



Martin County School District

Stuart, Florida



District School Board of Martin County, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020
Prepared by the Finance Department

**DISTRICT SCHOOL BOARD
OF MARTIN COUNTY, FLORIDA**
Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2020

Prepared by the Finance Department



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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	i-vi
2019-20 Fiscal Year Superintendent and School Board Members.....	vii
List of Principal Officials-Appointed.....	viii
Organizational Chart	ix
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	x
ASBO Certificate of Excellence in Financial Reporting.....	xi

FINANCIAL SECTION

Independent Auditor's Report	1-3
Management's Discussion and Analysis	5-16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities.....	20-21
Fund Financial Statements:	
Balance Sheet—Governmental Funds	22-23
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes	
In Fund Balances—Governmental Funds.....	26-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities.....	29
Statement of Revenues, Expenditures, and Changes in	
Fund Balances—Budget and Actual—General Fund,	
and Other Federal Programs Fund	30-35
Statement of Fiduciary Net Position—Fiduciary Funds	36
Statement of Changes in Fiduciary Net Position—Fiduciary Funds	37
Notes to the Basic Financial Statements	40-80
Other Required Supplementary Information	81
Schedule of Changes in the District's Total Other Postemployment	
Benefits Liability and Related Ratios	83
Schedule of Changes in Net Pension and Related Ratios	
—Early Retirement Plan	84-85
Schedule of Employer Contributions—Early Retirement Plan	86-87
Schedule of Investment Returns—Early Retirement Plan	88
Schedule of the District's Proportionate Share of Net Pension Liability—	
Florida Retirement System Pension Plan.....	89
Schedule of District Contributions—Florida Retirement System Pension Plan	90
Schedule of the District's Proportionate Share of Net Pension Liability—	
Health Insurance Subsidy Pension Plan	91
Schedule of District Contributions—Health Insurance Subsidy Pension Plan	92

Combining and Individual Fund Financial Statements and Schedules	93-95
Combining Balance Sheet—Nonmajor Governmental Funds	96-97
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances—Nonmajor Governmental Funds	98-99
Schedule of Revenues, Expenditures, and Changes In Fund Balances—Budget and Actual - Other Major and Nonmajor Governmental Funds	101-109
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position—Private-Purpose Trust Funds.....	112
Combining Statement of Changes in Fiduciary Net Position—Private-Purpose Trust Funds..	113
Combining Statement of Changes in Assets and Liabilities—Agency Funds	114
Component Units:	
Combining Statement of Net Position—Component Units	116
Combining Statement of Activities—Component Units	117

STATISTICAL SECTION

Table of Contents	121
Table 1 Net Position by Component	122-123
Table 2 Changes in Net Position—Government-wide	124-125
Table 3 Fund Balances—Governmental Funds	126-127
Table 4 Changes in Fund Balances—Governmental Funds.....	128-131
Table 5 Assessed and Estimated Actual Value of Taxable Property	132
Table 6 Property Tax Levies and Collections	133
Table 7 Direct and Overlapping Property Tax Rates	134
Table 8 Ratios of Outstanding Debt by Type.....	135
Table 9 Direct and Overlapping Governmental Activities Debt.....	136
Table 10 Anticipated Capital Outlay Millage Levy Required to Cover Certificates of Participation Payments	137
Table 11 Demographic and Economic Statistics.....	138
Table 12 Principal Property Taxpayers	139
Table 13 District Employees.....	140-141
Table 14 Teacher Salaries	143
Table 15 School Building Information.....	144-151
Table 16 Principal Employers.....	152
Table 17 Operating Statistics	153
Table 18 Food Service Operating Data	154-155

SINGLE AUDIT SECTION

Federal Reports and Schedules	159
Schedule of Expenditures of Federal Awards	161
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	162-163
Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	164-165
Schedule of Findings and Questioned Costs	166
Prior Audit Follow-up.....	167
Summary Schedule of Prior Audit Findings	168

INTRODUCTORY SECTION





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THE SCHOOL DISTRICT OF MARTIN COUNTY, FLORIDA

1939 SE Federal Highway. • Stuart, Florida 34994 • Telephone (772) 219-1200 Ext: 30415 • Facsimile: (772) 219-1229

December 18, 2020

Dear Chairman, School Board Members, and Citizens of Martin County:

State law requires that all school districts publish after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"), and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report ("CAFR") of the District School Board of Martin County, Florida (the "District") for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuses and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. 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 management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The audit staff of the Auditor General, State of Florida, has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the 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 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 financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor'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 the Federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 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). The standards governing the Single Audit engagement

Laurie J. Gaylord, Superintendent

School Board Members: Tony Anderson • Victoria Defenthaler • Michael DiTerlizzi • Marsha Powers • Christia Li Roberts

"An Equal Opportunity Agency"

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, findings and questioned costs, summary of prior audit findings, and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, are included in the single audit section.

This report includes all funds of the District, The Martin County School Board Leasing Corporation, Hope Center for Autism, Inc., and Treasure Coast Classical Academy, Inc., which comprise the reporting entity. The Martin County School Board Leasing Corporation was formed by the School Board to be the lessor in connection with financing the construction of the Dr. David L. Anderson Middle School and is included as a blended component unit. The Hope Center for Autism and Treasure Coast Classical Academy are public schools operating under a charter issued by the District's governing board (the "Board"). The charter schools are included as discretely presented component units.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT

The District and 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 the District officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The elected Superintendent of Schools ("Superintendent") is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and Board policies. The Superintendent has the specific responsibility for maintaining a uniform system of records and accounts in the District as prescribed by the State Board of Education.

The geographic boundaries of the District are those of Martin County, Florida. During the 2019-20 fiscal year, the District operated 22 schools, including 12 elementary schools, 5 middle schools, 3 high schools, and 2 special schools. The District operates 2 specialized schools for special needs students and sponsors 2 charter schools, the Hope Center for Autism and Treasure Coast Classical Academy, which are considered component units. The Board also awarded a charter to Indian River State College ("IRSC") for the Clark Advanced Learning Center. The school is operated under the direction of IRSC and is not considered a component unit of the District. In the fiscal year 2019-20, the District provided general, special, vocational, and other education programs to

18,734 unweighted full-time equivalent students. The projected enrollment for the 2020-21 school year is 18,924 unweighted full-time equivalent students.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school.

ECONOMIC CONDITION AND OUTLOOK

Martin County is part of the area known as the Treasure Coast along with St. Lucie and Indian River Counties. It is located on the East Central Coast of Florida. There are approximately 15,963 linear feet of public beaches in the County and 556 square miles of land. Martin County was established in 1925 and named for the then Governor of Florida, John Wellborn Martin.

The local economy is based upon agriculture, tourism, professional and banking services, healthcare services, and light manufacturing. It is home to many winter citizens and has developed a pattern for slow but steady growth. The City of Stuart, (County Seat) is known as the “Sailfish Capital of the World” and as such, attracts many anglers visiting from all over the world.

The District is included among the largest employers in the County along with the Cleveland Clinic, formerly known as Martin Memorial Health Systems and the Martin County Government.

MAJOR INITIATIVES

The District was successful in passing two voter referendums during the 2018-19 fiscal year. Voter approved millage will provide operational funding for salary stipends to instructional personnel and initiatives supporting student instruction and student safety for its four-year term. The voter approved sales tax referendum provides much needed capital funding to replace two elementary schools (Jensen Beach Elementary School and Palm City Elementary School) and several other large capital projects at various schools, along with funding school safety initiatives and other school infrastructure needs during its seven-year term.

The District continues to purchase busses, maintain facilities, complete site improvements, and enhance technology and school security/safety for its students.

ACCOMPLISHMENTS

The District is dedicated to providing students with a quality education. Among the many educational tools administered by the District for teachers, parents, and students are:

- *FOCUS* - a secure, online grade book that provides parents with instant information on how their student is performing in school;
- *Connect* - an outbound calling system capable of sending recorded community outreach, attendance, or emergency phone messages to thousands of parents and staff members in just minutes in both English and Spanish;

- *Class Link* - a single sign on access for teachers and students to access all MCSD curriculum resources such as online textbooks, digital reference materials and e-libraries;
- *iReady* – a diagnostic and instructional product for students in elementary school and middle school English Language Arts classes to support mastery of the Florida Standards.
- *PowerBI* – an analytics solution that allows users to visualize important data related to student success and achievement using business intelligence capabilities.
- *Edivate (blended learning platform)* – a resource that enables districts to meet all employees’ diverse learning needs. Educators drive their own learning with relevant, just-in-time content or address areas of need identified in observations and evaluations. Additional options allow users to collaborate across grade levels and school sites as well as create custom content.

These tools, combined with the knowledge and dedication of the District’s teachers, administrators, and staff, have helped the District become one of the highest performing school districts in the state. Among the noted accomplishments:

- MCSD earned the grade of “A” from Florida’s Department of Education.
- MCSD was named an Academically High Performing School District by the Florida Department of Education.
- The District is fully accredited by AdvancED, the parent organization of the Southern Association of Colleges and Schools Council on Accreditation and School Improvement.
- The MCSD Career and Technical Education (CTE) programs continue to expand. The Teaching Academy and the Early Childhood Academies were added this year.
- Highly rigorous coursework and diploma opportunities were expanded for students in our high schools. Students may now earn an AICE, IB, or AP diploma in addition to their standard Florida high school diploma.
- The District implemented the “Laptops for Learning” program, putting a laptop in the hands of each high school student. Additionally, a device was provided for every MCSD student who needed one to continue learning throughout the pandemic. This program is being supported by layers of professional development for teachers and administrators both site-specific and district-wide.
- The District’s strong network of 2,199 volunteers logged over 80,418 hours serving the district in 2019-2020. Twenty-one Martin County schools earned Golden School Awards and six schools earned a Silver School Award. These awards recognize outstanding school volunteer programs. NOTE: Five Star Schools were not recognized by the Florida Department of Education during 2019-2020 since they are currently updating the program.
- The Martin County School District has strong relationships with its community partners, including The Education Foundation of Martin County, Children’s Services Council, United Way, Character Counts!, Tykes and Teens, CareerSource and many more.
- The Student Supporting Schools (S3) program is a student enterprise that enhances educational experiences by providing information technology (IT) and customer support opportunities. Given the proliferation of devices that an Educational Technology Department is responsible for supporting, high school students are recruited, hired, and trained--as part-time employees--to augment schools by providing Level 1 technical support.

FINANCIAL PLANNING

Providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size, and equity. The District's school building ages range from 1932 to 2009. The District has a master facility plan to rebuild, remodel, and expand schools and sites, which shall take place over a number of years.

Recruiting and retaining District teachers and other staff members is a high priority for the Board and the Superintendent, as evidenced by the operating millage initiative recently passed by Martin County voters on August 28, 2018 which will provide salary stipends to teachers for each of the next four years.

FINANCIAL POLICIES

The District has a policy to operate in accordance with State law and has developed a long-range strategic plan called the Success Plan (Plan). The Plan sets forth goals and objectives for progress in all areas of District operations and outlines steps to be taken for their achievement. As part of the strategic plan for the District, the School Board approves strategic goals and objectives to serve as a guide for planning on an annual basis in all areas of operations. The Board reviews the Plan annually with periodic progress reports made by staff. The Superintendent is responsible for keeping the Plan updated as needed.

The District has an investment policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines for the investment management of the District's cash reserves and to ensure compliance with Florida Statutes. See related Notes to the Basic Financial Statements for more information on the investment policy.

BUDGETARY CONTROLS

The annual budget serves as the basis for the District's financial planning and control and the level of budgetary control is established at the function and object level. Project length financial plans are adopted for the capital project funds. Activities of all governmental fund types are included in the annual appropriated budget.

Budgetary information is integrated into the accounting system and to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end, and encumbrances are reappropriated as part of the subsequent year's budget.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On November 14, 2017, the Board adopted a District staffing plan that establishes teaching positions based generally on student populations served. Additionally, support and administrative positions are created based upon established criteria.

REPORTING ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the fourteenth consecutive year that the District has received this prestigious award. The Certificate is a national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

Certificate of Excellence in Financial Reporting - The Association of School Business Officials International (ASBO) also awards a Certificate of Excellence in Financial Reporting to governments who meet the reporting requirements and submit their reports for review and consideration. The District received its thirteenth consecutive award for Certificate of Excellence in Financial Reporting, for the fiscal year 2018-19. The Certificate of Excellence in Financial Reporting awarded by ASBO certifies that the CAFR substantially conforms to the accounting and reporting standards adopted by ASBO.

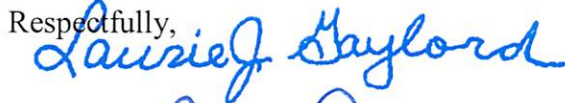
A GFOA Certificate of Achievement and the ASBO Certificate of Excellence are valid for a period of one year. We believe our current report continues to meet the requirements of the Certificate of Achievement Program as well as the Certificate of Excellence Program. Accordingly, we are submitting it to both the GFOA and the ASBO for consideration for these awards.

ACKNOWLEDGEMENTS

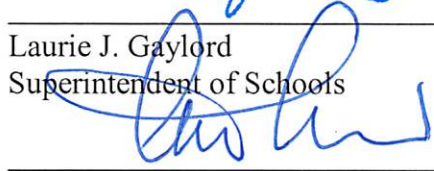
A comprehensive financial report of this nature could not have been prepared without the efficient and dedicated efforts of the Finance Department staff. We would like to express appreciation to all members of the Finance Department and those other staff members who assisted in providing a wealth of information for the preparation of this report.

In closing, we would also like to thank the members of the Board for their leadership and support in establishment of policies and approving processes for financial operations of the District.

Respectfully,



Laurie J. Gaylord
Superintendent of Schools



Carter Morrison
Chief Financial Officer



Susan Hurst
Accounting Manager

District School Board of Martin County, Florida



Laurie J. Gaylord
Superintendent



Christia Li Roberts
School Board Member
District 1



Marsha Powers
School Board Chair
District 2



Victoria Defenthaler
School Board Member
District 3



Tony Anderson
School Board Vice Chair
District 4



Michael DiTerlizzi
School Board Member
District 5



2019-20 Fiscal Year
Superintendent and School Board Members

District School Board of Martin County, Florida

LIST OF PRINCIPAL OFFICIALS – APPOINTED



**Dr. Ginger
Featherstone**
Deputy
Superintendent



Dr. Tracey Miller
Chief Academic Officer



Garret Grabowski
Chief Operations
Officer



Carter Morrison
Chief Financial Officer



Dr. Carlos R. Perez, Jr.
Chief Human Resources
Officer



Jennifer DeShazo
Director, Public
Information and
Community Relations



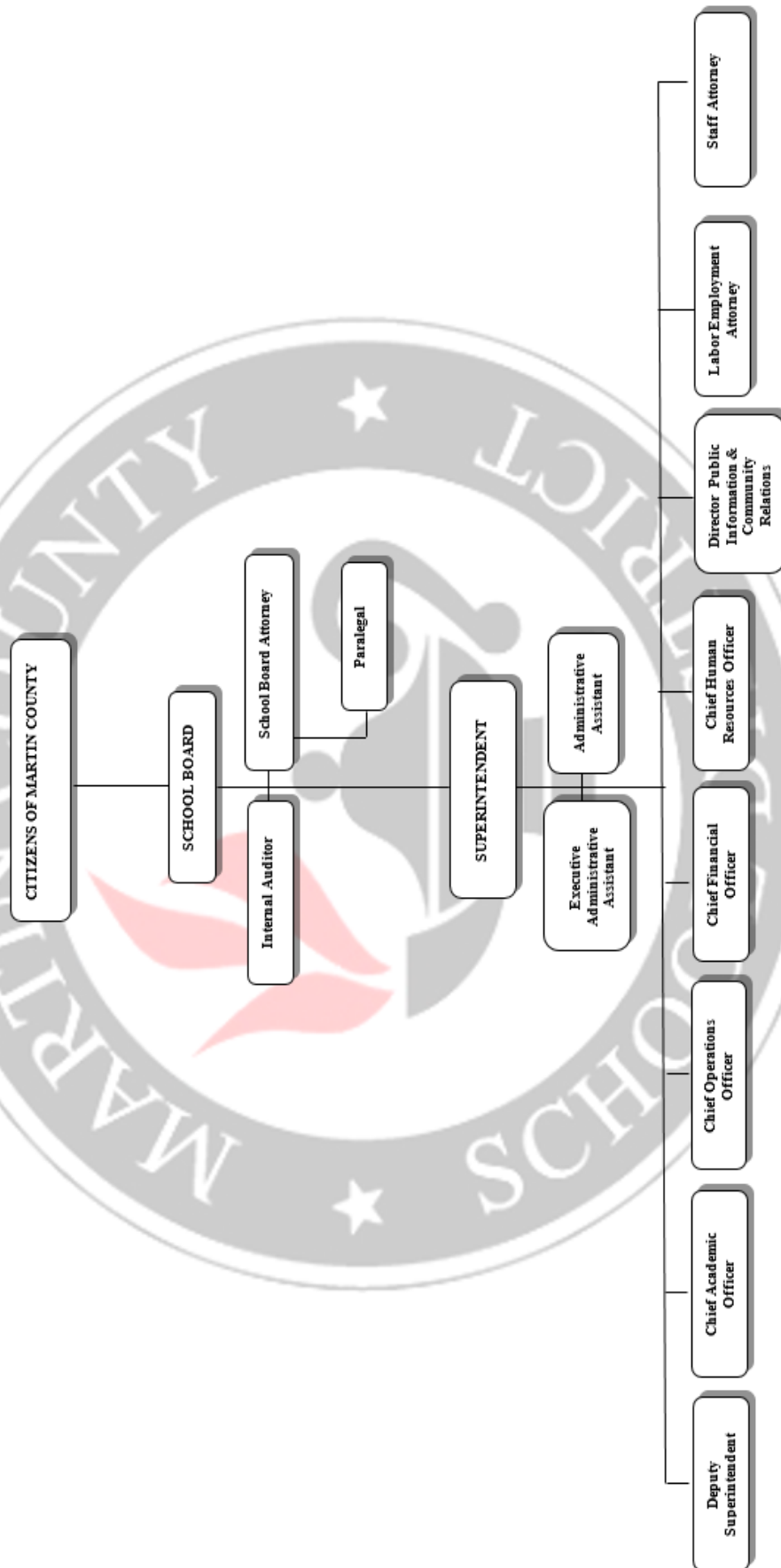
Joseph Rodowicz
Labor Employment
Attorney



J. Blake Phillips
Staff Attorney



School District of Martin County Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**District School Board of Martin County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**District School Board of
Martin County, Florida**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



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FINANCIAL SECTION





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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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Tallahassee, Florida 32399-1450



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

INDEPENDENT AUDITOR'S REPORT

Report on the 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 Martin 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 93 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 Martin County District School Board, as of June 30, 2020, and the respective changes in financial position and the budgetary comparison for the general and major special revenue funds 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, the Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios, Schedule of Changes in Net Pension and Related Ratios – Early Retirement Plan, Schedule of Employer Contributions – Early Retirement Plan, Schedule of Investment Returns – Early Retirement Plan, Schedule of the District's Proportionate Share of Net Pension Liability – Florida Retirement System Pension Plan, Schedule of District Contributions – Florida Retirement System Pension Plan, Schedule of the District's Proportionate Share of Net Pension Liability – Health Insurance Subsidy Pension Plan, and Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, 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.

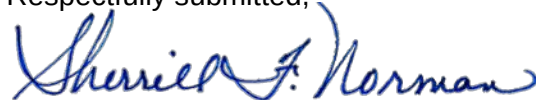
The combining and individual fund financial statements and schedules and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 18, 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,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 18, 2020
Audit Report No. 2021-086



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Martin County has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis of the District's financial activities, identify changes in the District's financial position, identify material deviations from the approved budget, and highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is to highlight significant transactions, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

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

This report also contains supplementary information intended to furnish additional details to support the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to those of a private-sector business and consist of the following two statements:

- The *statement of net position* presents information on most of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is strengthening or weakening.
- The *statement of activities* presents information showing how the government's net position changed during the 2019-20 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The statement of activities presents functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental

activities of the District include educational programs (basic, vocational, adult, and exceptional education), and school support functions such as transportation, facilities, and administration.

The government-wide financial statements include not only the District itself (known as the primary government), but also Hope Center for Autism, Inc., and Treasure Coast Classical Academy, Inc., charter schools. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for the component units are reported separately from the financial information presented for the primary government. The Martin County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note VII B. Due to the substantive economic relationship between the Board 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.

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 are 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 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 two broad categories: governmental funds or fiduciary funds.

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 a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The 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. Such information may be useful in evaluating the District's near-term financing requirements.

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

in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General, Special Revenue - Other Federal Programs, Capital Projects - Local Capital Improvement Tax, and Capital Projects – Other Capital Projects Funds. Data from the other six governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The District adopts annual budgets for its General and Special Revenue – Other Federal Programs funds. Budgetary to actual comparisons have been provided for these funds as well as the other major and nonmajor funds to demonstrate budgetary compliance.

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. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds 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 reports the following fiduciary fund types:

- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Funds – to account for resources of various scholarship trust funds.
- Agency Funds – to account for resources held for student activities and groups.

Notes to the Basic Financial Statements

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

Other Information

Combining statements referred to earlier, present a more detailed view of nonmajor funds used in governmental funds. This section includes budget to actual schedules for nonmajor special revenue, debt service, and capital projects funds. Also included are statements for agency funds.

FINANCIAL HIGHLIGHTS

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

Government-wide Statements

- The District's assets and deferred outflows exceed its liabilities and deferred inflows at June 30, 2020, by \$325.1 million (*net position*).
- The District's total net position increased by \$16.6 million, which is a 5.4 percent increase from the 2018-19 fiscal year. This change is primarily attributable to restricted assets held at year end for voted millage initiatives in the general fund and restricted assets in the capital projects funds.
- General revenues total \$239.3 million, or 94.5 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$13.8 million, or 5.5 percent of all revenues. The taxes levied in total for operational and capital purposes increased over prior year by approximately \$9 million or 5.5 percent and was due to the first full year collections of the voter approved half cent sales surtax.
- Expenses total \$236.5 million; \$13.8 million of these expenses are offset by program specific charges, with the remainder paid from the general revenues. Total revenues exceed total expenses by \$16.6 million.

Fund Statements

- At June 30, 2020, the District's governmental funds report combined ending fund balances of \$134.4 million, an increase of \$21.4 million.
- At June 30, 2020, assigned and unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriations by the Board, totals \$18.6 million or 10.7 percent of total General Fund revenues before carryforward of prior year encumbrances and other obligations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the District's net position as of June 30, 2020, compared to the net position as of June 30, 2019:

District School Board of Martin County, Florida			
Net Position			
	Governmental Activities		Percent Change
	<u>2020</u>	<u>2019</u>	
Current and other assets	\$ 141,696,821	\$ 125,315,643	13.1%
Capital assets	<u>363,855,496</u>	<u>360,676,817</u>	0.9%
Total assets	<u>505,552,317</u>	<u>485,992,460</u>	4.0%
Net carrying amount of debt refunding	965,475	1,045,931	-7.7%
Other postemployment benefits obligation	1,890,873	1,904,213	-0.7%
Pensions	<u>37,744,216</u>	<u>41,362,758</u>	-8.7%
Total deferred outflows of resources	<u>40,600,564</u>	<u>44,312,902</u>	-8.4%
Other liabilities	6,163,502	11,562,693	-46.7%
Long-term liabilities	<u>194,242,088</u>	<u>194,950,891</u>	-0.4%
Total liabilities	<u>200,405,590</u>	<u>206,513,584</u>	-3.0%
Other postemployment benefits obligation	9,264,547	3,592,082	157.9%
Pensions	<u>11,376,985</u>	<u>11,698,520</u>	-2.7%
Total deferred inflows of resources	<u>20,641,532</u>	<u>15,290,602</u>	35.0%
Net position:			
Net investment in capital assets	334,763,659	328,447,748	1.9%
Restricted	115,193,303	93,411,168	23.3%
Unrestricted (deficit)	<u>(124,851,203)</u>	<u>(113,357,740)</u>	10.1%
Total net position	<u>\$ 325,105,759</u>	<u>\$ 308,501,176</u>	5.4%

The largest portion of the District's net position (\$334.8 million) reflects its investment in capital assets (e.g., land, buildings, furniture, fixtures, and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the District's net position, \$115.2 million, represents resources that are subject to external restrictions on how they may be used. The District's unrestricted net position balance is negative because of the District's future liabilities for employee compensated absences, other postemployment benefits, and pension plan obligations; however, the District has sufficient current assets to meet its current obligations.

Restricted net position increased \$21.8 million from June 30, 2019, to June 30, 2020. This net position represents restrictions from specific revenue sources and grants. The deficit in unrestricted net position in the governmental type activities increased by \$11.5 million, primarily due to increased current restricted assets and increased liabilities for compensated absences and pension plan obligations.

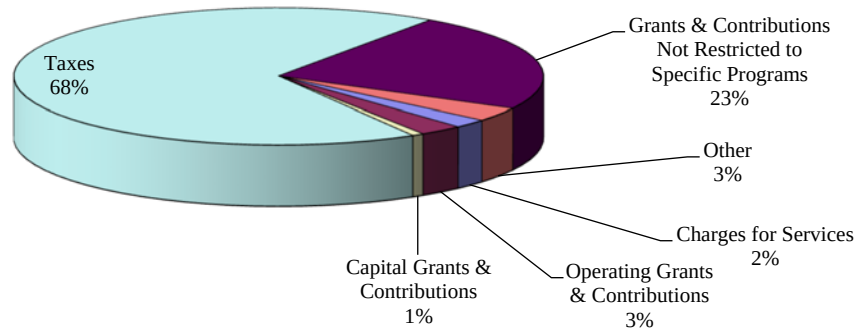
The key elements of the changes in the District's net position for the fiscal years ended June 30, 2020, and June 30, 2019 are as follows:

	Governmental Activities		Percent Change
	<u>2020</u>	<u>2019</u>	
Revenues			
Program revenues:			
Charges for services	\$ 5,238,006	\$ 6,841,160	-23.4%
Operating grants and contributions	6,739,592	7,619,678	-11.6%
Capital grants and contributions	1,831,620	2,174,065	-15.8%
Total Program revenues	<u>13,809,218</u>	<u>16,634,903</u>	-17.0%
General Revenues:			
Property taxes, levied for operational purposes	120,182,574	121,719,875	-1.3%
Property taxes, levied for capital projects	34,880,430	34,060,575	2.4%
Local sales taxes	17,397,137	7,707,297	125.7%
Grants and contrib. not restricted to specific prog.	58,456,112	51,588,381	13.3%
Other	8,373,829	8,692,583	-3.7%
Total General revenues	<u>239,290,082</u>	<u>223,768,711</u>	6.9%
Total revenues	253,099,300	240,403,614	5.3%

Expenses

Instruction	125,975,065	107,083,824	17.6%
Student support services	11,201,303	12,863,313	-12.9%
Instructional media services	2,590,118	2,241,574	15.5%
Instruction and curriculum development services	4,173,462	4,069,759	2.5%
Instructional staff training services	3,651,351	3,762,359	-3.0%
Instruction related technology	4,539,097	3,945,897	15.0%
School board	494,932	737,044	-32.8%
General administration	1,028,170	1,083,747	-5.1%
School administration	10,930,260	11,325,346	-3.5%
Facilities acquisition and construction	10,026,634	7,410,384	35.3%
Fiscal services	1,231,564	1,027,109	19.9%
Food services	9,186,052	9,863,728	-6.9%
Central services	5,177,426	4,580,116	13.0%
Student transportation services	7,969,970	8,270,131	-3.6%
Operation of plant	23,325,249	19,706,497	18.4%
Maintenance of plant	5,108,318	5,320,678	-4.0%
Administrative technology services	5,282,908	4,656,516	13.5%
Community services	3,301,462	3,519,625	-6.2%
Unallocated interest on long-term debt	1,301,376	1,426,659	-8.8%
Total expenses	<u>236,494,717</u>	<u>212,894,306</u>	11.1%
Change in net position	16,604,583	27,509,308	
Net position - beginning	<u>308,501,176</u>	<u>280,991,868</u>	
Net position - ending	<u>\$ 325,105,759</u>	<u>\$ 308,501,176</u>	5.4%

Revenues by Source - Governmental Activities



Major changes in revenues were caused by the following:

- Charges for services – Decreased by 23.4 percent in all areas due to COVID-19 and the closing of school in March.
- Property taxes, levied for operational and capital purposes – Decreased by 1.3 percent and increased 2.4 percent, respectively. The decrease was due to a decrease in the operational millage and the increase was due to an increase in property assessments.
- Local sales taxes – This revenue source, the voter approved half cent sales surtax, is in its second year of implementation and increased 125.7 percent.
- Grants and Other revenues – Grants increased by 13.3 percent while Other revenues decreased by 3.7 percent.

Major changes in expenses were caused by the following:

- Instruction – Increased by 17.6 percent or \$18.9 million, primarily due to an increase in instructional pay based on performance and millage.
- Instruction related technology – Increased by 15 percent or \$593,200 primarily due to the purchase of laptops for remote learning.
- Facilities acquisition and construction – Increased by 35.3 percent or \$2.6 million because of District-wide security enhancements, several HVAC projects, and the purchase and renovation of the new Instructional Center.
- Central services – Increased by 13 percent or \$597,310 primarily due to performance pay.
- Operation of plant – Increased by 18.4 percent or \$3.6 million because of the increased purchase of cleaning equipment, supplies and additional employee hours due to COVID-19.

FUND FINANCIAL ANALYSIS

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Major Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful when assessing the District's financing requirements. For example, *unassigned fund balance* may serve as a useful measure of the District's resources available to finance future contracts or services.

District School Board of Martin County, Florida Fund Balance

	2020	2019
Fund balance:		
Nonspendable	\$ 1,055,595	\$ 626,902
Restricted	114,710,032	93,197,329
Assigned	8,409,731	4,805,389
Unassigned	10,239,951	14,434,108
Total fund balance	<u>\$ 134,415,309</u>	<u>\$ 113,063,728</u>

As of the end of the 2019-20 fiscal year, the District's governmental funds reported combined ending fund balances of \$134,415,309 million, an increase of \$21.4 million in comparison with the prior fiscal year.

Major Funds

The General Fund, Special Revenue - Other Federal Programs Fund, Capital Projects - Local Capital Improvement Tax Fund, and Capital Projects - Other Capital Projects Fund were reported as major funds.

The General Fund is the chief operating fund of the District. The General Fund has an increase in fund balance of \$2.8 million, primarily due to increases in state revenue and transfers to the General Fund from the Capital Projects – Local Capital Improvement Tax Fund. The total fund balance is \$38.1 million, of which \$10.2 million is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and assigned fund balance to total fund revenues. Unassigned/assigned fund balance represents 10.7 percent of total General Fund operating revenue before carryovers and prior year encumbrances, while total fund balance represents 21.9 percent of that same amount.

The Special Revenue – Other Federal Programs Fund accounts for the financial resources of certain Federal grant programs. Revenues and expenditures totaled \$11.9 million, a 1.3 percent increase from 2018-19 fiscal year, primarily due to increased expenditures. Because revenues are recognized to the extent of allowable expenditures, this fund does not generally accumulate fund balance.

The Capital Projects – Local Capital Improvement Tax Fund has a decrease in fund balance of \$1.3 million to a total fund balance of \$55.9 million, which is restricted for acquisition, construction, and maintenance of capital assets. The decrease is primarily due to major projects expenditures currently for architectural and engineering services.

The Capital Projects – Other Capital Projects Fund has an increase in fund balance of \$17.1 million to a total fund balance of \$31.9 million, which is restricted for acquisition, construction, and maintenance of capital assets. The increase is primarily due to the passage of the half cent local sales tax for which collections began in January 2019 and this is the first full year of collections. Projects to be funded with the new sales tax are currently in the architectural and engineering stage.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2019-20 fiscal year, the District amended its General Fund budget monthly. Budget revisions were made to record prior year carryforward budgets and adjust planned expenditures to meet actual needs throughout the year.

Actual expenditures are \$23,921,953, or 11.3 percent, less than final budgeted amounts. Unexpended amounts were primarily due to carryover of budgeted voted millage stipends to teachers and other union represented personnel which were paid in August and September 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation, as of June 30, 2020, total \$363.9 million. Capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital lease; and audio visual materials and software. The District experienced an increase of net capital assets compared to the previous fiscal year of approximately 0.9 percent.

Major capital assets events during the 2019-2020 fiscal year include:

- Projects completed:
 - Hidden Oaks Middle School – HVAC Chiller Replacement
 - Head start Programs – Playground Replacement
 - Indiantown Middle School – Security Enhancements
 - Instructional Center – New Administration Building Acquisition
 - Warfield Elementary – Playground Replacement
- Projects in progress:
 - Instructional Center – Administrative Office Renovations
 - Jensen Beach Elementary School – Replacement School
 - Jensen Beach High School – Partial Roof Replacement
 - Jensen Beach High School – HVAC Energy Storage System
 - Palm City Elementary School – Replacement School
 - Willoughby Learning Center – HVAC Replacement

District School Board of Martin County, Florida
Capital Assets
(net of depreciation)

	2020	2019	Percent Change
Land	\$ 12,401,732	\$ 10,354,648	19.8%
Construction in progress	5,459,350	2,207,174	147.3%
Improvements other than buildings	9,020,472	9,614,442	-6.2%
Buildings and fixed equipment	329,033,805	330,448,440	-0.4%
Furniture, fixtures, and equipment	3,074,757	3,549,011	-13.4%
Motor vehicles	4,197,669	4,170,511	0.7%
Property under capital lease	667,711	318,901	109.4%
Audio visual materials & software	-	13,690	-100.0%
Total Capital Assets (net of depreciation)	<u>\$ 363,855,496</u>	<u>\$ 360,676,817</u>	0.9%

Construction in progress increased due to the beginning of the projects listed above. Additional information on the District's capital assets can be found in Note VI of this report.

Long-Term Debt

At June 30, 2020, the District has total long-term debt outstanding of \$30.1 million, comprised of Certificates of Participation (COPS) Series 2014A, State Board of Education (SBE) Bonds, and capital leases.

**District School Board of Martin County, Florida
Outstanding Debt**

	<u>2020</u>	<u>2019</u>
COPS	\$ 25,927,414	\$ 27,557,615
State School (SBE) Bonds Payable	3,576,000	4,326,000
Obligations under Capital Lease	553,898	348,454
	<u>\$ 30,057,312</u>	<u>\$ 32,232,069</u>

The District's outstanding debt decreased \$2.2 million during the 2019-20 fiscal year. The decrease was due to scheduled principal payments. Additional information on the District's debt may be found in Note VII of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local property taxes are the District's primary source of revenue. The required local effort (RLE) for the 2020-21 fiscal year is projected to be 3.699 mills (a decrease of 0.201 mills), the discretionary millage is projected to be 0.748 mills, the capital outlay millage is projected to be 1.500 mills, and the additional voted millage for operations remains 0.500 mills. General Fund revenues and other financing sources are projected to be \$197.4 million, and expenditures and other financing uses are expected to be \$213 million.

Approximately 95 percent of total General Fund revenues are from the State of Florida and local taxes; therefore, economic condition at the national, state, and local levels will affect the general operating funds and activities of the District. Changes in levels of tourism, immigration into the State of Florida, and unemployment may affect the State revenue streams, which in turn, will affect District revenue streams.

- The unemployment rate for Martin County is currently 8.6 percent, which is an increase from the rate of 3.5 percent a year ago.
- Student enrollment (K-12) increased from 18,385 in the 2019 Fourth Calculations to 18,734 in the 2020 Fourth Calculations.
- The Martin County population grew from 157,343 in the prior year to 161,000 according to U.S. Census estimates.

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Martin County School Board, Finance Department, 1939 SE Federal Highway, Stuart, FL 34994. Additional financial information can be found on our Web site (www.martinschools.org).

BASIC FINANCIAL STATEMENTS



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Net Position
June 30, 2020

	Primary Government	
	Governmental Activities	Component Units
Assets		
Unrestricted:		
Cash and cash equivalents	\$ 130,638,581	\$ 1,374,007
Investments	86,301	-
Accounts receivable	1,402,449	65,259
Deposits	-	3,567
Due from other governmental agencies	5,352,632	3,414
Inventories	943,638	-
Prepaid items	111,957	5,451
Net pension asset	540,213	-
Restricted:		
Cash	-	763,872
Cash with fiscal agent	2,043,253	-
Equity in property and casualty group	577,797	-
Capital assets not being depreciated:		
Land	12,401,732	3,490,645
Construction in progress	5,459,350	620,952
Capital assets net of accumulated depreciation:		
Improvements other than buildings	9,020,472	1,216
Buildings and fixed equipment	329,033,805	15,567,006
Leasehold improvements	-	21,564
Furniture, fixtures, and equipment	3,074,757	441,994
Motor vehicles	4,197,669	-
Property under capital lease	667,711	-
Audio visual materials and software	-	26,249
Total assets	505,552,317	22,385,196
Deferred outflows of resources		
Net carrying amount of debt refunding	965,475	-
Other postemployment benefits obligation	1,890,873	-
Pensions	37,744,216	-
Total deferred outflows of resources	40,600,564	-
Liabilities		
Salaries and benefits payable	4,209,875	-
Accounts payable	1,417,569	469,531
Construction contracts payable	68,886	-
Construction contracts payable - retainage	284,898	-
Unearned revenue	181,146	-
Accrued interest payable	1,128	-
Long-term liabilities:		
Portion due in one year:		
Notes payable	-	386,773
Obligations under capital lease	186,467	-
Bonds payable	769,000	-
Certificates of participation payable	1,700,201	-
Compensated absences payable	785,136	-
Net pension liability	592,008	-
Other postemployment benefits obligation	1,890,873	-
Portion due in more than one year:		
Notes payable	-	22,249,170
Obligations under capital lease	367,431	-
Bonds payable	2,807,000	-
Certificates of participation payable	24,227,213	-
Compensated absences payable	12,510,476	-
Net pension liability	108,417,219	-
Other postemployment benefits obligation	39,989,064	-
Total liabilities	200,405,590	23,105,474
Deferred inflows of resources		
Other postemployment benefits obligation	9,264,547	-
Pensions	11,376,985	-
Total deferred inflows of resources	20,641,532	-
Net position		
Net investment in capital assets	334,763,659	(1,464,710)
Restricted for:		
State required carryover programs	3,528,674	-
Capital projects	90,777,565	572,349
Debt service	2,120,730	191,523
Food service	3,442,087	-
Other	15,324,247	-
Unrestricted net position (deficit)	(124,851,203)	(19,440)
Total net position	\$ 325,105,759	\$ (720,278)

The accompanying notes are an integral part of the basic financial statements.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Instruction	\$ 125,975,065	\$ 242,802	\$ -	\$ -
Student support services	11,201,303	-	-	-
Instructional media services	2,590,118	-	-	-
Instruction and curriculum development services	4,173,462	-	-	-
Instructional staff training services	3,651,351	-	-	-
Instruction related technology	4,539,097	-	-	-
School board	494,932	-	-	-
General administration	1,028,170	-	-	-
School administration	10,930,260	-	-	-
Facilities acquisition and construction	10,026,634	-	-	683,605
Fiscal services	1,231,564	-	-	-
Food services	9,186,052	1,974,756	6,739,592	-
Central services	5,177,426	-	-	-
Student transportation services	7,969,970	519,629	-	-
Operation of plant	23,325,249	-	-	-
Maintenance of plant	5,108,318	-	-	153,921
Administrative technology services	5,282,908	-	-	-
Community services	3,301,462	2,500,819	-	-
Unallocated interest on long-term debt	1,301,376	-	-	994,094
Total primary government	<u>\$ 236,494,717</u>	<u>\$ 5,238,006</u>	<u>\$ 6,739,592</u>	<u>\$ 1,831,620</u>
Component units:				
Charter schools	<u>\$ 8,607,009</u>	<u>\$ 91,819</u>	<u>\$ 820,429</u>	<u>\$ 25,050</u>
General revenues:				
Taxes:				
Property taxes, levied for operational purposes				
Property taxes, levied for capital purposes				
Local sales taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Loss on disposal of assets				
Miscellaneous				
Total general revenues				
Change in net position				
Total net position - beginning				
Adjustments to net position				
Total net position - ending				

The accompanying notes are an integral part of the basic financial statements.

Net (Expense) Revenue and Changes in Net Position	
Primary Government Governmental Activities	Component Units
\$ (125,732,263)	\$ -
(11,201,303)	-
(2,590,118)	-
(4,173,462)	-
(3,651,351)	-
(4,539,097)	-
(494,932)	-
(1,028,170)	-
(10,930,260)	-
(9,343,029)	-
(1,231,564)	-
(471,704)	-
(5,177,426)	-
(7,450,341)	-
(23,325,249)	-
(4,954,397)	-
(5,282,908)	-
(800,643)	-
(307,282)	-
<u>\$ (222,685,499)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ (7,669,711)</u>
120,182,574	-
34,880,430	-
17,397,137	-
58,456,112	6,599,424
1,971,449	9
-	(31,353)
6,402,380	-
<u>239,290,082</u>	<u>6,568,080</u>
16,604,583	(1,101,631)
308,501,176	1,020,501
-	(639,148)
<u>\$ 325,105,759</u>	<u>\$ (720,278)</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue - Other Federal Programs Fund
Assets		
Cash and cash equivalents	\$ 38,520,833	\$ -
Investments	-	-
Accounts receivable	1,342,698	-
Due from other governmental agencies	147,566	2,684,059
Due from other funds	2,465,644	-
Inventories	460,367	-
Prepaid items	111,957	-
Restricted cash with fiscal agent	-	-
Total assets	\$ 43,049,065	\$ 2,684,059
Liabilities and fund balances		
Liabilities:		
Salaries and benefits payable	\$ 3,955,565	\$ 198,789
Accounts payable	837,427	27,322
Construction contracts payable	-	-
Construction contracts payable - retainage	-	-
Due to other funds	-	2,457,948
Unearned revenue	181,146	-
Accrued interest payable	-	-
Total liabilities	4,974,138	2,684,059
Fund balances:		
Nonspendable	572,324	-
Restricted	18,852,921	-
Committed	-	-
Assigned	8,409,731	-
Unassigned	10,239,951	-
Total fund balances	38,074,927	-
Total liabilities and fund balances	\$ 43,049,065	\$ 2,684,059

The accompanying notes are an integral part of the basic financial statements.

Capital Projects - Local Capital Improvement Tax Fund	Capital Projects - Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 56,263,571	\$ 29,786,933	\$ 6,067,244	\$ 130,638,581
-	-	86,301	86,301
43,782	-	15,969	1,402,449
418,107	2,099,762	3,138	5,352,632
-	-	-	2,465,644
-	-	483,271	943,638
-	-	-	111,957
-	-	2,043,253	2,043,253
<u>\$ 56,725,460</u>	<u>\$ 31,886,695</u>	<u>\$ 8,699,176</u>	<u>\$ 143,044,455</u>
\$ -	\$ -	\$ 55,521	\$ 4,209,875
462,858	16,748	73,214	1,417,569
68,886	-	-	68,886
275,898	9,000	-	284,898
-	-	7,696	2,465,644
-	-	-	181,146
-	-	1,128	1,128
<u>807,642</u>	<u>25,748</u>	<u>137,559</u>	<u>8,629,146</u>
-	-	483,271	1,055,595
55,917,818	31,860,947	8,078,346	114,710,032
-	-	-	-
-	-	-	8,409,731
-	-	-	10,239,951
<u>55,917,818</u>	<u>31,860,947</u>	<u>8,561,617</u>	<u>134,415,309</u>
<u>\$ 56,725,460</u>	<u>\$ 31,886,695</u>	<u>\$ 8,699,176</u>	<u>\$ 143,044,455</u>



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2020

Total fund balances - governmental funds	\$ 134,415,309
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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 governmental funds.

Capital assets not being depreciated	\$ 17,861,082	
Capital assets being depreciated	<u>345,994,414</u>	363,855,496

Net pension asset is not reported in the governmental funds.	540,213
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The District's portion of the equity held in the risk management consortium is not reported as an asset in the governmental funds.	577,797
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The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements, but is not reported in the governmental funds.	965,475
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	\$ 37,744,216	
Deferred inflows of resources related to pensions	<u>(11,376,985)</u>	26,367,231

Deferred outflows and inflows of resources related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to OPEB	\$ 1,890,873	
Deferred inflows of resources related to OPEB	<u>(9,264,547)</u>	(7,373,674)

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

Certificates of participation payable	\$ (25,927,414)	
Obligations under capital lease	(553,898)	
Bonds payable	(3,576,000)	
Compensated absences payable	(13,295,612)	
Other postemployment benefits obligation	(41,879,937)	
Net pension liability	<u>(109,009,227)</u>	<u>(194,242,088)</u>

Total net position - governmental activities	<u><u>\$ 325,105,759</u></u>
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The accompanying notes are an integral part of the basic financial statements.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
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		
Federal direct	\$ 337,875	\$ 2,080,363
Federal through state and local	788,412	9,851,528
State	44,396,234	-
Local:		
Taxes	120,182,574	-
Charges for services - food services	-	-
Impact fees	-	-
Miscellaneous	7,847,209	-
Total revenues	<u>173,552,304</u>	<u>11,931,891</u>
Expenditures		
Current:		
Instruction	109,507,399	4,688,930
Student support services	7,803,041	3,160,302
Instructional media services	2,357,746	-
Instruction and curriculum development services	2,011,189	2,024,641
Instructional staff training services	1,993,935	1,589,881
Instruction related technology	3,917,058	-
School board	485,826	-
General administration	1,001,726	217,542
School administration	10,155,555	6,015
Facilities acquisition and construction	987,651	-
Fiscal services	1,197,999	-
Food services	-	-
Central services	4,728,084	-
Student transportation services	6,319,962	43,266
Operation of plant	19,571,456	160,955
Maintenance of plant	4,504,586	-
Administrative technology services	4,417,807	-
Community services	3,202,416	3,812
Capital outlay:		
Facilities acquisition and construction	-	-
Other capital outlay	3,404,005	36,547
Debt service:		
Principal	-	-
Interest and fees	-	-
Paying agent fees	-	-
Other debt service	-	-
Total expenditures	<u>187,567,441</u>	<u>11,931,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,015,137)</u>	<u>-</u>
Other financing sources (uses)		
Refunding bonds issued	-	-
Premium on refunding bonds	-	-
Inception of capital lease	465,785	-
Insurance loss recoveries	73,703	-
Transfers in	16,448,584	-
Transfers out	(149,120)	-
Total other financing sources (uses)	<u>16,838,952</u>	<u>-</u>
Net change in fund balances	2,823,815	-
Fund balances - beginning	<u>35,251,112</u>	<u>-</u>
Fund balances - ending	<u>\$ 38,074,927</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

Capital Projects - Local Capital Improvement Tax Fund	Capital Projects - Other Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,418,238
-	-	6,645,333	17,285,273
-	1,026,130	1,901,449	47,323,813
34,880,430	17,397,137	-	172,460,141
-	-	1,974,756	1,974,756
-	3,176,421	-	3,176,421
716,427	269,126	48,271	8,881,033
35,596,857	21,868,814	10,569,809	253,519,675
-	-	-	114,196,329
-	-	-	10,963,343
-	-	-	2,357,746
-	-	-	4,035,830
-	-	-	3,583,816
-	-	-	3,917,058
-	-	-	485,826
-	-	-	1,219,268
-	-	-	10,161,570
6,134,760	1,187,258	-	8,309,669
-	-	-	1,197,999
-	-	8,614,459	8,614,459
-	-	-	4,728,084
-	-	-	6,363,228
-	-	-	19,732,411
-	-	-	4,504,586
-	-	-	4,417,807
-	-	-	3,206,228
11,450,692	2,162,409	-	13,613,101
-	-	253,374	3,693,926
-	-	2,175,000	2,175,000
-	-	1,307,201	1,307,201
-	-	9,825	9,825
-	-	320,849	320,849
17,585,452	3,349,667	12,680,708	233,115,159
18,011,405	18,519,147	(2,110,899)	20,404,516
-	-	305,000	305,000
-	-	16,500	16,500
-	-	-	465,785
86,077	-	-	159,780
-	-	4,730,755	21,179,339
(19,368,533)	(1,445,468)	(216,218)	(21,179,339)
(19,282,456)	(1,445,468)	4,836,037	947,065
(1,271,051)	17,073,679	2,725,138	21,351,581
57,188,869	14,787,268	5,836,479	113,063,728
\$ 55,917,818	\$ 31,860,947	\$ 8,561,617	\$ 134,415,309



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$ 21,351,581
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$ 17,313,521	
Less, depreciation expense	<u>(14,064,669)</u>	3,248,852

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

(70,173)

The District's portion of equity held in the risk management consortium is recognized in the government-wide statement of activities, but not in the governmental funds. This is the increase in the District's equity in the consortium.

424,393

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 leave used. This is the net amount of vacation and sick leave earned in excess of the amount paid in the current period.

(620,596)

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. Premiums and refunding costs are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements. The difference is the amount by which repayments exceeded proceeds in the current period.

Refunded COPs redeemed	\$ 1,440,000	
Refunded COPs premiums amortized	190,201	
Inception of capital lease	(465,785)	
Capital lease repayments	260,341	
Refunding of bond	(305,000)	
Bonds repayment	<u>1,055,000</u>	2,174,757

Refunding costs are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements. This is the decrease in the net carrying amount of debt refunding for the current period.

(80,456)

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

Decrease in OPEB Liability	\$ 6,088,501	
Decrease in Deferred Outflows of Resources - OPEB	(13,340)	
Increase in Deferred Inflows of Resources - OPEB	<u>(5,672,465)</u>	402,696

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

Pension contributions	\$ 9,542,785	
Pension expense	<u>(19,769,256)</u>	(10,226,471)

Change in net position of governmental activities	<u>\$ 16,604,583</u>
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The accompanying notes are an integral part of the basic financial statements.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal direct	\$ 358,638	\$ 358,638	\$ 337,875	\$ (20,763)
Federal through state and local	438,421	521,473	788,412	266,939
State	43,966,176	45,178,092	44,396,234	(781,858)
Local				
Taxes	119,797,174	119,797,174	120,182,574	385,400
Miscellaneous	9,469,879	10,313,612	7,847,209	(2,466,403)
Total revenues	174,030,288	176,168,989	173,552,304	(2,616,685)
Expenditures				
Current:				
Instruction				
Salaries	62,614,244	71,861,647	70,996,605	865,042
Employee benefits	18,515,504	19,541,514	19,344,839	196,675
Purchased services	13,609,337	13,691,302	11,500,372	2,190,930
Materials and supplies	3,967,536	5,959,469	2,426,048	3,533,421
Capital outlay	5,139,918	8,201,718	3,363,234	4,838,484
Other	3,016,711	2,377,729	1,876,301	501,428
Total instruction	106,863,250	121,633,379	109,507,399	12,125,980
Student support services				
Salaries	5,159,217	6,205,398	5,898,272	307,126
Employee benefits	1,527,880	1,788,092	1,643,615	144,477
Purchased services	3,243,598	701,268	222,220	479,048
Materials and supplies	65,584	147,758	36,691	111,067
Capital outlay	-	23,703	1,583	22,120
Other	1,384	1,122	660	462
Total student support services	9,997,663	8,867,341	7,803,041	1,064,300
Instructional media services				
Salaries	1,409,883	1,685,628	1,677,955	7,673
Employee benefits	458,393	482,774	463,175	19,599
Purchased services	8,885	9,869	8,303	1,566
Materials and supplies	50,621	49,731	22,977	26,754
Capital outlay	151,083	295,518	185,336	110,182
Other	25,456	8,011	-	8,011
Total instructional media services	2,104,321	2,531,531	2,357,746	173,785
Instruction and curriculum development services				
Salaries	1,422,421	1,528,150	1,564,726	(36,576)
Employee benefits	413,561	443,658	428,342	15,316
Purchased services	32,292	35,863	11,305	24,558
Energy services	200	200	-	200
Materials and supplies	5,070	8,321	2,720	5,601
Capital outlay	200	200	-	200
Other	11,777	11,905	4,096	7,809
Total instruction and curriculum development services	1,885,521	2,028,297	2,011,189	17,108

The accompanying notes are an integral part of the basic financial statements.

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Instructional staff training services				
Salaries	\$ 1,120,503	\$ 1,694,006	\$ 1,370,813	\$ 323,193
Employee benefits	258,642	349,950	326,418	23,532
Purchased services	729,436	682,733	186,650	496,083
Materials and supplies	102,303	82,893	30,870	52,023
Capital outlay	3,000	40,104	37,193	2,911
Other	20,975	79,521	41,991	37,530
Total instructional staff training services	2,234,859	2,929,207	1,993,935	935,272
Instruction related technology				
Salaries	1,702,535	1,699,515	1,573,272	126,243
Employee benefits	464,141	480,382	433,088	47,294
Purchased services	402,673	421,502	371,577	49,925
Materials and supplies	160,794	146,662	18,912	127,750
Capital outlay	561,009	2,776,454	1,520,154	1,256,300
Other	-	2,180	55	2,125
Total instruction related technology	3,291,152	5,526,695	3,917,058	1,609,637
School board				
Salaries	274,160	179,357	171,896	7,461
Employee benefits	161,390	131,659	127,062	4,597
Purchased services	448,532	305,737	168,129	137,608
Materials and supplies	3,900	8,900	1,594	7,306
Other	33,895	26,527	17,145	9,382
Total school board	921,877	652,180	485,826	166,354
General administration				
Salaries	883,262	676,770	622,600	54,170
Employee benefits	313,979	255,135	242,333	12,802
Purchased services	208,100	244,600	119,338	125,262
Energy services	579	579	243	336
Materials and supplies	7,860	9,192	4,165	5,027
Capital outlay	250	1,037	785	252
Other	14,483	14,508	12,262	2,246
Total general administration	1,428,513	1,201,821	1,001,726	200,095
School administration				
Salaries	8,053,017	7,979,821	7,878,135	101,686
Employee benefits	2,238,542	2,231,846	2,167,880	63,966
Purchased services	31,371	33,441	17,810	15,631
Materials and supplies	21,938	20,045	12,967	7,078
Capital outlay	98,457	281,972	60,502	221,470
Other	23,379	62,439	18,261	44,178
Total school administration	10,466,704	10,609,564	10,155,555	454,009

The accompanying notes are an integral part of the basic financial statements.

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Facilities acquisition and construction				
Salaries	\$ 708,341	\$ 610,205	\$ 596,254	\$ 13,951
Employee benefits	233,472	202,631	198,309	4,322
Purchased services	6,373	2,842	621	2,221
Materials and supplies	3,858	3,410	3,301	109
Capital outlay	3,229	48,837	20,878	27,959
Other	239,890	180,718	168,288	12,430
Total facilities acquisition and construction	1,195,163	1,048,643	987,651	60,992
Fiscal services				
Salaries	832,554	738,954	733,999	4,955
Employee benefits	238,283	235,285	266,816	(31,531)
Purchased services	55,273	65,695	58,731	6,964
Energy services	35	119	99	20
Materials and supplies	20,454	20,251	19,449	802
Capital outlay	868,546	137,958	101,289	36,669
Other	11,589	14,058	17,616	(3,558)
Total fiscal services	2,026,734	1,212,320	1,197,999	14,321
Central services				
Salaries	1,963,647	1,874,297	1,785,064	89,233
Employee benefits	1,092,524	1,904,915	1,941,316	(36,401)
Purchased services	655,340	788,808	412,507	376,301
Energy services	-	908	908	-
Materials and supplies	231,309	873,902	335,920	537,982
Capital outlay	253,930	416,708	231,853	184,855
Other	4,015	30,526	20,516	10,010
Total central services	4,200,765	5,890,064	4,728,084	1,161,980
Student transportation services				
Salaries	3,294,524	3,210,161	3,195,836	14,325
Employee benefits	1,532,374	1,330,819	1,315,851	14,968
Purchased services	539,001	832,891	687,630	145,261
Energy services	686,868	618,742	404,912	213,830
Materials and supplies	358,143	408,899	230,927	177,972
Capital outlay	1,217,527	805,136	302,379	502,757
Other	294,643	226,017	182,427	43,590
Total student transportation services	7,923,080	7,432,665	6,319,962	1,112,703
Operation of plant				
Salaries	4,939,066	4,969,792	5,016,250	(46,458)
Employee benefits	2,185,237	2,245,555	2,196,177	49,378
Purchased services	4,126,305	7,966,712	6,718,915	1,247,797
Energy services	4,854,052	4,716,681	4,743,695	(27,014)
Materials and supplies	366,444	740,419	609,912	130,507
Capital outlay	623,000	1,073,320	273,924	799,396
Other	62,982	30,561	12,583	17,978
Total operation of plant	17,157,086	21,743,040	19,571,456	2,171,584

The accompanying notes are an integral part of the basic financial statements.

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Maintenance of plant				
Salaries	\$ 2,912,107	\$ 2,882,831	\$ 2,913,158	\$ (30,327)
Employee benefits	1,056,094	1,066,178	1,055,957	10,221
Purchased services	404,139	239,769	164,172	75,597
Materials and supplies	374,392	425,618	337,231	88,387
Capital outlay	250,500	151,455	33,704	117,751
Other	215	415	364	51
Total maintenance of plant	4,997,447	4,766,266	4,504,586	261,680
Administrative technology services				
Salaries	603,883	554,104	528,493	25,611
Employee benefits	168,453	148,944	143,520	5,424
Purchased services	9,946	37,579	31,616	5,963
Materials and supplies	-	11,995	2,634	9,361
Capital outlay	4,285,000	5,540,458	3,711,544	1,828,914
Total administrative technology services	5,067,282	6,293,080	4,417,807	1,875,273
Community services				
Salaries	2,112,010	2,225,210	2,089,104	136,106
Employee benefits	518,212	547,314	502,644	44,670
Purchased services	203,809	190,098	94,874	95,224
Materials and supplies	268,357	253,949	143,368	110,581
Capital outlay	27,421	32,017	24,046	7,971
Other	481,617	470,708	348,380	122,328
Total community services	3,611,426	3,719,296	3,202,416	516,880
Total current operating	185,372,843	208,085,389	184,163,436	23,921,953
Capital outlay:				
Other capital outlay	-	3,404,005	3,404,005	-
Total capital outlay	-	3,404,005	3,404,005	-
Total expenditures	185,372,843	211,489,394	187,567,441	23,921,953
Excess (deficiency) of revenues over (under) expenditures	(11,342,555)	(35,320,405)	(14,015,137)	21,305,268
Other financing sources (uses)				
Insurance loss recoveries	-	75,814	73,703	(2,111)
Inception of capital lease	-	-	465,785	465,785
Transfers in	15,857,442	24,337,985	16,448,584	(7,889,401)
Transfers out	(34,816)	(149,120)	(149,120)	-
Total other financing sources (uses)	15,822,626	24,264,679	16,838,952	(7,425,727)
Net change in fund balances	4,480,071	(11,055,726)	2,823,815	13,879,541
Fund balances - beginning	31,341,695	35,251,112	35,251,112	-
Fund balances - ending	\$ 35,821,766	\$ 24,195,386	\$ 38,074,927	\$ 13,879,541

The accompanying notes are an integral part of the basic financial statements.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal direct	\$ -	\$ 2,126,877	\$ 2,080,363	\$ (46,514)
Federal through state and local	10,422,610	13,299,854	9,851,528	(3,448,326)
Total revenues	10,422,610	15,426,731	11,931,891	(3,494,840)
Expenditures				
Current:				
Instruction				
Salaries	1,480,582	2,495,644	2,234,112	261,532
Employee benefits	558,531	1,018,167	766,138	252,029
Purchased services	594,890	1,722,829	1,193,487	529,342
Materials and supplies	619,021	795,788	440,816	354,972
Capital outlay	73,692	139,856	4,599	135,257
Other	23,983	53,316	49,778	3,538
Total instruction	3,350,699	6,225,600	4,688,930	1,536,670
Student support services				
Salaries	2,134,144	2,815,548	2,273,622	541,926
Employee benefits	677,451	940,115	698,947	241,168
Purchased services	165,018	336,876	151,250	185,626
Materials and supplies	45,884	73,486	35,691	37,795
Capital outlay	877	610	-	610
Other	11,726	8,171	792	7,379
Total student support services	3,035,100	4,174,806	3,160,302	1,014,504
Instruction and curriculum development services				
Salaries	1,260,333	1,594,871	1,523,136	71,735
Employee benefits	384,044	483,657	401,785	81,872
Purchased services	82,974	98,026	73,789	24,237
Energy services	34	34	-	34
Materials and supplies	28,416	70,042	17,153	52,889
Capital outlay	540	3,556	2,475	1,081
Other	3,825	12,190	6,303	5,887
Total instruction and curriculum development services	1,760,166	2,262,376	2,024,641	237,735
Instructional staff training services				
Salaries	1,312,983	1,368,509	1,075,061	293,448
Employee benefits	341,331	386,661	292,319	94,342
Purchased services	279,199	343,563	203,038	140,525
Materials and supplies	62,488	99,935	6,312	93,623
Capital outlay	-	415	-	415
Other	11,804	28,141	13,151	14,990
Total instructional staff training services	2,007,805	2,227,224	1,589,881	637,343
Instruction related technology				
Capital outlay	-	7,600	-	7,600
Total instruction related technology	-	7,600	-	7,600
General administration				
Materials and Supplies	29	29	-	29
Other	218,513	248,707	217,542	31,165
Total general administration	218,542	248,736	217,542	31,194

The accompanying notes are an integral part of the basic financial statements.

(Continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Revenue Fund - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
School administration				
Purchased services	\$ 2,934	\$ 7,355	\$ 6,015	\$ 1,340
Total school administration	2,934	7,355	6,015	1,340
Facilities acquisition and construction				
Capital outlay	142	-	-	-
Total facilities acquisition and construction	142	-	-	-
Food services				
Other	-	640	-	640
Total food services	-	640	-	640
Central services				
Purchased services	35,000	3,880	-	3,880
Total central services	35,000	3,880	-	3,880
Student transportation services				
Purchased services	11,226	54,774	41,877	12,897
Energy services	894	800	707	93
Capital outlay	-	2,628	682	1,946
Total student transportation services	12,120	58,202	43,266	14,936
Operation of plant				
Purchased services	102	61,883	56,916	4,967
Energy services	-	92,512	92,512	-
Materials and supplies	-	12,847	11,527	1,320
Other	-	320	-	320
Total operation of plant	102	167,562	160,955	6,607
Community services				
Purchased services	-	2,310	2,310	-
Materials and supplies	-	3,893	1,502	2,391
Total community services	-	6,203	3,812	2,391
Capital outlay				
Other capital outlay	-	36,547	36,547	-
Total capital outlay	-	36,547	36,547	-
Total expenditures	10,422,610	15,426,731	11,931,891	3,494,840
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the basic financial statements.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Pension Trust Fund	Private - Purpose Trust Funds	Agency Funds
Assets			
Cash and cash equivalents	\$ 79,996	\$ 260,987	\$ 2,434,815
Investments			
Mutual funds	8,179,098	-	-
Accounts receivable	271	-	12,940
Inventory	-	-	4,102
Prepaid items	-	-	36,816
Total assets	<u><u>\$ 8,259,365</u></u>	<u><u>\$ 260,987</u></u>	<u><u>\$ 2,488,673</u></u>
Liabilities			
Due to student organizations	\$ -	\$ -	\$ 2,189,233
Accounts payable	60,219	-	299,440
Total liabilities	<u>60,219</u>	<u>-</u>	<u><u>\$ 2,488,673</u></u>
Net position			
Restricted for pensions	8,199,146	-	
Held in trust for scholarships	-	260,987	
Net position	<u><u>\$ 8,199,146</u></u>	<u><u>\$ 260,987</u></u>	

The accompanying notes are an integral part of the basic financial statements.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

	Pension Trust Fund	Private - Purpose Trust Funds
ADDITIONS		
Investment Earnings and Losses:		
Interest and dividends	\$ 185,913	\$ 3,395
Gain on sale of investments	337,369	-
Net decrease in the fair value of investments	(21,640)	-
Total additions	<u>501,642</u>	<u>3,395</u>
DEDUCTIONS		
Benefit payments	673,883	-
Administrative expenses	28,623	-
Total deductions	<u>702,506</u>	<u>-</u>
Change in net position	(200,864)	3,395
Net Position - beginning	<u>8,400,010</u>	<u>257,592</u>
Net Position - ending	<u><u>\$ 8,199,146</u></u>	<u><u>\$ 260,987</u></u>

The accompanying notes are an integral part of the basic financial statements.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

I	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	40
A.	Reporting Entity	40
B.	Government-wide and Fund Financial Statements—Basis of Presentation.....	41
1.	Government-wide Financial Statements	41
2.	Fund Financial Statements	41
C.	Measurement Focus and Basis of Accounting	42
1.	Government-wide Financial Statements	42
2.	Governmental Fund Financial Statements	43
3.	Fiduciary Fund Financial Statements.....	44
4.	Component Units	44
D.	Assets, Liabilities, and Deferred Inflows/Outflows of Resources	44
1.	Deposits and Investments	44
2.	Inventories and Prepaid Items.....	45
3.	Capital Assets.....	45
4.	Deferred Outflows/Inflows of Resources	46
5.	Compensated Absences	46
6.	Other Long-Term Liabilities.....	47
7.	Pensions	47
E.	Revenue Sources	47
1.	State Revenue Sources	47
2.	District Property Taxes	47
3.	Federal Revenue Sources.....	48
4.	Educational Impact Fees	48
5.	Voted Additional Millage	48
6.	Capital Outlay Surtax.....	49
F.	Fund Balance Reporting.....	49
II	STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	50
III	PROPERTY TAXES	51
IV	INVESTMENTS.....	51
V	DUE FROM OTHER GOVERNMENTAL AGENCIES	55
VI	CAPITAL ASSETS.....	56
VII	LONG-TERM OBLIGATIONS.....	57
A.	Obligations under Capital Lease	57
B.	Certificates of Participation.....	58
C.	Bonds Payable	59
D.	Defeased Debt	59
E.	Changes in Long-Term Liabilities.....	60
VIII	INTERFUND TRANSFERS AND ACTIVITIES.....	60

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

IX	EMPLOYEE BENEFITS	61
	A. Florida Retirement System – Defined Benefit Pension Plan.....	61
	B. Florida Retirement System – Defined Contribution Pension Plan	69
	C. Early Retirement Plan.....	70
	D. Other Postemployment Benefits.....	74
X	OTHER INFORMATION.....	78
	A. Schedule of State Revenue Sources	78
	B. Risk Management Programs.....	78
	C. Significant Commitments	79

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Martin 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 Martin 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 (FDOE) and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Martin 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 School Board are such that the exclusion would cause the District's basic financial statements to be misleading. Based on these criteria, the following component units are included within the District's reporting entity:

Blended Component Unit

The Martin County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note VII B. Due to the substantive economic relationship between the Board 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 Hope Center for Autism, Inc. and Treasure Coast Classical Academy, Inc. (charter schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by its sponsor, the Martin County School Board, and are considered to be component units of the District. The District is financially accountable for the charter schools as the District established each charter school by approval of the charter, which is tantamount to the initial appointment of each charter school, and there is the potential for each charter school to provide specific financial burdens on the District. In addition, pursuant to the Florida Constitution, a charter school is a public school and the District is responsible for the operation, control, and supervision of public schools within the District. A copy of the separate financial statements for each charter school is available at the District's administrative office.

The District also considered the Clark Advanced Learning Center Charter School operated by Indian River State College for inclusion in its reporting entity; however, because the Clark Advanced Learning Center is an operating component unit of the College and is not a separate legal entity, it does not meet the criteria for inclusion as a District component unit. The charter school's financial statements were audited by an independent certified public accountant and are filed in the District's administrative office, 1939 SE Federal Highway, Stuart, FL 34994.

B. Government-wide and Fund Financial Statements – Basis of Presentation

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

1. Government-wide Financial Statements

Government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements include separate columns for the primary government and its component units. *Governmental activities* are supported by taxes and intergovernmental revenues. The primary government is reported separately from the 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, if not specifically associated with a particular function, is reported as unallocated. *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. 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-supporting or draws from the general revenues of the District.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are when eliminations would distort the direct costs and program revenues reported for the various functions concerned.

2. Fund Financial Statements

The financial records of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the District's governmental and fiduciary funds are presented after the government-wide financial statements. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. The fiduciary fund statements include financial information for the agency funds, the pension trust fund, and private purpose trust funds. The agency funds of the District primarily represent assets held by the District in a custodial capacity for other individuals.

Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Other Federal Programs Fund – to account for the financial resources generated for certain Federal grants.
- Capital Projects – Local Capital Improvement Tax Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, maintenance, repairs, and site improvement.
- Capital Projects – Other Capital Projects Fund - to account for the financial resources generated by the local sales surtax, impact fees, fuel tax rebates and other miscellaneous sources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, maintenance, repairs, and site improvement.

Additionally, the District reports the following fiduciary fund types:

- Pension Trust Fund – to account for resources used to finance the Early Retirement Plan (ERP).
- Private-Purpose Trust Funds – to account for resources of the following scholarship trust funds: M.H. Correll Research Trust Fund; T.L. Showalter Scholarship Trust Fund; J.M. Phillips, Jr., Memorial Trust Fund; Clara Neuman Scholarship Trust Fund; Dr. Tom Goodman Scholarship Trust Fund; Cecele S. Gryl Trust Fund; and Nonendowment Scholarship Trust Fund.
- Agency Funds – to account for resources of the school internal funds which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

Noncurrent Governmental Assets/Liabilities

Generally Accepted Accounting Principles (GAAP) require noncurrent governmental assets, such as land and buildings, noncurrent governmental liabilities such as bonds and capital leases, to be reported in the governmental activities column in the government-wide Statement of Net Position.

C. Measurement Focus and Basis of Accounting

1. Government-wide Financial Statements

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with

the requirements of GAAP. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an “other financing source”. Amounts paid to reduce the District’s long-term indebtedness are reported as a reduction of related liability, rather than as expenditures.

2. Governmental Fund Financial Statements

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 30 days of the end of the current fiscal year. Taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the District’s policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

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

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

3. Fiduciary Fund Financial Statements

Fiduciary fund statements include trust funds and agency funds. All trust funds use the economic resources measurement focus and accrual basis of accounting. Agency funds are unlike all other types of funds and report only assets and liabilities. So, agency funds do not have a measurement focus, but do use an accrual basis of accounting to recognize receivables and payables.

4. Component Units

The charter schools, shown as discretely presented component units, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

D. Assets, Liabilities, and Deferred Inflows/Outflows of Resources

1. Deposits and Investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The District considers cash as those accounts used as demand deposit accounts and considers cash equivalents as those amounts on deposit in money market funds. Investments classified as cash equivalents include amounts placed in the State Board of Administration's (SBA) Florida Local Government Surplus Funds Trust Fund (Florida PRIME) and the Florida Public Assets for Liquidity Management (FL PALM).

The Board has a formal investment policy. The purpose of this policy is to set forth the investment objectives and parameters for the management of the District's public funds. These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. The District's investment policy limits investments to a maximum of 5 years or less.

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the District and shall be identified as "Pooled Funds" of the District with the exception of pension funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Funds held by State agencies (e.g., FDOE) are not subject to the provisions of this policy.

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. The second highest priority is liquidity of funds, and the third highest priority is investment income.

Section 218.45, Florida Statutes, limits the types of investments that the District can invest in unless specifically authorized in the District's investment policy. The District has a formal investment policy that allows for the following investments: Florida PRIME, United States Government securities, United States Government agencies, Federal instrumentalities (United States Government sponsored agencies), interest bearing time deposit or money market accounts, repurchase agreements, commercial paper,

bankers' acceptances, municipal obligations, registered investment companies (money market mutual funds), and intergovernmental investment pools.

Investments consist of amounts placed in SBA Debt Service accounts for investment of debt service moneys, amounts placed in FL PALM and with SBA for participation in the Florida PRIME investment pool, and those made locally.

The Florida PRIME investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a-7 like external investment pool, as of June 30, 2020, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The District also invests in the FL PALM Portfolio, a SEC 2a-7 like external investment pool. This investment pool only invests in high quality money market instruments. The Florida PRIME and FL PALM investments are reported at fair value, which is amortized cost.

Investments made locally for the ERP and the Certificates of Participation, Series 2014A are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

2. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Warehouse inventories are stated at weighted average unit cost. Food service inventories are stated at the last invoice cost, which approximates the first-in, first-out basis, except that United States Department of Agriculture surplus donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when consumed on government-wide financial statements and as expenditures when purchased on fund financial statements. However, inventory and prepaid balances are offset on the balance sheet by nonspendable fund balance accounts to indicate that they do not constitute available expendable resources, even though they are components of current assets.

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 costs of prepaid items are recorded as expenditures when consumed.

3. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date of donation. Buildings and fixed equipment totaling \$21,138,038 acquired or constructed prior to the 1979-80 fiscal year are stated at estimated historical cost using FDOE average square foot construction costs for the year of acquisition or construction.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

Assets	Years
Improvements Other than Building	10 - 40
Buildings and Fixed Equipment	50
Furniture, Fixtures, and Equipment	3 - 15
Motor Vehicles	5 - 10
Property Under Capital Lease	6
Audio Visual Materials and Computer Software	3 - 5

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

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 first is the deferred charge on refunding reported in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third, deferred outflows of resources related to pensions and OPEB, are discussed in subsequent notes.

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

5. Compensated Absences

The District accrues accumulated unpaid vacation and sick leave when earned by the employee. The District's employee vacation and sick leave policies provide for the granting of a specific number of days of vacation based on years of service and governed by applicable labor contracts and sick leave with pay per each month of employment. Employees will be paid in one lump sum for accrued annual (vacation) leave as of last day of employment not to exceed the 60-day maximum allowable balance. A maximum of 500 hours of annual leave may be accrued by employees, except those with balances exceeding 500 as of June 30, 1988, which will be the balance accrued as of June 30, 1988. Compensated absences are reported in the governmental funds only if they have matured. The amount estimated to be paid in the following year is the current amount. The amount estimated to be paid in subsequent fiscal years is the noncurrent amount. The current and noncurrent amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

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

7. Pensions

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

E. Revenue Sources

1. State Revenue Sources

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

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

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. A schedule of revenues from State sources for the current year is presented in a subsequent note.

2. District Property Taxes

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

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

The Board adopted the 2019 tax levy on September 5, 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 Martin County Tax Collector at fiscal year-end but not yet remitted to the District.

Millage and taxes levied for the current year are presented in Note III.

3. Federal Revenue Sources

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

4. Educational Impact Fees

The District receives educational impact fees based on an ordinance adopted by the Martin County Commission on July 25, 1995, and amended on February 5, 2008. The educational impact fees are collected by the County for most new residential construction. The fees shall be used solely for the purpose of capital costs of educational facilities, including repayment of indebtedness for such facilities. The authorized uses include, but are not limited to, school planning and design, land acquisition, site improvements, buildings, and capital equipment with an expected useful life of 3 years or longer, but excludes maintenance and operations.

5. Voted Additional Millage

In August 2018, the voters of Martin County approved a one-half mill ad valorem tax increase in the County for 4 years, effective July 1, 2018, to pay for essential operating expenses in accordance with Section 1011.71(9), Florida Statutes. Revenues will be used to fund school safety and security for all schools, mental health programs, recruiting and retaining highly qualified teachers, professional development for teachers and staff, and academic initiatives.

6. Capital Outlay Surtax

In November 2018, the voters of Martin County approved a one-half cent school capital outlay surtax on sales in the County for 7 years, effective January 1, 2019, to pay for critical capital needs in accordance with Section 212.055(6), Florida Statutes. Revenues will be used to fund security upgrades and enhancements at all schools, replace Jensen Beach Elementary and Palm City Elementary, and repair or renovate district-owned school buildings.

F. FUND BALANCE REPORTING

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, establishes hierarchy for fund balance classifications and the constraints imposed on the uses of the resources. The District reports its governmental fund balances in the following categories, as applicable:

Nonspendable

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. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies its amounts reported as inventories and prepaid amounts as nonspendable.

Restricted

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. The District classifies most of its fund balances other than General Fund as restricted, as well as unspent State categorical and earmarked educational funding, and earmarked local voted millage levy funds reported in the General Fund, that are legally or otherwise restricted.

Committed

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e. the Board). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District did not have any committed fund balance as of June 30, 2020.

Assigned

The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The District does not have a policy regarding the assignment of fund balance. The Board authorizes the Superintendent and the Chief Financial Officer to assign fund balance by approval of the annual financial report.

Unassigned

The portion of fund balance that is 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. A negative unassigned fund balance may be reported in other

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The following is a schedule of fund balances by category at June 30, 2020:

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects - Local Capital Improvement Tax	Capital Projects - Other Capital Projects		
Fund Balances					
Nonspendable:					
Inventories	\$ 460,367	\$ -	\$ -	\$ 483,271	\$ 943,638
Prepaid Items	111,957	-	-	-	111,957
Spendable:					
Restricted:					
State Req. Carryover	3,528,674	-	-	-	3,528,674
Food Service	-	-	-	2,958,816	2,958,816
Debt Service	-	-	-	2,120,730	2,120,730
Capital Projects	-	55,917,818	31,860,947	2,998,800	90,777,565
Voted Millage Initiatives	11,969,921	-	-	-	11,969,921
Reserve for Self Insurance	2,354,326	-	-	-	2,354,326
Other Purposes	1,000,000	-	-	-	1,000,000
Assigned	8,409,731	-	-	-	8,409,731
Unassigned	10,239,951	-	-	-	10,239,951
Total Fund Balances	\$38,074,927	\$ 55,917,818	\$ 31,860,947	\$ 8,561,617	\$ 134,415,309

Minimum Fund Balance Policy

On March 24, 2015, the District revised School Board Policy 6210, which provides that the Board shall strive to maintain a fund balance in its operating funds equal to five (5) percent of the annual resources that are not classified as restricted, committed, or nonspendable.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Change in Reporting Entity

The component units' beginning net position at July 1, 2019, was decreased by \$639,148 to properly report the start-up costs for Treasure Coast Classical Academy, Inc., that began operations effective July 1, 2019.

B. Budgetary Basis of Accounting

The Board follows procedures established by State statutes and SBE rules in establishing budget balances for governmental funds as described below:

1. 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.
2. Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each function level (e.g., instruction, student support services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

3. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
4. Appropriations for the District lapse at the close of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.
5. Formal budgetary integration is used as a management control device for all funds of the District.

NOTE III - PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2019 tax roll for the 2019-20 fiscal year:

Tax Roll	Millages	Taxes Levied
General Fund		
Nonvoted School Tax:		
Required Local Effort	3.900	\$ 94,536,912
Basic Discretionary Local Effort	0.748	18,131,695
Voted Additional Millage Levy	0.500	12,120,117
Capital Projects Funds		
Nonvoted Tax:		
Local Capital Improvements	1.500	36,360,351
Total	6.648	\$ 161,149,075

NOTE IV – INVESTMENTS

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

Investments	Maturities	Fair Value
State Board of Administration:		
Florida PRIME ⁽¹⁾	53 Day Average	\$ 33,905,308
Debt Service Accounts ⁽²⁾	6 Months	86,301
PFM Funds Government Series Money Market Fund ⁽¹⁾	54 Day Average	23,429,874
Wells Fargo Government Money Market Fund ⁽¹⁾	40 Day Average	32,039,826
FL PALM ⁽¹⁾	53 Day Average	28,642,536
Wells Fargo Cash with Fiscal Agent ⁽³⁾	42 Day Average	2,043,266
US Bank Money Market Fund ⁽¹⁾	42 Day Average	79,996
Mutual Funds - Equity ⁽²⁾	N/A	5,127,299
Mutual Funds - Fixed Income ⁽²⁾	N/A	3,051,799
Total Investments, Primary Government		\$ 128,406,205

Notes:

(1) These investments are classified as cash and cash equivalents on the basic financial statements.

(2) The quoted prices for identical assets in the active market was used to determine the fair value (Level 1 inputs).

(3) These investments are being held by fiscal agent for debt payment due 7/1/2020.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

A reconciliation of cash and investments as shown on the Statement of Net Position and fiduciary funds follows:

		Statement of Net Position
Fair Value of Investments		\$ 128,406,205
Cash in Bank		15,316,826
Total		<u>\$ 143,723,031</u>
Cash and Cash Equivalents - Statement of Net Position	\$ 130,638,581	
Cash with Fiscal Agent - Statement of Net Position	2,043,253	
Cash and Cash Equivalents - Fiduciary Funds	<u>2,775,798</u>	
Total Cash and Cash Equivalents		135,457,632
Investments - Statement of Net Position	86,301	
Investments - Fiduciary Funds	<u>8,179,098</u>	
Total Investments		8,265,399
Total		<u>\$ 143,723,031</u>

Fair Value Measurement

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy provides that investments of current operating funds shall have maturities of no longer than twelve (12) months. Investments of reserves, project funds, debt proceeds and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes "weighted average maturity" as a measurement of interest rate risk and as of June 30, 2020, the investment portfolio had a weighted average maturity of 0.14 years.

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 the liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board 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% of their account value.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(16), Florida Statutes, provides the authority to invest in the SBA Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, and limits investments in money market funds to Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes, and direct obligations of the United States Treasury.

The District invested available certificate of participation funds in AAAM-rated money market funds.

The District’s investment policy permits for investments in the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

- The Florida PRIME shall be rated “AAAM” or “AAAM-G” or better by Standards & Poor’s or the equivalent by another Nationally Recognized Statistical Ratings Organization (NRSRO).
- Commercial paper of any United States company that is rated, at the time of purchase, Prime-1 by Moody’s Investors Service and “A-1” by Standard & Poor’s (prime commercial paper).
- Bankers’ acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, “P-1” by Moody’s and “A-1” Standard & Poor’s.
- Municipal obligations, rated at least “A” by Moody’s and “A” by Standard & Poor’s for long-term debt, or rated at least “MIG-1” by Moody’s and “SP-1” by Standard & Poor’s for short-term debt. Stripped municipal obligations are prohibited.
- Registered investment companies (money market mutual funds) shall be rated “AAAM” by Standard & Poor’s or the equivalent by another NRSRO.
- Intergovernmental investment pools shall be rated “AAAM” by Standard & Poor’s or the equivalent NRSRO.

The District’s Early Retirement Trust Fund investment policy authorizes the following investments: Domestic and international equities, investment grade fixed income securities, and other assets not to exceed 30 percent of the overall portfolio, such as hedge funds, private equity, real estate and

commodities, when deemed appropriate. Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

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 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.

As of June 30, 2020, the District's money market funds were individually rated AAAm by Standard & Poor's. The FL PALM was rated AAAm by Standard & Poor's and fixed income and equity mutual funds are not rated. Florida PRIME was rated AAAm by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investments in obligations of the United States Government agencies and instrumentalities and corporate debt securities are held by the safekeeping agent, in the name of the District. As of June 30, 2020, the District's investment portfolios were held with a third-party custodian as required by the District's investment policy.

The District's Early Retirement Trust Fund investment policy and Certificates of Participation, Series 2014A, trust agreement, require securities in those funds to be held by a safekeeping agent in the name of the District.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy has established asset allocation and issuer limits on the following investments which are designed to reduce concentration of credit risk of the District's investment portfolio. A maximum of 25 percent of available funds, may be invested in the Florida PRIME, 100 percent of available funds may be invested in United States Government Securities, 50 percent of available funds may be invested in United States Government agencies with a 25 percent limit on individual issuers, 75 percent of available funds may be invested in Federal instrumentalities with a 30 percent limit on individual issuers, 50 percent of available funds may be invested in interest bearing time deposit or money market accounts with a 25 percent limit on individual issuers, 50 percent of available funds may be invested in repurchase agreements with a 25 percent limit on individual issuers, 35 percent

of available funds may be invested in commercial paper with a 10 percent limit on individual issuers, 25 percent of available funds may be invested in bankers' acceptances with a 5 percent limit on individual issuers, 25 percent of available funds may be invested in municipal obligations, 75 percent of available funds may be invested in registered investment companies (money market mutual funds) with a 50 percent limit on individual issuers, 75 percent of available funds may be invested in intergovernmental investment pools, with a 50 percent limit on individual issuers.

The District's Early Retirement Plan is governed by a separate investment policy that limits investment in equities to 85 percent of the total portfolio and limits the investment in any single issuer to 5 percent of the total portfolio. No investment by any one issuer represents 5 percent or more of the Early Retirement Plan's assets.

NOTE V – DUE FROM OTHER GOVERNMENTAL AGENCIES

At June 30, 2020, the District has a total of \$5,352,632 due from other agencies as follows:

- General Fund - \$147,566
\$147,566 is due from the Department of Children and Families for Medicaid reimbursement.
- Special Revenue – Other Federal Programs Fund - \$2,684,059
\$2,684,059 is due from the Federal government for various grants and programs.
- Capital Project – Capital Outlay and Debt Service Fund - \$3,138
\$3,138 is due from the State of Florida for undistributed CO&DS.
- Capital Project – Local Capital Improvement Tax Fund - \$418,107
\$417,978 is due from the Federal Emergency Management Agency.
\$ 129 is due from the Martin County Tax Collector for bank interest.
- Capital Project – Other Capital Projects Fund - \$2,099,762
\$1,323,360 is due from the State of Florida for local sales tax collections.
\$ 639,245 is due from the State of Florida for the 2018-19 Educational Facility Security Grant.
\$ 10,008 is due from the State of Florida for the 2019-20 Educational Facility Security Grant.
\$ 125,936 is due from the Martin County Tax Collector for impact fee collections.
\$ 1,213 is due from Florida Department of Revenue for the Fuel Tax Refund.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

NOTE VI - CAPITAL ASSETS

Changes in capital assets are presented in the table below:

Governmental Activities	Balance 7/1/2019	Additions	Deletions	Transfers (1)	Balance 6/30/2020
<u>Capital Assets Not being Depreciated:</u>					
Land	\$ 10,354,648	\$ 2,047,084	\$ -	\$ -	\$ 12,401,732
Construction in Progress	2,207,174	3,686,131	-	(433,955)	5,459,350
Subtotal	12,561,822	5,733,215	-	(433,955)	17,861,082
<u>Capital Assets being Depreciated:</u>					
Improvements Other than Buildings	24,585,994	128,005	-	-	24,713,999
Buildings and Fixed Equipment	482,401,535	7,778,396	-	433,955	490,613,886
Furniture, Fixtures, and Equipment	30,476,096	1,584,599	635,145	-	31,425,550
Motor Vehicles	13,068,182	1,617,027	1,004,773	-	13,680,436
Property Under Capital Lease	824,320	472,279	319,695	-	976,904
Audio Visual Materials and Software	4,441,040	-	-	-	4,441,040
Subtotal	555,797,167	11,580,306	1,959,613	433,955	565,851,815
<u>Less Accumulated Depreciation for:</u>					
Improvements Other than Buildings	14,971,552	721,975	-	-	15,693,527
Buildings and Fixed Equipment	151,953,095	9,626,986	-	-	161,580,081
Furniture, Fixtures, and Equipment	26,927,085	2,010,546	586,838	-	28,350,793
Motor Vehicles	8,897,671	1,588,719	1,003,623	-	9,482,767
Property Under Capital Lease	505,419	102,753	298,979	-	309,193
Audio Visual Materials and Software	4,427,350	13,690	-	-	4,441,040
Total Accumulated Depreciation	207,682,172	14,064,669	1,889,440	-	219,857,401
Depreciable Capital Assets - Net	348,114,995	(2,484,363)	70,173	433,955	345,994,414
Total Capital Assets, Net	\$ 360,676,817	\$ 3,248,852	\$ 70,173	\$ -	\$ 363,855,496

Note: (1) Transfers are a result of Construction in Progress being allocated to related assets.

The class and amount of property under capital lease is presented on Note VIIA.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

Depreciation expense was charged to functions/programs of the District as follows:

Instruction	\$ 3,747,968
Student Support Services	26,283
Instructional Media Services	188,188
Instruction Related Technology	536,959
General Administration	3,409
School Administration	435,325
Facilities Acquisition and Construction	2,085,321
Fiscal Services	873
Food Services	922,621
Central Services	241,035
Student Transportation Services	1,463,786
Operation of Plant	3,159,254
Maintenance of Plant	476,516
Administrative Technology Services	773,252
Community Services	3,879
Total Depreciation Expense	<u>\$ 14,064,669</u>

NOTE VII – LONG-TERM OBLIGATIONS

A. OBLIGATIONS UNDER CAPITAL LEASE

The class and amount of property being acquired under capital lease are as follows:

	Asset Balance
Copy Machines	<u>\$976,904</u>

Future minimum capital lease payments and the present value of the minimum lease payment as of June 30 are as follows:

Capital Lease			
Fiscal Year	Total	Principal	Interest
2021	\$ 202,881	\$ 186,467	\$ 16,414
2022	145,190	134,473	10,717
2023	141,450	135,456	5,994
2024	99,360	97,502	1,858
Total	<u>\$ 588,881</u>	<u>\$ 553,898</u>	<u>\$ 34,983</u>

The stated interest rates are 3.5 percent.

B. CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement, which was characterized as a lease-purchase agreement, with the Leasing Corporation whereby the District secured financing. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$1 per year. The property covered by the ground lease is, 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 site included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to 30 years from the date of inception of the arrangement. The initial terms of the lease agreement for the Series 2005A is 20 years commencing on December 2005. The initial term of the Series 2014A, Refunding is 18 years.

The District property included in the ground lease under this arrangement is the Dr. David L. Anderson Middle School.

The lease payments are payable by the District, semiannually, on July 1 and January 1 at interest rates ranging from 3.0 to 5.0 percent.

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:

Certificates of Participation

Fiscal Year	Principal	Interest	Total
2021	\$ 1,510,000	\$ 1,028,781	\$ 2,538,781
2022	1,590,000	951,281	2,541,281
2023	1,670,000	869,781	2,539,781
2024	1,750,000	784,281	2,534,281
2025	1,835,000	694,656	2,529,656
2026-2030	10,495,000	2,192,304	12,687,304
2031-2032	4,795,000	242,626	5,037,626
Total minimum lease payments	23,645,000	6,763,710	30,408,710
Plus: unamortized premium	2,282,414	-	2,282,414
Total Certificates of participation	<u>\$ 25,927,414</u>	<u>\$ 6,763,710</u>	<u>\$ 32,691,124</u>

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

C. BONDS PAYABLE

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

Bond Type	Interest Rate	Annual Maturity to	Amount Outstanding
State School Bonds:			
Series 2011A	3% - 5%	2023	\$ 600,000
Series 2014A	5%	2024	873,000
Series 2017A	3% - 5%	2028	1,798,000
Series 2020A	5%	2022	305,000
Total Bonds Payable			\$ 3,576,000

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.

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

Bonds Payable			
Fiscal Year	Principal	Interest	Total
2021	\$ 769,000	\$ 168,268	\$ 937,268
2022	776,000	130,370	906,370
2023	701,000	95,570	796,570
2024	530,000	64,820	594,820
2025	306,000	38,320	344,320
2026-2028	494,000	31,960	525,960
Total	\$ 3,576,000	\$ 529,308	\$ 4,105,308

D. DEFEASED DEBT

On January 14, 2020, the State Board of Education used proceeds derived from the sale of the SBE Capital Outlay Bonds, Series 2020A, to refund the SBE Capital Outlay Bonds, Series 2010A, by placing the proceeds of the new SBE Capital Outlay Bonds, Series 2020A, in an irrevocable trust and calling the refunded bonds for redemption on January 15, 2020. As a result of the refunding, the District had a debt savings of \$18,102 and an economic gain of \$16,855.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

E. CHANGES IN LONG-TERM LIABILITIES

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

GOVERNMENTAL ACTIVITIES	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020	Due In One Year
Certificates of Participation	\$ 25,085,000	\$ -	\$ 1,440,000	\$ 23,645,000	\$ 1,510,000
Unamortized Premiums	2,472,615	-	190,201	2,282,414	190,201
Total Certificates of Participation Payable	27,557,615	-	1,630,201	25,927,414	1,700,201
Obligations Under Capital Lease	348,454	465,785	260,341	553,898	186,467
Bonds Payable	4,326,000	305,000	1,055,000	3,576,000	769,000
Compensated Absences Payable	12,675,016	1,405,732	785,136	13,295,612	785,136
Other Postemployment Benefits Obligation	47,968,438	2,948,009	9,036,510	41,879,937	1,890,873
Net Pension Liability	102,075,368	58,845,349	51,911,490	109,009,227	592,008
Total Governmental Activities	\$ 194,950,891	\$ 63,969,875	\$ 64,678,678	\$ 194,242,088	\$ 5,923,685

For the governmental activities, compensated absences and pensions are liquidated with resources of the General Fund and other postemployment benefits are generally liquidated with resources of the General Fund and special revenue funds.

NOTE VIII - INTERFUND TRANSFERS AND ACTIVITIES

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

	Transfers In	Transfers Out
Major Funds:		
General	\$ 16,448,584	\$ 149,120
Capital Projects:		
Local Capital Improvement Tax	-	19,368,533
Other Capital Projects	-	1,445,468
Nonmajor Governmental Funds	4,730,755	216,218
Total	\$ 21,179,339	\$ 21,179,339

The purpose of the transfer out from the General Fund to the Food Service Fund was to provide School Recognition bonuses and operating millage initiatives to food service workers. The purpose of the transfer out from Capital Projects – Public Education Capital Outlay Fund to the General Fund was for charter school PECO required disbursements. The purpose of the transfer out from Local Capital Improvement Tax Fund to the General Fund was for vehicle and equipment acquisitions, maintenance, and property and casualty insurance. Transfers out from the Local Capital Improvement Tax Fund and the Capital Projects – Other Capital Projects Fund to the Debt Service – Other Fund were made in order to make the required interest and principal payments for the Certificates of Participation, 2014A.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

Due to/from other funds consisted of the following balances at June 30, 2020:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 2,465,644	\$ -
Special Revenue: Other Federal Programs	-	2,457,948
Nonmajor Governmental Funds	-	7,696
Total Interfund	<u>\$ 2,465,644</u>	<u>\$ 2,465,644</u>

The amounts payable to the General Fund are to cover temporary cash shortages, related to timing of receipts.

NOTE IX – EMPLOYEE BENEFITS

The following is a summary of the balances reported in the government-wide statements for the District's pension plans:

<u>Defined Benefit Pension Plans</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Florida Retirement System	\$ 74,117,775	\$ -	\$ 31,051,697	\$ 7,069,611	\$ 17,332,579
HIS Pension Plan	34,891,452	-	6,692,519	4,031,076	2,397,435
Early Retirement Plan	-	540,213	-	276,298	39,242
Total	<u>\$ 109,009,227</u>	<u>\$ 540,213</u>	<u>\$ 37,744,216</u>	<u>\$ 11,376,985</u>	<u>\$ 19,769,256</u>

A. FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLAN

General Information about the FRS. The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan.

Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of

Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$19.7 million for the fiscal year ended June 30, 2020.

FRS Pension Plan

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

- Regular – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers – Members who hold specified elective offices in local government.
- Senior Management Service – Members in senior management level positions.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 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 Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member 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. 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 ⁽¹⁾</u>
FRS, Regular	3.00	8.47
FRS, Elected County Officers	3.00	48.82
FRS, Senior Management Service	3.00	25.41
DROP – Applicable to Members from all of the Above Classes	-	14.60
FRS, Reemployed Retiree	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District's contributions to the Plan totaled \$7,616,503 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 \$74,117,775 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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

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 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was 0.215217107 percent, which was a decrease of 0.011644307 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$17,332,579 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,396,137	\$ 45,997
Change of assumptions	19,036,634	-
Net difference between projected and actual earnings on FRS pension plan investments	-	4,100,582
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	2,423	2,923,032
District FRS contributions subsequent to the measurement date	7,616,503	-
Total	\$ 31,051,697	\$ 7,069,611

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$7,616,503, will be recognized as a reduction of the net pension liability in the fiscal 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:

Fiscal Year Ending June 30	Amount
2021	\$ 6,175,583
2022	1,423,319
2023	4,593,573
2024	3,451,661
2025	621,498
Thereafter	99,949
Total	\$ 16,365,583

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

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 PUB-2010 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 and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate (Property)	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Total	100%			
Assumed inflation - Mean			2.6%	1.7%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.9 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 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	\$ 128,124,952	\$ 74,117,775	\$ 29,012,647

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

HIS Pension Plan

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

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

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the 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 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$1,926,282 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 \$34,891,452 for its proportionate share of the HIS Plan's net pension liability. The current portion of the

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension 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 0.311837114 percent, which was an decrease of 0.006975959 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized the HIS Plan pension expense of \$2,397,435. 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	\$ 423,796	\$ 42,723
Change of assumptions	4,040,100	2,851,743
Net difference between projected and actual earnings on HIS pension plan investments	22,515	-
Changes in proportion and differences between District HIS contributions and proportionate share of contributions	279,826	1,136,610
District HIS contributions subsequent to the measurement date	1,926,282	-
Total	<u>\$ 6,692,519</u>	<u>\$ 4,031,076</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$1,926,282, will be recognized as a reduction of the net pension liability in the fiscal 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:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 399,801
2022	353,301
2023	234,141
2024	(319,075)
2025	(62,904)
Thereafter	129,897
Total	<u>\$ 735,161</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 had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.5 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.87 percent to 3.5 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 3.5 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 (2.5 percent) or 1 percentage point higher (4.5 percent) than the current rate:

	1% Decrease 2.5%	Current Discount Rate 3.5%	1% Increase 4.5%
District's proportionate share of the net pension liability	\$ 39,830,382	\$ 34,891,452	\$ 30,777,884

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

B. FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's 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. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and forfeited benefits of plan members.

Allocations to the Investment Plan member 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
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 in which the member may either transfer the account balance to the FRS Pension Plan when

approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$2.4 million for the fiscal year ended June 30, 2020.

C. EARLY RETIREMENT PLAN

Plan Description. As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (ERP) effective July 1, 1986. The ERP is a single-employer defined benefit pension plan. The Board administers ERP assets in a Pension Trust Fund and is responsible for their investment. The Board acts as the administrative agent for the ERP. The ERP does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or another entity.

Benefits Provided.

The ERP provides District employees, who elected to retire under the early retirement provisions of the FRS, described in Note IX A, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement proceeds the normal retirement. The amount of the monthly benefits will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement and will increase annually at the rate of 3 percent.

Employees Covered by Benefit Terms.

As of June 30, 2019, employee membership data related to the Plan were as follows:

<u>Summary of Population Statistics</u>	
Inactive ERP Members or Beneficiaries Currently Receiving Benefits	70
Inactive ERP Members Entitled to But Not Yet Received Benefits	-
Active ERP Members	-
Total ERP Members	<u>70</u>

The ERP is closed to new entrants.

Contributions.

The ERP was established by the Board on July 1, 1986, and may be amended by Board action. Pursuant to the ERP agreement, no contributions shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the ERP and to amortize the unfunded actuarial accrued liability within 20 years based on an actuarial study. Subsequent changes in the level of the liability due to plan amendments or changes in actuarial assumptions are to be amortized on a straight-line basis over a period of 20 years.

All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose. No contributions were made in the current year.

Costs of administering the ERP are financed through the ERP's resources (employer contributions and investment earnings).

Investments.

Investment Policy

The ERP's investment policy is established and may be amended by the Board. The policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from drastically shifting asset class allocations over short time spans. The ERP's investment policy was amended on July 14, 2015, and is discussed in Note IV.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.84 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset).

The District's net pension liability (asset) was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018. Update procedures were used to determine the net pension liability (asset) as of June 30, 2019.

The components of the net pension liability (asset) of the ERP at June 30, 2020, were as follows:

Total Pension Liability	\$	7,859,797
Plan Fiduciary Net Position		8,400,010
Net Pension Liability (Asset)	\$	<u>(540,213)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		106.87%

Actuarial Assumptions.

The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurements:

Investment Rate of Return	5.5 percent
Projected Salary Increases	Not Applicable
Inflation	2.5 percent

Mortality rates were based on RP-2000 Healthy Annuitant Mortality Tables with generational mortality projections from year 2000 using SOA projection scale BB. 100 percent White Collar Annuitant rates are used for female members, a blend of 50 percent White Collar rates with 50 percent Blue Collar rates are used for male participants.

The long-term expected rate of return on the ERP investments was determined using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, our expectation for inflation, productivity and labor force growth.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

The long-term real expected rate of return of the ERP is 5.5 percent. The geometric real rates of return for each major asset class included in the ERP target allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation
Equity Investments	65%
Fixed Income Securities	35%
Total	100%

Asset Class	Long-Term Expected Rate of Return
Domestic Equity	7.40%
International Equity	7.30%
Emerging Markets Equity	7.40%
Core Fixed Income	4.90%
Investment Grade Corporate	5.80%
High Yield	6.40%
Emerging Markets Debt	6.50%

Discount Rate.

The single discount rate of 5.5 percent was used to measure the total pension liability. This single discount rate was based solely on the long-term expected rate of return on pension plan investments of 5.5 percent, without any requirement to incorporate municipal bond yields. The District complies with the State Statutes by making contributions to the trust in the amounts at least equal to the Actuarially Determined Contribution. Based on the current funded status and contribution policy, the ERP is expected to remain fully funded until all benefits are paid and, consequently, the pension plan's fiduciary net position together with the future contributions are expected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

Changes in the Net Pension Liability (Asset).

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2019	\$ 8,049,678	\$ 8,585,496	\$ (535,818)
Changes for the year:			
Interest	423,734	-	423,734
Differences between expected and actual experience	77,234	-	77,234
Assumption changes	-	-	-
Contributions - employer	-	-	-
Net investment income	-	521,580	(521,580)
Benefit payments, including refunds of employee contributions	(690,849)	(690,849)	-
Administrative expense	-	(16,217)	16,217
Net changes	(189,881)	(185,486)	(4,395)
Balances at June 30, 2020	\$ 7,859,797	\$ 8,400,010	\$ (540,213)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the net pension liability (asset) of the Plan calculated using the discount rate of 5.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.5 percent) or 1 percentage point higher (6.5 percent) than the current rate:

	1% Decrease 4.5%	Current Single Discount Rate Assumption 5.5%	1% Increase 6.5%
Net Pension Liability (Asset)	\$ 152,764	\$ (540,213)	\$ (1,142,196)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the year ended June 30, 2020, the District recognized pension expense of \$39,242.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the ERP from the following sources:

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 276,298
Total	<u><u>\$ -</u></u>	<u><u>\$ 276,298</u></u>

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ (64,351)
2022	(132,749)
2023	(65,432)
2024	(13,766)
Total	<u><u>\$ (276,298)</u></u>

D. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, the District must offer similar health care benefits for retired employees as it does 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 for health, dental, vision, and life insurance benefits. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. All of the District's employees may become eligible for those benefits if they reach normal retirement age (as defined by the pension or investment option) and have at least 6 years of service with the District and are activating their pension upon separation from service. Also, in accordance with union contracts and District policy, the District pays 25 percent of this benefit for employees with 15 years of service, 50 percent for employees with 20 years of service, 75 percent for employees with 25 years of service, and 100 percent for employees with 30 years of service for those employees that retire and are under the age of 65 and not eligible for Medicare. For retirees over the age 65 or Medicare eligible, with 15 or more years of service with the District that were hired on or before June 30, 2011, and either 1. Receive medical insurance benefit through the District as of December 31, 2015, or 2. The employee retires on or after December 31, 2015, will receive a District Health Insurance Subsidy in the amount of \$5 per month for each year of service for a maximum of 30 years. All service must be within the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

are established and may be amended through action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides self-insured health and hospitalization plan for medical and prescription drug benefits and fully-insured life insurance coverage benefits for retirees and their dependents. The OPEB Plan provides an explicit 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	926
Active Employees	<u>2,348</u>
Total	<u>3,274</u>

Total OPEB Liability. The District's total OPEB liability of \$41,879,937 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs:

Valuation Date: June 30, 2019

Measurement Date: June 30, 2019

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	3.13%
Salary Increases	Salary increase rates used in the July 1, 2019 actuarial valuation of the FRS; 3.6 percent – 8.0 percent, including inflation.
Retirement Age	Retirement rates used in the July 1, 2019 actuarial valuation of the FRS. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Mortality	Mortality tables used in the July 1, 2019 actuarial valuation of the FRS. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at negative (-) 8.9 percent, followed by 6.25 percent and gradually decreasing to an ultimate trend rate of 3.99 percent plus 0.29 percent to account 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.

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

Changes to the Total OPEB Liability. Below are the details regarding the total OPEB liability for the period from June 30, 2019, to June 30, 2020:

Total OPEB Liability – at 6/30/2019	\$ 47,968,438
Service cost	1,202,488
Interest on the Total OPEB Liability	1,745,521
Difference between expected and actual experience of Total OPEB Liability	(1,212,201)
Changes in assumptions and other inputs	(5,920,096)
Benefit payments	(1,904,213)
Net change in Total OPEB Liability	(6,088,501)
Total OPEB Liability – at 6/30/2020	\$ 41,879,937

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

- The discount rate changed 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 claims experience and premium information provided for the valuation.
- The healthcare cost trend assumption was revised to reflect a lower long-term inflation assumption changed from 2.5 percent to 2.25 percent.
- The assumed load to model the expected cost of the excise tax was decreased from 0.42 percent beginning in 2026 to 0.29 percent beginning in 2028.
- The health coverage lapsing assumption at age 65 was increased from 50 percent to 90 percent.
- An anti-selection load of 25 percent was added to the post 65 Per Capita Claims cost.
- Changes in demographic assumptions developed in a statewide experience study conducted by the FRS covering the period 2013 through 2018 and adopted for its July 1, 2019 valuation.

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

1% Decrease	Current Discount Rate Assumption	1% Increase
2.13%	3.13%	4.13%
\$ 47,656,198	\$ 41,879,937	\$ 37,065,774

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

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

Current Healthcare Cost Trend Rate Assumption		
1% Decrease		1% Increase
\$ 40,731,124	\$ 41,879,937	\$ 43,204,227

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2020, the District recognized OPEB expense of \$1,488,177. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,066,153
Changes in assumptions and other inputs	-	8,198,394
Benefits Paid after the Measurement Date	1,890,873	-
Total	<u>\$ 1,890,873</u>	<u>\$ 9,264,547</u>

The total amount reported as deferred outflows of resources related to OPEB, totaling \$1,890,873 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 1,459,832
2022	1,459,832
2023	1,459,832
2024	1,459,832
2025	1,404,685
Thereafter	2,020,534
Total	<u>\$ 9,264,547</u>

NOTE X – OTHER INFORMATION

A. SCHEDULE OF STATE REVENUE SOURCES

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

Source	Amount
Categorical Educational Program - Class Size Reduction	\$ 21,324,819
Florida Education Finance Program	17,712,511
Florida Best & Brightest Scholarship Program	1,950,332
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,677,699
Workforce Development Program	1,120,506
School Recognition	1,010,920
Voluntary Prekindergarten Program	886,633
Charter School Capital Outlay	153,921
Discretionary Lottery Funds	19,886
Miscellaneous	1,466,586
Total	\$ 47,323,813

Accounting policies relating to certain State revenue sources are described in Note I E.1.

B. 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; third party injuries and/or property damage and natural disasters. The District is a member of the South Central Educational Risk Management Program (SCERMP), a consortium under which seven district school boards have established a public entity risk sharing-pool for Property, General Liability, Automobile Liability, Workers' Compensation, Government Crime and other coverage deemed necessary by the members of the SCERMP. Section 1001.42(12) (k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The interlocal agreement and bylaws of SCERMP provide that risk of loss is transferred to the consortium. SCERMP is self-sustaining through member contributions (premiums), and purchased insurance coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency except to the extent that the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board.

The Board of Directors for SCERMP is composed of superintendents/finance directors or an authorized representative of all participating districts. Relation Insurance Services serves as the third-party administrator, insurance broker, and fiscal agent for SCERMP.

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except named wind and flood), respectively. The named wind/hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence and a maximum of \$25,000,000 per occurrence. The deductible for all other wind events is \$100,000. Special hazard flood area deductibles are \$500,000 per building and \$500,000 contents plus \$100,000-time element per occurrence. The flood deductible outside a special

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

flood hazard area is \$100,000. SCERMP's purchased excess property loss limit during the 2019-20 fiscal year was \$100 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insured retention for the 2019-20 fiscal year was \$1 million. SCERMP purchases excess liability coverage through a commercial insurance carrier, which covers workers' compensation losses in excess of the self-insured retention. Employers' liability is included subject to a maximum of \$2,000,000 per occurrence.

The District is protected by Section 768.28, Florida Statutes, under the Doctrine of Sovereign Immunity, as it is now written, as it may be amended by the Legislature at future dates, which effectively limits the amount of liability of governmental entities for tort claims to \$200,000 per claim and \$300,000 per occurrence.

As a result of recording a liability for specific reserves for claims incurred, but not reported, the property and casualty group has ending net position of \$3,093,130. The District's portion of the net position is calculated at 18.68 percent of the total or \$577,797.

During the 2019-20 fiscal year, the Board provided health and prescription insurance through purchased commercial insurance. Dental and vision coverage were also provided through purchased commercial insurance under a separate agreement.

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

C. SIGNIFICANT COMMITMENTS

Encumbrances

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

The following is a schedule of encumbrances at June 30, 2020:

Major Funds				
General	Capital Projects - Local Capital Improvement Tax	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<u>\$ 2,991,197</u>	<u>\$ 7,517,508</u>	<u>\$ 991,823</u>	<u>\$ 191,034</u>	<u>\$ 11,691,562</u>

District School Board of Martin County, Florida
Notes to the Basic Financial Statements
June 30, 2020

Construction Contracts

Encumbrances include the following construction contract commitments remaining at June 30, 2020:

Project		Contract Amount	Completed to Date	Balance Committed
Districtwide Roof Gutter Replacement	Contractor	\$ 882,679	\$ 796,146	\$ 86,533
Instructional Center Administrative Office Renovations	Architect	578,211	192,095	386,116
Instructional Center Administrative Office Renovations	Contractor	1,698,138	1,575,966	122,172
Jensen Beach Elementary School Replacement	Architect	1,349,411	101,206	1,248,205
Jensen Beach High School Partial Roof Replacement	Architect	58,915	54,039	4,876
Jensen Beach High School Partial Roof Replacement	Contractor	753,503	583,377	170,126
Palm City Elementary School Replacement	Architect	1,262,624	94,697	1,167,927
Stuart Middle School	Architect	883,160	-	883,160
Administration/Media/Food Svc Buildings	Contractor	1,005,682	898,483	107,199
Willoughby Learning Center HVAC Replacement	Contractor	1,121,209	961,442	159,767
Total		\$9,593,532	\$5,257,451	\$4,336,081

OTHER REQUIRED SUPPLEMENTARY INFORMATION

- ♦ **Schedule of Changes in the District's Total Liability and Related Ratios - Other Postemployment Benefits Plan**
- ♦ **Schedule of Changes in Net Pension and Related Ratios - Early Retirement Plan**
- ♦ **Schedule of Employer Contributions - Early Retirement Plan**
- ♦ **Schedule of Investment Returns - Early Retirement Plan**
- ♦ **Schedule of the District's Proportionate Share of Net Pension Liability - Florida Retirement System Pension Plan**
- ♦ **Schedule of District Contributions - Florida Retirement System Pension Plan**
- ♦ **Schedule of the District's Proportionate Share of Net Pension Liability - Health Insurance Subsidy Pension Plan**
- ♦ **Schedule of District Contributions - Health Insurance Subsidy Pension Plan**

Note: The pension schedules in the required supplementary information are intended to show information for ten years, and the additional years' information will be displayed as it becomes available.



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District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Changes in the District’s Total
Other Postemployment Benefits Liability and Related Ratios

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 1,202,488	\$ 1,167,839	\$ 1,331,272
Interest	1,745,521	1,695,732	1,501,975
Difference between expected and actual experience of the Total OPEB Liability	(1,212,201)	-	-
Changes in assumptions and other inputs	(5,920,096)	(387,213)	(4,356,893)
Benefit Payments	<u>(1,904,213)</u>	<u>(1,946,032)</u>	<u>(2,288,964)</u>
Net change in total OPEB liability	<u>(6,088,501)</u>	<u>530,326</u>	<u>(3,812,610)</u>
Total OPEB liability - beginning	<u>47,968,438</u>	<u>47,438,112</u>	<u>51,250,722</u>
Total OPEB liability - ending	<u><u>\$ 41,879,937</u></u>	<u><u>\$ 47,968,438</u></u>	<u><u>\$ 47,438,112</u></u>
Covered-employee payroll	\$ 99,240,446	\$ 93,440,036	\$ 90,498,824
Net OPEB liability as a percentage of covered-employee payroll	42.20%	51.34%	52.42%

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

Changes of Assumptions:

The discount rate was changed 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 claims experience and premium information provided for the valuation.

The healthcare cost trend assumption was revised to reflect a lower long-term inflation assumption changed from 2.5 percent to 2.25 percent.

The assumed load to model the expected cost of the excise tax was decreased from 0.42 percent beginning in 2026 to 0.29 percent beginning in 2028.

The health coverage lapsing assumption at age 65 was increased from 50 percent to 90 percent.

An anti-selection load of 25 percent was added to the post 65 Per Capita Claims Cost.

Changes in the demographic assumptions developed in a statewide experience study conducted by the Florida Retirement System covering the period 2013 through 2018 and adopted for its July 1, 2019 valuation.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Changes in Net Pension and Related Ratios
Early Retirement Plan
Last 7 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability				
Interest	\$ 423,734	\$ 450,442	\$ 452,951	\$ 465,541
Differences between expected and actual experience	77,234	(267,516)	148,344	(50,552)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of member contributions	(690,849)	(646,195)	(647,633)	(640,176)
Net change in total pension liability	<u>(189,881)</u>	<u>(463,269)</u>	<u>(46,338)</u>	<u>(225,187)</u>
Total pension liability - beginning	8,049,678	8,512,947	8,559,285	8,784,472
Total pension liability - ending (a)	<u>\$ 7,859,797</u>	<u>\$ 8,049,678</u>	<u>\$ 8,512,947</u>	<u>\$ 8,559,285</u>
Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ 700,000	\$ 1,200,000
Net investment income	521,580	709,653	762,784	64,392
Benefit payments, including refunds of member contributions	(690,849)	(646,195)	(647,633)	(640,176)
Administrative expense	(16,217)	(13,500)	(5,000)	(15,500)
Net change in plan fiduciary net position	<u>(185,486)</u>	<u>49,958</u>	<u>810,151</u>	<u>608,716</u>
Plan fiduciary net position - beginning	<u>8,585,496</u>	<u>8,535,538</u>	<u>7,725,387</u>	<u>7,116,671</u>
Plan fiduciary net position - ending (b)	<u>\$ 8,400,010</u>	<u>\$ 8,585,496</u>	<u>\$ 8,535,538</u>	<u>\$ 7,725,387</u>
Net pension liability (asset) - ending (a)-(b)	<u>\$ (540,213)</u>	<u>\$ (535,818)</u>	<u>\$ (22,591)</u>	<u>\$ 833,898</u>
Plan fiduciary net position as a percentage of the total pension liability	106.87%	106.66%	100.27%	90.26%
Covered payroll*	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

*There are no active participants in the Plan

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 351,561	\$ 519,582	\$ 469,842
27,805	-	-
2,327,539	-	-
<u>(628,886)</u>	<u>(615,802)</u>	<u>(605,842)</u>
2,078,019	(96,220)	(136,000)
<u>6,706,453</u>	<u>6,802,673</u>	<u>6,938,673</u>
<u>\$ 8,784,472</u>	<u>\$ 6,706,453</u>	<u>\$ 6,802,673</u>
\$ 1,200,000	\$ 400,000	\$ -
170,867	776,328	947,273
(628,886)	(615,802)	(605,842)
<u>(13,750)</u>	<u>(6,750)</u>	<u>(72,104)</u>
728,231	553,776	269,327
<u>6,388,440</u>	<u>5,834,664</u>	<u>5,565,337</u>
<u>\$ 7,116,671</u>	<u>\$ 6,388,440</u>	<u>\$ 5,834,664</u>
<u>\$ 1,667,801</u>	<u>\$ 318,013</u>	<u>\$ 968,009</u>
81.01%	95.26%	85.77%
\$ -	\$ -	\$ -
N/A	N/A	N/A

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Employer Contributions
Early Retirement Plan
Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ -	\$ 9,537	\$ 10,597	\$ 207,988	\$ 252,718
Contributions in relation to the actuarially determined contribution ⁽¹⁾	-	-	-	700,000	1,200,000
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 9,537</u>	<u>\$ 10,597</u>	<u>\$ (492,012)</u>	<u>\$ (947,282)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule of Contributions:

Valuation Date: July 1, 2019

Note: Actuarially determined contribution rates are calculated as of July 1, which is one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Dollar
Remaining Amortization Period	Amortized over an open 5-year period
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	Not applicable; there are no active participants
Investment Rate of Return	5.5% per year compounded annually, net investment expenses
Retirement Age	Not applicable; there are no active participants
Mortality	Mortality rates are the same as those used by the Florida Retirement System for the July 1, 2016 valuation and are taken from the RP-2000 Mortality Tables with generational improvement projections from year 2000 using Scale BB. Female participants: RP-2000 Healthy Female Annuitant rates with 100% White Collar adjustment; Male participants: RP-2000 Healthy Female Annuitant rates with 50% Annuitant White Collar and 50% Blue Collar adjustment.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 637,322	\$ 393,798	\$ 169,813	\$ 157,234	\$ 35,505
<u>1,200,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (562,678)</u>	<u>\$ (6,202)</u>	<u>\$ 169,813</u>	<u>\$ 157,234</u>	<u>\$ 35,505</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

Other Information:

- (1) For years ended 6/30/2013, 6/30/2012, and 6/30/2011, contribution requirements have been met by application of the credit balance. Contribution requirements decreased in the early 2000's. Following that decline, the District contributed more than was required, which resulted in establishing a credit balance. The District started applying the credit balance to satisfy the funding contributions beginning with the fiscal year ending June 30, 2010. The credit balance was fully exhausted during the year ending June 30, 2013.
- (2) For the years ended 6/30/2018 and 6/30/2019, the contribution deficiency reflected expected administrative expenses paid directly by the General Fund (outside of the trust).

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of Investment Returns
Early Retirement Plan

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	5.84%	5.95%	7.9%	10.3%	1.0%	3.0%	14.6%

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of the District’s Proportionate Share of
Net Pension Liability
Florida Retirement System Pension Plan⁽¹⁾

	2019	2018	2017	2016	2015	2014	2013
District’s proportion of the FRS net pension liability	0.215217107%	0.226861414%	0.227195853%	0.229067379%	0.238509596%	0.246269244%	0.245973665%
District’s proportionate share of the FRS net pension liability	\$ 74,117,775	\$ 68,331,834	\$ 67,203,009	\$ 57,839,693	\$ 30,806,713	\$ 15,026,044	\$ 42,343,015
District’s covered payroll ⁽²⁾	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
District’s proportionate share of the FRS net pension liability as a percentage of its covered payroll	70.71%	65.61%	66.15%	58.51%	32.35%	15.59%	43.70%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.
- (3) Changes of Assumptions. The long-term expected rate of return used to determine total pension liability decreased from 7.0 percent to 6.9 percent from the June 30, 2018 measurement date to the June 30, 2019 measurement date causing an increase in the liability. In addition, the mortality assumption was changed from Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of District Contributions
Florida Retirement System Pension Plan⁽¹⁾

	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 7,616,503	\$ 6,673,283	\$ 6,465,368	\$ 5,914,467	\$ 5,586,173	\$ 5,815,067	\$ 5,394,342
FRS contributions in relation to the contractually required contribution	(7,616,503)	(6,673,283)	(6,465,368)	(5,914,467)	(5,586,173)	(5,815,067)	(5,394,342)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll ⁽²⁾	\$ 115,736,635	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
FRS contributions as a percentage of covered payroll	6.58%	6.37%	6.21%	5.82%	5.65%	6.11%	5.60%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of the District’s Proportionate Share of
Net Pension Liability
Health Insurance Subsidy Pension Plan⁽¹⁾

	2019	2018	2017	2016	2015	2014	2013
District’s proportion of the HIS net pension liability	0.311837114%	0.318813073%	0.318610851%	0.320228973%	0.313878780%	0.324298459%	0.333494683%
District’s proportionate share of the HIS net pension liability	\$ 34,891,452	\$ 33,743,534	\$ 34,067,342	\$ 37,321,360	\$ 32,010,698	\$ 30,322,698	\$ 29,035,097
District’s covered payroll ⁽²⁾	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260	\$ 96,886,990
District’s proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.29%	32.40%	33.53%	37.75%	33.61%	31.47%	29.97%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in the FRS Defined Benefit Plan and Defined Contribution Plan.
- (3) Change of Assumptions. The municipal bond rate used to determine total pension liability was decreased from 3.87 percent to 3.50 percent.

District School Board of Martin County, Florida
Required Supplementary Information – Schedule of District Contributions
Health Insurance Subsidy Pension Plan⁽¹⁾

	2020	2019	2018	2017	2016	2015	2014
Contractually required HIS contribution	\$ 1,926,282	\$ 1,731,601	\$ 1,728,931	\$ 1,686,181	\$ 1,641,378	\$ 1,199,840	\$ 1,110,937
HIS contributions in relation to the contractually required contribution	(1,926,282)	(1,731,601)	(1,728,931)	(1,686,181)	(1,641,378)	(1,199,840)	(1,110,937)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll ⁽²⁾	\$ 115,736,635	\$ 104,820,835	\$ 104,152,309	\$ 101,594,431	\$ 98,856,889	\$ 95,231,581	\$ 96,352,260
HIS contributions as a percentage of covered payroll	1.66%	1.65%	1.66%	1.66%	1.66%	1.26%	1.15%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes all salaries and wages paid to employees enrolled in FRS Defined Benefit Plan and Defined Contribution Plan.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for certain revenues received from the State of Florida, the Federal Government and other local and private sources that are intended to finance designated activities. Activities included within the funds are as follows:

Food Service Special Revenue Fund - To account for and report on activities of the food service program when serving breakfast and lunch at the schools.

Miscellaneous Special Revenue Fund - To account for and report on activities of the Travel and Tourism Funds.

Debt Service Funds

The Debt Service Funds are used to account for payment of interest and principal of the current portion of long-term debt.

Debt Service State Board of Education Bonds Fund - To account for and report on payment of principal, interest, and related costs on the State school bonds issued by the State Board of Education on behalf of the District.

Debt Service Other Fund - To account for and report on payment of principal, interest, and related costs on the Certificate of Participation bonds issued by the School Board.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

Nonmajor Governmental Funds (continued)

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included are:

Public Education Capital Outlay - To account for capital project activity funded by the District's portion of the State Public Education Capital Outlay Program.

Capital Outlay and Debt Service Fund - To account for capital project activity funded by the District's portion of the State Capital Outlay and Debt Service Program.

Fiduciary Funds

Fiduciary Funds are used to report resources held by the school district in a purely custodial capacity. Fiduciary funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Private-Purpose Trust Funds - To account for scholarships and other purposes.

Agency Fund - To account for the financial transactions of school organizations.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue			Debt Service		
	Food Service Fund	Miscellaneous Special Revenue Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	Debt Service - Other Fund	Total Nonmajor Debt Service Funds
Assets						
Cash and cash equivalents	\$ 3,071,582	\$ -	\$ 3,071,582	\$ -	\$ -	\$ -
Investments	-	-	-	86,301	-	86,301
Accounts receivable	15,969	-	15,969	-	-	-
Cash with fiscal agent	-	-	-	-	2,043,253	2,043,253
Due from other governmental agencies	-	-	-	-	-	-
Inventories	483,271	-	483,271	-	-	-
Total assets	\$ 3,570,822	\$ -	\$ 3,570,822	\$ 86,301	\$ 2,043,253	\$ 2,129,554
Liabilities and fund balances						
Liabilities:						
Salaries and benefits payable	\$ 55,521	\$ -	\$ 55,521	\$ -	\$ -	\$ -
Accounts payable	73,214	-	73,214	-	-	-
Accrued interest payable	-	-	-	1,128	-	1,128
Due to other funds	-	-	-	-	7,696	7,696
Total liabilities	128,735	-	128,735	1,128	7,696	8,824
Fund balances:						
Nonspendable	483,271	-	483,271	-	-	-
Restricted	2,958,816	-	2,958,816	85,173	2,035,557	2,120,730
Total fund balances	3,442,087	-	3,442,087	85,173	2,035,557	2,120,730
Total liabilities and fund balances	\$ 3,570,822	\$ -	\$ 3,570,822	\$ 86,301	\$ 2,043,253	\$ 2,129,554

Capital Projects			
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 2,995,662	\$ 2,995,662	\$ 6,067,244
-	-	-	86,301
-	-	-	15,969
-	-	-	2,043,253
-	3,138	3,138	3,138
-	-	-	483,271
<u>\$ -</u>	<u>\$ 2,998,800</u>	<u>\$ 2,998,800</u>	<u>\$ 8,699,176</u>
\$ -	\$ -	\$ -	\$ 55,521
-	-	-	73,214
-	-	-	1,128
-	-	-	7,696
<u>-</u>	<u>-</u>	<u>-</u>	<u>137,559</u>
-	-	-	483,271
-	2,998,800	2,998,800	8,078,346
<u>-</u>	<u>2,998,800</u>	<u>2,998,800</u>	<u>8,561,617</u>
<u>\$ -</u>	<u>\$ 2,998,800</u>	<u>\$ 2,998,800</u>	<u>\$ 8,699,176</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue			Debt Service		
	Food Service Fund	Miscellaneous Special Revenue Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	Debt Service - Other Fund	Total Nonmajor Debt Service Funds
Revenues						
Federal through state and local	\$ 6,645,333	\$ -	\$ 6,645,333	\$ -	\$ -	\$ -
State	94,259	-	94,259	921,890	-	921,890
Local:						
Charges for services - food services	1,974,756	-	1,974,756	-	-	-
Miscellaneous	18,021	-	18,021	-	354	354
Total revenues	8,732,369	-	8,732,369	921,890	354	922,244
Expenditures						
Current:						
Food services	8,614,459	-	8,614,459	-	-	-
Capital outlay:						
Other capital outlay	253,374	-	253,374	-	-	-
Debt Service:						
Principal	-	-	-	735,000	1,440,000	2,175,000
Interest and fees	-	-	-	204,670	1,102,531	1,307,201
Paying agent fees	-	-	-	2,141	6,000	8,141
Other debt service	-	-	-	320,849	-	320,849
Total expenditures	8,867,833	-	8,867,833	1,262,660	2,548,531	3,811,191
Excess (deficiency) of revenues over (under) expenditures	(135,464)	-	(135,464)	(340,770)	(2,548,177)	(2,888,947)
Other financing sources (uses)						
Refunding bonds issued	-	-	-	305,000	-	305,000
Premium on refunding bonds	-	-	-	16,500	-	16,500
Transfers in	149,120	-	149,120	-	4,581,635	4,581,635
Transfers out	-	(62,297)	(62,297)	-	-	-
Total other financing sources (uses)	149,120	(62,297)	86,823	321,500	4,581,635	4,903,135
Net change in fund balances	13,656	(62,297)	(48,641)	(19,270)	2,033,458	2,014,188
Fund balances - beginning	3,428,431	62,297	3,490,728	104,443	2,099	106,542
Fund balances - ending	\$ 3,442,087	\$ -	\$ 3,442,087	\$ 85,173	\$ 2,035,557	\$ 2,120,730

Capital Projects			
Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 6,645,333
153,921	731,379	885,300	1,901,449
-	-	-	1,974,756
-	29,896	29,896	48,271
153,921	761,275	915,196	10,569,809
-	-	-	8,614,459
-	-	-	253,374
-	-	-	2,175,000
-	-	-	1,307,201
-	1,684	1,684	9,825
-	-	-	320,849
-	1,684	1,684	12,680,708
153,921	759,591	913,512	(2,110,899)
-	-	-	305,000
-	-	-	16,500
-	-	-	4,730,755
(153,921)	-	(153,921)	(216,218)
(153,921)	-	(153,921)	4,836,037
-	759,591	759,591	2,725,138
-	2,239,209	2,239,209	5,836,479
\$ -	\$ 2,998,800	\$ 2,998,800	\$ 8,561,617



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BUDGET AND ACTUAL
OTHER MAJOR AND NONMAJOR FUNDS

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

Special Revenue - Food Service Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal through state and local	\$ 7,387,548	\$ 7,387,548	\$ 6,645,333	\$ (742,215)
State	93,720	93,720	94,259	539
Local				
Charges for services - food services	2,488,716	2,488,716	1,974,756	(513,960)
Miscellaneous	38,817	38,817	18,021	(20,796)
Total revenues	10,008,801	10,008,801	8,732,369	(1,276,432)
Expenditures				
Current:				
Food services				
Salaries	3,166,267	3,262,205	3,131,892	130,313
Employee benefits	1,150,005	1,167,430	1,091,483	75,947
Purchased services	225,542	224,769	116,902	107,867
Energy services	44,253	44,253	23,897	20,356
Materials and supplies	6,046,813	6,343,027	3,695,294	2,647,733
Capital outlay	778,856	529,152	50,090	479,062
Other	692,196	679,754	504,901	174,853
Total food services	12,103,932	12,250,590	8,614,459	3,636,131
Capital outlay				
Other capital outlay	-	253,374	253,374	-
Total capital outlay	-	253,374	253,374	-
Total expenditures	12,103,932	12,503,964	8,867,833	-
Excess (deficiency) of revenues over (under) expenditures	(2,095,131)	(2,495,163)	(135,464)	2,359,699
Other financing sources				
Transfers in	34,816	149,354	149,120	(234)
Total other financing sources	34,816	149,354	149,120	(234)
Net change in fund balance	(2,060,315)	(2,345,809)	13,656	2,359,465
Fund balance - beginning	3,109,607	3,428,431	3,428,431	-
Fund balance - ending	\$ 1,049,292	\$ 1,082,622	\$ 3,442,087	\$ 2,359,465

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue - Miscellaneous Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Local	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current:				
Instruction				
Materials and supplies	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing uses				
Transfers out	-	-	(62,297)	(62,297)
Total other financing uses	-	-	(62,297)	(62,297)
Net change in fund balances	-	-	(62,297)	(62,297)
Fund balance - beginning	62,297	62,297	62,297	-
Fund balance - ending	\$ 62,297	\$ 62,297	\$ -	\$ (62,297)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

Debt Service - State Board of Education Bonds Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 939,670	\$ 939,670	\$ 921,890	\$ (17,780)
Total revenues	939,670	939,670	921,890	(17,780)
Expenditures				
Debt service:				
Principal	735,000	735,000	735,000	-
Interest and fees	204,670	204,670	204,670	-
Paying agent fees	-	-	2,141	(2,141)
Other debt service	-	-	320,849	(320,849)
Total expenditures	939,670	939,670	1,262,660	(322,990)
Excess (deficiency) of revenues over (under) expenditures	-	-	(340,770)	340,770
Other financing sources				
Refunding bonds issued	-	-	305,000	(305,000)
Premium on refunding bonds	-	-	16,500	(16,500)
Total other financing sources	-	-	321,500	(321,500)
Net change in fund balance	-	-	(19,270)	19,270
Fund balance - beginning	126,646	104,443	104,443	-
Fund balance - ending	\$ 126,646	\$ 104,443	\$ 85,173	\$ 19,270

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Debt Service - Other Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Local	\$ -	\$ 354	\$ 354	\$ -
Total revenues	-	354	354	-
Expenditures				
Debt service:				
Principal	6,626,875	6,626,875	1,440,000	5,186,875
Interest and fees	3,233,922	3,233,922	1,102,531	2,131,391
Paying agent fees	5,000	6,000	6,000	-
Total expenditures	9,865,797	9,866,797	2,548,531	7,318,266
Excess (deficiency) of revenues over (under) expenditures	(9,865,797)	(9,866,443)	(2,548,177)	(7,318,266)
Other financing sources				
Transfers in	9,865,797	9,865,797	4,581,635	5,284,162
Total other financing sources	9,865,797	9,865,797	4,581,635	5,284,162
Net change in fund balance	-	(646)	2,033,458	(2,034,104)
Fund balance - beginning	-	2,099	2,099	-
Fund balance - ending	\$ -	\$ 1,453	\$ 2,035,557	\$ (2,034,104)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Capital Projects - Public Education Capital Outlay Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 238,170	\$ 153,921	\$ 153,921	\$ -
Total revenues	238,170	153,921	153,921	-
Expenditures				
Current:				
Facilities acquisition and construction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	238,170	153,921	153,921	-
Net change in fund balance	238,170	153,921	153,921	-
Other financing uses				
Transfers out	(238,170)	(153,921)	(153,921)	-
Total other financing uses	(238,170)	(153,921)	(153,921)	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

Capital Projects - Capital Outlay and Debt Service Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	\$ 18,558	\$ 730,449	\$ 731,379	\$ 930
Local	-	29,896	29,896	-
Total revenues	18,558	760,345	761,275	930
Expenditures				
Debt service:				
Paying agent fees	18,558	18,558	1,684	16,874
Total expenditures	18,558	18,558	1,684	16,874
Excess (deficiency) of revenues over (under) expenditures	-	741,787	759,591	17,804
Net change in fund balance	-	741,787	759,591	17,804
Fund balance - beginning	1,500,360	2,239,209	2,239,209	-
Fund balance - ending	<u>\$ 1,500,360</u>	<u>\$ 2,980,996</u>	<u>\$ 2,998,800</u>	<u>\$ 17,804</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

Capital Projects - Local Capital Improvement Tax Fund (Major Fund)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local				
Taxes	\$ 34,905,936	\$ 34,905,936	\$ 34,880,430	(25,506)
Interest	350,000	716,428	716,427	(1)
Total revenues	<u>35,255,936</u>	<u>35,622,364</u>	<u>35,596,857</u>	<u>(25,507)</u>
Expenditures				
Current:				
Facilities acquisition and construction	-	6,134,760	6,134,760	-
Capital outlay:				
Facilities acquisition and construction	16,949,407	51,601,198	11,450,692	40,150,506
Total expenditures	<u>16,949,407</u>	<u>57,735,958</u>	<u>17,585,452</u>	<u>40,150,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,306,529</u>	<u>(22,113,594)</u>	<u>18,011,405</u>	<u>40,124,999</u>
Other financing sources (uses)				
Insurance loss recoveries	-	86,434	86,077	(357)
Transfers out	(18,778,795)	(29,672,836)	(19,368,533)	10,304,303
Total other financing sources (uses)	<u>(18,778,795)</u>	<u>(29,586,402)</u>	<u>(19,282,456)</u>	<u>10,303,946</u>
Net change in fund balance	<u>(472,266)</u>	<u>(51,699,996)</u>	<u>(1,271,051)</u>	<u>50,428,945</u>
Fund balance - beginning	<u>7,883,795</u>	<u>57,188,869</u>	<u>57,188,869</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 7,411,529</u></u>	<u><u>\$ 5,488,873</u></u>	<u><u>\$ 55,917,818</u></u>	<u><u>\$ 50,428,945</u></u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Major and Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Capital Projects - Other Capital Projects Fund (Major Fund)			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Federal through state and local	\$ -	\$ -	\$ -	\$ -
State	40,000	1,027,005	1,026,130	(875)
Local				
Local sales taxes	16,000,000	16,338,989	17,397,137	1,058,148
Impact fees	1,600,000	3,274,317	3,176,421	(97,896)
Interest	230,000	269,042	269,126	84
Total revenues	17,870,000	20,909,353	21,868,814	959,461
Expenditures				
Current:				
Facilities acquisition and construction	-	1,187,258	1,187,258	-
Capital outlay:				
Facilities acquisition and construction	72,046,394	69,608,929	2,162,409	67,446,520
Debt service:				
Paying agent fees	1,997,064	2,094,959	-	2,094,959
Total expenditures	74,043,458	72,891,146	3,349,667	69,541,479
Excess (deficiency) of revenues over (under) expenditures	(56,173,458)	(51,981,793)	18,519,147	70,500,940
Other financing sources (uses)				
Proceeds of certificates of participation issued	56,850,000	56,850,000	-	(56,850,000)
Transfers out	(6,706,274)	(6,731,351)	(1,445,468)	5,285,883
Total other financing sources (uses)	50,143,726	50,118,649	(1,445,468)	(51,564,117)
Net change in fund balance	(6,029,732)	(1,863,144)	17,073,679	18,936,823
Fund balance - beginning	10,572,066	14,787,268	14,787,268	-
Fund balance - ending	\$ 4,542,334	\$ 12,924,124	\$ 31,860,947	\$ 18,936,823



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FIDUCIARY FUNDS

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020

	M.H. Correll Research Trust Fund	T.L. Showalter Scholarship Trust Fund	Nonendowment Scholarship Trust Fund	Dr. Tom Goodman Scholarship Trust Fund	Clara Neuman Scholarship Trust Fund	Cecele S. Gryl Scholarship Trust Fund	J.M. Phillips, Jr. Memorial Trust Fund	Total Private-Purpose Trust Funds
ASSETS								
Cash and cash equivalents	\$ 2,317	\$ 1,963	\$ 438	\$ 2,896	\$ 68,632	\$ 174,998	\$ 9,743	\$ 260,987
NET POSITION								
Held in trust for scholarships	\$ 2,317	\$ 1,963	\$ 438	\$ 2,896	\$ 68,632	\$ 174,998	\$ 9,743	\$ 260,987

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020

	M.H. Correll Research Trust Fund	T.L. Showalter Scholarship Trust Fund	Nonendowment Scholarship Trust Fund	Dr. Tom Goodman Scholarship Trust Fund	Clara Neuman Scholarship Trust Fund	Cecele S. Gryl Scholarship Trust Fund	J.M. Phillips, Jr. Memorial Trust Fund	Total Private-Purpose Trust Funds
ADDITIONS								
Investment earnings and losses								
Interest and dividends	\$ 30	\$ 25	\$ 6	\$ 37	\$ 893	\$ 2,277	\$ 127	\$ 3,395
Total additions	<u>30</u>	<u>25</u>	<u>6</u>	<u>37</u>	<u>893</u>	<u>2,277</u>	<u>127</u>	<u>3,395</u>
DEDUCTIONS								
Scholarships	-	-	-	-	-	-	-	-
Change in net position	30	25	6	37	893	2,277	127	3,395
Net position - beginning	2,287	1,938	432	2,859	67,739	172,721	9,616	257,592
Net position - ending	<u>\$ 2,317</u>	<u>\$ 1,963</u>	<u>\$ 438</u>	<u>\$ 2,896</u>	<u>\$ 68,632</u>	<u>\$ 174,998</u>	<u>\$ 9,743</u>	<u>\$ 260,987</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

	Balance at July 1, 2019	Additions	Deductions	Balance at June 30, 2020
<u>Internal School Funds</u>				
Assets				
Cash and cash equivalents	\$ 2,157,384	\$ 3,674,977	\$ 3,397,546	\$ 2,434,815
Accounts receivable	975	12,940	975	12,940
Inventory	9,737	4,102	9,737	4,102
Prepaid items	-	36,816	-	36,816
Total assets	<u>\$ 2,168,096</u>	<u>\$ 3,728,835</u>	<u>\$ 3,408,258</u>	<u>\$ 2,488,673</u>
Liabilities				
Due to student organizations	\$ 2,093,715	\$ 3,429,395	\$ 3,333,877	\$ 2,189,233
Accounts payable	74,381	299,440	74,381	299,440
Total liabilities	<u>\$ 2,168,096</u>	<u>\$ 3,728,835</u>	<u>\$ 3,408,258</u>	<u>\$ 2,488,673</u>

COMPONENT UNITS

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Net Position
Component Units
For the Fiscal Year Ended June 30, 2020

	The Hope Center for Autism	Treasure Coast Classical Academy	Total Component Units
ASSETS			
Unrestricted:			
Cash and cash equivalents	\$ 529,193	\$ 844,814	\$ 1,374,007
Accounts receivable	775	64,484	65,259
Deposits	3,567	-	3,567
Due from other governmental agencies	2,703	711	3,414
Prepaid items	5,451	-	5,451
Restricted:			
Cash	-	763,872	763,872
Capital assets not being depreciated:			
Land	1,391,561	2,099,084	3,490,645
Construction in progress	620,952	-	620,952
Capital assets net of accumulated depreciation:			
Improvements other than buildings	1,216	-	1,216
Buildings and fixed equipment	1,024,917	14,542,089	15,567,006
Leasehold improvements	21,564	-	21,564
Furniture, fixtures, and equipment	31,867	410,127	441,994
Audio visual materials and software	26,249	-	26,249
Total assets	3,660,015	18,725,181	22,385,196
LIABILITIES			
Accounts payable	248,929	220,602	469,531
Long-term liabilities:			
Portion due in one year:			
Notes payable	128,076	258,697	386,773
Portion due in more than one year:			
Notes payable	2,223,367	20,025,803	22,249,170
Total liabilities	2,600,372	20,505,102	23,105,474
NET POSITION			
Net investment in capital assets	1,183,990	(2,648,700)	(1,464,710)
Restricted for:			
Capital projects	-	572,349	572,349
Debt service	-	191,523	191,523
Unrestricted net position (deficit)	(124,347)	104,907	(19,440)
Total net position (deficit)	\$ 1,059,643	\$ (1,779,921)	\$ (720,278)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Combining Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2020

	The Hope Center for Autism	Treasure Coast Classical Academy	Total Component Units
EXPENSES			
Instruction	\$ 1,347,729	\$ 3,183,830	\$ 4,531,559
Student support services	-	26,406	26,406
Instructional staff training services	13,405	-	13,405
Instructional related technology	18,036	1,454	19,490
School board	9,825	1,073	10,898
General administration	-	671,334	671,334
School administration	281,391	654,488	935,879
Fiscal services	35,962	38,352	74,314
Food services	-	130,952	130,952
Student transportation services	3,258	-	3,258
Central services	10,331	-	10,331
Operation of plant	101,958	749,880	851,838
Maintenance of plant	23,928	-	23,928
Community services	42,851	96,488	139,339
Interest on long-term debt	61,147	316,876	378,023
Depreciation - unallocated	4,622	-	4,622
Debt issuance cost	-	781,433	781,433
Total expenses	<u>1,954,443</u>	<u>6,652,566</u>	<u>8,607,009</u>
PROGRAM REVENUES			
Charges for services	8,131	83,688	91,819
Operating grants and contributions	229,064	591,365	820,429
Capital grants and contributions	25,050	-	25,050
Total program revenues	<u>262,245</u>	<u>675,053</u>	<u>937,298</u>
Net program expense	<u>(1,692,198)</u>	<u>(5,977,513)</u>	<u>(7,669,711)</u>
GENERAL REVENUES			
Grants and contributions not restricted to specific programs	1,762,684	4,836,740	6,599,424
Unrestricted investment earnings	9	-	9
Loss on disposal of assets	(31,353)	-	(31,353)
Total general revenues	<u>1,731,340</u>	<u>4,836,740</u>	<u>6,568,080</u>
Change in net position	39,142	(1,140,773)	(1,101,631)
Total net position - beginning	1,020,501	-	1,020,501
Adjustments to beginning net position	-	(639,148)	(639,148)
Total net position (deficit) - ending	<u>\$ 1,059,643</u>	<u>\$ (1,779,921)</u>	<u>\$ (720,278)</u>



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STATISTICAL SECTION



The information contained in this statistical section has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, management believes it to be correct.



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STATISTICAL SECTION

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

Contents

Financial Trends	122-131
------------------------	---------

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity	132-134
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These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity	135-137
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information	138-139
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information	140-155
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and activities it performs.

Table 1

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Net Position by Component
Last 10 Fiscal Years
(Unaudited)

Fiscal Year Ending	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Primary Government:					
Net investment in capital assets	\$ 319,932,319	\$ 328,366,440	\$ 327,870,571	\$ 326,249,703	\$ 322,910,925
Restricted	42,529,840	30,311,138	25,931,065	29,868,235	37,837,728
Unrestricted	<u>(40,388,280)</u>	<u>(57,672,174)</u>	<u>(68,567,035)</u>	<u>(76,418,952)</u>	<u>(148,470,981)</u>
Total primary government net position	<u>\$ 322,073,879</u>	<u>\$ 301,005,404</u>	<u>\$ 285,234,601</u>	<u>\$ 279,698,986</u>	<u>\$ 212,277,672</u>

Note: Net position decreased from 2014 to 2015 due to the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Net position increased significantly from 2017 to 2018 primarily due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which required a restatement and corresponding decrease of OPEB liability for the 2017 year of \$32.8 million. The increase from 2018 to 2019 and 2019 to 2020 was due primarily to the additional restricted funds held for the new voted additional millage and new half cent sales surtax (approximately \$12.0 million).

Source: District records

Table 1

<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
\$ 325,311,543	\$ 340,881,686	\$ 337,942,651	\$ 328,447,748	\$ 334,763,659
43,862,351	40,754,281	51,606,645	93,411,168	115,193,303
<u>(141,220,840)</u>	<u>(144,327,737)</u>	<u>(108,557,428)</u>	<u>(113,357,740)</u>	<u>(124,851,203)</u>
<u>\$ 227,953,054</u>	<u>\$ 237,308,230</u>	<u>\$ 280,991,868</u>	<u>\$ 308,501,176</u>	<u>\$ 325,105,759</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA**Changes in Net Position - Government-wide (1)****Last 10 Fiscal Years****(Unaudited)**

Primary Government	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Expenses				
Governmental activities:				
Instruction	\$ 101,154,165	\$ 96,030,312	\$ 94,230,526	\$ 96,807,293
Student support services	9,928,751	9,903,132	9,835,181	10,244,916
Instructional media services	2,263,085	2,213,015	2,209,088	2,172,342
Instruction and curriculum development services	3,418,956	3,711,583	3,615,999	3,601,545
Instructional staff training services	3,155,887	2,895,164	2,365,365	2,785,963
Instruction related technology	1,699,938	1,741,333	1,655,201	1,720,419
School board	731,165	729,644	902,968	566,506
General administration	750,550	729,721	659,120	503,988
School administration	9,925,657	10,316,230	9,598,008	10,222,149
Facilities acquisition and construction	26,211,680	26,041,389	29,581,334	22,916,304
Fiscal services	1,159,594	1,066,902	908,486	859,453
Food services	6,591,543	7,170,203	7,678,953	8,011,020
Central services	4,216,113	4,822,277	5,086,568	5,293,707
Student transportation services	6,143,955	6,468,443	6,593,395	6,370,280
Operation of plant	15,184,217	13,838,429	14,098,913	13,942,964
Maintenance of plant	4,595,135	4,373,070	4,438,963	4,596,677
Administrative technology services	563,005	563,865	614,590	639,763
Community services	2,729,930	2,740,540	2,931,948	2,840,225
Unallocated interest on long-term debt	2,239,480	2,203,833	2,095,227	1,854,429
Total expenses	<u>202,662,806</u>	<u>197,559,085</u>	<u>199,099,833</u>	<u>195,949,943</u>
Governmental activities:				
Charges for services				
Instruction	371,096	429,597	434,820	330,051
Food services	2,954,156	2,808,455	2,573,283	2,542,053
Student transportation	-	-	-	-
Community services	2,559,255	2,765,234	2,847,631	3,088,660
Operating grants and contributions	4,520,960	4,830,648	5,385,431	5,693,100
Capital grants and contributions	3,075,398	1,994,232	1,650,204	1,795,600
Total program revenues	<u>13,480,865</u>	<u>12,828,166</u>	<u>12,891,369</u>	<u>13,449,464</u>
Primary government net expense	\$ (189,181,941)	\$ (184,730,919)	\$ (186,208,464)	\$ (182,500,479)
Governmental activities:				
Property taxes:				
Levied for operational purposes	\$ 97,202,185	\$ 89,175,396	\$ 93,749,587	\$ 101,934,042
Levied for capital projects	26,738,877	26,224,667	26,034,115	26,489,776
Local Sales Taxes	-	-	-	-
Grants and contributions not restricted to specific programs	52,672,114	45,362,980	45,816,980	44,246,019
Insurance loss recoveries	-	-	1,234,903	122,775
Miscellaneous	2,701,383	2,719,167	3,214,781	4,090,952
Unrestricted investment earnings	467,746	180,234	387,295	81,300
Total primary government	<u>\$ 179,782,305</u>	<u>\$ 163,662,444</u>	<u>\$ 170,437,661</u>	<u>\$ 176,964,864</u>
Change in Net Position				
Total primary government (2)(3)	<u>\$ (9,399,636)</u>	<u>\$ (21,068,475)</u>	<u>\$ (15,770,803)</u>	<u>\$ (5,535,615)</u>

Notes: (1) Includes all governmental fund types

(2) The District has no business type activities.

(3) 2018 Change to Net Position excludes restatement of net position (increase of \$32.8 million) due to implementation of GASB Statement No. 75.

Source: District records

Table 2

June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
\$ 97,511,574	\$ 91,064,227	\$ 98,232,929	\$ 103,965,867	\$ 107,083,824	\$ 125,975,065
9,560,480	9,645,370	9,913,317	9,919,459	12,863,313	11,201,303
2,082,654	1,986,100	2,111,932	2,035,807	2,241,574	2,590,118
3,778,735	3,420,636	3,546,755	3,755,736	4,069,759	4,173,462
2,962,444	3,191,486	4,139,857	3,739,423	3,762,359	3,651,351
1,874,605	2,072,750	2,291,725	2,044,763	3,945,897	4,539,097
597,054	533,539	586,216	655,107	737,044	494,932
496,860	813,862	957,873	1,032,663	1,083,747	1,028,170
10,164,576	9,395,507	10,097,942	10,115,289	11,325,346	10,930,260
21,355,569	22,250,987	23,601,930	20,657,069	7,410,384	10,026,634
862,146	810,950	916,254	969,310	1,027,109	1,231,564
9,251,136	9,426,056	8,749,431	9,574,971	9,863,728	9,186,052
7,162,409	5,393,295	3,263,117	3,270,461	4,580,116	5,177,426
6,144,052	6,254,283	6,895,393	7,863,478	8,270,131	7,969,970
14,125,494	13,951,820	13,971,480	14,659,051	19,706,497	23,325,249
4,031,091	3,981,788	4,102,677	4,427,980	5,320,678	5,108,318
636,857	649,437	640,906	714,295	4,656,516	5,282,908
2,901,806	3,008,816	3,104,925	3,296,315	3,519,625	3,301,462
1,748,295	1,767,031	685,518	2,206,284	1,426,659	1,301,376
<u>197,247,837</u>	<u>189,617,940</u>	<u>197,810,177</u>	<u>204,903,328</u>	<u>212,894,306</u>	<u>236,494,717</u>
348,719	346,838	338,620	323,184	376,268	242,802
2,125,725	2,113,026	2,188,619	1,958,193	2,550,733	1,974,756
18,407	506,806	486,790	464,648	439,918	519,629
3,188,209	3,330,594	3,418,558	3,591,924	3,474,241	2,500,819
6,152,078	6,823,025	7,254,275	7,593,471	7,619,678	6,739,592
2,114,250	2,104,279	2,351,112	2,112,878	2,174,065	1,831,620
<u>13,947,388</u>	<u>15,224,568</u>	<u>16,037,974</u>	<u>16,044,298</u>	<u>16,634,903</u>	<u>13,809,218</u>
<u>\$ (183,300,449)</u>	<u>\$ (174,393,372)</u>	<u>\$ (181,772,203)</u>	<u>\$ (188,859,030)</u>	<u>\$ (196,259,403)</u>	<u>\$ (222,685,499)</u>
\$ 103,006,102	\$ 108,645,648	\$ 109,593,774	\$ 108,967,735	\$ 121,719,875	\$ 120,182,574
27,406,923	29,116,037	30,549,792	32,352,956	34,060,575	34,880,430
-	-	-	-	7,707,297	17,397,137
46,504,240	45,755,151	47,640,526	52,784,580	51,588,381	58,456,112
-	93,223	46,752	9,091	-	-
4,377,436	6,283,568	2,935,484	4,623,476	6,564,124	6,402,380
25,276	175,127	361,051	1,027,372	2,128,459	1,971,449
<u>\$ 181,319,977</u>	<u>\$ 190,068,754</u>	<u>\$ 191,127,379</u>	<u>\$ 199,765,210</u>	<u>\$ 223,768,711</u>	<u>\$ 239,290,082</u>
<u>\$ (1,980,472)</u>	<u>\$ 15,675,382</u>	<u>\$ 9,355,176</u>	<u>\$ 10,906,180</u>	<u>\$ 27,509,308</u>	<u>\$ 16,604,583</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Fund Balances - Governmental Funds⁽¹⁾
Last 10 Fiscal Years
(unaudited)

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 488,370	\$ 534,622	\$ 593,201	\$ 433,231	\$ 462,129
Restricted	2,227,392	1,201,292	1,077,255	2,414,503	4,288,488
Committed	-	-	-	-	-
Assigned	611,930	6,545	97,986	100,738	214,301
Unassigned	9,389,240	5,372,118	3,177,357	5,291,075	5,885,978
Total General Fund	<u>\$ 12,716,932</u>	<u>\$ 7,114,577</u>	<u>\$ 4,945,799</u>	<u>\$ 8,239,547</u>	<u>\$ 10,850,896</u>
All Other Governmental Funds					
Nonspendable	\$ 209,683	\$ 65,937	\$ 901,705	\$ 526,316	\$ 207,199
Restricted	40,092,765	29,043,909	23,952,105	27,263,055	33,549,240
Total All Other Governmental Funds	<u>\$ 40,302,448</u>	<u>\$ 29,109,846</u>	<u>\$ 24,853,810</u>	<u>\$ 27,789,371</u>	<u>\$ 33,756,439</u>

Notes: (1) Includes all governmental fund types
Source: District records

Total Fund Balance - Governmental Funds

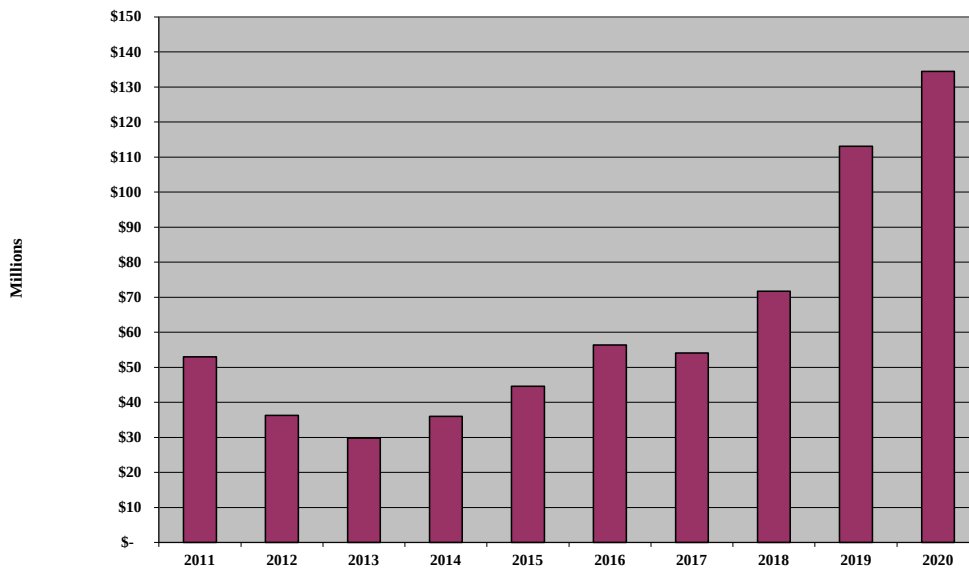


Table 3

Fiscal Year				
2016	2017	2018	2019	2020
\$ 424,315	\$ 370,268	\$ 436,711	\$ 413,063	\$ 572,324
4,755,657	6,975,527	4,654,500	15,598,552	18,852,921
-	-	-	-	-
809,842	691,938	-	4,805,389	8,409,731
11,176,878	13,012,098	19,687,081	14,434,108	10,239,951
<u>\$ 17,166,692</u>	<u>\$ 21,049,831</u>	<u>\$ 24,778,292</u>	<u>\$ 35,251,112</u>	<u>\$ 38,074,927</u>
\$ 118,881	\$ 142,548	\$ 201,057	\$ 213,839	\$ 483,271
39,106,694	32,879,220	46,751,088	77,598,777	95,857,111
<u>\$ 39,225,575</u>	<u>\$ 33,021,768</u>	<u>\$ 46,952,145</u>	<u>\$ 77,812,616</u>	<u>\$ 96,340,382</u>

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Changes in Fund Balances - Governmental Funds (1)
Last 10 Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Federal sources:				
Federal grants	\$ 24,325,420	\$ 13,059,853	\$ 12,336,627	\$ 11,820,371
Food services	4,404,315	4,755,475	5,223,047	5,606,130
Total federal sources	28,729,735	17,815,328	17,559,674	17,426,501
State sources:				
Florida education finance program	3,740,327	8,056,777	8,354,799	7,852,296
Public education capital outlay	1,080,309	122,073	94,689	159,095
Food services	76,029	106,461	81,804	86,971
State grants and other	26,642,072	26,087,224	26,682,036	26,209,856
Total state sources	31,538,737	34,372,535	35,213,328	34,308,218
Local sources:				
Ad valorem taxes	123,941,062	115,400,063	119,783,702	128,423,818
Sales taxes	-	-	-	-
Food service sales	2,954,156	2,808,455	2,573,283	2,542,053
Interest and other income	467,786	180,234	387,295	81,300
Other revenues	6,131,098	6,415,634	6,883,720	8,144,202
Total local sources	133,494,102	124,804,386	129,628,000	139,191,373
Total revenues	193,762,574	176,992,249	182,401,002	190,926,092
Expenditures				
Instruction	95,516,711	88,504,026	88,693,698	90,710,910
Student support services	9,519,092	9,126,374	9,386,355	9,529,655
Instructional media services	2,220,756	2,026,156	2,111,462	2,038,894
Instruction and curriculum development services	3,469,525	3,283,924	3,480,554	3,343,325
Instructional staff training services	3,086,300	2,687,875	2,275,235	2,631,378
Instruction related technology	1,590,478	1,607,734	1,537,181	1,608,656
School board	681,689	680,731	869,548	537,791
General administration	1,294,507	1,072,389	1,116,367	1,091,861
School administration	9,403,915	9,287,670	8,972,904	9,545,719
Facilities acquisition and construction	12,545,299	12,711,138	9,753,739	9,796,767
Fiscal services	1,077,272	974,087	844,077	801,605
Food services	6,635,390	6,858,976	7,306,448	7,613,617
Central services	3,916,853	4,304,803	4,695,849	4,778,260
Student transportation services	5,758,515	6,086,852	6,364,056	6,055,266
Operation of plant	14,121,493	13,220,275	13,570,654	13,468,400
Maintenance of plant	4,350,845	3,985,346	4,290,026	4,295,586
Administrative technology services	524,156	518,326	589,731	596,753
Community services	2,543,416	2,544,048	2,762,234	2,645,798
Capital Outlay:				
Facilities acquisition and construction	28,348,362	18,359,013	13,748,336	4,816,723
Other capital outlay	4,276,078	2,638,689	3,298,743	4,482,500
Debt Service:				
Principal	1,935,000	2,201,182	2,270,196	2,344,665
Interest and fiscal charges	2,234,938	2,203,832	2,123,326	2,084,375
Total expenditures	\$ 215,050,590	\$ 194,883,446	\$ 190,060,719	\$ 184,818,504

Table 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 12,551,259	\$ 12,662,980	\$ 13,342,437	\$ 12,053,294	\$ 13,523,928	\$ 13,058,178
6,063,754	6,734,741	7,163,417	7,499,712	7,371,040	6,645,333
18,615,013	19,397,721	20,505,854	19,553,006	20,894,968	19,703,511
9,420,263	8,361,358	9,704,266	13,594,744	12,593,805	19,662,843
480,018	464,248	695,334	456,571	513,259	153,921
88,324	88,284	90,585	94,059	93,713	94,259
26,166,950	26,370,844	26,249,875	28,792,550	27,286,380	27,412,790
36,155,555	35,284,734	36,740,060	42,937,924	40,487,157	47,323,813
130,413,025	137,761,685	140,143,566	141,320,691	155,780,450	155,063,004
-	-	-	-	7,707,297	17,397,137
2,125,725	2,113,026	2,188,619	1,958,193	2,550,733	1,974,756
25,276	175,127	361,050	1,027,372	2,128,459	1,971,448
8,763,713	11,321,469	8,120,462	9,556,918	11,202,096	10,086,006
141,327,739	151,371,307	150,813,697	153,863,174	179,369,035	186,492,351
196,098,307	206,053,762	208,059,611	216,354,104	240,751,160	253,519,675
93,507,850	91,841,224	94,633,719	98,041,607	99,831,153	114,196,329
9,156,836	9,720,589	9,554,623	9,823,241	12,443,580	10,963,343
1,988,513	2,003,013	2,031,317	2,002,944	1,981,212	2,357,746
3,636,791	3,454,552	3,409,858	3,715,791	3,922,248	4,035,830
2,844,947	3,223,616	4,011,572	3,705,345	3,641,765	3,583,816
1,804,347	2,090,021	2,216,722	2,022,120	3,193,337	3,917,058
576,082	538,202	569,729	650,691	720,504	485,826
1,318,791	1,354,848	1,501,054	1,300,413	1,273,770	1,219,268
9,873,724	9,476,272	9,682,962	9,988,366	10,474,991	10,161,570
9,017,604	9,548,817	9,349,452	11,204,728	5,429,244	8,309,669
842,342	819,918	882,103	957,252	988,863	1,197,999
7,879,963	8,630,343	8,883,264	9,131,595	9,189,519	8,614,459
5,866,846	5,265,628	4,148,310	3,585,782	4,364,008	4,728,084
5,922,747	6,291,268	6,681,816	6,399,115	6,567,026	6,363,228
13,801,238	14,018,057	13,704,119	14,577,478	16,262,935	19,732,411
3,869,186	4,024,239	3,957,440	4,244,993	4,680,541	4,504,586
610,589	655,930	610,367	703,145	3,832,637	4,417,807
2,766,942	3,024,389	3,019,374	3,257,799	3,405,381	3,206,228
4,444,591	11,021,858	22,078,106	4,358,477	1,244,524	13,613,101
3,974,653	3,653,484	6,134,075	4,366,845	2,606,984	3,693,926
2,495,304	2,374,874	2,369,882	2,448,720	2,195,691	2,175,000
1,826,722	1,767,031	3,649,991	1,510,936	1,426,659	1,637,875
\$ 188,026,608	\$ 194,798,173	\$ 213,079,855	\$ 197,997,383	\$ 199,676,572	\$ 233,115,159

(continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Changes in Fund Balances - Governmental Funds (1)
Last 10 Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

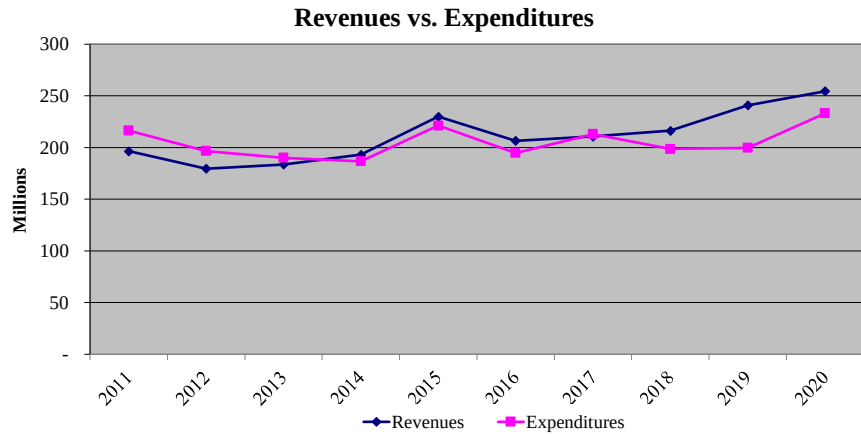
	Fiscal Year			
	2011	2012	2013	2014
Excess (deficiency) of revenues over (under) expenditures	\$ (21,288,016)	\$ (17,891,197)	\$ (7,659,717)	\$ 6,107,588
Other Financing Sources (Uses)				
Loss recoveries	-	-	-	-
Long-term debt issued	-	-	-	-
Refunding COPS issued	-	-	-	-
Premium on refunding COPS	-	-	-	-
Refunding bonds issue	1,205,000	1,505,000	-	1,769,000
Payment to refunded debt escrow agent	(1,404,877)	(1,730,010)	-	(2,056,194)
Premium of sale/refunding of bonds/COP	195,334	229,483	-	286,140
Discount on sale of bonds/COP	-	-	-	-
Capital leases	1,239,801	-	-	-
FEMA and insurance loss recoveries	100,038	1,091,767	1,234,903	122,775
Transfers in	8,426,038	8,852,137	9,299,893	9,071,683
Transfers out	(8,426,038)	(8,852,137)	(9,299,893)	(9,071,683)
Total other financing sources (uses)	1,335,296	1,096,240	1,234,903	121,721
Net change in fund balances	<u>\$ (19,952,720)</u>	<u>\$ (16,794,957)</u>	<u>\$ (6,424,814)</u>	<u>\$ 6,229,309</u>
Debt service as a percentage of noncapital expenditures	2.26%	2.53%	2.61%	2.52%

Notes: (1) Includes all governmental fund types

Source: District records

Table 4

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 8,071,699	\$ 11,255,589	\$ (5,020,244)	\$ 18,356,721	\$ 41,074,588	\$ 20,404,516
-	-	46,752	9,091	65,893	159,780
-	-	-	-	-	-
29,020,000	-	-	-	-	-
3,233,419	-	-	-	-	-
1,378,000	-	2,303,000	-	-	305,000
(33,475,406)	-	-	(706,974)	-	-
131,078	-	349,825	-	-	16,500
195,392	-	-	-	-	-
-	436,120	-	-	192,810	465,785
24,235	93,223	-	-	-	-
8,666,861	3,928,355	4,328,922	2,606,476	10,593,600	21,179,339
(8,666,861)	(3,928,355)	(4,328,922)	(2,606,476)	(10,593,600)	(21,179,339)
506,718	529,343	2,699,577	(697,883)	258,703	947,065
\$ 8,578,417	\$ 11,784,932	\$ (2,320,667)	\$ 17,658,838	\$ 41,333,291	\$ 21,351,581
2.47%	2.56%	2.18%	2.09%	1.85%	1.77%

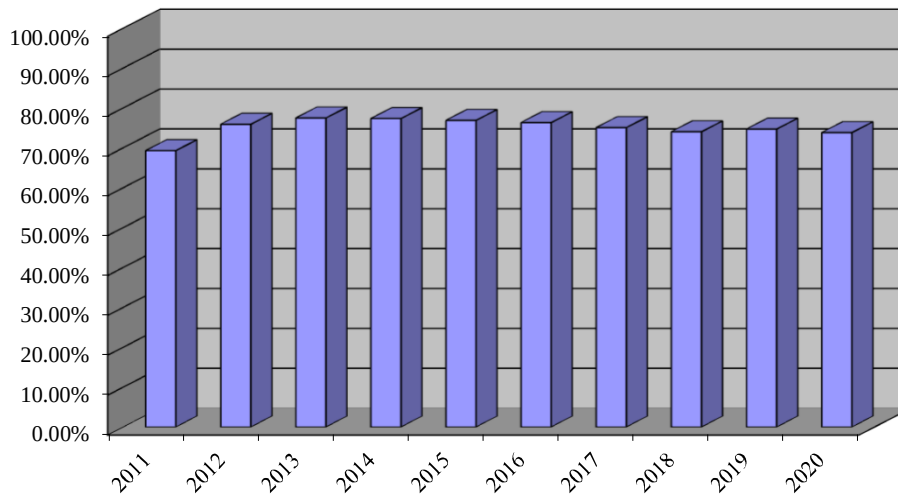


DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Assessed and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years
(Amounts expressed in thousands)
(Unaudited)

Fiscal Year	Real Property	Personal Property	Centrally Assessed Value	Estimated Actual Value ⁽¹⁾	Homestead and Other Exemptions	Total Taxable Valuation	Ratio of Taxable Value to Estimated Actual Value	Total Direct Rate
2011	\$ 23,131,078	\$ 2,069,709	\$ 45,744	\$25,246,531	\$ 7,753,621	\$17,492,910	69.29%	6.956
2012	21,379,718	2,378,906	47,993	23,806,617	5,735,774	18,070,843	75.91%	6.604
2013	20,400,691	2,691,034	43,327	23,135,052	5,212,197	17,922,855	77.47%	6.904
2014	20,772,257	2,751,732	46,969	23,570,958	5,342,376	18,228,582	77.33%	7.278
2015	21,852,301	2,694,830	56,763	24,603,894	5,689,530	18,914,364	76.88%	7.138
2016	23,402,997	2,851,740	58,634	26,313,371	6,231,593	20,081,778	76.32%	7.098
2017	25,152,586	2,886,913	63,522	28,103,021	7,008,453	21,094,568	75.06%	6.881
2018	27,000,054	3,151,616	65,573	30,217,243	7,848,711	22,368,532	74.03%	6.552
2019	27,996,759	3,411,348	67,194	31,475,301	7,963,063	23,512,238	74.70%	6.862
2020	29,735,900	2,986,854	66,464	32,789,218	8,587,337	24,201,881	73.81%	6.648

Note: (1) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.011, Florida Statutes.
Source: Martin County Property Appraiser

Ratio of Taxable Value to Estimated Actual Value

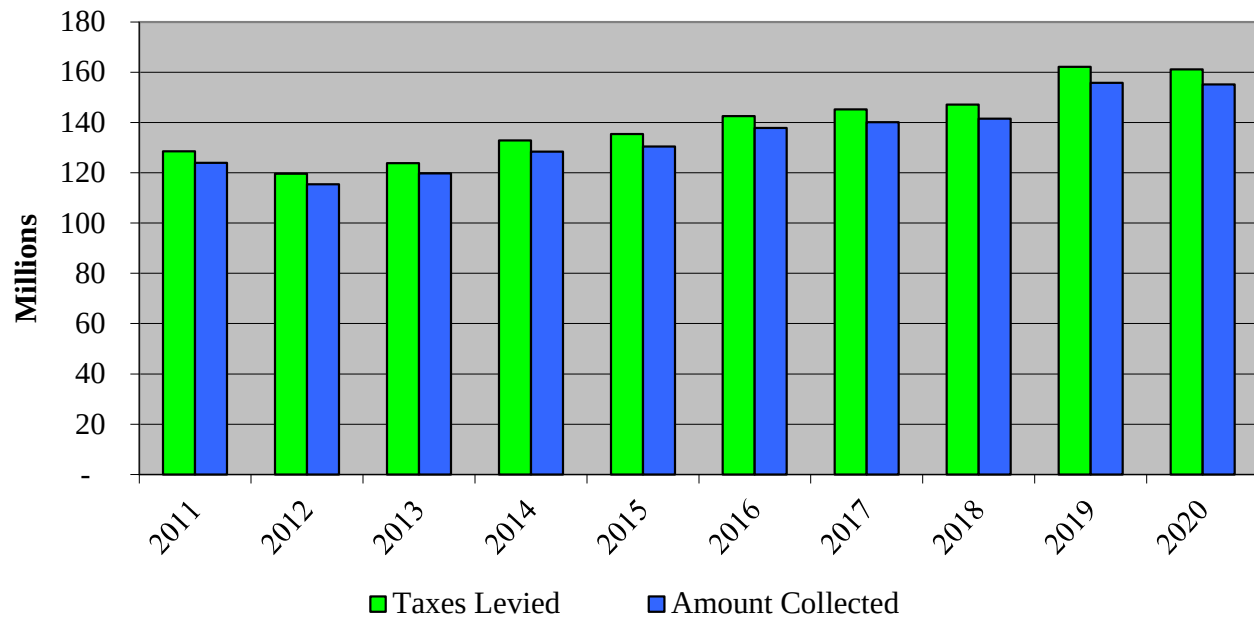


DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Property Tax Levies and Collections
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 128,512,929	\$ 123,917,914	96.42%	\$ 59,006	\$ 123,976,920	96.47%
2012	119,608,739	115,341,118	96.43%	89,796	115,430,914	96.51%
2013	123,853,938	119,694,063	96.64%	97,536	119,791,599	96.72%
2014	132,828,984	128,330,239	96.61%	38,984	128,369,223	96.64%
2015	135,364,485	130,377,703	96.32%	57,559	130,435,262	96.36%
2016	142,540,457	137,707,714	96.61%	49,085	137,756,799	96.64%
2017	145,151,724	140,103,847	96.52%	48,461	140,152,308	96.56%
2018	147,044,991	141,320,691	96.11%	176,960	141,497,651	96.23%
2019	162,132,981	155,780,450	96.08%	-	155,780,450	96.08%
2020	161,149,075	155,063,004	96.22%	-	155,063,004	96.22%

Source: Martin County Tax Collector and District records.

Property Tax Levies and Collections



DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Direct and Overlapping Property Tax Rates
Last 10 Fiscal Years
(Unaudited)
(per \$1,000 assessed valuation)

Fiscal Year	Direct Rates ⁽¹⁾			Overlapping Rates ⁽²⁾							
	District School Board of Martin County			Martin County				City of Stuart	Jupiter Island	Sewall's Point	Ocean Breeze Park
	Operating	Capital	Total	Operating	Debt Service	Other	MSTU				
2011	5.456	1.500	6.956	5.5250	0.0826	1.0100	0.9610	4.6436	3.3841	2.1800	2.6295
2012	5.104	1.500	6.604	5.7336	0.0368	0.8401	0.9636	4.6674	5.0794	2.2896	4.6799
2013	5.404	1.500	6.904	5.6960	0.0373	0.8327	0.9755	4.9041	4.7229	2.2896	4.7910
2014	5.778	1.500	7.278	5.8300	0.0368	0.8148	1.0240	4.8020	4.7047	2.3500	5.0619
2015	5.638	1.500	7.138	5.9651	0.0000	0.7805	1.0486	4.8540	4.5813	2.6000	4.9472
2016	5.598	1.500	7.098	6.1264	0.0000	0.7489	1.0660	4.8327	4.4270	2.8700	3.9814
2017	5.381	1.500	6.881	6.2407	0.0000	0.7245	3.1737	4.8224	4.3087	2.8700	5.2177
2018	5.052	1.500	6.552	6.3887	0.0000	0.7038	3.2339	4.7572	4.1724	2.8700	5.4750
2019	5.362	1.500	6.862	6.5971	0.0000	0.6874	3.4247	4.9962	4.1027	2.8700	6.3826
2020	5.148	1.500	6.648	6.6928	0.0000	0.6733	3.5842	5.2302	4.0391	2.8700	4.8008

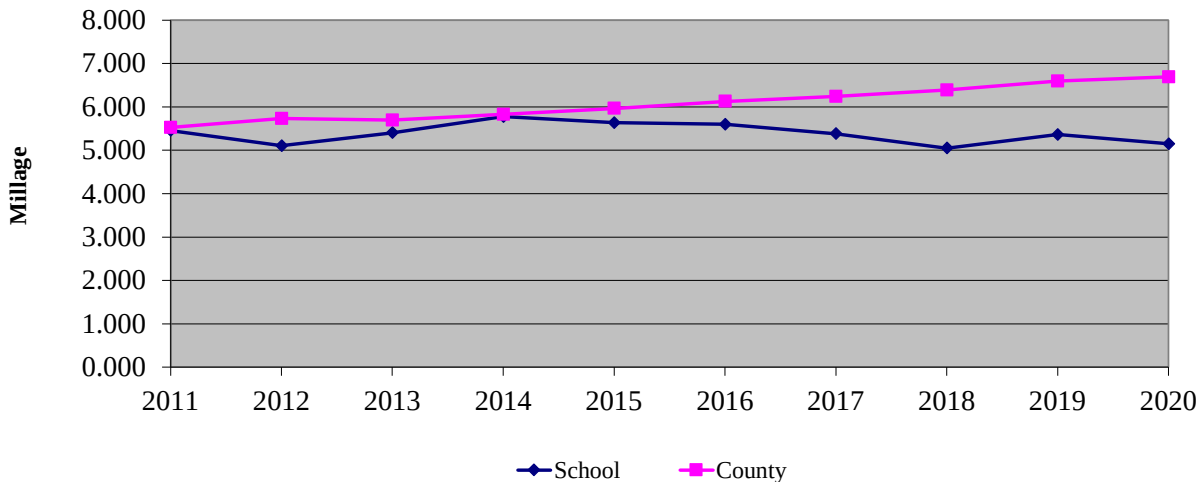
Notes:

(1) Direct rates are the District's rate for capital outlay, discretionary, additional voted millage and required local effort.

(2) Overlapping rates are those of local and county governments that apply to property owners within the incorporated areas.

Sources: Martin County Tax Collector's Office
Martin County Property Appraiser
Martin County Clerk of Court

County and School District Operating Millages



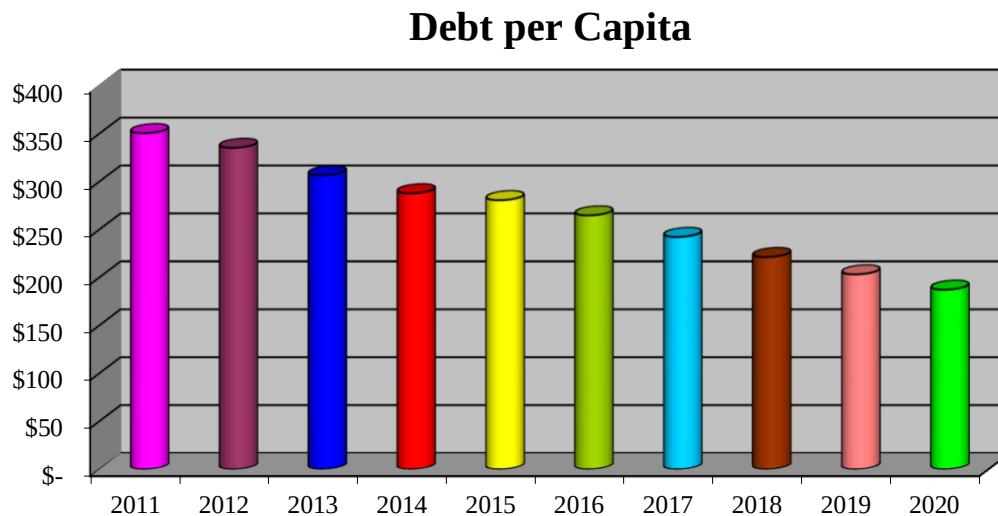
DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA**Ratios of Outstanding Debt by Type****Last 10 Fiscal Years****(Amounts expressed in thousands, except per capita amount)****(Unaudited)**

Fiscal Year	State Board of Education Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2011	\$ 13,895	\$ 36,660	\$ 822	\$ 51,377	0.60%	\$ 350.49
2012	13,165	35,530	646	49,341	0.50%	335.19
2013	10,580	34,360	461	45,401	0.48%	306.60
2014	9,414	33,145	266	42,825	0.40%	287.77
2015	8,331	33,563	207	42,101	0.37%	280.56
2016	7,382	32,063	491	39,936	0.34%	264.70
2017	6,063	30,618	383	37,064	0.29%	242.21
2018	5,031	29,123	271	34,425	0.26%	221.30
2019	4,326	27,558	348	32,232	N/A	203.23
2020	3,576	25,927	554	30,057	N/A	187.19

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements. Total personal income is not available for 2019 and 2020.

*See Table 11 Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

Source: District records



DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Direct and Overlapping Governmental Activities Debt
June 30, 2020
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽²⁾	Estimated Share of Direct and Overlapping Debt
Martin County Board of County Commissioners ⁽¹⁾			
Revenue Bonds/Notes	\$ 100,506,324	100%	\$ 100,506,324
Capital Leases	24,552,116	100%	24,552,116
City of Stuart ⁽¹⁾			
Revenue Bond Loans and Notes	830,194	100%	830,194
General Obligation Bonds	5,560,000	100%	5,560,000
Town of Jupiter Island ⁽¹⁾			
General Obligation Notes Payable	6,305,155	100%	6,305,155
South Florida Water Management District ⁽¹⁾			
Certificates of Participation	406,635,386	2.19%	8,905,315
Subtotal, overlapping debt			146,659,104
District School Board of Martin County Direct Debt			30,057,312
Total direct and overlapping debt			<u>\$ 176,716,416</u>

Notes:

(1) Source: Each Entity's Comprehensive Annual Financial Report September 30, 2019 Fiscal Year.

(2) These percentages are estimated using assessed values of taxable property less homestead exemptions and other adjustments (taxable value). Applicable percentages were estimated by determining the portion of another governmental units' taxable value that is within the County's boundaries and dividing it by each unit's total taxable value.

Source: District records

Government units that are included in this schedule are those whose geographic boundaries overlap, at least in part, with the boundaries of the County. This schedule estimates the portion of the overlapping government's outstanding debt that is borne by the residents and business of Martin County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Anticipated Capital Outlay Millage Levy
Required to Cover Certificates of Participation (COPS) Payments
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Tax Year	Taxable Assessed Valuation ⁽¹⁾	Principal Payments ⁽²⁾	Interest Payments	Total Annual Lease Payments	Millage Levy to Provide 1.00 x Coverage ⁽³⁾
2011	2010	\$ 17,492,910	\$ 1,085,000	\$ 1,636,185	\$ 2,721,185	0.162 mills
2012	2011	18,070,843	1,130,000	1,596,066	2,726,066	0.157 mills
2013	2012	17,922,855	1,170,000	1,552,891	2,722,891	0.158 mills
2014	2013	18,228,582	1,215,000	1,505,191	2,720,191	0.155 mills
2015	2014	18,914,364	1,265,000	1,071,600	2,336,600	0.129 mills
2016	2015	20,081,778	1,310,000	1,348,931	2,658,931	0.138 mills
2017	2016	21,094,568	1,255,000	1,297,630	2,552,630	0.126 mills
2018	2017	22,368,532	1,305,000	1,239,905	2,544,905	0.119 mills
2019	2018	23,512,238	1,375,000	1,172,906	2,547,906	0.113 mills
2020	2019	24,201,881	1,440,000	1,102,531	2,542,531	0.109 mills

Notes:

(1) See Table 5 "Assessed and Estimated Actual Value of Taxable Property".

(2) The District first issued COPS in December 2005, with the first principal payment due during the 2007-08 fiscal year. The District refunded the COPS in October 2014.

(3) Millage rate calculated using 96 percent.

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

Source: District records

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Demographic and Economic Statistics
Last 10 Years
(Unaudited)

Fiscal Year	Estimated Population⁽¹⁾	Personal Income⁽²⁾ (thousands of dollars)	Per Capita Personal Income⁽²⁾	Student Membership⁽³⁾	Unemployment Rate⁽⁴⁾
2011	146,587	\$ 8,529,292	\$ 57,683	17,759	10.9
2012	147,203	9,878,368	66,305	17,964	9.8
2013	148,077	9,386,353	62,102	18,267	7.8
2014	148,817	10,630,432	69,411	18,296	6.3
2015	150,062	11,341,622	72,878	18,583	5.5
2016	150,870	11,829,019	74,666	18,714	4.9
2017	153,022	12,626,737	79,020	18,748	4.2
2018	155,556	13,496,101	83,873	18,664	3.9
2019	158,598	N/A	N/A	18,385	3.5
2020	160,569	N/A	N/A	18,734	8.6

N/A = Data not currently available

Sources:

- (1) Office of Economic and Business Research
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) The Florida Department of Education's FTE Fourth Calculation for each respective year
- (4) Florida Agency for Workforce Innovation, Labor Market Statistics Center, Local Area Unemployment Statistics Program

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Principal Property Taxpayers
January 1, 2020 and 9 years ago
(Amounts expressed in thousands)
(Unaudited)

Taxpayer	2020			2011		
	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value	Rank	Taxable Assessed Valuation	Percentage of Total Assessed Value
Florida Power & Light Co.	1	\$ 2,584,584	8.21%	1	\$ 1,180,599	4.68%
Treasure Coast - JCP Associates Ltd.	2	83,717	0.27%	3	76,587	0.30%
Publix Super Markets, Inc.	3	49,714	0.16%	-	-----	-----
Jupiter Island Revocable	4	47,852	0.15%	-	-----	-----
Florida Gas Transmission	5	47,563	0.15%	-	-----	-----
Florida East Cost Rwy	6	41,793	0.13%	10	27,219	0.11%
Florida Southeast Connect	7	39,234	0.12%	-	-----	-----
Indiantown Cogeneration LP	8	38,453	0.12%	2	275,543	1.09%
PRCP-Stuart LLC	9	38,000	0.12%	-	-----	-----
Hamm, Edward H	10	34,439	0.11%	-	-----	-----
Gulfstream Natural Gas	-	-----	-----	4	47,791	0.19%
Jeffrey H. Sands	-	-----	-----	6	38,534	0.15%
Bellsouth Telecom	-	-----	-----	7	36,768	0.15%
Louis Drefus Citrus, Inc.	-	-----	-----	5	38,678	0.15%
Lowe's Home Centers, Inc.	-	-----	-----	8	28,547	0.11%
Sandhill Cove Properties, Inc.	-	-----	-----	9	28,701	0.11%
Total		<u>\$ 3,005,349</u>	<u>9.55%</u>		<u>\$ 1,778,967</u>	<u>7.05%</u>

Source: Martin County Tax Collector's Office

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA**District Employees****Last 10 Fiscal Years****(Unaudited)**

	2011	2012	2013	2014
Instructional administrators	9	11	12	15
Non-instructional administrators	8	7	7	8
Consultants/supervisors of instruction	4	3	4	4
Principals	23	23	23	23
Assistant principals	32	32	31	31
Elementary classroom teachers	461	455	460	463
Secondary classroom teachers	464	453	451	450
ESE teachers	238	231	233	233
Other teachers (adult)	72	58	54	41
Guidance counselors	37	35	38	35
Visiting teachers/Social workers	0	0	0	0
Psychologists	7	7	7	6
Librarians	20	20	20	20
Other professionals (instructional)	94	101	109	111
Other professionals (non-instructional)	89	85	84	76
Aides	279	290	287	288
Technicians	10	11	10	12
Clerical/secretarial	163	168	168	164
Service workers	292	297	299	288
Skilled crafts	36	32	32	33
Unskilled laborers	11	12	12	11
Total employees	<u>2,349</u>	<u>2,331</u>	<u>2,341</u>	<u>2,312</u>

Source: Florida Department of Education Statistical Brief entitled "Staff in Florida's Public Schools."

Notes:

Employee data includes only full-time staff.

The number of personnel is total employees.

Table 13

2015	2016	2017	2018	2019	2020
11	11	12	11	12	12
9	10	11	11	12	16
2	2	2	3	3	3
23	23	22	23	23	24
35	35	36	37	35	38
464	473	480	470	471	505
449	456	454	464	464	470
250	252	250	216	243	242
27	28	26	25	37	31
36	37	39	37	39	42
0	0	0	0	6	6
8	7	8	7	8	8
19	20	20	20	19	20
97	100	110	116	112	107
79	82	84	83	85	88
294	286	304	299	295	335
25	24	26	29	28	28
160	165	167	168	178	192
299	287	274	269	333	444
27	31	28	31	29	27
10	11	9	9	9	11
2,324	2,340	2,362	2,328	2,441	2,649



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Teacher Salaries
Last 10 Years
(Unaudited)

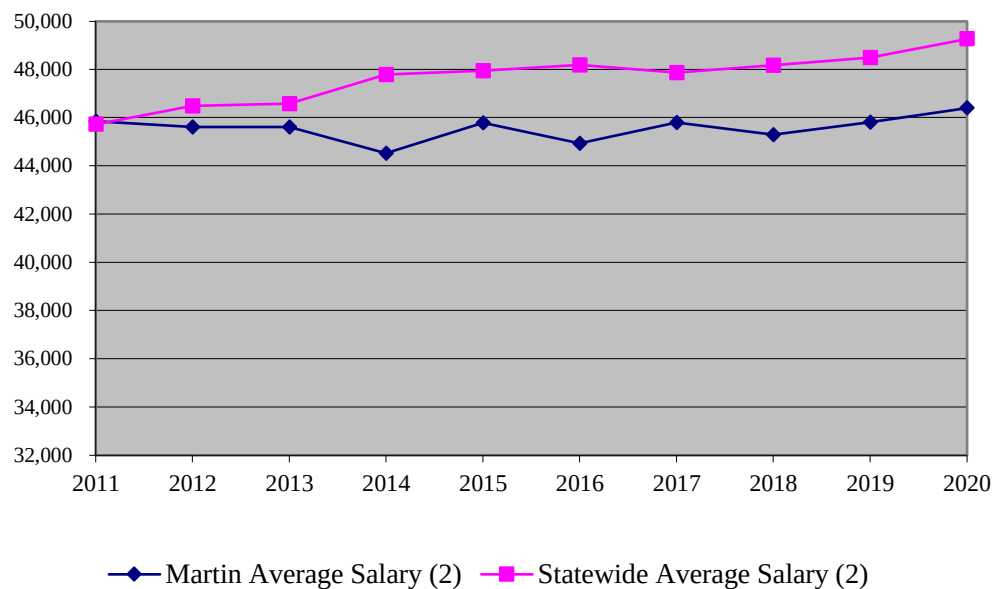
Fiscal Year	Minimum Salary⁽¹⁾	Maximum Salary⁽¹⁾	Martin Average Salary⁽²⁾	Statewide Average Salary⁽²⁾
2011	\$ 37,000	\$ 68,427	\$ 45,841	\$ 45,723
2012	37,000	68,901	45,604	46,479
2013	37,000	68,901	45,603	46,583
2014	37,300	60,076	44,522	47,780
2015	37,500	60,076	45,786	47,950
2016	38,000	62,900	44,933	48,179
2017	38,000	62,900	45,800	47,858
2018	38,000	62,900	45,286	48,168
2019	38,300	66,200	45,807	48,486
2020	38,600	66,200	46,403	49,269

Sources:

(1) District records

(2) Florida Department of Education

Teacher Average Salary



DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year			
	2011 ⁽³⁾	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾
<u>Elementary</u>				
Seawind Elementary (1993)				
Square feet	127,350	127,350	127,350	127,350
Capacity	783	764	764	764
Enrollment	738	721	687	711
JD Parker Elementary (2004/re-built) ⁽²⁾				
Square feet	125,691	125,691	125,691	125,691
Capacity	754	695	695	695
Enrollment	626	614	682	808
Palm City Elementary (1958)				
Square feet	102,532	102,532	103,422	103,422
Capacity	698	670	696	696
Enrollment	700	649	639	671
Port Salerno Elementary (2002/re-built) ⁽²⁾				
Square feet	109,944	115,120	126,076	126,076
Capacity	757	805	877	931
Enrollment	722	761	789	839
Hobe Sound Elementary (2004/re-built) ⁽²⁾				
Square feet	115,632	115,632	115,632	115,632
Capacity	793	776	776	776
Enrollment	696	665	647	701
Warfield Elementary (1959)				
Square feet	145,941	145,941	133,961	133,961
Capacity	1,048	1,048	886	886
Enrollment	671	704	730	785
Jensen Beach Elementary (1970)				
Square feet	100,201	100,468	102,196	102,196
Capacity	721	668	704	740
Enrollment	555	576	583	652
Pinewood Elementary (1988)				
Square feet	120,994	122,256	126,576	126,576
Capacity	718	756	784	784
Enrollment	710	754	742	833
Crystal Lake Elementary (1989)				
Square feet	100,176	103,681	108,079	108,079
Capacity	630	621	688	688
Enrollment	492	528	557	598

Table 15

Fiscal Year					
2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾
128,282	127,350	127,350	127,350	127,350	127,350
764	764	764	764	764	764
743	743	700	691	631	584
125,691	125,691	125,691	125,691	125,691	125,691
695	695	695	695	695	695
761	753	718	742	668	633
103,422	103,422	104,312	104,312	104,312	104,312
696	696	696	714	714	714
714	719	698	685	641	633
126,076	126,076	126,076	126,076	128,668	128,668
877	877	877	877	931	931
838	904	881	835	808	781
115,632	115,632	115,632	115,632	115,632	115,632
776	776	776	776	776	776
654	678	648	622	623	609
133,961	133,961	133,961	133,961	133,961	133,961
886	886	886	886	886	886
789	802	801	799	766	839
102,960	102,960	102,960	102,960	102,960	102,960
704	722	784	722	722	722
688	698	678	658	597	603
126,576	126,576	128,304	128,337	128,337	128,337
784	784	864	864	864	864
851	893	922	864	811	795
108,079	108,079	108,079	108,079	108,079	108,079
688	688	688	688	688	688
623	636	621	617	584	539

(continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year			
	2011 ⁽³⁾	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾
Bessey Creek Elementary (1995)				
Square feet	122,445	122,445	112,445	112,445
Capacity	599	599	599	599
Enrollment	534	525	544	579
Felix A. Williams Elementary (1993)				
Square feet	111,059	111,059	112,709	112,709
Capacity	635	635	671	671
Enrollment	647	631	662	694
Citrus Grove Elementary (2009)				
Square feet	124,838	124,838	124,838	124,838
Capacity	767	767	767	767
Enrollment	565	603	590	604

Notes:

- (1) The District caps its enrollment at 750 for elementary schools, 1,200 for middle schools, and 1,800 for high schools.
(2) Rebuilt schools include only information after rebuilding.
(3) Square footage and capacity have changed for some schools due to the re-measurement and change of use of BRPH for the Five-Year Plant Survey.
(4) Square footage and capacity have changed for some schools due to remodeling work complete in 2011-12, building demolitions, ESE cluster sites per DOE, and vacant buildings pending demolition.
(5) Square footage and capacity have changed for some schools due to portable relocations and demolitions.
(6) Capacity has changed for some schools due to reclassification of room codes within FISH.

Sources:

District records - Five-year facilities work plan
Florida Inventory of School Houses

Table 15

Fiscal Year					
2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾
122,445	122,445	122,637	124,635	124,365	124,365
599	599	599	635	635	635
591	558	570	585	590	596
112,709	112,709	112,901	112,901	112,901	112,901
671	671	671	671	671	671
708	719	670	669	631	618
124,838	124,838	124,838	126,566	126,566	126,566
767	767	767	803	803	803
648	690	725	712	695	702

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year			
	2011 ⁽³⁾	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾
<u>Middle</u>				
Dr. David L. Anderson Middle School (2005)				
Square feet	219,253	219,253	219,253	219,253
Capacity	1,184	1,184	1,184	1,184
Enrollment	984	956	941	989
Hidden Oaks Middle School (1991)				
Square feet	173,566	173,566	178,828	178,828
Capacity	1,210	1,210	1,329	1,329
Enrollment	1,090	1,086	1,048	1,094
Indiantown Middle School (1969)				
Square feet	155,404	155,404	155,404	155,404
Capacity	1,213	1,213	1,213	1,213
Enrollment	401	421	463	491
Murray Middle School (1961)				
Square feet	211,889	211,889	215,345	215,345
Capacity	1,439	1,177	1,256	1,256
Enrollment	760	747	815	851
Stuart Middle School (1971)				
Square feet	174,517	174,517	174,517	174,517
Capacity	1,156	1,156	1,179	1,179
Enrollment	881	927	967	1,032
<u>High</u>				
Martin County High School (1963)				
Square feet	431,008	396,341	417,947	417,947
Capacity	2,391	1,651	2,214	2,214
Enrollment	1,945	1,998	2,119	2,209
South Fork High School (1982)				
Square feet	313,984	313,984	317,078	317,078
Capacity	1,672	1,634	1,685	1,685
Enrollment	1,829	1,840	1,933	2,007
Jensen Beach High School (2002)				
Square feet	323,857	323,857	323,999	323,999
Capacity	1,554	1,554	1,554	1,554
Enrollment	1,573	1,634	1,771	1,805

Table 15

Fiscal Year					
2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾
219,253	219,253	219,253	219,253	219,253	219,253
1,184	1,184	1,184	1,184	1,184	1,184
988	1,020	1,011	1,056	1,083	1,101
178,828	178,828	178,828	178,828	178,828	178,828
1,329	1,329	1,329	1,329	1,329	1,329
1,064	1,090	1,045	1,112	1,046	1,012
158,860	158,860	133,803	133,803	136,668	13,668
1,173	1,173	1,173	854	870	870
534	547	592	631	641	658
134,447	131,296	132,395	132,395	132,438	132,438
1,312	999	999	999	999	999
795	798	756	790	744	653
177,004	177,004	177,004	180,298	181,298	181,298
1,179	1,179	1,179	1,197	1,159	1,159
1,054	1,025	1,007	985	899	865
421,184	421,184	465,200	463,290	379,776	379,776
2,214	2,214	2,214	2,037	2,037	2,037
2,245	2,318	2,292	2,316	2,212	2,126
319,898	319,898	319,898	319,898	319,898	319,898
1,685	1,685	1,685	1,685	1,685	1,685
2,037	1,990	1,914	1,937	1,986	1,831
323,999	323,999	323,999	323,999	323,999	323,999
1,554	1,554	1,554	1,554	1,554	1,554
1,878	1,735	1,663	1,648	1,510	1,452

(continued)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
School Building Information (1)
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year			
	2011 ⁽³⁾	2012 ⁽⁴⁾	2013 ⁽⁵⁾	2014 ⁽⁶⁾
Other				
Spectrum JR/SR High School (1932)				
Square feet	15,655	15,655	19,159	19,159
Capacity	130	130	218	218
Enrollment	90	85	61	143
Willoughby Learning Center (1988)				
Square feet	44,105	44,105	44,155	44,155
Capacity	171	171	171	171
Enrollment	58	38	31	44

Notes:

- (1) The District caps its enrollment at 750 for elementary schools, 1,200 for middle schools, and 1,800 for high schools.
(2) Rebuilt schools include only information after rebuilding.
(3) Square footage and capacity have changed for some schools due to the re-measurement and change of use of BRPH for the Five-Year Plant Survey.
(4) Square footage and capacity have changed for some schools due to remodeling work complete in 2011-12, building demolitions, ESE cluster sites per DOE, and vacant buildings pending demolition.
(5) Square footage and capacity have changed for some schools due to portable relocations and demolitions.
(6) Capacity has changed for some schools due to reclassification of room codes within FISH.

Sources:

District records - Five-year facilities work plan
Florida Inventory of School Houses

Table 15

Fiscal Year					
2015 ⁽⁶⁾	2016 ⁽⁶⁾	2017 ⁽⁶⁾	2018 ⁽⁶⁾	2019 ⁽⁶⁾	2020 ⁽⁶⁾
19,159	19,159	19,487	19,487	20,351	20,351
218	218	218	218	218	218
154	148	99	130	133	83
44,155	44,155	44,155	44,155	44,155	44,155
171	171	171	171	171	171
46	87	56	85	93	91

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA**Principal Employers****Current Year and Nine Years Ago⁽¹⁾****(Unaudited)**

Current year (2019):			Percentage	
Employer	Rank	Employees	of Total	Product/Service
			County	
			Employment	
Cleveland Clinic, formerly known as				
Martin Memorial Health Systems	1	2,700	3.55%	Health Care
Martin County School District	2	2,441	3.21%	Government
Martin County Government	3	1,792	2.35%	Government
Seacoast National Bank	4	805	1.06%	Banking
Publix Super Markets	5	708	0.93%	Grocery Chain
NuCo2	6	700	0.92%	Chemical Wholesale
GL Staffing Services	7	700	0.92%	Staffing
Armellini Express Lines	8	650	0.85%	Transportation and Logistics
Visiting Nurses Association of Florida	9	600	0.79%	Health Care
State of Florida	10	583	0.77%	Government
Total		11,679	15.35%	

Nine years ago (2010):

Cleveland Clinic, formerly known as				
Martin Memorial Health Systems	1	2,700	4.29%	Health Care
Martin County School District	2	2,456	3.91%	Government
Martin County Government	3	1,575	2.51%	Government
Publix Super Markets	4	1,168	1.86%	Grocery Chain
State of Florida	5	653	1.04%	Government
Old Cell Phone	6	450	0.72%	Telecommunication
The Home Depot	7	400	0.64%	Retail Hardware Chain
Wal-Mart	8	390	0.62%	Retail Chain
Winn-Dixie Stores	9	382	0.61%	Grocery Chain
Turbocombustor Technology	10	374	0.59%	Fabrication
Total		10,548	16.79%	

Note:

(1) Information for 2020 and 2011 was not available, so this schedule was prepared with the data of 2019 and 2010.

Source:

Martin County CAFR 09/30/2019.

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Operating Statistics
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Operating Expenditures ⁽¹⁾	Student Memberships ⁽¹⁾	Cost per Student	Percentage Change	Teaching Staff ⁽²⁾	Student/Teacher Ratio
2011	\$ 163,167,496	17,759	\$ 9,188	2.38%	1,355	13.1
2012	155,162,209	17,964	8,637	-6.00%	1,265	14.2
2013	157,085,087	18,267	8,599	-0.44%	1,352	13.5
2014	159,360,627	18,296	8,710	1.29%	1,349	13.6
2015	163,500,791	18,583	8,798	1.01%	1,324	14.0
2016	163,407,720	18,714	8,732	-0.76%	1,349	13.9
2017	166,478,977	18,748	8,880	1.69%	1,382	13.6
2018	170,849,878	18,664	9,154	3.09%	1,355	13.8
2019	183,491,433	18,385	9,980	9.03%	1,399	13.1
2020	200,479,360	18,734	10,701	7.22%	1,429	13.1

Notes:

Expenditures include General and Special Revenue Funds. Community service, facilities acquisition and construction, and other capital outlay expenditures are excluded from amounts shown above.

Sources:

(1) District records

(2) Florida Department of Education - includes all instructional personnel. (classroom teachers, guidance counselors, and other, etc.)

DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
Food Service Operating Data
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Days meals were served	180	180	180	180
Average number of free and reduced lunches served daily	5,916	6,201	6,260	6,138
Total number of free and reduced lunches served	1,064,941	1,116,133	1,126,823	1,104,795
Average daily subsidy received	\$ 24,891	\$ 27,011	\$ 29,471	\$ 31,628
Total subsidy received	\$ 4,480,344	\$ 4,861,936	\$ 5,304,851	\$ 5,693,100
Average number of lunches served daily	9,425	9,630	9,405	9,453
Total number of lunches served	1,696,459	1,733,429	1,692,924	1,701,459
Percentage of free and reduced lunches served to total meals	62.77%	64.39%	66.56%	64.93%
Average daily revenues	\$ 41,333	\$ 42,686	\$ 43,771	\$ 45,797
Total revenues	\$ 7,439,956	\$ 7,683,416	\$ 7,878,796	\$ 8,243,385
Average daily costs	\$ 36,890	\$ 38,313	\$ 40,992	\$ 42,718
Total costs	\$ 6,640,240	\$ 6,896,268	\$ 7,378,585	\$ 7,689,160

Notes:

(1) District was closed on October 6, 2016 and October 7, 2016 due to Hurricane Matthew.

(2) District was closed September 7, 2017 through September 15, 2017 due to Hurricane Irma.

(3) Due to COVID-19, students were served 131 days under the National School Lunch Program. The Program changed to the Summer Feeding Program for the remainder of FY 2020.

Source: District records

Table 18

Fiscal Year					
2015	2016	2017 ⁽¹⁾	2018 ⁽²⁾	2019	2020 ⁽³⁾
180	180	178	173	180	131
6,939	7,270	7,556	7,827	7,574	7,501
1,249,031	1,308,652	1,344,882	1,354,034	1,363,383	982,635
\$ 34,178	\$ 37,906	\$ 40,754	\$ 43,349	\$ 40,950	\$ 37,021
\$ 6,152,078	\$ 6,823,024	\$ 7,254,275	\$ 7,499,412	\$ 7,371,040	\$ 4,849,702
9,612	9,811	9,784	10,145	9,893	9,856
1,730,235	1,765,894	1,741,463	1,755,017	1,780,769	1,291,088
72.19%	74.11%	77.23%	77.15%	76.56%	76.11%
\$ 46,021	\$ 49,700	\$ 53,136	\$ 55,246	\$ 55,902	\$ 48,513
\$ 8,283,753	\$ 8,946,005	\$ 9,458,281	\$ 9,557,632	\$ 10,062,318	\$ 8,732,369
\$ 46,289	\$ 53,597	\$ 54,772	\$ 53,956	\$ 53,608	\$ 49,266
\$ 8,332,039	\$ 9,647,508	\$ 9,749,351	\$ 9,334,334	\$ 9,649,395	\$ 8,867,833



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SINGLE AUDIT SECTION





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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

Federal Reports and Schedules

Schedule of Expenditures of Federal Awards

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

Prior Audit Follow-up

Summary Schedule of Prior Audit Findings



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DISTRICT SCHOOL BOARD OF MARTIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass - Through Entity Identifying Number	Amount Provided 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	\$ -	\$ 1,055,348.51
National School Lunch Program	10.555	20001, 20003	-	4,490,278.10
Summer Food Service Program for Children	10.559	19006, 19007, 20006, 20007	-	937,906.18
Total Child Nutrition Cluster			-	6,483,532.79
Special Education Cluster:				
United States Department of Education:				
Special Education - Grants to States:	84.027			
Florida Department of Education		263	-	4,588,172.16
University of South Florida		None	-	45,007.50
Total Special Education - Grants to States	84.027		-	4,633,179.66
Special Education - Preschool Grants:				
Florida Department of Education	84.173	267	-	140,995.66
Total Special Education Cluster			-	4,774,175.32
Not Clustered				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	20004	-	161,800.04
United States Department of Defense:				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	106,130.69
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	121,231.01
Total United States Department of Defense			-	227,361.70
United States Department of Education:				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191	-	95,254.02
Title I Grants to Local Educational Agencies	84.010	212, 223	-	3,213,216.16
Migrant Education - State Grant Program	84.011	217	-	16,515.77
Career and Technical Education - Basic Grants to States	84.048	161	-	188,042.67
Education for Homeless Children and Youth	84.196	127	-	5,235.67
Charter Schools	84.282	298	760,311.18	760,311.18
English Language Acquisition State Grants	84.365	102	-	298,309.01
Supporting Effective Instruction State Grants	84.367	224	-	353,478.39
Student Support and Academic Enrichment Program	84.424	241	-	191,997.68
Total United States Department of Education			760,311.18	5,122,360.55
United States Department of Health and Human Services:				
Head Start	93.600	N/A	-	2,080,362.57
Total Expenditures of Federal Awards			\$ 760,311.18	\$ 18,849,592.97

The accompanying notes are an integral part of this Schedule.

Notes:

- (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Martin County School Board under programs of the Federal Government for the fiscal year ending 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 or changes in net position of the District.
- (2) Summary of Significant Account Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance for National School Lunch Program. Includes \$676,147.10 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Head Start. Expenditures include \$1,063,467.68 for grant number/program year 04CH4785/05 and \$1,016,894.89 for grant number/program year 04CH4785/06.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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111 West Madison Street
Tallahassee, Florida 32399-1450



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Fax: (850) 488-6975

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Martin 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 18, 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,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 18, 2020
Audit Report No. 2021-086



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 EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited the Martin 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 each of the District's major Federal programs for the fiscal year ended June 30, 2020. The District's major Federal programs are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

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 each of the District's major Federal programs 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 each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each 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 each of its major Federal programs 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 each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 18, 2020
Audit Report No. 2021-086

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.027 and 84.173	Special Education Cluster
84.282	Charter Schools
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for the financial statement audit finding included in our report No. 2020-081.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Laurie J. Gaylord, Superintendent

THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

1939 SE Federal Highway • Stuart, Florida 34994 • Telephone (772) 219-1200 Ext: 30222



Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
2020-081 (2019-001)	Financial Reporting	District financial reporting procedures need improvement to ensure that account balances and transactions are properly reported.	Fully Corrected	

School Board Members: Tony Anderson • Victoria Defenthaler • Michael DiTerlizzi • Marsha Powers • Christia Li Roberts

"To Educate all Students for Success"



Laurie Gaylord
Superintendent 2012-2020

We would like to recognize Laurie Gaylord
for her outstanding leadership during
her years as Superintendent of the
Martin County School District.