortfall 2020-21 Fiscal Year	10,943,402	-
Unassigned Fund Balance	29,752,838	(45,505)
Total Fund Balances	56,957,199	-
Total Liabilities and Fund Balances	\$ 67,577,488	\$ 5,252,287

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,632,088	\$ 137,760	\$ 5,439,506	\$ 16,134,302
18,666,704	6,077,033	4,098,334	78,608,043
-	-	2,972	605,558
1,056,712	903,882	480,561	11,265,534
-	-	-	3,703,057
-	-	1,592,305	3,912,835
-	-	609	688,912
<u>\$ 23,355,504</u>	<u>\$ 7,118,675</u>	<u>\$ 11,614,287</u>	<u>\$ 114,918,241</u>

\$ -	\$ -	\$ 83,504	\$ 6,510,796
-	-	6,727	1,621,986
1,035,481	-	137,064	4,038,089
-	-	-	1,786
-	-	88	88
-	-	171,064	174,611
1,033,619	233,958	683,253	1,950,830
209,905	45,896	150,799	406,886
-	-	2,376	107,310
-	-	-	3,703,057
-	-	-	1,150,871
<u>2,279,005</u>	<u>279,854</u>	<u>1,234,875</u>	<u>19,666,310</u>

-	-	1,592,305	3,912,835
-	-	609	688,912
-	-	<u>1,592,914</u>	<u>4,601,747</u>

-	-	-	8,882,249
-	-	-	4,415,382
-	-	615,398	615,398
21,076,499	6,838,821	2,536,252	30,451,572
-	-	5,634,848	5,634,848
<u>21,076,499</u>	<u>6,838,821</u>	<u>8,786,498</u>	<u>49,999,449</u>

-	-	-	10,943,402
-	-	-	29,707,333
<u>21,076,499</u>	<u>6,838,821</u>	<u>10,379,412</u>	<u>95,251,931</u>

<u>\$ 23,355,504</u>	<u>\$ 7,118,675</u>	<u>\$ 11,614,287</u>	<u>\$ 114,918,241</u>
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**MARION COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balances - Governmental Funds \$ 95,251,931

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. 510,896,722

The deferred outflows of resources and deferred inflows of resources related to pensions, other postemployment benefits and debt refundings are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows related to Debt Refundings	\$ 1,409,141	
Deferred Outflows related to Pensions	85,853,857	
Deferred Outflows related to Other Postemployment Benefits	1,292,245	
Deferred Inflows related to Pensions	(19,800,642)	
Deferred Inflows related to Other Postemployment Benefits	<u>(9,060,394)</u>	
		59,694,207

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Certificates of Participation	53,175,000	
Bonds Payable	2,867,000	
Note Payable	14,430,984	
Unamortized Premiums	2,634,570	
Unamortized Prepaid Insurance - Debt Related	(68,541)	
Compensated Absences Payable	33,891,733	
Other Postemployment Benefits Payable	19,838,239	
Net Pension Liability	<u>250,125,899</u>	
		(376,894,884)

E-rate and Hurricane Irma funds were accrued as revenue in the government-wide statements due to the economic resource measurement focus but not in the fund financial statements as funds were not received within 60 days after fiscal year-end. 639,148

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. 3,281,427

Accrued Interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. (318,747)

Total Net Position - Governmental Activities \$ 292,549,804

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue - Other Federal Programs Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 599,307	\$ 1,376,674
Federal Through State and Local	3,521,739	32,656,764
State	227,382,513	432,624
Local:		
Property Taxes	114,954,919	-
Other	14,121,280	797,401
Total Revenues	360,579,758	35,263,463
Expenditures		
Current - Education:		
Instruction	219,233,381	15,719,619
Student Personnel Services	23,519,419	6,419,466
Instructional Media Services	4,351,258	18,876
Instruction and Curriculum Development	4,803,850	2,363,318
Instructional Staff Training Services	3,640,143	6,706,240
Instruction Related Technology	2,374,452	-
Board of Education	1,111,752	-
General Administration	1,706,346	1,451,604
School Administration	20,513,753	-
Facility Services	1,137,613	6,056
Fiscal Services	3,103,714	-
Food Services	-	-
Central Services	4,923,847	2,000
Student Transportation Services	19,188,232	146,390
Operation of Plant	28,124,776	-
Maintenance of Plant	10,069,095	-
Administrative Technology Services	4,242,234	-
Community Services	3,902,632	1,644,421
Capital Outlay:		
Facilities Acquisition and Construction	1,813,211	257,765
Other Capital Outlay	1,323,385	527,708
Debt Service:		
Retirement of Principal	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	359,083,093	35,263,463
Excess (Deficiency) of Revenues Over Expenditures	1,496,665	-
Other Financing Sources (Uses)		
Issuance of Refunding Bonds	-	-
Premium on Refunding Bonds	-	-
Insurance Loss Recoveries	150,065	-
Transfers In	5,699,899	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	5,849,964	-
Net Change in Fund Balances	7,346,629	-
Fund Balances - Beginning	49,610,570	-
Fund Balances - Ending	\$ 56,957,199	-

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,500	\$ 1,977,481
-	-	21,714,454	57,892,957
-	745,282	2,577,283	231,137,702
30,332,362	-	-	145,287,281
459,716	131,632	1,779,646	17,289,675
30,792,078	876,914	26,072,883	453,585,096
-	-	-	234,953,000
-	-	-	29,938,885
-	-	-	4,370,134
-	-	-	7,167,168
-	-	-	10,346,383
-	-	-	2,374,452
-	-	-	1,111,752
-	-	-	3,157,950
-	-	-	20,513,753
-	-	-	1,143,669
-	-	-	3,103,714
-	-	25,922,994	25,922,994
-	-	-	4,925,847
-	-	-	19,334,622
-	-	-	28,124,776
-	-	-	10,069,095
-	-	-	4,242,234
-	-	-	5,547,053
3,791,107	758,633	2,625,247	9,245,963
1,163,571	15,742,100	200,014	18,956,778
-	-	12,288,917	12,288,917
-	-	2,801,948	2,801,948
4,954,678	16,500,733	43,839,120	459,641,087
25,837,400	(15,623,819)	(17,766,237)	(6,055,991)
-	-	24,000	24,000
-	-	1,293	1,293
-	-	-	150,065
-	-	14,577,821	20,277,720
(19,972,992)	(18,662)	(286,066)	(20,277,720)
(19,972,992)	(18,662)	14,317,048	175,358
5,864,408	(15,642,481)	(3,449,189)	(5,880,633)
15,212,091	22,481,302	13,828,601	101,132,564
\$ 21,076,499	\$ 6,838,821	\$ 10,379,412	\$ 95,251,931

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**MARION 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, 2020**

Net Change in Fund Balances - Governmental Funds \$ (5,880,633)

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount of capital asset activity in the current period:

Capital Asset Acquisitions	\$ 24,694,604	
Depreciation Expense	(20,064,091)	
Loss on Disposal and Exchange of Capital Assets	<u>(1,076,835)</u>	
		3,553,678

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the debt activity in the current period:

Debt Payments	12,288,917	
Issuance of Refunding Debt	<u>(24,000)</u>	
		12,264,917

Debt Premiums on bond issues are amortized over the life of the debt in the statement of activities but are reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.

418,177

Deferred amount on refunding is amortized over the life of the debt in the statement of activities, but is reported as an expense in the fund statements when debt is issued. This is the amount of the current amortization.

(297,288)

Prepaid insurance is amortized over the life of the debt in the statement of activities but is reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.

(8,568)

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

Florida Retirement System Pension Contribution	16,106,008	
Health Insurance Subsidy Pension Contribution	4,018,755	
Florida Retirement System Pension Expense	(40,586,415)	
Health Insurance Subsidy Pension Expense	<u>(6,363,788)</u>	
		(26,825,440)

The net decrease in accrued interest on long-term debt is reported in the statement of activities, but not in the fund statements.

40,285

Hurricane Irma funds were accrued as revenue in the prior year government-wide statements due to the economic resource measurement focus but not in the fund financial statements as funds were not received within 60 days after fiscal year-end. This represents the amount of obligated FEMA funds still owed the District.

(162,366)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year.

(1,057,150)

Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the actuarial cost of benefits earned net of employee contributions is reported as an expense.

68,927

Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net expense of internal service funds is reported with governmental activities.

(1,313,173)

Change in Net Position of Governmental Activities

\$ (19,198,634)

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Assets	
Current Assets:	
Cash	\$ 748,640
Investments	10,586,846
Deposits Receivable	140,000
Prepaid Items	2,032,425
Total Assets	13,507,911
Liabilities	
Current Liabilities:	
Salaries and Benefits Payable	4,919
Payroll Deductions and Withholdings Payable	1,085
Accounts Payable	11,862
Due to Other Agencies	622
Estimated Insurance Claims Payable	3,233,361
Total Current Liabilities	3,251,849
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	6,974,635
Total Liabilities	10,226,484
Net Position	
Unrestricted	\$ 3,281,427

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

**MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for Services	\$ 4,165,420
Operating Expenses	
Salaries	106,174
Employee Benefits	33,263
Purchased Services	2,031,529
Claim Expense	3,577,419
Other Expense	103,875
Total Operating Expenses	<u>5,852,260</u>
Operating Loss	(1,686,840)
Nonoperating Revenue	
Investment Income	<u>373,667</u>
Change in Net Position	(1,313,173)
Net Position - Beginning	<u>4,594,600</u>
Net Position - Ending	<u><u>\$ 3,281,427</u></u>

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

**MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$ 4,165,420
Cash Payments to Suppliers for Goods and Services	(2,144,787)
Cash Payments to Employees for Services	(138,123)
Cash Payments for Insurance Claim Payments	(2,620,082)
Cash Payments for Prepaid Expenses	(2,028,033)
Cash Received for Other Operating Activities	35,711
Net Cash Used by Operating Activities	<u>(2,729,894)</u>
Cash Flows from Investing Activities	
Purchase of Investments	1,615,926
Investment Income	373,667
Net Cash Provided by Investing Activities	<u>1,989,593</u>
Net Decrease in Cash	(740,301)
Cash, Beginning of Year	<u>1,488,941</u>
Cash, End of Year	<u><u>\$ 748,640</u></u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u>	
Operating Loss	\$ (1,686,840)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	35,711
Increase in Prepaid Items	(2,028,033)
Increase in Salaries and Benefits Payable	1,222
Decrease in Accounts Payable	(9,383)
Increase in Due to Other Agencies	92
Increase in Estimated Insurance Claims Payable	957,337
Net Cash Used by Operating Activities	<u><u>\$ (2,729,894)</u></u>

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

**MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash	\$ -	\$ 3,650,243
Investments	<u>382,475</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 382,475</u></u>	<u><u>\$ 3,650,243</u></u>
LIABILITIES		
School Internal Accounts Payable		<u><u>\$ 3,650,243</u></u>
NET POSITION		
Held in Trust for Silver River Museum	<u>\$ 382,475</u>	
TOTAL NET POSITION	<u><u>\$ 382,475</u></u>	

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

**MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
Investment Earnings:	
Investment Income	\$ 10,563
DEDUCTIONS	
Net Decrease in Fair Value of Investments	14,006
Other Expense	39,451
Total Deductions	<u>53,457</u>
Change in Net Position	(42,894)
Net Position - Beginning	<u>425,369</u>
Net Position - Ending	<u><u>\$ 382,475</u></u>

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

NOTES TO FINANCIAL STATEMENTS

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**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Blended Component Unit. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The Marion County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note II.I.1. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units.

The Public Education Foundation of Marion County, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The Marion Charter School, Inc.; the McIntosh Area School, Incorporated; the Francis Marion Charter School, Inc. d/b/a Ocali Middle School; and the Francis Marion Military Academy, Inc.; are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by its sponsor, the Marion County District School Board. Although the charter schools do not meet the specific financial accountability criteria, based on the nature and significance of the relationship with the District, the charter schools are included as component units to prevent the District's financial statements from being misleading.

The financial data reported on the accompanying statements was derived from the Foundation's and four charter schools' audited financial statements for the fiscal year ended June 30, 2020. These audited reports are filed in the District's administrative offices.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange 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 District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is charged to the functional category that initially purchased the related asset.

C. Basis of Presentation: Government-wide Financial Statements

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

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

D. Basis of Presentation: Fund Financial Statements

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

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 – Other Federal Programs Fund – to account for certain grant programs.
- 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.
- Capital Projects – Other Capital Projects Fund – to account for financial resources to be used for the acquisition or construction of major capital assets.

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

- Internal Service Fund – to account for the District's individual self-insurance programs.
- Private-Purpose Trust Fund – to account for resources provided for the benefit of the Silver River Museum.
- Agency Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

E. Basis of Accounting

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

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

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

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

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

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used are those used in the actuarial assumptions for the Other Postemployment Benefits Liability, Net Pension Liability, and the Estimated Insurance Claims Payable along with depreciable useful lives of capital assets.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

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

1. Cash

The District's cash is considered to be cash on hand and in demand deposits.

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

The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

2. Investments

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

The District's investments in Florida PRIME 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.

The District's investment policy established permitted investments, asset allocation limits and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. Earnings are allocated monthly to each fund based on end of month balances.

The District's investments made locally consist of investments in direct obligations of the United States Treasury, Federal instrumentalities, corporate bonds, municipal obligations, and registered investment companies (money market funds), which are reported at fair value.

Authorized investments for endowments include equities, hedged funds, and real estate. The District has a formal investment policy that allows for the following investments for governmental funds:

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020**

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement (Moody's or Standard and Poor's)	Maximum Maturity
U. S. Government Securities	100%	100%	N/A	3 years
U. S. Government Agencies	50%	25%	N/A	3 years
Federal Instrumentalities	80%	50%	--	3 years
Certificates of Deposit	25%	15%	--	1 year
Florida PRIME	25%	N/A	AAAm or AAM-G	5 years
Repurchase Agreements	50%	25%	--	90 days
Commercial Paper	35%	10%	Prime-1 or A-1	180 days
Corporate Notes	15%	5%	Aa or AA	3 years
Bankers' Acceptances	35%	10%	P-1 or A-1	180 days
State and/or Local Government Debt	20%	--	Aa or AA for long-term debt or MIG- 1 or SP-1 for short-term debt	3 years
Registered Investment Companies (money market funds)	75%	25%	AAAm or AAAm-G	N/A
Mortgage-backed securities	20%	20%	AAA	5 years
Bond Funds	25%	10%	AAA	1.73 years
Intergovernmental Investment Pools	25%	--	AAAm or AAAm-G	--

Types and amounts of investments held at fiscal year-end are described in Note II.B.

3. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories, except those for purchased food, donated foods, certain nonfood supplies, and fuel, are stated at cost on a moving-average basis. Purchased food, nonfood supplies purchased by various food service operations, and fuel inventories are valued at last invoice cost which approximates the first-in, first-out basis. United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

4. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing \$1,000 or more except computer software which are those costing \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	7 - 20 years
Buildings and Fixed Equipment	25 - 50 years
Furniture, Fixtures, and Equipment	5 - 20 years
Motor Vehicles	7 - 12 years
Audio Visual Materials and Computer Software	3 - 5 years

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

5. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

6. Long-Term Liabilities

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

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

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

7. Compensated Absences

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

8. Pensions

In the government-wide financial statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. 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 Note II.E.

9. Net Position Flow Assumption

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

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020**

consider restricted - net position to have been depleted before unrestricted – net position is applied.

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

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

The committed fund balance classification may include amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balance as of June 30, 2020.

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

The District has adopted Board Policy 7.10 which provides that, if feasible, 3 percent of the recurring General Fund revenues be set aside as contingency reserves to cover unforeseen events including, but not limited to, revenue shortfalls and student enrollment under projections. Accordingly, the Board approved assigned amounts within the General Fund for an anticipated budget shortfall in the 2020-21 fiscal year along with unexpended insurance proshare funds.

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020**

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

A schedule of revenue from State sources for the current year is presented in Note II.K.1.

3. District Property Taxes

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

On August 28, 2018, Marion County voters approved a one mill ad valorem tax for educational enhancement. Specifically, the funds were to be used to restore programs previously affected by the recession, level funding and operating expenses associated with

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020**

reading, physical education, art, music, library/media, vocational programs, meeting class size requirements, and retaining teachers and paraprofessionals. Unexpended funds are shown as restricted fund balance in the General Fund.

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

The Board adopted the 2019 tax levy on September 10, 2019. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

Millages and taxes budgeted for the current year are presented in Note II.K.2.

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.

5. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for workers' compensation, automobile liability, general liability, and property insurance premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

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 the District. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

B. Investments

As of June 30, 2020, the District had the following investments and maturities:

Security Type	Duration Year	Credit Rating (1)	Fair Value	Fair Value Measurement (3)
<u>Primary Government</u>				
State Board of Administration (SBA):				
Florida PRIME	0.14	AAAm	\$ 2,441,029	n/a
Debt Service Accounts	0.50	AAAm	19,793	1
U.S. Treasury Notes	2.07	n/a	9,117,808	n/a
Federal Home Loan Bank (FHLB)	1.97	AA+	1,470,731	2
Federal National Mortgage Association (FNMA)	2.49	AA+	2,680,559	2
Federal Home Loan Mortgage (FHLMC)	1.84	AA+	1,802,623	2
Supra-National Agency Bonds	2.88	AAA	932,624	2
Money Market Funds:				
Fidelity	n/a	AAAm	119,513	n/a
FL PALM	n/a	AAAm	35,137,453	n/a
FL FIT	n/a	AAAf	25,057,466	n/a
Corporate Bonds	1.68	A- - AA+	6,348,096	2
Municipal Obligations	0.75	A+, NR	365,513	2
Asset-Backed Security	0.76	AAA, NR	3,701,681	2
Total Investments, Primary Government			<u>89,194,889</u>	
<u>Fiduciary Funds</u>				
Money Market Funds	n/a	AAAm	29,751	1
Common Stock	n/a	n/a	170,949	1
Other Equities	n/a	n/a	30,949	1
Fixed Income Securities - Short Term Bond Market		AAA to Below B	150,826	1
Total Investments, Fiduciary Funds			<u>382,475</u>	
<u>Component Units</u>				
Public Education Foundation of Marion County, Inc. (2)			552,869	
Total Investments			<u><u>\$ 90,130,233</u></u>	
Presented as Investments in the Financial Statements:				
Governmental Funds			\$ 78,608,043	
Proprietary Fund			10,586,846	
Fiduciary Funds			382,475	
Component Units			552,869	
Total Investments			<u><u>\$ 90,130,233</u></u>	

Notes: (1) Credit ratings provided by Standard and Poor's.

(2) Information regarding the maturities, risks, and ratings associated with investments in money market funds, bonds, and various equities made by a brokerage firm on behalf of the Public Education Foundation of Marion County, Inc., was not disclosed in the annual post audit of the Foundation filed in the District's administrative offices.

(3) The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, which is based on a matrix pricing model; Level 3 inputs are significant unobservable inputs and were evaluated using a curve-based approach.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

➤ **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds, and in accordance with debt covenants, but should not exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes duration as a measurement of interest rate risk and as of June 30, 2020, the investment portfolio had a weighted average duration of 1.80 years.

Florida PRIME had weighted average days to maturity (WAM) of 53 days at June 30, 2020. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days." As of June 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

➤ **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Board policy provides that temporarily idle funds be invested as prescribed by Section 218.415(17), Florida Statutes, and SBE rules. The District's investment policy permits investments which are limited to credit quality ratings from nationally recognized rating agencies.

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

➤ **Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Pursuant to Section 218.415(18), Florida Statutes, the District's investment policy requires securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2020, the District's investment portfolio was held with a third-party custodian as required by the District's investment policy. The endowment funds of the Silver River Museum Private-Purpose Trust Fund are held by a bank and trust company.

➤ **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy has established asset allocation and issuer limits which are designed to reduce concentration of credit risk of the District's investment portfolio. The District did not have any investments in any one issuer greater than five percent.

➤ **Endowment Investments**

To achieve the greatest likelihood of meeting endowment investment objectives, the investment assets shall be diversified in accordance with the following asset allocation weightings: domestic equity (20%-40%); international equity (0%-30%); real estate (0%-10%); inflation hedged (10%-80%); and fixed income (10%-80%).

➤ **Foreign Currency Risk**

The District's investment policy does not allow for investments in foreign currency therefore the District has no exposure to foreign currency risk.

C. Receivables

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered fully collectible. As such, no allowance for uncollectible accounts receivable is accrued. Accounts receivables are actual cash receipts received within 60 days of June 30, 2020, and were susceptible to accrual. Below is a schedule of due from other agencies at June 30, 2020:

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

Funds/Source	Amount
Major Governmental Funds:	
General:	
United States Department of Defense:	
Navy JROTC	\$ 16,368
Army JROTC	5,419
State of Florida:	
Medicaid Outreach	12,798
Marion County Tax Collector:	
Unremitted Property Taxes	4,005,238
Other Agencies:	
Miscellaneous	124,768
Special Revenue - Other Federal Programs:	
Florida Department of Education:	
Federal Grant Reimbursements	4,630,090
Other Agencies:	
Grant Reimbursements	29,698
Capital Projects - Local Capital Improvement:	
Marion County Tax Collector:	
Unremitted Property Taxes	1,056,712
Capital Projects - Other Capital Projects:	
Florida Department of Education:	
Other Capital Projects	903,882
Nonmajor Governmental Funds:	
Special Revenue - Food Service:	
Florida Department of Agriculture and Consumer Services:	
Food Service Program	266,964
Capital Projects - Public Education Capital Outlay:	
Florida Department of Education:	
Public Education Capital Outlay	210,376
Capital Projects - Capital Outlay and Debt Service:	
Florida Department of Education:	
Capital Outlay and Debt Service	3,221
Total Due From Other Agencies	\$ 11,265,534

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

D. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 14,670,952	\$ -	\$ 216,850	\$ 14,454,102
Construction in Progress	11,355,792	4,849,098	10,399,448	5,805,442
Total Capital Assets Not Being Depreciated	<u>26,026,744</u>	<u>4,849,098</u>	<u>10,616,298</u>	<u>20,259,544</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	10,225,675	1,650,384	-	11,876,059
Buildings and Fixed Equipment	699,317,028	9,372,148	9,432	708,679,744
Furniture, Fixtures, and Equipment	42,179,885	2,010,029	705,449	43,484,465
Motor Vehicles	38,285,676	17,057,867	4,304,444	51,039,099
Audio Visual Materials and Computer Software	2,980,383	154,526	136,770	2,998,139
Total Capital Assets Being Depreciated	<u>792,988,647</u>	<u>30,244,954</u>	<u>5,156,095</u>	<u>818,077,506</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	4,750,108	16,289	-	4,766,397
Buildings and Fixed Equipment	243,723,768	14,483,120	9,432	258,197,456
Furniture, Fixtures, and Equipment	30,707,355	3,418,649	653,841	33,472,163
Motor Vehicles	29,510,733	2,144,906	3,497,394	28,158,245
Audio Visual Materials and Computer Software	2,980,383	1,127	135,443	2,846,067
Total Accumulated Depreciation	<u>311,672,347</u>	<u>20,064,091</u>	<u>4,296,110</u>	<u>327,440,328</u>
Total Capital Assets Being Depreciated, Net	<u>481,316,300</u>	<u>10,180,863</u>	<u>859,985</u>	<u>490,637,178</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 507,343,044</u></u>	<u><u>\$ 15,029,961</u></u>	<u><u>\$ 11,476,283</u></u>	<u><u>\$ 510,896,722</u></u>

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020**

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$16,097,667
Student Personnel Services	16,166
Instructional Media Services	39,039
Instruction and Curriculum Development	14,040
Instructional Staff Training Services	22,212
Instruction Related Technology	20,954
General Administration	4,982
School Administration	35,501
Facility Services	595,194
Fiscal Services	5,624
Food Services	755,859
Central Services	33,937
Student Transportation Services	1,847,988
Operation of Plant	107,686
Maintenance of Plant	64,731
Administrative Technology Services	401,955
Community Services	556
Total Depreciation Expense - Governmental Activities	<u>\$20,064,091</u>

E. Retirement Plans

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

General Information

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

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

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement. The FRS Investment Plan is administered by the SBA and is reported in the SBA's annual financial statement and in the State of Florida Comprehensive Annual Financial Report.

The District's FRS and HIS pension expense totaled \$46,950,203 for the fiscal year ended June 30, 2020.

Florida Retirement System (FRS) Defined Benefit Pension Plan

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

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS 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 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<u>Regular members initially enrolled before July 1, 2011</u>	
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
<u>Regular members initially enrolled on or after July 1, 2011</u>	
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
<u>Elected County Officials</u>	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Pension 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 2019-20 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3.00	8.47
Florida Retirement System, Elected County Officers	3.00	48.82
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	14.60
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) 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.

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

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NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

The District's contributions to the Plan totaled \$16,106,008 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the District reported a liability of \$170,211,520 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was 0.494246229 percent, which was a decrease of 0.006008329 percent from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized the Plan pension expense of \$40,586,415. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,095,732	\$ 105,632
Change of assumptions	43,717,642	-
Net difference between projected and actual earnings on FRS pension plan investments	-	9,416,990
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	2,734,109
District FRS contributions subsequent to the measurement date	16,106,008	-
Total	<u>\$ 69,919,382</u>	<u>\$ 12,256,731</u>

The deferred outflows of resources related to pensions totaling \$16,106,008 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

<u>Fiscal Year Ending June 30</u>	<u>Amortization</u>
2021	\$ 15,203,642
2022	4,127,631
2023	11,200,224
2024	8,494,218
2025	2,040,329
Thereafter	490,599
Total	<u>\$ 41,556,643</u>

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	6.90 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2019, 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 real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.3%	3.3%	1.2%
Fixed Income	18.00%	4.1%	4.1%	3.5%
Global Equity	54.00%	8.0%	6.8%	16.5%
Real Estate (Property)	10.00%	6.7%	6.1%	11.7%
Private Equity	11.00%	11.2%	8.4%	25.8%
Strategic Investments	6.00%	5.9%	5.7%	6.7%
Total	<u>100.00%</u>			
Assumed inflation - Mean			2.6%	1.7%

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

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Discount Rate. The discount rate used to measure the total pension liability was 6.9 percent. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2019 valuation was updated from 7.0 percent to 6.9 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.9 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease 5.9%	Current Discount Rate 6.9%	1% Increase 7.9%
District's proportionate share of the net pension liability	\$ 294,239,038	\$ 170,211,520	\$ 66,627,564

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

Payables to the Pension Plan. At June 30, 2020, the District reported a payable of \$366,483 for the outstanding amount of contributions to the pension plan required for fiscal year ended June 30, 2020.

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for every year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a max of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the

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contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS 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 defined-benefit pension plan totaled \$4,018,755 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the District reported a net pension liability of \$79,914,379 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, and update procedures were used to determine the net pension liability as of June 30, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was 0.714222759 percent, which was an increase of 0.000022032 percent from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized HIS Plan pension expense of \$6,363,788. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 970,649	\$ 97,851
Change of assumptions	9,253,331	6,531,550
Net difference between projected and actual earnings on HIS pension plan investments	51,568	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,640,172	914,510
District contributions subsequent to the measurement date	4,018,755	-
Total	<u>\$ 15,934,475</u>	<u>\$ 7,543,911</u>

The deferred outflows of resources totaling \$4,018,755 was related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported

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as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amortization</u>
2021	\$ 1,788,458
2022	1,596,401
2023	1,000,384
2024	(556,793)
2025	(11,780)
Thereafter	555,139
Total	<u>\$ 4,371,809</u>

Actuarial Assumptions. The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.50 percent

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

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

Discount Rate. The discount rate used to measure the total pension liability was 3.50 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2019 valuation was updated from 3.87 percent to 3.50 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

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	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
District's proportionate share of the net pension liability	<u>\$ 91,226,361</u>	<u>\$ 79,914,379</u>	<u>\$ 70,492,780</u>

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

Payables to the Pension Plan. At June 30, 2020, the District reported a payable of \$91,445 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2020.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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 County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2019-20 fiscal year were as follows

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34

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, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must

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have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 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. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$3,861,512 for the fiscal year ended June 30, 2020.

Payables to the Investment Plan. At June 30, 2020, the District reported a payable of \$33,234 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2020.

F. Other Postemployment Benefit Obligations

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

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

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

Employees Covered by Benefit Terms. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	399
Active Employees	<u>5,331</u>
Total	<u><u>5,730</u></u>

Total OPEB Liability. The District's total OPEB liability of \$19,838,239 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

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

Inflation	2.25 percent
Salary Increases	3.6 percent – 8 percent, including inflation
Discount Rate	3.13 percent
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting as 12.85 percent for 2020 gradually decreasing to an ultimate trend rate of 3.99 percent plus 0.15 percent increase for excise tax.
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.

The discount rate was based on the Fidelity 20-Year Municipal General Obligation AA Index closest to but not later than the measurement date.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2019, actuarial valuation of the FRS Defined Benefit Pension Plan. These demographic assumptions were developed by FRS from an actuarial experience study, and therefore are appropriate for use in the OPEB Plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2019, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

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Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2019	\$ 27,671,350
Changes for the year:	
Service Cost	1,240,787
Interest	1,018,392
Differences Between Expected and Actual Experience	(731,300)
Changes of Assumptions or Other Inputs	(7,801,466)
Benefit Payments	(1,559,524)
Net Changes	(7,833,111)
Balance at June 30, 2020	<u>\$ 19,838,239</u>

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

- A change in the discount rate from 3.62 percent as of the beginning of the measurement period to 3.13 percent as of June 30, 2019.
- The medical claims costs and premiums were updated based on actual premium information provided for the valuation.
- The healthcare cost trend assumption was revised to reflect: 1) the actual premium increase for the year beginning January 1, 2020; 2) lower inflation assumption; and 3) the assumed load to model the expected cost of the excise tax, from 0.20 percent to 0.15 percent beginning in 2022.
- Changes to demographic assumptions, such as rates of mortality, retirements, termination, disability and salary increases, to match assumptions developed by the FRS and adopted for its July 1, 2019, valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13 percent) or 1 percentage point higher (4.13 percent) than the current rate:

	<u>1% Decrease (2.13%)</u>	<u>Current Discount Rate (3.13%)</u>	<u>1% Increase (4.13%)</u>
Total OPEB Liability	\$ 21,845,706	\$ 19,838,239	\$ 18,087,645

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (11.85 percent decreasing to 3.14 percent) or 1 percentage point higher (13.85 percent decreasing to 5.14 percent) than the current healthcare cost trend rates:

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	1% Decrease (11.85%) decreasing to 3.14%)	Healthcare Cost Trend Rates (12.85%) decreasing to 4.14%)	1% Increase (13.85%) decreasing to 5.14%)
Total OPEB Liability	\$ 17,284,593	\$ 19,838,239	\$ 23,038,026

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Related to OPEB. For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$1,223,318. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 658,894
Changes of Assumptions or Other Inputs	-	8,401,500
Benefits Paid Subsequent to the Measurement Date	1,292,245	-
Total	\$ 1,292,245	\$ 9,060,394

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling \$1,292,245, will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ (1,035,861)
2022	(1,035,861)
2023	(1,035,861)
2024	(1,035,861)
2025	(1,035,861)
Thereafter	(3,881,089)
Total	\$ (9,060,394)

G. Net Position - Net Investment in Capital Assets

In the government-wide Statement of Net Position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capital assets, restricted net

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position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2020, is shown in the table below:

Description	Amount
Total Capital Assets, Net of Accumulated Depreciation	\$ 510,896,722
Less related Debt, Net of Unspent Proceeds:	
Certificates of Participation Payable	\$ 53,175,000
Bonds Payable	2,867,000
Note Payable	14,430,984
Unamortized Debt Premiums	2,634,570
Deferred Amount on Refunding	(1,409,141)
Construction and Retainage Payable	2,357,716
Prepaid Insurance on Refunding Debt	(68,541)
Total Related Debt, Net of Unspent Proceeds	(73,987,588)
Net Investment in Capital Assets	<u>\$ 436,909,134</u>

H. 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 established a Risk Management Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, and general liability claims. Under this program, the Risk Management Fund provides coverage for up to \$500,000 for each workers' compensation claim, \$300,000 for each automobile and general liability claim, and \$100,000 or 2 percent named windstorm, for property. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

A liability in the amount of \$10,207,996 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2020.

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

Fiscal Year	Fiscal-Year Liability	Claims and Changes in Estimates	Payments	Fiscal Year-End
2018-19	\$ 9,531,727	\$ 2,108,613	\$ (2,389,681)	\$ 9,250,659
2019-20	9,250,659	3,577,419	(2,620,082)	10,207,996

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

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

I. Long-Term Liabilities

1. Certificates of Participation

Certificates of participation at June 30, 2020, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2012, Direct Placement	\$ 7,430,000	2.55	2023	\$ 23,005,000
Series 2014, Direct Placement	18,385,000	2.77	2025	37,380,000
Series 2015, Direct Placement	2,730,000	2.36	2023	6,975,000
Series 2015B	24,630,000	3.13	2027	32,860,000
Total Certificates of Participation	<u>\$ 53,175,000</u>			<u>\$ 100,220,000</u>

The District entered into financing arrangements, characterized as lease-purchase agreements, with the Marion County School Board Leasing Corporation (Leasing Corporation), a blended component unit, whereby the District secured the financing of various educational facilities. The financing was accomplished through the issuance, by the Leasing Corporation to third-party investors, of certificates of participation. All the certificates issued and outstanding are subject to a master ground and facilities lease-purchase agreement between the District and the Leasing Corporation, which ends on the date that all certificates are paid in full. The lease payments, which are used to make debt service payments on the certificates, are payable from funds appropriated annually by the District for such purpose from current funds or other funds legally available. The District is not legally required to annually appropriate funds to make the lease payments.

As a condition of the financing arrangements, the District has given a ground lease on District property acquired with proceeds from the certificates to the Leasing Corporation. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

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

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Certificates	Description of Properties
Series 2012, Direct Placement	Forest High School Replacement Facility, Partial Refunding 2003
Series 2014, Direct Placement	Hammett Bowen, Jr., Elementary School; North Marion Middle School Cafeteria; Vanguard High School Classroom Additions and Cafeteria/Multi-Purpose Building, Refunding 2005B
Series 2015, Direct Placement	Sadlewood Elementary School, Refunding 2005
Series 2015B	South Ocala Elementary School, Howard Middle School, Lake Weir High School, Partial Refunding 2007B

The lease payments are payable by the District semiannually on June 1 and December 1 for the certificates of participation.

The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30, 2020:

Certificates of Participation:

Fiscal Year Ending June 30	Total	Principal	Interest
2021	\$ 4,180,469	\$ 3,025,000	\$ 1,155,469
2022	4,184,219	3,180,000	1,004,219
2023	4,180,219	3,335,000	845,219
2024	4,178,469	3,500,000	678,469
2025	4,178,469	3,675,000	503,469
2026-2027	8,361,436	7,915,000	446,436
Total Minimum Lease Payments	<u>29,263,281</u>	<u>24,630,000</u>	<u>4,633,281</u>

Certificates of Participation from Direct Placement:

Fiscal Year Ending June 30	Total	Principal	Interest
2021	7,548,158	6,785,000	763,158
2022	7,544,175	6,960,000	584,175
2023	7,545,559	7,145,000	400,559
2024	3,987,044	3,775,000	212,044
2025	3,987,475	3,880,000	107,475
Total Minimum Lease Payments	<u>30,612,411</u>	<u>28,545,000</u>	<u>2,067,411</u>
Total Certificates of Participation	<u>\$ 59,875,692</u>	<u>\$ 53,175,000</u>	<u>\$ 6,700,692</u>

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JUNE 30, 2020

2. Bonds Payable

Bonds payable at June 30, 2020, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
State School Bonds:				
Series 2011A, Refunding	\$ 405,000	3-5	2023	\$ 2,840,000
Series 2014A, Refunding	500,000	3-5	2025	895,000
Series 2020A, Refunding	24,000	5	2022	179,000
Total State School Bonds:	<u>929,000</u>			<u>3,914,000</u>
District Revenue Bonds from Direct Placement:				
Series 2013, Refunding	<u>1,938,000</u>	3.66	2031	<u>2,725,500</u>
Total Bonds Payable	<u>\$ 2,867,000</u>			<u>\$ 6,639,500</u>

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

➤ **State School Bonds**

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

➤ **District Revenue Bonds, Direct Placement**

These bonds are authorized by Chapters 80-550 and 89-513, Laws of Florida, which provide that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Marion County from the State's Pari-mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds were distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes (2011)). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of \$2,391,984 of pari-mutuel tax proceeds in connection with the District Revenue Bonds of 2013, described above. During the 2019-20 fiscal year, the District recognized pari-mutuel tax proceeds totaling \$223,250 and expended \$198,218 (89 percent) of these revenues for debt service directly collateralized by these revenues. The pledged pari-mutuel tax proceeds are committed until final maturity of the debt on December 1, 2031. Approximately 100 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

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Annual requirements to amortize all bonded debt outstanding as of June 30, 2020, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2021	\$ 267,607	\$ 229,000	\$ 38,607
2022	267,200	240,000	27,200
2023	262,900	245,000	17,900
2024	113,550	105,000	8,550
2025	113,300	110,000	3,300
Total State School Bonds	<u>1,024,557</u>	<u>929,000</u>	<u>95,557</u>
District Revenue Bonds from Direct Placement:			
2021	202,479	134,000	68,479
2022	200,519	137,000	63,519
2023	199,432	141,000	58,432
2024	197,216	144,000	53,216
2025	199,800	152,000	47,800
2026-2030	995,005	845,000	150,005
2031-2032	397,533	385,000	12,533
Total District Revenue Bonds	<u>2,391,984</u>	<u>1,938,000</u>	<u>453,984</u>
Total	<u>\$ 3,416,541</u>	<u>\$2,867,000</u>	<u>\$ 549,541</u>

3. Note Payable, Direct Placement

The note payable from direct placement at June 30, 2020, is as follows:

<u>Note Payable, Direct Placement</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>	<u>Original Amount</u>
Bus Purchase 2019	\$ 14,430,984	2.78	2029	\$ 15,839,901

The District entered into a financing arrangement in the 2018-19 fiscal year to purchase 150 busses.

Annual requirements to amortize the note payable as of June 30, 2020, are as follows:

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,823,351	\$ 1,432,224	\$ 391,127
2022	1,823,352	1,472,300	351,052
2023	1,823,352	1,513,496	309,856
2024	1,823,351	1,555,845	267,506
2025	1,823,352	1,599,380	223,972
2026-2029	7,293,407	6,857,739	435,668
Total Note Payable, Direct Placement	<u>\$ 16,410,165</u>	<u>\$ 14,430,984</u>	<u>\$ 1,979,181</u>

4. Defeased Debt

On January 14, 2020, the Florida Department of Education issued SBE Capital Outlay Bonds, Series 2020A. The District's portion of the refunding SBE Capital Outlay Bonds, Series 2020A, was \$24,000. The refunding bonds were issued to refund callable portions of the District's State School Bonds, Series 2010A. The \$25,000 principal amount of the District's State School Bonds, Series 2010A, was considered defeased in substance and the liability was removed from the government-wide financial statements as of June 30, 2020.

The Capital Outlay Refunding Bonds, Series 2020A, were issued to reduce the total debt service payments over the next 2 years by \$1,000 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$593.44.

5. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Debt Related to Capital Assets:					
Certificates of Participation Payable	\$ 27,510,000	\$ -	\$ 2,880,000	\$ 24,630,000	\$ 3,025,000
Certificates of Participation Payable					
Direct Placement	35,150,000	-	6,605,000	28,545,000	6,785,000
Bonds Payable	1,165,000	24,000	260,000	929,000	229,000
Bonds Payable					
Direct Placement	2,063,000	-	125,000	1,938,000	134,000
Note Payable, Direct Placement	16,849,901	-	2,418,917	14,430,984	1,432,224
Unamortized Premiums	3,052,747	-	418,177	2,634,570	-
Total Capital Asset Related Debt	85,790,648	24,000	12,707,094	73,107,554	11,605,224
Compensated Absences Payable	32,834,583	4,103,703	3,046,553	33,891,733	3,303,917
Other Postemployment Benefits Payable	27,671,350	2,259,179	10,092,290	19,838,239	1,292,245
Estimated Insurance Claims Payable	9,250,659	3,577,419	2,620,082	10,207,996	3,233,361
Net Pension Liability:					
Florida Retirement System	150,679,266	109,113,640	89,581,386	170,211,520	-
Health Insurance Subsidy	75,591,807	26,400,133	22,077,561	79,914,379	1,355,918
Total Governmental Activities	<u>\$ 381,818,313</u>	<u>\$ 145,478,074</u>	<u>\$ 140,124,966</u>	<u>\$ 387,171,421</u>	<u>\$ 20,790,665</u>

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

For the governmental activities, compensated absences, pensions and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the Internal Service Fund, as discussed in Note II.H.

6. Deferred Outflows / Inflows of Resources

The components of deferred inflows and outflows are:

Description	Beginning Balance	Change	Ending Balance
GOVERNMENTAL ACTIVITIES			
Non-pension Related Deferred Outflows:			
Deferred Amount on Refunding	\$ 1,706,429	\$ (297,288)	\$ 1,409,141
Other Postemployment Benefits	1,559,524	(267,279)	1,292,245
Total	<u>\$ 3,265,953</u>	<u>\$ (564,567)</u>	<u>\$ 2,701,386</u>
Pension Related Deferred Outflows:			
Florida Retirement System	\$ 77,324,654	\$ (7,405,272)	\$ 69,919,382
Health Insurance Subsidy	15,750,300	184,175	15,934,475
Total	<u>\$ 93,074,954</u>	<u>\$ (7,221,097)</u>	<u>\$ 85,853,857</u>
Non-pension Related Deferred Inflows:			
Other Postemployment Benefits	<u>\$ 1,563,489</u>	<u>\$ 7,496,905</u>	<u>\$ 9,060,394</u>
Pension Related Deferred Inflows:			
Florida Retirement System	\$ 14,713,850	\$ (2,457,119)	\$ 12,256,731
Health Insurance Subsidy	9,337,275	(1,793,364)	7,543,911
Total	<u>\$ 24,051,125</u>	<u>\$ (4,250,483)</u>	<u>\$ 19,800,642</u>

J. 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:

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

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020**

K. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2019-20 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 173,954,435
Categorical Educational Program - Class Size Reduction	45,579,530
Workforce Development Program	3,924,889
School Recognition	1,608,428
Voluntary Prekindergarten Program	1,424,839
Food Service Supplement	371,576
Charter School Capital Outlay	286,066
State License Tax	231,238
Workforce Education Performance Incentive	146,000
District Discretionary Lottery Funds	41,580
Motor Vehicle License Tax (Capital Outlay and Debt Service)	25,081
Miscellaneous	3,544,040
Total	<u><u>\$ 231,137,702</u></u>

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

2. Property Taxes

The following is a summary of millages and taxes budgeted from the 2019 tax roll for the 2019-20 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payment discounts and uncollectable amounts:

<u></u>	<u>Millages</u>	<u>Taxes Budgeted</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	3.924	\$ 79,007,839
Required Local Effort - Prior Period Adjustment	0.012	241,614
Basic Discretionary Local Effort	0.748	15,060,618
Voted School Tax:		
Operating	1.000	20,134,516
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvement	1.500	30,201,773
Total	<u><u>7.184</u></u>	<u><u>\$ 144,646,360</u></u>

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2020

L. Donor-Restricted Endowments

The Silver River Museum Endowment was created to provide long-term funding for the continuation and enhancement of educational programs offered through the museum. The initial investment of \$410,000 must be invested for perpetuity and cannot be spent under any circumstances. Investments have depreciated to \$382,475 due to current market conditions. The Silver River Museum has sole access to the interest from the endowment.

M. Interfund Receivables, Payables, and Transfers

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

Funds	Interfund	
	Due From	Due To
Major:		
General	\$ 3,703,057	\$ -
Special Revenue - Other Federal Programs	-	3,703,057
Total	<u>\$ 3,703,057</u>	<u>\$ 3,703,057</u>

The interfund receivables and payables are temporary in nature and were to offset pooled cash positions.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 5,699,899	\$ -
Capital Projects:		
Local Capital Improvement	-	19,972,992
Other Capital Projects	-	18,662
Nonmajor Governmental	14,577,821	286,066
Total	<u>\$ 20,277,720</u>	<u>\$ 20,277,720</u>

Transfers from the Local Capital Improvement Fund are for payments of principal and interest on certificates of participation, property insurance and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

The District is involved in various lawsuits arising in the ordinary course of operations. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated claims payable for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (Concluded)
JUNE 30, 2020**

related insurance coverage, as well as the Florida statutory limitations of governmental liability on insured risks. It is the opinion of management, in consultation with legal counsel that the final settlements of these matters will not result in a material adverse effect on the financial position of the District.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Federal Direct:				
Reserve Officers Training Corps	\$ 514,848	\$ 598,748	\$ 599,307	\$ 559
Federal Through State:				
Medicaid	2,400,000	1,659,300	1,659,203	(97)
National Forest Funds	100,000	237,400	237,469	69
Miscellaneous Federal Through State	727,793	1,625,181	1,625,067	(114)
Total Federal Through State	3,227,793	3,521,881	3,521,739	(142)
State:				
Florida Education Finance Program	174,676,658	173,962,102	173,954,435	(7,667)
Workforce Development Program	3,924,889	3,924,889	3,924,889	-
Workforce Education Performance Incentive	135,000	146,000	146,000	-
CO&DS Withheld for Administrative Expense	26,000	25,100	25,080	(20)
Discretionary Lottery Funds	137,539	41,580	41,580	-
Class Size Reduction - Operating Funds	43,787,510	45,579,504	45,579,530	26
School Recognition Funds	678,616	1,608,428	1,608,428	-
Voluntary Prekindergarten Program	1,488,810	1,319,210	1,424,839	105,629
Other State:				
State License Tax	250,000	231,300	231,238	(62)
Miscellaneous State Revenue	310,500	585,502	446,494	(139,008)
Total State	225,415,522	227,423,615	227,382,513	(41,102)
Local:				
District School Taxes	114,451,587	114,598,623	114,598,715	92
Tax Redemptions	400,000	356,200	356,204	4
Rent	171,850	171,850	85,393	(86,457)
Investment Income	1,000,000	1,544,900	1,543,250	(1,650)
Net Increase in Fair Value of Investments	-	163,400	165,579	2,179
Gifts, Grants, and Bequests	-	87,980	87,914	(66)
Adult General Education Course Fees	40,000	17,969	17,969	-
Postsecondary Vocational Course Fees	1,155,930	1,185,342	975,756	(209,586)
Capital Improvement Fees	81,660	82,279	52,653	(29,626)
Postsecondary Lab Fees	1,298,705	1,344,322	1,131,111	(213,211)
Lifelong Learning Fees	373,850	373,875	106,541	(267,334)
Financial Aid Fees	129,625	132,436	105,347	(27,089)
Other Student Fees	531,885	605,594	486,214	(119,380)
School Age Child Care Fees	4,190,691	3,468,091	3,467,980	(111)
Other Schools, Courses, and Classes Fees	3,500	5,975	5,975	-
Bus Fees	-	16,000	17,763	1,763
Transportation Services Rendered for School Activities	100,000	100,000	96,533	(3,467)
Sale of Junk	-	-	29,277	29,277
Receipt of Federal Indirect Cost Rate	1,000,000	1,347,600	1,447,348	99,748
Miscellaneous Local Revenues	1,956,756	3,456,586	3,524,055	67,469
Refunds of Prior Year Expenses	-	-	36,648	36,648
Collection of Lost or Damaged Textbooks	-	29,963	29,963	-
Receipts of Food Service Indirect Costs	600,000	708,000	708,011	11
Total Local	127,486,039	129,796,985	129,076,199	(720,786)
Total Revenues	356,644,202	361,341,229	360,579,758	(761,471)

**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures				
Current Education:				
Instruction:				
Salaries	\$ 149,505,929	\$ 147,774,986	\$ 146,012,312	\$ 1,762,674
Employee Benefits	46,910,662	47,640,971	45,309,685	2,331,286
Purchased Services	17,312,121	18,414,530	16,101,405	2,313,125
Energy Services	42,550	21,430	14,095	7,335
Materials and Supplies	12,399,855	12,911,594	7,265,665	5,645,929
Capital Outlay	1,112,097	3,647,186	1,838,822	1,808,364
Other	6,399,020	4,017,525	2,691,397	1,326,128
Total Instruction	<u>233,682,234</u>	<u>234,428,222</u>	<u>219,233,381</u>	<u>15,194,841</u>
Student Personnel Services:				
Salaries	17,344,282	17,042,281	16,845,285	196,996
Employee Benefits	5,739,125	5,802,877	5,423,575	379,302
Purchased Services	4,847,146	1,446,541	1,024,546	421,995
Energy Services	2,500	3,185	1,907	1,278
Materials and Supplies	254,789	182,315	116,003	66,312
Capital Outlay	264,184	194,644	107,362	87,282
Other	3,300	52,805	741	52,064
Total Student Personnel Services	<u>28,455,326</u>	<u>24,724,648</u>	<u>23,519,419</u>	<u>1,205,229</u>
Instructional Media Services:				
Salaries	3,007,236	3,129,216	3,077,055	52,161
Employee Benefits	990,662	1,019,236	956,108	63,128
Purchased Services	96,802	122,183	101,908	20,275
Energy Services	1,000	1,000	431	569
Materials and Supplies	184,201	193,053	23,905	169,148
Capital Outlay	379,334	373,545	189,672	183,873
Other	23,200	17,702	2,179	15,523
Total Instructional Media Services	<u>4,682,435</u>	<u>4,855,935</u>	<u>4,351,258</u>	<u>504,677</u>
Instruction and Curriculum Development:				
Salaries	3,332,030	3,239,662	3,122,602	117,060
Employee Benefits	939,990	949,097	864,815	84,282
Purchased Services	300,920	306,933	228,036	78,897
Energy Services	3,150	3,150	1,737	1,413
Materials and Supplies	197,778	379,572	52,364	327,208
Capital Outlay	18,996	39,944	21,229	18,715
Other	509,890	516,543	513,067	3,476
Total Instruction and Curriculum Development	<u>5,302,754</u>	<u>5,434,901</u>	<u>4,803,850</u>	<u>631,051</u>
Instructional Staff Training Services:				
Salaries	1,831,703	2,340,483	2,110,223	230,260
Employee Benefits	513,449	650,626	556,025	94,601
Purchased Services	401,883	622,637	369,430	253,207
Materials and Supplies	191,415	367,423	139,759	227,664
Capital Outlay	4,100	4,700	3,135	1,565
Other	649,992	1,043,963	461,571	582,392
Total Instructional Staff Training Services	<u>3,592,542</u>	<u>5,029,832</u>	<u>3,640,143</u>	<u>1,389,689</u>

**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures (continued)				
Current Education (continued):				
Instruction Related Technology:				
Salaries	\$ 1,453,025	\$ 1,312,425	\$ 1,299,536	\$ 12,889
Employee Benefits	533,836	538,763	475,177	63,586
Purchased Services	644,777	653,227	511,997	141,230
Energy Services	6,000	6,000	3,098	2,902
Materials and Supplies	29,000	29,000	7,610	21,390
Capital Outlay	130,570	121,138	77,034	44,104
Other	43,000	44,851	-	44,851
Total Instruction Related Technology	<u>2,840,208</u>	<u>2,705,404</u>	<u>2,374,452</u>	<u>330,952</u>
Board of Education:				
Salaries	432,256	358,135	358,063	72
Employee Benefits	250,460	302,740	172,485	130,255
Purchased Services	524,137	568,087	444,148	123,939
Materials and Supplies	12,100	15,517	4,881	10,636
Capital Outlay	700	700	-	700
Other	22,700	136,106	132,175	3,931
Total Board of Education	<u>1,242,353</u>	<u>1,381,285</u>	<u>1,111,752</u>	<u>269,533</u>
General Administration:				
Salaries	1,230,035	1,191,095	1,174,202	16,893
Employee Benefits	426,057	434,290	376,246	58,044
Purchased Services	243,070	283,210	122,148	161,062
Energy Services	900	900	203	697
Materials and Supplies	7,462	9,827	1,977	7,850
Capital Outlay	3,475	2,812	1,125	1,687
Other	101,323	93,759	30,445	63,314
Total General Administration	<u>2,012,322</u>	<u>2,015,893</u>	<u>1,706,346</u>	<u>309,547</u>
School Administration:				
Salaries	15,262,080	15,671,335	15,570,561	100,774
Employee Benefits	4,584,481	4,838,792	4,657,033	181,759
Purchased Services	217,174	214,340	148,279	66,061
Materials and Supplies	198,766	194,595	26,861	167,734
Capital Outlay	54,384	78,674	65,104	13,570
Other	18,310	48,031	45,915	2,116
Total School Administration	<u>20,335,195</u>	<u>21,045,767</u>	<u>20,513,753</u>	<u>532,014</u>
Facility Services:				
Salaries	-	578,957	578,956	1
Employee Benefits	-	195,976	192,761	3,215
Purchased Services	-	101,788	35,761	66,027
Energy Services	-	5,500	1,296	4,204
Materials and Supplies	7,743	15,615	9,950	5,665
Capital Outlay	-	381,209	13,582	367,627
Other	1,000	354,396	305,307	49,089
Total Facility Services	<u>8,743</u>	<u>1,633,441</u>	<u>1,137,613</u>	<u>495,828</u>

**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures (continued)				
Current Education (continued):				
Fiscal Services:				
Salaries	\$ 2,220,513	\$ 2,119,395	\$ 1,955,147	\$ 164,248
Employee Benefits	615,031	624,121	587,027	37,094
Purchased Services	640,328	628,207	479,637	148,570
Energy Services	650	650	75	575
Materials and Supplies	69,325	31,931	17,813	14,118
Capital Outlay	9,560	26,833	22,167	4,666
Other	26,930	80,357	41,848	38,509
Total Fiscal Services	<u>3,582,337</u>	<u>3,511,494</u>	<u>3,103,714</u>	<u>407,780</u>
Food Services:				
Salaries	75,000	-	-	-
Employee Benefits	13,449	-	-	-
Total Food Services	<u>88,449</u>	<u>-</u>	<u>-</u>	<u>-</u>
Central Services:				
Salaries	3,485,330	3,438,585	3,377,145	61,440
Employee Benefits	1,087,901	1,099,839	1,024,115	75,724
Purchased Services	416,591	467,581	323,696	143,885
Energy Services	24,500	21,169	12,212	8,957
Materials and Supplies	231,109	193,328	44,653	148,675
Capital Outlay	107,193	114,144	92,976	21,168
Other	69,017	109,108	49,050	60,058
Total Central Services	<u>5,421,641</u>	<u>5,443,754</u>	<u>4,923,847</u>	<u>519,907</u>
Student Transportation Services:				
Salaries	10,398,762	11,153,293	11,101,170	52,123
Employee Benefits	4,783,362	4,891,994	4,706,254	185,740
Purchased Services	1,441,309	1,578,306	1,275,390	302,916
Energy Services	2,699,743	2,699,682	1,631,872	1,067,810
Materials and Supplies	1,196,834	1,151,678	463,940	687,738
Capital Outlay	-	33,656	7,249	26,407
Other	10,522	7,425	2,357	5,068
Total Student Transportation Services	<u>20,530,532</u>	<u>21,516,034</u>	<u>19,188,232</u>	<u>2,327,802</u>
Operation of Plant:				
Salaries	8,560,647	7,832,437	7,830,916	1,521
Employee Benefits	3,457,866	3,584,235	3,280,746	303,489
Purchased Services	5,409,336	9,070,299	8,638,749	431,550
Energy Services	8,554,722	8,553,841	7,374,387	1,179,454
Materials and Supplies	1,111,325	1,010,707	913,322	97,385
Capital Outlay	-	107,722	84,835	22,887
Other	51,351	53,150	1,821	51,329
Total Operation of Plant	<u>27,145,247</u>	<u>30,212,391</u>	<u>28,124,776</u>	<u>2,087,615</u>
Maintenance of Plant:				
Salaries	5,421,981	5,464,495	5,404,763	59,732
Employee Benefits	1,914,234	1,992,616	1,925,298	67,318
Purchased Services	1,487,149	1,593,954	1,497,461	96,493
Energy Services	131,600	63,100	50,939	12,161
Materials and Supplies	1,075,034	1,155,352	1,146,186	9,166
Capital Outlay	670,266	39,719	21,998	17,721
Other	26,000	28,528	22,450	6,078
Total Maintenance of Plant	<u>10,726,264</u>	<u>10,337,764</u>	<u>10,069,095</u>	<u>268,669</u>

**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Concluded)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures (concluded)				
Current Education (concluded):				
Administrative Technology Services:				
Salaries	\$ 1,578,903	\$ 1,579,001	\$ 1,549,774	\$ 29,227
Employee Benefits	463,087	468,318	436,184	32,134
Purchased Services	2,754,642	2,762,311	2,191,874	570,437
Energy Services	2,000	2,600	2,071	529
Materials and Supplies	20,950	30,532	16,321	14,211
Capital Outlay	1,618,931	111,802	41,187	70,615
Other	20,100	10,175	4,823	5,352
Total Administrative Technology Services	<u>6,458,613</u>	<u>4,964,739</u>	<u>4,242,234</u>	<u>722,505</u>
Community Services:				
Salaries	3,270,694	3,363,595	2,833,251	530,344
Employee Benefits	845,147	873,278	760,078	113,200
Purchased Services	166,900	173,614	126,637	46,977
Materials and Supplies	132,700	223,691	169,276	54,415
Capital Outlay	15,000	11,549	11,445	104
Other	500	21,849	1,945	19,904
Total Community Services	<u>4,430,941</u>	<u>4,667,576</u>	<u>3,902,632</u>	<u>764,944</u>
Capital Outlay:				
Facility Acquisition and Construction	1,813,211	1,813,211	1,813,211	-
Other Capital Outlay	1,323,385	1,323,385	1,323,385	-
Total Capital Outlay	<u>3,136,596</u>	<u>3,136,596</u>	<u>3,136,596</u>	<u>-</u>
Total Expenditures	<u>383,674,732</u>	<u>387,045,676</u>	<u>359,083,093</u>	<u>27,962,583</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,030,530)</u>	<u>(25,704,447)</u>	<u>1,496,665</u>	<u>(27,201,112)</u>
Other Financing Sources (Uses)				
Insurance Loss Recoveries	-	203,139	150,065	(53,074)
Transfers In	6,123,676	6,123,676	5,699,899	(423,777)
Transfers Out	20,000	20,000	-	(20,000)
Total Other Financing Sources	<u>6,143,676</u>	<u>6,346,815</u>	<u>5,849,964</u>	<u>(496,851)</u>
Net Change in Fund Balance	<u>(20,886,854)</u>	<u>(19,357,632)</u>	<u>7,346,629</u>	<u>(26,704,261)</u>
Fund Balance - Beginning	<u>49,610,570</u>	<u>49,610,570</u>	<u>49,610,570</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 28,723,716</u>	<u>\$ 30,252,938</u>	<u>\$ 56,957,199</u>	<u>\$ (26,704,261)</u>

**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Other Federal Programs Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Federal Direct				
Pell Grants	\$ 1,539,218	\$ 1,539,218	\$ 1,376,674	\$ (162,544)
Federal Through State and Local				
Career and Technical Education	817,394	875,654	691,265	(184,389)
Adult General Education	491,326	491,326	454,689	(36,637)
English Literacy and Civics Education	44,714	44,714	43,102	(1,612)
Education for Handicapped Act	12,935,264	12,992,932	10,852,321	(2,140,611)
Elementary and Secondary Education Act	20,912,012	23,679,715	16,914,345	(6,765,370)
Teacher and Principal Training and Recruiting	2,854,857	2,878,241	1,485,276	(1,392,965)
Language Instruction	328,337	481,173	324,626	(156,547)
Twenty-First Century Schools	533,683	1,760,648	923,048	(837,600)
Miscellaneous Federal Through State	667,883	2,948,179	967,620	(1,980,559)
Federal Through Local	-	472	472	-
Total Federal Through State and Local	39,585,470	46,153,054	32,656,764	(13,496,290)
State				
Miscellaneous State	1,041,315	1,105,454	432,624	(672,830)
Local				
Gifts, Grants, and Bequests	698,710	1,519,738	755,387	(764,351)
Adult General Education Course Fees	-	42,015	42,014	(1)
Total Local	698,710	1,561,753	797,401	(764,352)
Total Revenues	42,864,713	50,359,479	35,263,463	(15,096,016)
Expenditures				
Current Education:				
Instruction:				
Salaries	8,447,619	9,633,002	7,672,769	1,960,233
Employee Benefits	3,521,017	3,824,913	2,908,935	915,978
Purchased Services	3,331,628	3,832,398	2,420,126	1,412,272
Energy Services	3,500	-	-	-
Materials and Supplies	1,781,798	2,991,813	1,657,082	1,334,731
Capital Outlay	730,093	1,720,443	1,009,437	711,006
Other	165,839	188,016	51,270	136,746
Total Instruction	17,981,494	22,190,585	15,719,619	6,470,966
Student Personnel Services:				
Salaries	5,297,793	5,427,465	4,650,232	777,233
Employee Benefits	2,000,374	2,061,990	1,428,773	633,217
Purchased Services	330,162	254,962	154,810	100,152
Energy Services	6,214	9,256	-	9,256
Materials and Supplies	190,534	386,070	162,993	223,077
Capital Outlay	53,652	68,141	17,487	50,654
Other	2,500	7,750	5,171	2,579
Total Student Personnel Services	\$ 7,881,229	\$ 8,215,634	\$ 6,419,466	\$ 1,796,168

**MARION COUNTY DISTRICT SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Concluded)**

	Other Federal Programs Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (concluded)				
Current Education (concluded):				
Instructional Media Services:				
Salaries	\$ 9,245	\$ 9,245	\$ 2,606	\$ 6,639
Employee Benefits	1,603	1,603	355	1,248
Purchased Services	8,764	8,764	-	8,764
Materials and Supplies	9,197	9,197	-	9,197
Capital Outlay	67,958	114,377	15,915	98,462
Total Instructional Media Services	96,767	143,186	18,876	124,310
Instruction and Curriculum Development:				
Salaries	1,701,680	2,224,611	1,686,055	538,556
Employee Benefits	575,227	745,362	484,577	260,785
Purchased Services	148,432	192,488	87,336	105,152
Materials and Supplies	141,075	161,832	47,126	114,706
Capital Outlay	26,861	47,638	27,354	20,284
Other	137,944	196,518	30,870	165,648
Total Instruction and Curriculum Development	2,731,219	3,568,449	2,363,318	1,205,131
Instructional Staff Training Services:				
Salaries	4,811,202	4,864,643	4,118,145	746,498
Employee Benefits	1,621,283	1,676,141	1,266,979	409,162
Purchased Services	1,237,424	1,890,238	638,919	1,251,319
Materials and Supplies	268,838	279,683	39,931	239,752
Capital Outlay	58,761	66,042	1,883	64,159
Other	1,724,955	1,951,262	640,383	1,310,879
Total Instructional Staff Training Services	9,722,463	10,728,009	6,706,240	4,021,769
Instruction-Related Technology				
Capital Outlay	3,540	3,540	-	3,540
General Administration:				
Materials and Supplies	3,585	16,843	932	15,911
Capital Outlay	-	1,877	1,774	103
Other	1,772,905	2,007,295	1,448,898	558,397
Total General Administration	1,776,490	2,026,015	1,451,604	574,411
School Administration:				
Salaries	681	73,732	-	73,732
Employee Benefits	7,011	39,631	-	39,631
Total School Administration	7,692	113,363	-	113,363
Facility Services:				
Purchased Services	6,628	6,402	6,056	346
Capital Outlay	115,284	345,099	-	345,099
Total Facility Services	121,912	351,501	6,056	345,445
Food Services:				
Purchased Services	1,530	295	-	295
Central Services:				
Employee Benefits	327	-	-	-
Purchased Services	15,000	19,900	2,000	17,900
Other	3,750	-	-	-
Total Central Services	19,077	19,900	2,000	17,900
Student Transportation Services:				
Salaries	73,158	150,940	49,109	101,831
Employee Benefits	13,389	27,831	10,321	17,510
Purchased Services	50,153	50,397	11,794	38,603
Energy Services	99,127	213,499	75,166	138,333
Total Student Transportation Services	235,827	442,667	146,390	296,277
Community Services:				
Other	1,500,000	1,770,862	1,644,421	126,441
Capital Outlay:				
Facilities Acquisition and Construction	257,765	257,765	257,765	-
Other Capital Outlay	527,708	527,708	527,708	-
Total Expenditures	42,864,713	50,359,479	35,263,463	15,096,016
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

**Marion County District School Board
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years***

Florida Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Marion County School Board's proportion of the net pension liability	0.494246229%	0.500254558%	0.504575470%
Marion County School Board's proportionate share of the net pension liability	\$ 170,211,520	\$ 150,679,266	\$ 149,250,038
Marion County School Board's covered payroll	\$ 238,892,291	\$ 237,064,100	\$ 229,899,245
Marion County School Board's proportionate share of the net pension liability as a percentage of its covered payroll	71.25%	63.56%	64.92%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%

Health Insurance Subsidy

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Marion County School Board's proportion of the net pension liability	0.714222759%	0.714200727%	0.720509302%
Marion County School Board's proportionate share of the net pension liability	\$ 79,914,379	\$ 75,591,807	\$ 77,040,179
Marion County School Board's covered payroll	\$ 238,892,291	\$ 237,064,100	\$ 229,899,245
Marion County School Board's proportionate share of the net pension liability as a percentage of its covered payroll	33.45%	31.89%	33.51%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%

* The amounts presented for each fiscal year were determined as of 6/30. The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. As a result, this information is only available as of June 30, 2013.

2016	2015	2014	2013
0.507447693%	0.521988161%	0.524521642%	0.536352569%
\$ 128,130,941	\$ 67,421,772	\$ 32,003,534	\$ 92,330,148
\$ 223,856,707	\$ 208,929,545	\$ 203,238,439	\$ 202,248,189
57.24%	32.27%	15.75%	45.65%
84.88%	92.00%	96.09%	88.54%

2016	2015	2014	2013
0.725308478%	0.690189062%	0.683926637%	0.696145303%
\$ 84,531,698	\$ 70,388,427	\$ 63,948,809	\$ 60,608,602
\$ 223,856,707	\$ 208,929,545	\$ 203,238,439	\$ 202,248,189
37.76%	33.69%	31.46%	29.97%
0.97%	0.50%	0.99%	1.78%

**Marion County District School Board
Required Supplementary Information
Schedule of Contributions - Pension Plans
Last 10 Fiscal Years***

Florida Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 16,106,008	\$ 15,325,199	\$ 14,269,459
Contributions in relation to the contractually required contribution	<u>(16,106,008)</u>	<u>(15,325,199)</u>	<u>(14,269,459)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Marion County School Board's covered payroll	\$ 242,097,532	\$ 238,892,291	\$ 237,064,100
Contributions as a percentage of covered payroll	6.65%	6.42%	6.02%

Health Insurance Subsidy

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,018,755	\$ 3,966,010	\$ 3,877,158
Contributions in relation to the contractually required contribution	<u>(4,018,755)</u>	<u>(3,966,010)</u>	<u>(3,877,158)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Marion County School Board's covered payroll	\$ 242,097,532	\$ 238,892,291	\$ 237,064,100
Contributions as a percentage of covered payroll	1.66%	1.66%	1.64%

* The amounts presented for each fiscal year were determined as of 6/30. The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. As a result, this information is only available as of June 30, 2014.

2017	2016	2015	2014
\$ 13,201,646	\$ 12,450,461	\$ 12,726,515	\$ 11,489,250
<u>(13,201,646)</u>	<u>(12,450,461)</u>	<u>(12,726,515)</u>	<u>(11,489,250)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 229,899,245	\$ 223,856,707	\$ 208,929,545	\$ 203,238,439
5.74%	5.56%	6.09%	5.65%

2017	2016	2015	2014
\$ 3,816,327	\$ 3,716,021	\$ 2,638,332	\$ 2,342,903
<u>(3,816,327)</u>	<u>(3,716,021)</u>	<u>(2,638,332)</u>	<u>(2,342,903)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 229,899,245	\$ 223,856,707	\$ 208,929,545	\$ 203,238,439
1.66%	1.66%	1.26%	1.15%

**Marion County District School Board
Required Supplementary Information
Schedule of Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios
Last 10 Fiscal Years***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	\$ 1,240,787	\$ 1,261,070	\$ 1,371,357
Interest on the Total OPEB Plan Liability	1,018,392	982,553	840,553
Difference Between Expected and Actual Experience in OPEB Liability	(731,300)	-	-
Changes of Assumptions	(7,801,466)	(162,826)	(1,766,608)
Benefit Payments	<u>(1,559,524)</u>	<u>(1,496,366)</u>	<u>(1,546,160)</u>
Net Change in Total OPEB Plan Liability	(7,833,111)	584,431	(1,100,858)
Total OPEB Plan Liability, Beginning	<u>27,671,350</u>	<u>27,086,919</u>	<u>28,187,777</u>
Total OPEB Plan Liability, Ending	<u>\$ 19,838,239</u>	<u>\$ 27,671,350</u>	<u>\$ 27,086,919</u>
Total OPEB Plan Liability	\$ 19,838,239	\$ 27,671,350	\$ 27,086,919
Covered- Employee Payroll	\$ 203,546,197	\$ 208,920,616	\$ 201,855,668
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	9.75%	13.24%	13.42%

* The amounts presented for each fiscal year were determined as of June 30. The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. As a result, this schedule will present 10 years information as available.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Budgetary Compliance and Accountability

The Board follows procedures established by Florida Statutes and SBE rules in establishing budget balances for governmental funds as described below.

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

Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2019:

- FRS: The long-term expected rate of return decreased from 7.00 percent to 6.90 percent, and the active member mortality assumption was updated.
- HIS: The municipal bond rate used to determine total pension liability decreased from 3.87 percent to 3.50 percent.

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

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

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

- A change in the discount rate from 3.62 percent as of the beginning of the measurement period to 3.13 percent as of June 30, 2019.

**MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

- The medical claims costs and premiums were updated based on actual premium information provided for the valuation.
- The healthcare cost trend assumptions was revised to reflect: 1) the actual premium increase for the year beginning January 1, 2020; 2) lower inflation assumption; and 3) the assumed load to model the expected cost of the excise tax, from 0.20 percent to 0.15 percent beginning in 2022.
- Changes to demographic assumptions, such as rates of mortality, retirements, termination, disability and salary increases, to match assumptions developed by the FRS and adopted for its July 1, 2019, valuation.

SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2020**

	<u>Special Revenue</u>	<u>Debt Service</u>
	<u>Food Service Fund</u>	<u>State Board of Education COBI Bonds Fund</u>
Assets		
Cash	\$ 1,687,782	\$ -
Investments	4,077,865	19,793
Accounts Receivable	2,972	-
Due From Other Agencies	266,964	-
Inventories	1,592,305	-
Prepaid Items	609	-
Total Assets	<u>\$ 7,628,497</u>	<u>\$ 19,793</u>
Liabilities and Fund Balances		
Liabilities		
Salaries and Benefits Payable	\$ 83,504	\$ -
Payroll Deductions and Withholdings Payable	6,727	-
Accounts Payable	137,064	-
Accrued Interest Payable	-	88
Deposits Payable	171,064	-
Construction Contracts Payable	-	-
Construction Contracts Payable - Retainage	-	-
Due to Other Agencies	2,376	-
Total Liabilities	<u>400,735</u>	<u>88</u>
Fund Balances		
Nonspendable:		
Inventories	1,592,305	-
Prepaid Items	609	-
Total Nonspendable Fund Balance	<u>1,592,914</u>	<u>-</u>
Restricted for:		
Food Service	5,634,848	-
Debt Service	-	19,705
Capital Projects	-	-
Total Restricted Fund Balance	<u>5,634,848</u>	<u>19,705</u>
Total Fund Balances	<u>7,227,762</u>	<u>19,705</u>
Total Liabilities and Fund Balances	<u>\$ 7,628,497</u>	<u>\$ 19,793</u>

Debt Service		Capital Projects		
Other Debt Service Fund		Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
\$ 595,322		\$ (21,066)	\$ 3,177,468	\$ 5,439,506
371		-	305	4,098,334
-		-	-	2,972
-		210,376	3,221	480,561
-		-	-	1,592,305
-		-	-	609
<u>\$ 595,693</u>		<u>\$ 189,310</u>	<u>\$ 3,180,994</u>	<u>\$ 11,614,287</u>
\$ -		\$ -	\$ -	\$ 83,504
-		-	-	6,727
-		-	-	137,064
-		-	-	88
-		-	-	171,064
-		-	683,253	683,253
-		-	150,799	150,799
-		-	-	2,376
<u>-</u>		<u>-</u>	<u>834,052</u>	<u>1,234,875</u>
-		-	-	1,592,305
-		-	-	609
<u>-</u>		<u>-</u>	<u>-</u>	<u>1,592,914</u>
-		-	-	5,634,848
595,693		-	-	615,398
-		189,310	2,346,942	2,536,252
<u>595,693</u>		<u>189,310</u>	<u>2,346,942</u>	<u>8,786,498</u>
<u>595,693</u>		<u>189,310</u>	<u>2,346,942</u>	<u>10,379,412</u>
<u>\$ 595,693</u>		<u>\$ 189,310</u>	<u>\$ 3,180,994</u>	<u>\$ 11,614,287</u>

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Revenue	Debt Service
	Food Service Fund	State Board of Education COBI Bonds Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 1,500	\$ -
Federal through State	21,714,454	-
State	371,576	279,155
Local:		
Other	1,741,893	-
Total Revenues	23,829,423	279,155
Expenditures		
Food Services	25,922,994	-
Capital Outlay:		
Facilities Acquisition and Construction	-	-
Other Capital Outlay	200,014	-
Debt Service:		
Retirement of Principal	-	260,000
Interest and Fiscal Charges	-	50,537
Total Expenditures	26,123,008	310,537
Excess (Deficiency) of Revenues Over Expenditures	(2,293,585)	(31,382)
Other Financing Sources (Uses)		
Issuance of Refunding Bonds	-	24,000
Premium on Refunding Bonds	-	1,293
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	25,293
Net Change in Fund Balances	(2,293,585)	(6,089)
Fund Balances - Beginning	9,521,347	25,794
Fund Balances - Ending	\$ 7,227,762	\$ 19,705

Debt Service Other Debt Service Fund	Capital Projects		Total
	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	
\$ -	\$ -	\$ -	\$ 1,500
-	-	-	21,714,454
223,250	286,066	1,417,236	2,577,283
7,539	121	30,093	1,779,646
230,789	286,187	1,447,329	26,072,883
-	-	-	25,922,994
-	575,887	2,049,360	2,625,247
-	-	-	200,014
12,028,917	-	-	12,288,917
2,749,683	-	1,728	2,801,948
14,778,600	575,887	2,051,088	43,839,120
(14,547,811)	(289,700)	(603,759)	(17,766,237)
-	-	-	24,000
-	-	-	1,293
14,577,821	-	-	14,577,821
-	(286,066)	-	(286,066)
14,577,821	(286,066)	-	14,317,048
30,010	(575,766)	(603,759)	(3,449,189)
565,683	765,076	2,950,701	13,828,601
\$ 595,693	\$ 189,310	\$ 2,346,942	\$ 10,379,412

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Food Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Federal Direct			
Miscellaneous	\$ -	\$ 1,500	\$ 1,500
Federal Through State:			
National School Lunch Act	21,002,802	16,848,889	(4,153,913)
School Breakfast Program	6,981,769	4,865,565	(2,116,204)
Total Federal Through State	27,984,571	21,714,454	(6,270,117)
State:			
Breakfast Supplement	179,300	182,929	3,629
School Lunch Supplement	212,688	188,647	(24,041)
Total State	391,988	371,576	(20,412)
Local:			
Charges for Services - Food Service	1,956,249	1,615,653	(340,596)
Investment Income	111,819	114,167	2,348
Net Increase in Fair Value of Investments	-	(8,758)	(8,758)
Other	32,215	20,831	(11,384)
Total Local	2,100,283	1,741,893	(358,390)
Total Revenues	30,476,842	23,829,423	(6,647,419)
Expenditures			
Current Education:			
Food Services:			
Salaries	9,262,683	8,650,656	612,027
Employee Benefits	4,182,950	3,906,511	276,439
Purchased Services	942,859	565,544	377,315
Energy Services	549,930	418,738	131,192
Materials and Supplies	15,320,489	11,396,662	3,923,827
Capital Outlay	1,841,076	110,022	1,731,054
Other	1,260,135	874,861	385,274
Total Food Services	33,360,122	25,922,994	7,437,128
Capital Outlay:			
Other Capital Outlay	200,014	200,014	-
Total Expenditures	33,560,136	26,123,008	7,437,128
Net Change in Fund Balance	(3,083,294)	(2,293,585)	789,709
Fund Balance - Beginning	9,521,347	9,521,347	-
Fund Balance - Ending	\$ 6,438,053	\$ 7,227,762	\$ 789,709

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	State Board of Education COBI Bonds Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Debt Service for State Board of Education/COBI Bonds	\$ 285,030	\$ 278,766	\$ (6,264)
State Board of Education/COBI Bond Interest	389	389	-
Total Revenues	<u>285,419</u>	<u>279,155</u>	<u>(6,264)</u>
Expenditures			
Debt Service:			
Retirement of Principal	260,000	260,000	-
Interest and Fiscal Charges	50,537	50,537	-
Total Expenditures	<u>310,537</u>	<u>310,537</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	<u>(25,118)</u>	<u>(31,382)</u>	<u>6,264</u>
Other Financing Sources			
Issuance of Refunding Bonds	24,000	24,000	-
Premium on Refunding Bonds	1,293	1,293	-
Total Other Financing Sources	<u>25,293</u>	<u>25,293</u>	<u>-</u>
Net Change in Fund Balance	175	(6,089)	(6,264)
Fund Balance - Beginning	<u>25,794</u>	<u>25,794</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 25,969</u>	<u>\$ 19,705</u>	<u>\$ (6,264)</u>

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Other Debt Service Fund		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
State:			
Sales Tax Distribution	\$ 223,250	\$ 223,250	\$ -
Local:			
Investment Income	900	7,539	6,639
Total Revenues	<u>224,150</u>	<u>230,789</u>	<u>6,639</u>
Expenditures			
Debt Service:			
Retirement of Principal	12,028,917	12,028,917	-
Interest and Fiscal Charges	2,754,701	2,749,683	5,018
Total Expenditures	<u>14,783,618</u>	<u>14,778,600</u>	<u>5,018</u>
Deficiency of Revenues Over Expenditures	<u>(14,559,468)</u>	<u>(14,547,811)</u>	<u>11,657</u>
Other Financing Sources			
Transfers In	14,584,800	14,577,821	(6,979)
Net Change in Fund Balance	25,332	30,010	4,678
Fund Balance - Beginning	<u>565,683</u>	<u>565,683</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 591,015</u>	<u>\$ 595,693</u>	<u>\$ 4,678</u>

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Public Education Capital Outlay Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Charter School Capital Outlay Funding	\$ 324,496	\$ 286,066	\$ (38,430)
Local:			
Investment Income	-	121	121
Total Revenues	<u>324,496</u>	<u>286,187</u>	<u>(38,309)</u>
Expenditures			
Capital Outlay:			
Facilities Acquisition and Construction:			
Improvements Other Than Buildings	221,154	216,649	4,505
Remodeling and Renovations	543,923	359,238	184,685
Total Expenditures	<u>765,077</u>	<u>575,887</u>	<u>189,190</u>
Deficiency of Revenues Over Expenditures	<u>(440,581)</u>	<u>(289,700)</u>	<u>150,881</u>
Other Financing Uses			
Transfers Out	(324,495)	(286,066)	38,429
Net Change in Fund Balance	(765,076)	(575,766)	189,310
Fund Balance - Beginning	<u>765,076</u>	<u>765,076</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 189,310</u>	<u>\$ 189,310</u>

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Capital Outlay and Debt Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Capital Outlay/Debt Service Distributed	\$ 1,256,613	\$ 1,368,189	\$ 111,576
Interest on Undistributed Capital Outlay and Debt Service	30,211	49,047	18,836
Total State	1,286,824	1,417,236	130,412
Local:			
Investment Income	-	30,093	30,093
Total Revenues	1,286,824	1,447,329	160,505
Expenditures			
Capital Outlay:			
Facilities Acquisition and Construction:			
Remodeling and Renovations	4,235,796	2,049,360	2,186,436
Debt Service:			
Interest and Fiscal Charges	1,729	1,728	1
Total Expenditures	4,237,525	2,051,088	2,186,437
Net Change in Fund Balance	(2,950,701)	(603,759)	2,346,942
Fund Balance - Beginning	2,950,701	2,950,701	-
Fund Balance - Ending	\$ -	\$ 2,346,942	\$ 2,346,942

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Local Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local:				
District Local Capital Improvement Tax	\$ 30,201,773	\$ 30,104,251	\$ 30,242,485	\$ 138,234
Tax Redemptions	-	-	89,877	89,877
Investment Income	-	-	397,343	397,343
Net Increase in Fair Value of Investments	-	-	46,255	46,255
Refund of Prior Year Expenditures	-	-	16,118	16,118
Total Revenues	30,201,773	30,104,251	30,792,078	687,827
Expenditures				
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	9,174,425	9,602,676	958,985	8,643,691
Furniture, Fixtures and Equipment	6,660	6,660	6,659	1
Land	2,229,263	2,131,741	-	2,131,741
Improvements Other Than Buildings	251,981	251,981	232,182	19,799
Remodeling and Renovations	11,811,242	11,382,991	2,593,281	8,789,710
Other Capital Outlay:				
Furniture, Fixtures and Equipment	2,510	2,510	2,510	-
Vehicles	1,582,812	1,582,812	1,161,061	421,751
Total Expenditures	25,058,893	24,961,371	4,954,678	20,006,693
Excess of Revenues Over Expenditures	5,142,880	5,142,880	25,837,400	20,694,520
Other Financing Uses				
Transfers Out	(20,354,971)	(20,354,971)	(19,972,992)	381,979
Net Change in Fund Balance	(15,212,091)	(15,212,091)	5,864,408	21,076,499
Fund Balance - Beginning	15,212,091	15,212,091	15,212,091	-
Fund Balance - Ending	\$ -	\$ -	\$ 21,076,499	\$ 21,076,499

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Other Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
State:				
Miscellaneous State	\$ -	\$ 745,282	\$ 745,282	\$ -
Local:				
Investment Income	-	-	131,632	131,632
Total Revenues	<u>-</u>	<u>745,282</u>	<u>876,914</u>	<u>131,632</u>
Expenditures				
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	500	500	-	500
Improvements Other Than Buildings	468,004	1,183,281	510,049	673,232
Remodeling and Renovations	-	2,000,000	248,584	1,751,416
Other Capital Outlay:				
Vehicles	15,752,147	15,752,147	15,742,100	10,047
Total Expenditures	<u>16,220,651</u>	<u>18,935,928</u>	<u>16,500,733</u>	<u>2,435,195</u>
Deficiency of Revenues Over Expenditures	<u>(16,220,651)</u>	<u>(18,190,646)</u>	<u>(15,623,819)</u>	<u>2,566,827</u>
Other Financing Uses				
Transfers Out	(29,009)	(29,009)	(18,662)	10,347
Net Change in Fund Balance	<u>(16,249,660)</u>	<u>(18,219,655)</u>	<u>(15,642,481)</u>	<u>2,577,174</u>
Fund Balance - Beginning	<u>22,481,302</u>	<u>22,481,302</u>	<u>22,481,302</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 6,231,642</u>	<u>\$ 4,261,647</u>	<u>\$ 6,838,821</u>	<u>\$ 2,577,174</u>

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	School Internal Accounts - Student Activity Funds			
	July 1, 2019	Additions	Deletions	June 30, 2020
Assets				
Cash	<u>\$ 3,591,868</u>	<u>\$ 11,670,626</u>	<u>\$ 11,612,251</u>	<u>\$ 3,650,243</u>
Liabilities				
School Internal Accounts Payable	<u>\$ 3,591,868</u>	<u>\$ 11,670,626</u>	<u>\$ 11,612,251</u>	<u>\$ 3,650,243</u>

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NONMAJOR COMPONENT UNITS

Foundation

Public Education Foundation of Marion County, Inc.

Charter Schools

Marion Charter School, Inc.

McIntosh Area Charter School, Incorporated

Francis Marion Military Academy, Inc.

Francis Marion Charter School, Inc.

**MARION COUNTY DISTRICT SCHOOL BOARD
NONMAJOR COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020**

	Public Education Foundation of Marion County, Inc.	Marion Charter School, Inc.
Assets		
Current Assets:		
Cash	\$ 385,885	\$ 573,168
Accounts Receivable	57,311	18,792
Deposits Receivable	-	1,600
Inventories	349,519	-
Prepaid Items	4,171	1,388
Total Current Assets	<u>796,886</u>	<u>594,948</u>
Noncurrent Assets:		
Assets Held by Others	1,926,669	-
Investments	552,869	-
Capital Assets Not Being Depreciated	-	248,319
Capital Assets Being Depreciated, Net	8,586	281,163
Total Noncurrent Assets	<u>2,488,124</u>	<u>529,482</u>
Total Assets	<u>3,285,010</u>	<u>1,124,430</u>
Deferred Outflows of Resources		
Deferred Amount on Pension Liability	<u>-</u>	<u>424,054</u>
Liabilities		
Current Liabilities:		
Salaries and Benefits Payable	-	-
Accounts Payable	12,379	602
Long-term Liabilities		
Due Within One Year	-	19,699
Total Current Liabilities	<u>12,379</u>	<u>20,301</u>
Noncurrent Liabilities		
Due After One Year	-	1,032,219
Total Noncurrent Liabilities	<u>-</u>	<u>1,032,219</u>
Total Liabilities	<u>12,379</u>	<u>1,052,520</u>
Deferred Inflows of Resources		
Deferred Revenue	<u>-</u>	<u>72,851</u>
Net Position		
Net Investment in Capital Assets	8,586	529,482
Restricted for:		
State Required Carryover Programs	-	-
Capital Projects	-	163,400
Other Purposes	2,485,316	-
Permanent Endowments:		
Nonexpendable	108,548	-
Unrestricted (Deficit)	670,181	(269,769)
Total Net Position	<u>\$ 3,272,631</u>	<u>\$ 423,113</u>

McIntosh Area Charter School, Incorporated	Francis Marion Military Academy, Inc.	Francis Marion Charter School, Inc.	Total
\$ 99,856	\$ 14,661	\$ 130,789	\$ 1,204,359
-	-	8,984	85,087
-	-	14,306	15,906
-	-	-	349,519
1,294	-	18,300	25,153
101,150	14,661	172,379	1,680,024
-	-	-	1,926,669
-	-	-	552,869
116,514	-	-	364,833
251,812	-	34,087	575,648
368,326	-	34,087	3,420,019
469,476	14,661	206,466	5,100,043
-	-	-	424,054
746	14,500	13,244	28,490
-	229,678	-	242,659
54,759	-	-	74,458
55,505	244,178	13,244	345,607
21,476	-	-	1,053,695
21,476	-	-	1,053,695
76,981	244,178	13,244	1,399,302
-	-	-	72,851
368,326	-	34,087	940,481
-	-	39,437	39,437
8,542	-	-	171,942
-	-	-	2,485,316
-	-	-	108,548
15,627	(229,517)	119,698	306,220
\$ 392,495	\$ (229,517)	\$ 193,222	\$ 4,051,944

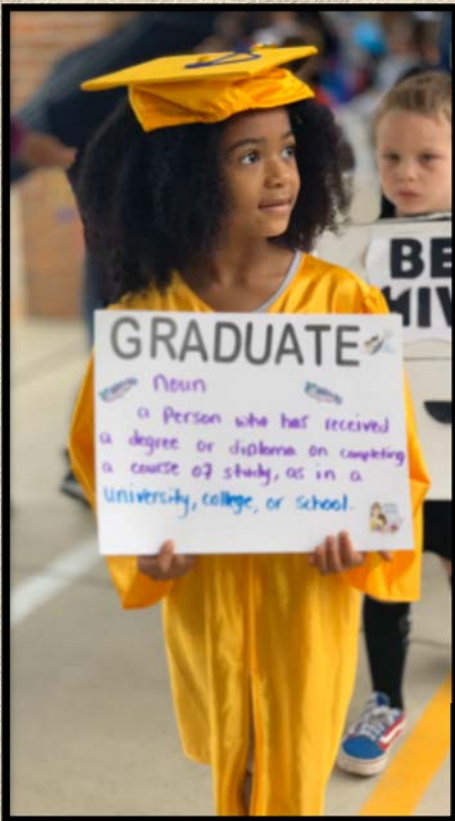
**MARION COUNTY DISTRICT SCHOOL BOARD
NONMAJOR COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Public Education Foundation of Marion County, Inc.	Marion Charter School, Inc.
Expenses:		
Instruction	\$ -	\$ 1,243,225
Student Support Services	-	95,165
General Administration	316,266	523,997
Maintenance of Plant	-	-
Community Services	1,507,938	28,087
Unallocated Depreciation	-	-
Total Expenses	<u>1,824,204</u>	<u>1,890,474</u>
Program Revenues:		
Charges for Services	-	46,045
Operating Grants and Contributions	-	-
Capital Grants and Contributions	-	134,109
Total Program Revenues	<u>-</u>	<u>180,154</u>
General Revenues:		
Grants and Contributions Not Restricted to Specific Programs	1,989,047	1,543,969
Unrestricted Investment Earnings	22,449	21
Miscellaneous	-	-
Total General Revenues	<u>2,011,496</u>	<u>1,543,990</u>
Change in Net Position	187,292	(166,330)
Net Position - Beginning	3,085,339	589,443
Net Position - Ending	<u><u>\$ 3,272,631</u></u>	<u><u>\$ 423,113</u></u>

McIntosh Area Charter School, Incorporated	Francis Marion Military Academy, Inc.	Francis Marion Charter School, Inc.	Total
\$ 286,268	\$ 314,347	\$ 609,990	\$ 2,453,830
-	-	-	95,165
238,180	433,063	514,396	2,025,902
27,193	147,996	1,247	176,436
4,466	-	2,144	1,542,635
-	5,592	-	5,592
<u>556,107</u>	<u>900,998</u>	<u>1,127,777</u>	<u>6,299,560</u>
5,757	11,000	-	62,802
-	88,943	-	88,943
42,015	26,678	83,264	286,066
<u>47,772</u>	<u>126,621</u>	<u>83,264</u>	<u>437,811</u>
497,083	537,549	1,082,607	5,650,255
-	-	186	22,656
-	16,043	11,442	27,485
<u>497,083</u>	<u>553,592</u>	<u>1,094,235</u>	<u>5,700,396</u>
- (11,252)	(220,785)	49,722	(161,353)
403,747	(8,732)	143,500	4,213,297
<u>\$ 392,495</u>	<u>\$ (229,517)</u>	<u>\$ 193,222</u>	<u>\$ 4,051,944</u>

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S T A T I S T I C A L



"Play is the highest form of research."

Albert Einstein



STATISTICAL SECTION

This part of the Marion County District School Board's Comprehensive Annual Financial Report presents detailed information as a context for understanding what information in the financial statements, note disclosures, required and supplementary information says about the School Board's overall financial health.

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Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

MARION COUNTY DISTRICT SCHOOL BOARD
NET POSITION BY COMPONENT - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

Table 1

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 397,845,050	\$ 401,984,084	\$ 424,639,560	\$ 421,531,025	\$ 424,703,252	\$ 427,231,115	\$ 430,615,015	\$ 437,935,375	\$ 423,039,762	\$ 436,909,134
Restricted	76,016,201	61,243,195	39,563,126	38,543,429	34,531,596	40,344,387	46,589,540	44,613,635	63,844,205	53,631,332
Unrestricted (Deficit)	(31,610,672)	(38,520,766)	(42,686,045)	(38,717,427)	(167,579,756)	(157,210,634)	(167,835,774)	(168,255,295)	(175,135,529)	(197,990,662)
Total Governmental Net Position	\$ 442,250,579	\$ 424,706,513	\$ 421,516,641	\$ 421,357,027	\$ 291,655,092	\$ 310,364,868	\$ 309,368,781	\$ 314,293,715	\$ 311,748,438	\$ 292,549,804

Note: Significant decrease was experienced in the 2015 fiscal year as a result of implementing GASB No. 68. Significant increase was experienced in the 2018 fiscal year as a result of implementing GASB No. 75.

Source: Marion County District School Board, Finance Department Records

MARION COUNTY DISTRICT SCHOOL BOARD
CHANGES IN NET POSITION - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

Table 2

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Functions/Program Expenses:										
Instruction	\$ 212,253,161	\$ 195,573,215	\$ 193,104,354	\$ 204,444,783	\$ 218,354,709	\$ 222,627,462	\$ 240,181,428	\$ 246,324,171	\$ 258,092,892	\$ 268,339,463
Student Personnel Services	24,133,279	22,098,150	22,318,281	23,289,985	23,950,509	26,921,637	28,752,565	30,277,096	32,571,703	32,023,172
Instructional Media Services	4,977,843	4,265,084	4,085,164	3,729,590	3,911,410	4,950,533	5,185,913	4,423,914	4,440,743	4,983,809
Instruction and Curriculum Development	7,700,687	7,019,856	6,273,460	5,645,058	5,829,576	5,614,973	5,917,941	6,221,103	7,224,920	7,766,711
Instructional Staff Training Services	9,080,596	7,872,397	7,165,977	7,194,947	8,055,859	9,031,233	9,123,124	7,665,780	11,091,720	10,953,527
Instruction Related Technology	2,794,199	2,246,830	2,089,873	2,229,226	2,500,438	2,669,681	2,742,411	2,858,681	2,553,752	2,696,383
Board of Education	660,329	609,104	610,546	634,052	590,682	693,524	683,341	764,160	851,172	1,116,072
General Administration	3,301,514	2,235,331	2,357,108	2,316,446	2,789,387	2,847,397	3,331,174	3,090,996	3,301,361	3,454,028
School Administration	18,642,721	16,562,768	17,063,273	17,249,608	18,929,426	18,132,771	20,596,270	21,672,130	21,449,659	23,974,881
Facility Services	16,456,978	9,623,561	4,411,906	3,848,722	1,138,582	1,602,808	1,042,232	2,971,111	2,687,241	4,474,895
Fiscal Services	2,750,245	2,509,716	2,528,497	2,464,671	3,236,667	2,752,024	2,997,915	3,303,830	3,152,753	3,447,126
Food Services	20,559,098	21,649,060	22,368,022	23,066,934	25,092,655	27,389,859	28,409,893	29,176,087	29,537,513	27,592,616
Central Services	4,407,750	3,973,337	3,819,998	3,987,410	5,973,248	4,001,834	4,504,301	4,770,172	5,332,555	5,606,928
Student Transportation Services	20,334,725	18,990,431	18,604,907	21,274,194	20,088,339	20,774,721	22,290,992	22,828,958	22,651,212	22,628,422
Operation of Plant	26,997,233	23,026,130	22,464,976	23,861,211	24,035,990	23,055,086	23,452,974	24,668,869	25,018,755	29,457,066
Maintenance of Plant	9,848,470	8,982,975	8,577,801	8,846,764	9,740,872	9,133,472	9,877,571	10,075,905	10,068,853	11,241,356
Administrative Technology Services	4,559,778	3,985,071	4,868,187	4,157,489	5,275,929	5,049,540	5,480,488	5,517,045	5,055,202	5,171,426
Community Services	4,224,491	3,818,043	3,759,890	4,416,678	4,643,795	4,629,729	4,665,597	5,069,742	5,655,715	5,569,166
Unallocated Interest on Long-term Debt	7,131,032	7,020,315	5,965,804	5,679,051	4,432,956	3,989,079	3,415,034	3,004,016	2,762,058	2,674,342
Unallocated Depreciation Expense (a)	10,543,476	12,299,937	12,649,334	-	-	-	-	-	-	-
Loss on Disposal of Capital Assets	-	-	246,664	18,286	193,054	387,768	-	117,594	69,053	-
Total Functions/Program Expenditures	411,357,605	374,361,311	365,334,022	368,355,105	388,764,083	396,255,131	422,651,164	434,801,360	453,568,832	473,171,389
Program Revenues:										
Charges for Services:										
Instruction	5,216,738	5,393,459	6,640,861	6,448,549	7,241,668	7,257,853	7,955,731	7,213,358	7,480,881	6,349,546
Food Services	4,747,902	4,586,357	4,394,926	3,226,221	2,646,279	2,583,097	2,353,988	2,009,270	2,069,602	1,615,654
Student Transportation Services	238,274	153,100	146,869	127,208	190,060	159,872	195,592	156,337	184,525	114,296
Operating Grants and Contributions:										
Food Services	17,528,387	18,524,571	19,095,554	20,831,097	23,120,564	25,323,451	25,895,664	25,693,570	26,435,943	22,108,361
Capital Grants and Contributions:										
Facility Services	302,732	292,553	450,199	539,517	727,911	1,273,724	1,365,151	1,232,080	1,540,670	1,703,302
Maintenance of Plant	2,298,626	-	-	-	824,100	917,392	1,378,965	914,171	895,910	-
Unallocated Interest on Long-term Debt	1,268,967	1,285,599	1,273,182	1,266,075	898,176	481,012	445,954	440,816	340,510	279,155
Total Functions/Program Expense	31,601,626	30,235,639	32,001,591	32,438,667	35,648,758	37,996,401	39,591,045	37,659,602	38,948,041	32,170,314
Net Expense	379,755,979	344,125,672	333,332,431	335,916,438	353,115,325	358,258,730	383,060,119	397,141,758	414,620,791	441,001,075
General Revenues:										
Property Taxes Levied for:										
Operational Purposes	104,543,105	99,086,319	91,929,027	86,908,625	89,283,913	106,567,311	107,214,742	107,111,618	110,053,950	114,954,917
Capital Projects	26,226,951	23,954,343	22,351,178	22,325,029	23,097,597	23,979,076	25,125,064	26,507,997	28,361,978	30,332,362
Grants and Contributions Not										
Restricted to Specific Programs	223,978,645	196,381,947	204,350,332	222,724,894	232,050,823	239,340,767	243,054,631	254,121,661	262,511,580	267,735,554
Unrestricted Investment Earnings	1,398,387	968,085	984,783	322,748	254,671	403,219	678,134	998,125	3,233,404	2,800,887
Miscellaneous	8,731,391	6,190,912	6,463,438	5,402,788	6,127,797	6,678,133	5,991,461	6,329,627	7,914,602	5,978,721
Total Revenues	364,878,479	326,581,606	326,078,758	337,684,084	350,814,801	376,968,506	382,064,032	395,069,028	412,075,514	421,802,441
Change in Net Position	\$ (14,877,500)	\$ (17,544,066)	\$ (7,253,673)	\$ 1,767,646	\$ (2,300,524)	\$ 18,709,776	\$ (996,087)	\$ (2,072,730)	\$ (2,545,277)	\$ (19,198,634)

Source: Marion County District School Board, Finance Department Records

(a) Prior to 2014 the District's accounting system did not allocate all depreciation to the various functions. Beginning in 2014 the District was able to allocate depreciation to all of the applicable functions.

MARION COUNTY DISTRICT SCHOOL BOARD
CHANGES IN FUND BALANCES, ALL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

Table 3

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Federal Direct	\$ 2,379,764	\$ 2,072,312	\$ 2,148,187	\$ 1,942,361	\$ 1,728,450	\$ 1,619,918	\$ 1,695,939	\$ 1,935,630	\$ 2,192,109	\$ 1,977,481
Federal Through State and Local	80,060,063	53,587,286	50,650,606	51,211,480	58,177,326	60,105,303	59,417,244	62,274,217	66,136,254	57,892,957
State	162,937,531	160,825,072	172,104,392	192,098,173	197,617,736	205,444,106	210,760,097	217,584,733	222,914,151	231,137,702
Local	149,607,597	141,567,810	133,017,132	124,723,947	128,796,860	147,665,723	149,667,704	150,743,259	158,341,735	162,576,956
Total Revenues	394,984,955	358,052,480	357,920,317	369,975,961	386,320,372	414,835,050	421,540,984	432,537,839	449,584,249	453,585,096
Expenditures										
Current - Education:										
Instruction	208,115,441	193,742,555	190,865,971	188,985,303	200,451,377	211,215,617	218,901,901	224,983,150	235,667,732	234,953,000
Student Personnel Services	23,881,248	22,044,740	22,230,371	23,014,906	23,516,829	27,396,622	27,983,666	29,544,224	31,707,586	29,938,885
Instructional Media Services	4,967,925	4,295,754	4,070,111	3,641,443	3,783,824	5,044,413	4,938,520	4,162,027	4,156,326	4,370,134
Instruction and Curriculum Development	7,689,989	7,024,155	6,248,797	5,570,332	5,693,019	5,731,587	5,694,710	5,992,125	6,970,744	7,167,168
Instructional Staff Training Services	8,977,471	7,850,706	7,137,393	7,135,820	7,906,553	9,160,984	8,894,799	7,441,654	10,826,576	10,346,383
Instruction Related Technology	2,763,705	2,241,295	2,082,139	2,141,157	2,484,038	2,684,933	2,609,382	2,727,366	2,411,458	2,374,452
Board of Education	639,789	599,619	601,336	627,489	583,585	695,662	680,803	766,962	850,932	1,111,752
General Administration	3,251,400	2,219,000	2,342,176	2,291,020	2,714,189	2,909,358	3,221,316	2,979,108	3,175,321	3,157,950
School Administration	18,454,258	16,527,237	16,969,889	16,935,587	17,196,999	18,847,423	19,373,799	20,294,615	19,967,731	20,513,753
Facility Services	8,439,024	6,425,156	733,226	2,597,831	792,509	725,667	984,702	766,708	809,658	1,143,669
Fiscal Services	2,700,701	2,489,566	2,504,775	2,423,416	2,603,285	2,810,974	2,886,882	3,190,641	3,025,322	3,103,714
Food Services	20,048,272	21,418,705	22,125,473	22,381,865	24,787,895	26,928,146	27,304,381	28,176,095	28,400,316	25,922,994
Central Services	4,140,917	3,800,660	3,639,891	3,919,053	4,363,118	4,105,026	4,266,224	4,514,340	5,057,046	4,925,847
Student Transportation Services	20,052,193	18,901,755	18,496,270	19,526,977	19,701,949	19,463,264	20,275,772	20,866,047	20,907,665	19,334,622
Operation of Plant	26,573,504	22,888,806	22,316,850	23,531,438	23,679,291	23,277,751	22,915,330	24,201,971	24,434,515	28,124,776
Maintenance of Plant	9,702,580	8,956,293	8,489,604	8,684,861	9,340,531	9,333,033	9,394,718	9,569,186	9,519,233	10,069,095
Administrative Technology Services	4,297,042	3,853,533	4,723,110	3,971,669	5,132,497	4,897,878	4,854,618	4,822,408	4,334,060	4,242,234
Community Services	4,170,742	3,804,867	3,741,872	4,384,158	4,608,861	4,644,010	4,648,267	5,088,335	5,653,608	5,547,053
Capital Outlay:										
Facilities Acquisition and Construction	37,103,268	13,410,419	24,002,370	4,554,498	5,635,924	6,596,918	6,593,742	6,740,055	7,455,087	9,245,963
Other Capital Outlay	1,648,151	1,636,109	1,410,753	2,483,145	7,688,250	5,384,987	4,977,042	8,528,084	2,641,099	18,956,778
Debt Service:										
Principal	10,367,792	10,275,000	10,145,000	10,479,000	11,065,000	11,915,500	12,228,000	12,531,000	10,576,000	12,288,917
Interest and Fiscal Charges	7,150,589	6,992,311	5,906,887	5,567,168	4,300,873	3,505,439	3,544,310	3,137,518	2,716,343	2,765,131
Dues, Fees and Issuance Costs	19,700	75,916	70,035	215,027	134,022	424,808	19,271	16,824	51,636	36,817
Total Expenditures	435,155,701	381,474,157	380,854,299	365,063,163	388,164,418	407,700,000	417,192,155	431,040,443	441,315,994	459,641,087
Excess (Deficiency) of Revenues Over Expenditures	(40,170,746)	(23,421,677)	(22,933,982)	4,912,798	(1,844,046)	7,135,050	4,348,829	1,497,396	8,268,255	(6,055,991)

MARION COUNTY DISTRICT SCHOOL BOARD
CHANGES IN FUND BALANCES, ALL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

Table 3

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Certificates of Participation Issued	\$ -	\$ -	\$ -	\$ 37,380,000	\$ -	\$ 32,860,000	\$ -	\$ -	\$ -	\$ -
Loans Incurred	-	-	-	-	4,946,000	-	-	-	15,839,901	-
Bonds Issued	180,000	25,845,000	-	3,620,500	7,371,000	-	-	-	-	-
Premium on Debt	27,740	300,397	-	137,879	35,955	4,327,462	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	24,000
Premium on Refunding Bonds	-	-	-	-	-	-	-	-	-	1,293
Payments to Refunded Debt Escrow Agent	(208,420)	(24,875,279)	(1,158,933)	(39,919,642)	(8,349,299)	(36,775,929)	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	158,718	-
Insurance Loss Recoveries	23,977	108,500	58,443	108,571	74,416	81,895	50,296	131,221	82,797	150,065
Transfers In	23,069,632	21,754,970	20,844,390	21,603,700	20,860,316	20,654,704	20,988,281	20,713,572	18,658,764	20,277,720
Transfers Out	(23,069,632)	(21,754,970)	(20,844,390)	(21,603,700)	(20,860,316)	(20,654,704)	(20,988,281)	(20,713,572)	(18,658,764)	(20,277,720)
Total Other Financing Sources (Uses)	<u>23,297</u>	<u>1,378,618</u>	<u>(1,100,490)</u>	<u>1,327,308</u>	<u>4,078,072</u>	<u>493,428</u>	<u>50,296</u>	<u>131,221</u>	<u>16,081,416</u>	<u>175,358</u>
Net Change in Fund Balances	<u>(40,147,449)</u>	<u>(22,043,059)</u>	<u>(24,034,472)</u>	<u>6,240,106</u>	<u>2,234,026</u>	<u>7,628,478</u>	<u>4,399,125</u>	<u>1,628,617</u>	<u>24,349,671</u>	<u>(5,880,633)</u>
Fund Balances - Beginning	<u>140,877,521</u>	<u>100,730,072</u>	<u>78,687,013</u>	<u>54,652,541</u>	<u>60,892,647</u>	<u>63,126,673</u>	<u>70,755,151</u>	<u>75,154,276</u>	<u>76,782,893</u>	<u>101,132,564</u>
Fund Balances - Ending	<u><u>100,730,072</u></u>	<u><u>78,687,013</u></u>	<u><u>54,652,541</u></u>	<u><u>60,892,647</u></u>	<u><u>63,126,673</u></u>	<u><u>70,755,151</u></u>	<u><u>75,154,276</u></u>	<u><u>76,782,893</u></u>	<u><u>101,132,564</u></u>	<u><u>95,251,931</u></u>
Debt Service as a Percentage of Noncapital Expenditures	4.42%	4.71%	4.52%	4.48%	4.10%	3.90%	3.89%	3.77%	3.08%	3.49%

Source: Marion County District School Board, Finance Department Records

MARION COUNTY DISTRICT SCHOOL BOARD
FUND BALANCES, ALL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

Table 4

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 2,364,515	\$ 2,258,504	\$ 2,262,561	\$ 2,644,114	\$ 2,423,202	\$ 3,158,561	\$ 2,297,751	\$ 4,209,538	\$ 2,582,526	\$ 2,963,328
Spendable:										
Restricted	1,615,396	2,240,303	3,007,480	4,422,676	3,745,725	8,423,116	12,015,801	15,044,294	12,385,071	13,297,631
Assigned	12,723,576	4,843,480	-	7,547,747	5,977,547	11,347,442	11,880,177	13,122,249	14,077,840	10,943,402
Unassigned	10,206,082	9,250,956	11,241,171	11,469,003	17,996,211	15,425,636	15,956,637	15,755,436	20,565,133	29,752,838
Total General Fund	<u>\$ 26,909,569</u>	<u>\$ 18,593,243</u>	<u>\$ 16,511,212</u>	<u>\$ 26,083,540</u>	<u>\$ 30,142,685</u>	<u>\$ 38,354,755</u>	<u>\$ 42,150,366</u>	<u>\$ 48,131,517</u>	<u>\$ 49,610,570</u>	<u>\$ 56,957,199</u>
All Other Government Funds										
Nonspendable	\$ 850,502	\$ 822,146	\$ 761,754	\$ 1,439,665	\$ 828,337	\$ 895,462	\$ 1,046,420	\$ 710,755	\$ 753,345	\$ 1,638,419
Spendable:										
Restricted	73,026,310	59,332,102	37,432,904	33,384,745	32,155,651	31,519,483	31,957,490	27,943,836	50,773,974	36,701,818
Unassigned (a)	(56,309)	(60,478)	(53,329)	(15,303)	-	(14,549)	-	(3,215)	(5,325)	(45,505)
Total All Other Governmental Funds	<u>\$ 73,820,503</u>	<u>\$ 60,093,770</u>	<u>\$ 38,141,329</u>	<u>\$ 34,809,107</u>	<u>\$ 32,983,988</u>	<u>\$ 32,400,396</u>	<u>\$ 33,003,910</u>	<u>\$ 28,651,376</u>	<u>\$ 51,521,994</u>	<u>\$ 38,294,732</u>
Combined Governmental Funds	<u>\$ 100,730,072</u>	<u>\$ 78,687,013</u>	<u>\$ 54,652,541</u>	<u>\$ 60,892,647</u>	<u>\$ 63,126,673</u>	<u>\$ 70,755,151</u>	<u>\$ 75,154,276</u>	<u>\$ 76,782,893</u>	<u>\$ 101,132,564</u>	<u>\$ 95,251,931</u>

(a) The District reported a negative unassigned fund balance for All Other Governmental Funds as a result of prepaid items exceeding the ending fund balances in the Special Revenue - Other Federal Programs Fund.

Source: Marion County District School Board, Finance Department Records

MARION COUNTY DISTRICT SCHOOL BOARD
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

Table 5

Fiscal Year Ending June 30,	Property Taxes		Impact Fees (a)	Total
	Operational Purposes	Capital Projects		
2011	\$ 104,543,105	\$ 26,226,951	\$ 958,161	\$ 131,728,217
2012	99,086,319	23,954,343	220,642	123,261,304
2013	91,929,027	22,351,178	57,874	114,338,079
2014	86,908,625	22,325,029	26,953	109,260,607
2015	89,283,913	23,097,598	20,790	112,402,301
2016	106,567,312	23,979,076	3,967	130,550,355
2017	107,214,742	25,125,064	14,417	132,354,223
2018	107,111,618	26,507,997	7,934	133,627,549
2019	110,053,950	28,361,978	-	138,415,928
2020	114,954,919	30,332,362	-	145,287,281

(a) In response to the growing population and new home sales in Marion County, the Marion County Board of County Commissioners approved an impact fee on new home sales to begin on October 1, 2006, to aid funding for new schools. Due to a downturn in the local housing market, impact fees significantly declined in 2010. In 2011, the School Board suspended the collection of the fees.

Source: Marion County District School Board, Finance Department Records

MARION COUNTY DISTRICT SCHOOL BOARD
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 6

Fiscal Year Ending June 30,	Real Property	Tangible Property	Railroad Property	Less: Tax-Exempt Property	Total Taxable Assessed Value (a)	Total Direct Tax Rate
2011	\$ 27,141,206,875	\$ 1,424,892,450	\$ 13,690,221	\$ 10,703,365,015	\$ 17,876,424,531	7.487
2012	24,124,431,238	1,372,246,797	15,044,813	9,006,785,016	16,504,937,832	7.708
2013	21,713,674,702	1,325,660,677	18,381,187	7,642,130,994	15,415,585,572	7.671
2014	21,662,690,013	1,365,147,480	19,153,005	7,689,024,236	15,357,966,262	7.339
2015	22,545,666,860	1,421,016,339	20,017,720	8,095,173,721	15,891,527,198	7.298
2016	22,946,649,486	1,515,661,515	20,342,991	7,952,550,884	16,530,103,108	8.172
2017	24,484,911,443	1,516,452,408	21,820,066	8,770,140,613	17,253,043,304	7.902
2018	25,621,844,589	1,619,744,735	22,705,975	9,030,530,606	18,233,764,693	7.560
2019	27,451,399,920	1,767,960,000	24,223,011	9,717,810,402	19,525,772,529	7.319
2020	29,642,255,792	1,855,737,335	22,087,858	10,582,883,701	20,937,197,284	7.184

(a) Assessed values are as of January 1.

Source: Marion County Property Appraiser - <http://www.pa.marion.fl.us/>

**MARION COUNTY DISTRICT SCHOOL BOARD
PROPERTY TAX RATES (a) OF
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 7

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct										
Marion County District School Board										
General Fund (Required Local Effort)	5.2390	5.4600	5.4230	5.0910	5.0500	4.9240	4.6540	4.3120	4.0710	3.9360
General Fund (Discretionary)	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
General Fund (Additional Voted Millage)	-	-	-	-	-	1.0000	1.0000	1.0000	1.0000	1.0000
Capital Projects Fund	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Total School Board	7.4870	7.7080	7.6710	7.3390	7.2980	8.1720	7.9020	7.5600	7.3190	7.1840
Overlapping										
Board of County Commissioners										
General Fund	3.1900	3.1900	3.1900	3.1900	3.1900	3.1900	3.1900	3.3300	3.3300	3.4500
Fine and Forfeiture Fund	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.8500
Parks and Land Acquisition Debt Service Fund	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600	0.0500	0.0400	-	-
Marion County Health Department Fund	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
Total General County	3.8900	3.8900	3.8900	3.9000	3.9000	3.9000	3.8900	4.0200	3.9800	4.4200
Total County-Wide	11.3770	11.5980	11.5610	11.2390	11.1980	12.0720	11.7920	11.5800	11.2990	11.6040
Special Districts										
Rainbow Lakes Estates MSD (b)	2.0000	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500
Rainbow Lakes Estates MSTU (c)	0.3400	0.3800	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
Marion Oaks MSTU For Fire Protection (c)	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
MSTU for Law Enforcement (c)	2.8100	2.8100	2.8100	3.2100	3.4700	3.4700	3.4700	3.4700	3.7200	3.7200
MSTU for EMS (c)	0.8300	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	1.1100
Silver Springs Shores Special Tax District	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Hills of Ocala MSTU for Recreation (c)	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800
Southwest Florida Water Management District	0.6078	0.3928	0.3928	0.3818	0.3658	0.3488	0.3317	0.3131	0.2955	0.2801
St. Johns River Water Management District	0.4158	0.3313	0.3313	0.3283	0.3164	0.3023	0.2885	0.2724	0.2562	0.2414
Municipalities										
Ocala	5.6183	5.9332	6.1502	6.2502	6.1638	6.6177	6.6177	6.6177	6.6177	6.6177
Ocala (Downtown Development District "A")	1.5647	1.5862	1.6461	1.5967	1.4966	1.4966	1.7185	1.7185	1.7185	1.7185
Ocala (Downtown Development District "B")	1.5508	1.6191	1.6542	1.7013	1.6332	1.6332	1.6332	1.6332	1.6332	1.6332
Ocala (Downtown Development District "C")	1.1347	1.1772	1.2332	1.2810	1.2825	1.2825	1.5091	1.5091	1.5091	1.4699
Bellevue	3.3472	3.9912	3.9912	3.9912	3.9912	4.5000	4.5000	5.0000	5.0000	5.0000
Dunnellon	6.9101	7.1408	6.8013	7.1408	7.5000	7.5000	7.5000	6.5000	6.5000	6.5000
McIntosh	2.1344	2.2988	2.5546	2.5198	2.4087	2.3175	2.2078	2.2078	2.2078	2.2078

(a) Rates are stated per \$1,000 of assessed value. Rates were adopted after June 30 for all years presented. Collections on the related tax levy occur in the succeeding fiscal year.

(b) MSD is an abbreviation for municipal service district.

(c) MSTU is an abbreviation for municipal service taxing unit.

**MARION COUNTY DISTRICT SCHOOL BOARD
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 8

Fiscal Year Ending June 30,	Overlapping	
	Marion County Board of County Commissioner (a)	State of Florida Sales Tax (b)
2011	-	6.0%
2012	-	6.0%
2013	-	6.0%
2014	-	6.0%
2015	-	6.0%
2016	-	6.0%
2017	1.0%	6.0%
2018	1.0%	6.0%
2019	1.0%	6.0%
2020	1.0%	6.0%

(a) The Marion County Board of County Commissioner tax commenced January 1, 2017 and expires December 31, 2020.

Source: Florida Department of Revenue - <http://floridarevenue.com>

(b) The State of Florida sales tax rate is set as mandated by Florida State Statute to be six cents per one dollar.

Source: Florida Department of Revenue - <http://dor.myflorida.com/dor/taxes/discretionary.html>

**MARION COUNTY DISTRICT SCHOOL BOARD
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Table 9

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
<u>Taxpayer</u>						
Duke Energy (Progress Energy)	\$ 217,821,285	1	1.04%	\$ 140,894,572	1	0.79%
Sumter Electric Cooperative, Inc.	134,681,555	2	0.64%	102,405,870	2	0.57%
Marion Community Hospital	97,331,782	3	0.46%	45,555,790	7	0.25%
Sabal Trail Transmission, LLC	95,838,832	4	0.46%			
FedEx Ground Package System, Inc.	84,129,629	5	0.40%			
Wal Mart	79,766,029	6	0.38%	70,989,656	4	0.40%
On Top of the World	54,704,067	7	0.26%	53,104,798	6	0.30%
Paddock Mall, LLC	48,247,141	8	0.23%	35,142,214	9	0.20%
Northland Heathbrook, LLC	43,662,996	9	0.21%			
Carlton Arms of Ocala	41,725,567	10	0.20%			
Embarq (formerly Sprint-Florida, Inc.)				88,535,393	3	0.49%
Florida Gas Transmission, Co.				32,755,032	10	0.18%
Deltona Corp				38,912,149	8	0.22%
K-Mart				54,980,913	5	0.31%
Total Principal Taxpayers	897,908,883		4.28%	663,276,387		3.71%
All Other Taxpayers	20,039,288,401		95.71%	17,239,468,613		96.30%
Total Taxable Valuation	\$ 20,937,197,284		100.00%	\$ 17,902,745,000		100.00%

Source: Marion County Property Appraiser Office and website - <http://www.pa.marion.fl.us>

**MARION COUNTY DISTRICT SCHOOL BOARD
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 10

Fiscal Year Ending June 30,	Taxes Levied for the Fiscal Year (a)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (b)	Percentage of Levy		Amount (a)	Percentage of Levy
2011	\$ 134,903,407	\$ 129,266,064	95.82%	\$ 1,503,993	\$ 130,770,057	96.94%
2012	127,785,556	122,361,191	95.76%	679,471	123,040,662	96.29%
2013	118,252,957	113,380,571	95.88%	899,634	114,280,205	96.64%
2014	112,712,184	108,509,196	96.27%	724,458	109,233,654	96.91%
2015	115,976,561	111,543,948	96.18%	646,105	112,190,053	96.74%
2016	135,084,154	129,816,507	96.10%	729,881	130,546,388	96.64%
2017	136,333,724	131,319,706	96.32%	1,020,100	132,339,806	97.07%
2018	137,847,456	132,792,498	96.33%	827,117	133,619,615	96.93%
2019	142,909,361	137,709,971	96.36%	705,957	138,415,928	96.86%
2020	150,412,993	144,841,201	96.30%	446,080	145,287,281	96.59%

(a) Total taxable value as extended on the final certified tax roll.

(b) Net of allowable discounts. Florida law allows a 4 percent discount starting November and reducing 1 percent each month until February.

Sources: Marion County Property Appraiser
Marion County School Board Superintendent's Annual Financial Report

**MARION COUNTY DISTRICT SCHOOL BOARD
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 11

Fiscal Year Ending June 30,	Bonds Payable	Certificates of Participation	Notes Payable	Deferred Amounts	Total	Total Debt Per Capita (a)	Total Debt as a Percentage of Personal Income (b)
2011	\$ 9,590,000	\$ 139,570,000	\$ -	\$ 586,144	\$ 149,746,144	\$ 451	1.47%
2012	9,425,000	131,360,000	-	2,098,067	142,883,067	429	1.38%
2013	7,185,000	122,335,000	-	1,965,489	131,485,489	392	1.21%
2014	6,966,500	115,075,000	-	196,175	122,237,675	362	1.03%
2015	5,057,500	105,135,000	4,946,000	1,784,586	116,923,086	343	1.01%
2016	4,584,000	93,700,000	3,949,000	4,290,577	106,523,577	308	0.96%
2017	4,116,000	82,905,000	2,984,000	3,877,967	93,882,967	269	0.81%
2018	3,634,000	71,835,000	2,005,000	3,465,357	80,939,357	229	0.67%
2019	3,228,000	62,660,000	16,849,901	3,052,747	85,790,648	239	0.68%
2020	2,867,000	53,175,000	14,430,984	2,634,570	73,107,554	201	0.55%

(a) See Table 12 for Population.

(b) See Table 16 for Personal Income.

Source: Marion County District School Board, Finance Department Records
United States Department of Commerce, Bureau of Economic Analysis

**MARION COUNTY DISTRICT SCHOOL BOARD
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 12

Fiscal Year Ending June 30,	Population (a)	Assessed Value (b)	Bonds Payable	Certificates of Participation	Deferred Amounts	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Net Bonded Debt as a Percentage of Personal Income (c)
2011	331,745	\$ 17,876,424,531	\$ 9,590,000	\$ 139,570,000	\$ 586,144	\$ 149,746,144	\$ 525,621	\$ 149,220,523	0.83%	\$ 449.80	1.46%
2012	332,989	16,504,937,832	9,425,000	131,360,000	2,098,067	142,883,067	1,102,538	141,780,529	0.86%	425.78	1.37%
2013	335,008	15,415,585,572	7,185,000	122,335,000	1,965,489	131,485,489	-	131,485,489	0.85%	392.48	1.21%
2014	337,455	15,357,966,262	6,966,500	115,075,000	196,175	122,237,675	1,116,930	121,120,745	0.79%	358.92	1.02%
2015	341,205	15,891,527,198	5,057,500	105,135,000	1,784,586	111,977,086	131,035	111,846,051	0.70%	327.80	0.96%
2016	345,749	16,530,103,108	4,584,000	93,700,000	4,290,577	102,574,577	202,753	102,371,824	0.62%	296.09	0.93%
2017	349,267	17,253,043,304	4,116,000	82,905,000	3,877,967	90,898,967	243,089	90,655,878	0.53%	259.56	0.78%
2018	353,898	18,233,764,693	3,634,000	71,835,000	3,465,357	78,934,357	307,891	78,626,466	0.43%	222.17	0.65%
2019	358,821	19,525,772,529	3,228,000	62,660,000	3,052,747	68,940,747	232,445	68,708,302	0.35%	191.48	0.54%
2020	363,726	20,937,197,284	2,867,000	53,175,000	2,634,570	58,676,570	296,651	58,379,919	0.28%	160.51	0.44%

(a) Population is as of December 31 of the previous calendar year.

(b) Assessed values are as of January 1 for all years presented. Collections on the related tax levies occur in the succeeding fiscal year.

(c) See Table 16 for Personal Income.

Sources: Florida Office of Economic and Demographic Research, Demographic Estimating Conference, <http://edr.state.fl.us/Content/population-demographics/data/index-floridaproducts.cfm>

Marion County Property Appraiser - <http://www.pa.marion.fl.us/>

Marion County District School Board, Finance Department Records

**MARION COUNTY DISTRICT SCHOOL BOARD
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 13

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value (a)	<u>\$ 17,876,424,531</u>	<u>\$ 16,504,937,832</u>	<u>\$ 15,415,585,572</u>	<u>\$ 15,357,966,262</u>	<u>\$ 15,891,527,198</u>	<u>\$ 16,530,103,108</u>	<u>\$ 17,253,043,304</u>	<u>\$ 18,233,764,693</u>	<u>\$ 19,525,772,529</u>	<u>\$ 20,937,197,284</u>
Debt Limit on Assessed Value (b)	<u>\$ 17,876,424,531</u>	<u>\$ 16,504,937,832</u>	<u>\$ 15,415,585,572</u>	<u>\$ 15,357,966,262</u>	<u>\$ 15,891,527,198</u>	<u>\$ 16,530,103,108</u>	<u>\$ 17,253,043,304</u>	<u>\$ 18,233,764,693</u>	<u>\$ 19,525,772,529</u>	<u>\$ 20,937,197,284</u>
Amount of Debt Applicable to Debt Limit:										
Bonds Payable (c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Amount Available for Debt Service	-	-	-	-	-	-	-	-	-	-
Total Debt Applicable to the Debt Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 17,876,424,531</u>	<u>\$ 16,504,937,832</u>	<u>\$ 15,415,585,572</u>	<u>\$ 15,357,966,262</u>	<u>\$ 15,891,527,198</u>	<u>\$ 16,530,103,108</u>	<u>\$ 17,253,043,304</u>	<u>\$ 18,233,764,693</u>	<u>\$ 19,525,772,529</u>	<u>\$ 20,937,197,284</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(a) Assessed value is as of January 1.

(b) The State of Florida does not have a limit on the amount of voter approved (general obligation) debt.

(c) Includes General Obligation Bonds only.

Source: Marion County Property Appraiser - <http://www.pa.marion.fl.us/>

**MARION COUNTY DISTRICT SCHOOL BOARD
ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 14

Fiscal Year Ending June 30,	Taxable Assessed Value (a)	Annual Lease Payment	Millage Levy Required (b)
2011	\$ 17,876,425	\$ 15,508,904	0.91
2012	16,504,938	15,572,720	0.99
2013	15,415,586	14,543,870	0.98
2014	15,357,966	14,424,705	0.98
2015	15,891,527	14,251,527	0.93
2016	16,530,103	12,526,916	0.79
2017	17,253,043	14,092,738	0.85
2018	18,233,765	13,997,052	0.80
2019	19,525,773	11,718,593	0.63
2020	20,937,197	11,721,857	0.58

(a) In thousands as of January 1.

(b) Millage rate calculated using 96% of the taxable assessed valuation.

Note: Capital lease arrangements financed by Certificates of Participation are not considered general obligation debt, as no specific property tax levy has been pledged.

Sources: Marion County Property Appraiser - <http://www.pa.marion.fl.us/>
Marion County District School Board, Finance Department Records

MARION COUNTY DISTRICT SCHOOL BOARD
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 15

Fiscal Year Ending June 30,	District Revenue Bonds					
	Pari-Mutuel Revenues	Miscellaneous Revenue	Debt Service		Other Dues & Fees	Coverage
			Principal	Interest		
2011	\$ 223,250	\$ 1,299	\$ 80,000	\$ 140,725	\$ 539	1.01
2012	223,250	1,398	80,000	137,375	539	1.03
2013	223,250	1,379	85,000	133,805	539	1.02
2014 (a)	223,250	776	94,000	104,207	350	1.13
2015	223,250	1,417	109,000	93,748	350	1.11
2016	223,250	1,073	108,500	90,251	350	1.13
2017	223,250	1,075	113,000	86,285	350	1.12
2018	223,250	964	117,000	82,076	350	1.12
2019	223,250	7,186	121,000	77,720	385	1.16
2020	223,250	5,363	125,000	73,218	385	1.15

(a) These bonds were refunded in 2014. Only the applicable debt service for the 2014 fiscal year is shown.

Source: Marion County School District Finance Department - Funds 2900 and 2910, District Revenue Bonds.

**MARION COUNTY DISTRICT SCHOOL BOARD
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 16

Fiscal Year Ending June 30,	Population (a)	Personal Income (b) (in thousands)	Per Capita Personal Income	Unemployment Rate (c)		
				Marion County	Florida	United States
2011	331,745	\$ 10,216,751	\$ 30,797	12.6%	11.1%	9.3%
2012	332,989	10,351,583	31,087	10.5%	9.3%	8.2%
2013	335,008	10,876,674	32,467	7.8%	7.0%	7.6%
2014	337,455	11,920,530	35,325	7.8%	6.7%	6.1%
2015	341,205	11,617,618	34,049	6.6%	5.6%	5.3%
2016	345,749	11,047,141	31,951	5.8%	4.7%	4.9%
2017	349,267	11,601,952	33,218	4.8%	4.1%	4.4%
2018	353,898	12,133,659	34,286	4.5%	3.7%	4.1%
2019	358,821	12,708,667	35,418	4.1%	3.5%	4.0%
2020	363,726	13,318,148	36,616	8.5%	10.7%	11.2%

(a) Population is as of December 31 of the previous calendar year.

(b) The personal income and per capita is as of 2018 (the most recent year available) with projections for 2019.

(c) The unemployment rates are as of July.

Sources: Florida Department of Economic Opportunity - <http://www.floridajobs.org/workforce-satistics/data-center/statistical-programs/local-area-unemployment-statistics>
National Conference of State Legislatures
Florida Demographic Estimating Conference, <http://www.edr.state.fl.us/content/population-demographics/data/county-population>
Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Statistics
Bureau of Economic Analysis

**MARION COUNTY DISTRICT SCHOOL BOARD
PRINCIPAL EMPLOYERS, TEN LARGEST EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Table 17

<u>Employer</u>	2020			2011		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Marion County Public Schools	6,080	1	4.96%	5,913	1	5.09%
AdventHealth Ocala (Former Munroe Regional Medical Center)	2,648	2	2.16%	2,652	2	2.28%
State of Florida (all departments)	2,600	3	2.12%	2,582	3	2.22%
Wal-Mart (Combined)	2,400	4	1.96%	2,370	4	2.04%
Ocala Health (Ocala Regional Medical Center & West Marion Community Hospital)	2,187	5	1.78%	1,725	5	1.48%
Lockheed Martin	1,600	6	1.31%	928	10	0.80%
Publix Supermarkets (combined)	1,488	7	1.21%	1,275	7	1.10%
Marion County Board of County Commissioners	1,368	8	1.12%	1,439	6	1.24%
Emergency One, Inc.	1,200	9	0.98%			0.00%
City of Ocala (all departments)	989	10	0.81%	950	9	0.82%
AT&T				1,000	8	0.86%
						0.00%
Totals	22,560		18.41%	20,834		17.93%
All Others	99,997		81.59%	95,393		82.07%
Total Employment	122,557		100.00%	116,227		100%

Sources: Florida Research and Economic Database - <http://freida.labormarketinfo.com>
Marion County Chamber and Economic Partnership - <http://www.ocalacep.com>

MARION COUNTY DISTRICT SCHOOL BOARD
NUMBER OF FULL TIME EMPLOYEES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 18

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instructors	2,961	2,852	2,811	2,734	2,749	2,947	2,903	2,894	2,856	2,927
Administrators	171	165	165	169	173	188	200	206	210	206
Non-Instructional	1,020	1,004	965	1,028	1,099	1,131	1,128	1,120	1,118	1,135
Educational Support	1,761	1,674	1,684	1,673	1,690	1,794	1,816	1,794	1,710	1,812
Total Full Time Employees	5,913	5,695	5,625	5,604	5,711	6,060	6,047	6,014	5,894	6,080

Source: Marion County District School Board, Payroll Department records

**MARION COUNTY DISTRICT SCHOOL BOARD
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 19

Fiscal Year Ending June 30,	Number of Schools	Expenditures (a) (e)	Student Membership (b)	Cost Per Student	Percentage Change	Total All Employees	Teaching Staff	Student/ Teacher Ratio	Student Attendance Percentage (c)	Unweighted FTE (d)	Ratio of FTE to Instructors	Ratio of FTE to All Employees
2011	49	\$ 331,924,409	41,331	\$ 8,031	n/a	5,913	2,961	14.0	93.33%	41,500	14.02	7.02
2012	49	310,639,993	41,415	7,501	-6.60%	5,695	2,852	14.5	93.39%	41,689	14.62	7.32
2013	49	308,758,317	41,589	7,424	-1.02%	5,625	2,811	14.8	93.34%	41,544	14.78	7.39
2014	49	313,829,453	41,632	7,538	1.54%	5,604	2,734	15.2	92.99%	41,407	15.15	7.39
2015	49	329,666,943	42,194	7,813	3.65%	5,711	2,749	15.3	93.33%	41,756	15.19	7.31
2016	49	352,048,821	42,474	8,289	6.09%	6,060	2,947	14.4	93.62%	42,192	14.32	6.96
2017	49	361,711,365	42,893	8,433	1.74%	6,047	2,903	14.8	93.34%	42,260	14.56	6.99
2018	49	368,310,853	42,881	8,589	1.85%	6,014	2,894	14.8	92.90%	42,808	14.79	7.12
2019	49	382,533,849	42,818	8,934	4.01%	5,894	2,856	15.0	92.92%	42,957	15.04	7.29
2020	49	385,206,101	43,008	8,957	0.25%	6,080	2,927	14.7	94.07%	43,208	14.76	7.11

(a) Expenditures are General Fund and Special Revenue - Food Service Fund.

(b) Student membership is based on the 180 day count.

(c) Attendance is a calculation based on the average daily attendance.

(d) FTE is an abbreviation for full-time equivalent student.

(e) Expenditures for 2011 include State Fiscal Stabilization and Education Jobs Funds which were provided to supplement State and local funding for operating costs.

Source: Marion County District School Board, Finance Department, Payroll Department, Student Records Department records

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**MARION COUNTY DISTRICT SCHOOL BOARD
FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 20

	Fiscal Year Ending June 30:									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Days Meals Were Served	180	180	180	180	180	180	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	38,045	39,489	38,901	37,858	40,633	42,957	43,336	42,748	43,456	34,378
Number of Free and Reduced Meals Served	6,848,032	7,108,030	7,002,247	6,814,409	7,314,008	7,732,274	7,800,545	7,694,557	7,822,153	6,188,102
Average Daily Subsidy	\$ 90,968	\$ 95,717	\$ 99,581	\$ 107,516	\$ 119,137	\$ 128,714	\$ 134,018	\$ 132,461	\$ 136,443	\$ 114,048
Total Subsidy Received	\$ 16,374,206	\$ 17,229,038	\$ 17,924,530	\$ 19,352,795	\$ 21,444,731	\$ 23,168,602	\$ 24,123,199	\$ 23,842,990	\$ 24,559,824	\$ 20,528,596
Average Number of Meals Served Daily	47,869	48,868	47,342	49,658	50,407	46,282	46,968	45,522	47,197	37,265
Number of Meals Served	8,616,330	8,796,166	8,521,536	8,938,373	9,073,235	8,330,782	8,454,244	8,194,017	8,495,466	6,707,759
Percentage of Free and Reduced Meals Served to Total Meals Served	79%	81%	82%	76%	81%	93%	92%	94%	92%	92%
Average Daily Sales	\$ 123,899	\$ 128,579	\$ 130,665	\$ 133,740	\$ 143,356	\$ 155,188	\$ 157,171	\$ 154,298	\$ 159,349	\$ 132,386
Total Revenue	\$ 22,301,828	\$ 23,144,141	\$ 23,519,665	\$ 24,073,189	\$ 25,804,156	\$ 27,933,893	\$ 28,290,738	\$ 27,773,703	\$ 28,682,875	\$ 23,829,423
Average Daily Costs	\$ 113,623	\$ 124,341	\$ 125,570	\$ 135,218	\$ 148,114	\$ 154,023	\$ 154,894	\$ 161,523	\$ 161,349	\$ 145,128
Total Costs	\$ 20,452,132	\$ 22,381,392	\$ 22,602,560	\$ 24,339,287	\$ 26,660,543	\$ 27,724,111	\$ 27,880,978	\$ 29,074,135	\$ 29,042,817	\$ 26,123,008

Source: Marion County District School Board, Finance Department records

MARION COUNTY DISTRICT SCHOOL BOARD
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 21

	Year	Square	Student Membership (c) Fiscal Year Ending June 30:									
	Acquired (a)	Footage (b)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary Schools												
Anthony	1925	57,628	340	357	361	340	343	394	385	377	436	434
Bellevue	1963	67,530	645	659	693	728	661	656	711	688	712	634
Bellevue-Santos	1953	112,560	800	782	752	548	535	559	556	544	513	535
College Park	1993	124,473	713	753	744	761	776	826	852	832	821	695
Dr. NH Jones	1959	107,211	751	740	712	648	648	643	649	662	682	699
Dunnellon	1993	103,758	648	706	686	718	706	600	573	594	554	589
East Marion	1974	84,726	718	748	725	687	695	669	700	699	694	674
Eighth Street	1914	35,591	298	342	322	342	334	398	416	416	407	395
Emerald Shores	1988	89,976	590	611	671	653	647	592	524	602	663	679
Evergreen	1988	111,305	624	584	596	580	573	544	551	600	405	402
Fessenden	1953	65,757	472	489	506	490	503	491	474	465	427	425
Fort McCoy School (d)	1986	177,679	569	524	520	530	514	533	521	490	551	537
Greenway	1995	122,462	925	927	919	720	726	756	742	724	711	683
Hammett Bowen, Jr.	2004	95,679	776	805	781	776	746	792	853	845	822	845
Harbour View	1991	115,704	756	727	683	755	816	800	862	841	848	805
Horizon Academy at Marion Oaks (d)	1988	190,765	158	153	149	141	112	158	157	134	212	156
Legacy	2011	103,987	-	-	-	593	703	727	712	791	828	805
Madison Street	1949	56,624	459	459	452	417	397	432	448	448	444	451
Maplewood	1990	130,536	856	838	818	712	738	783	781	797	761	803
Marion Oaks	2010	129,446	679	804	766	784	844	888	887	898	895	909
Oakcrest	1952	113,941	706	728	716	753	784	777	673	614	532	518
Ocala Springs	1985	92,444	624	601	584	599	648	616	611	638	675	680
Reddick-Collier	1935	107,162	411	386	375	349	334	298	354	382	399	426
Romeo	1991	112,182	764	789	738	756	726	708	731	763	763	718
Saddlewood	1998	129,949	746	766	823	835	897	871	822	896	919	969
Shady Hill	1985	103,723	605	622	600	611	658	665	721	657	678	629
South Ocala	1955	102,767	616	664	703	668	711	664	681	665	714	718
Sparr	1964	53,327	404	359	343	359	357	348	377	347	408	372
Stanton-Weirsdale	1955	74,253	527	511	499	494	533	595	594	575	518	548
Sunrise	1987	114,540	752	679	741	742	822	888	808	846	881	830
Ward-Highlands	1959	104,006	777	796	771	772	855	851	865	880	853	841
Wyomina Park	1948	71,395	549	541	608	662	685	649	721	602	560	536
Total Elementary Schools			19,258	19,450	19,357	19,523	20,027	20,171	20,312	20,312	20,286	19,940
Middle Schools												
Bellevue	1992	188,723	1,070	1,092	1,067	1,015	944	1,047	1,135	1,262	1,303	1,401
Dunnellon	1936	117,731	672	648	646	619	653	611	638	613	633	641
Fort King	1962	124,328	1,202	1,131	1,121	1,083	1,032	1,058	1,072	1,087	1,062	1,056
Fort McCoy School (d)	1986	177,679	521	514	494	493	483	471	500	516	511	477
Horizon Academy at Marion Oaks (d)	1988	190,765	722	642	673	675	662	617	680	656	631	738
Howard	1954	165,397	918	1,025	1,125	1,211	1,181	1,096	1,050	1,050	1,040	1,059
Lake Weir	1953	163,567	1,261	1,263	1,272	1,311	1,297	1,213	1,085	1,094	1,073	1,137
Liberty	2005	195,448	1,086	1,036	1,131	1,083	1,132	1,127	1,164	1,278	1,296	1,339
North Marion	1973	160,380	764	792	823	816	784	812	810	846	792	845
Osceola	1924	91,248	930	947	955	938	909	893	938	936	958	998
Total Middle Schools			9,146	9,090	9,307	9,244	9,077	8,945	9,072	9,338	9,299	9,691

MARION COUNTY DISTRICT SCHOOL BOARD
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 21

	Year Acquired (a)	Square Footage (b)	Student Membership (c) Fiscal Year Ending June 30:									
			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High Schools												
Bellevue	1992	235,758	1,427	1,395	1,360	1,425	1,448	1,486	1,535	1,516	1,552	1,592
Dunnellon	1980	145,849	1,176	1,072	1,018	1,005	975	1,052	1,076	1,136	1,145	1,179
Forest	2001	302,822	2,091	2,012	2,014	1,964	1,984	2,066	2,057	2,110	2,133	2,167
Lake Weir	1974	236,533	1,503	1,523	1,555	1,557	1,562	1,474	1,482	1,455	1,401	1,452
Marion Technical Institute	1955	183,174	359	340	306	286	277	239	217	24	73	166
North Marion	1963	200,970	1,320	1,249	1,249	1,192	1,245	1,279	1,274	1,230	1,262	1,345
Vanguard	1969	201,774	1,666	1,687	1,596	1,616	1,571	1,607	1,627	1,644	1,589	1,596
West Port	1999	401,724	1,870	2,091	2,225	2,397	2,472	2,502	2,511	2,648	2,578	2,651
Total High Schools			11,412	11,369	11,323	11,442	11,534	11,705	11,779	11,763	11,733	12,148
Charter Schools												
Francis Marion Military Academy	n/a	n/a	149	167	150	134	94	104	175	156	161	-
Ocali Charter (Francis Marion Charter)	n/a	n/a	-	-	-	-	76	112	103	138	141	160
McIntosh Charter	n/a	n/a	94	92	91	86	83	78	79	77	67	63
Marion Charter	n/a	n/a	181	167	157	187	185	202	204	213	210	208
Total Charter Schools			424	426	398	407	438	496	561	584	579	431
Special Programs												
ARC (Age 3) PK	n/a	n/a	35	37	37	40	36	37	32	25	21	-
Drop Back In Academy	n/a	n/a	-	-	168	102	128	144	147	-	-	-
Hillcrest School	1971	50,214	154	154	164	176	168	170	177	186	191	176
New Leaf (Kingsbury Academy)	n/a	n/a	198	188	182	165	185	159	138	169	179	164
Marion County Jail	n/a	n/a	16	17	14	15	25	21	21	19	-	-
Ocala Center for Success (M.Y.D.C.)	n/a	n/a	38	40	35	36	42	39	42	45	60	51
MJDC	n/a	n/a	26	14	10	14	20	11	29	34	27	-
Pace Center for Girls	n/a	n/a	50	54	59	56	67	64	73	71	60	52
ELC PK ESE (Pre-K Program ESE)	n/a	n/a	161	149	117	103	101	99	88	40	27	34
Silver River Marine Institute	n/a	n/a	284	264	307	267	304	309	314	249	294	285
Student Services (Homebound)	n/a	n/a	93	119	86	21	27	83	83	29	-	-
Teen Parent/Comm. Ed	n/a	n/a	9	12	4	5	4	7	-	11	-	-
Marion Youth Academy			-	-	-	-	-	-	-	-	43	-
MCSO Adults			-	-	-	-	-	-	-	-	4	14
Teen Parent PK	n/a	n/a	27	32	21	16	11	14	25	6	15	22
Total Special Programs			1,091	1,080	1,204	1,016	1,118	1,157	1,169	884	921	798
Total District			41,331	41,415	41,589	41,632	42,194	42,474	42,893	42,881	42,818	43,008

(a) Year acquired is generally the land acquisition year.

(b) The square footage is for permanent buildings only and does not include relocatable units.

(c) Student membership is based on the 180 day count.

(d) Fort McCoy and Horizon Academy at Marion Oaks are both elementary and middle schools. The square footage is presented on both lines. The student enrollment is presented at each school individually.

Sources: Marion County District School Board FISH (Florida Inventory of School Houses) Report
Marion County District School Board, Management Information Services Department Records

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O T H E R

**"A teacher affects eternity; he
can never tell where his
influence stops."**

Henry B. Adams



**"Those who know, do. Those
that understand, teach."**

Aristotle

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH THE *GOVERNMENT AUDITING STANDARDS*
AND THE PROVISIONS OF THE UNIFORM GUIDANCE**

**DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	20002	\$ -	\$ 4,865,566
National School Lunch Program	10.555	20001, 20003	-	15,850,384
Summer Food Service Program for Children	10.559	19006, 19007, 20006, 20007	-	430,573
Total Child Nutrition Cluster			-	21,146,523
Forest Service Schools and Roads Cluster				
United States Department of Agriculture:				
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.665	None	-	237,469
Student Financial Assistance Cluster				
United States Department of Education:				
Federal Pell Grant Program	84.063	N/A	-	1,373,560
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	68,071	10,586,072
Special Education - Preschool Grants	84.173	266, 267	-	217,183
Total Special Education Cluster			68,071	10,803,255
Temporary Assistance for Needy Families Cluster				
United States Department of Health and Human Services:				
University of South Florida:				
Temporary Assistance for Needy Families	93.558	5830-1467-11-G	-	129,894
Not Clustered				
United States Department of Agriculture				
Healthier US School Challenge: Smarter Lunchrooms	10.543	N/A	-	1,500
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-4502	-	113,379
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	20004	-	454,552
Total United States Department of Agriculture			-	569,431
United States Department of Defense				
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	274,204
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	236,388
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	88,715
Total United States Department of Defense			-	599,307
United States Department of Justice				
University of South Carolina:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	16-3027	-	472
National Endowment for the Humanities				
Museum Grants for African American History and Culture	45.309	MH-00-19-0034-19	-	3,114

**DISTRICT SCHOOL BOARD OF MARION COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Concluded)**

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
United States Department of Education				
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	N/A	-	270,862
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	497,790
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	-	16,345,986
Migrant Education - State Grant Program	84.011	217	-	51,440
Career and Technical Education - Basic Grants to States	84.048	161	-	691,265
Education for Homeless Children and Youth	84.196	127	-	19,601
Twenty-First Century Community Learning Centers	84.287	244	-	923,048
English Language Acquisition State Grants	84.365	102	-	324,626
Supporting Effective Instruction State Grants	84.367	224	-	1,485,276
School Improvement Grants	84.377	126	-	516,919
Student Support and Academic Enrichment Program	84.424	241	-	519,508
Hurricane Education Recovery:				
Immediate Aid to Restart School Operations	84.938A	105	-	755,617
Assistance for Homeless Children and Youth	84.938B	107	-	27,756
Temporary Emergency Impact Aid for Displaced Students	84.938C	106	-	125,222
Total Hurricane Education Recovery	84.938			908,595
Florida Gulf Coast University:				
Special Education - State Personnel Development	84.323	170	-	49,066
Total United States Department of Education			-	22,603,982
United States Department of Emergency Management				
Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0706	-	601,682
Total Expenditures of Federal Awards			<u>\$ 68,071</u>	<u>\$ 58,068,689</u>

The accompanying notes are an integral part of this Schedule

- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Marion County District School Board under programs of the Federal government for the fiscal year ended June 30, 2020. 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 on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance:
 - (A) National School Lunch Program - Includes \$1,558,934 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Marion County District School Board as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2020, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" being more prominent.

Sherrill F. Norman, CPA
Tallahassee, Florida
December 11, 2020
Audit Report No. 2021-077



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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

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

Report on Compliance for the Major Federal Program

We have audited the Marion County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2020. The District's major Federal program is identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major Federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

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 its major Federal program for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,



Sherrill F. Norman, CPA

Tallahassee, Florida

December 11, 2020

Audit Report No. 2021-077

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over the major Federal program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for the major Federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of the major Federal program:	
CFDA Number: 84.010	Name of Federal Program or Cluster: Title I Grants to Local Educational Agencies
Dollar threshold used to distinguish between type A and type B programs:	\$1,742,060
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

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MARION COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

<u>Audit Report No. and Federal Awards Finding No.</u>	<u>Program/Area</u>	<u>Brief Description</u>	<u>Status</u>	<u>Comments</u>
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There were no Federal Awards or financial reporting findings in the June 30, 2019, audit.

Dr. Diane Gullett
Superintendent

Allison Campbell
District 1

Beth McCall
District 2

Eric Cummings
District 3

Nancy Thrower
District 4

Kelly King
District 5



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The School Board of Marion County, Florida



AN EQUAL OPPORTUNITY SCHOOL DISTRICT

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