

STATE OF FLORIDA AUDITOR GENERAL

Financial and Federal Single Audit

Report No. 2022-114
February 2022

GULF COUNTY DISTRICT SCHOOL BOARD

For the Fiscal Year Ended
June 30, 2021



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2020-21 fiscal year, Jim Norton served as Superintendent of the Gulf County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Denny L. McGlon, Vice Chair	1
Brooke Wooten	2
Cindy Belin, Chair	3
Marvin Davis from 11-17-20 ^a	4
Ruby S. Knox	5

^a Member position was vacant 7-1-20, through 11-16-20.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Juan A. Fernandez, CPA, and the audit was supervised by Shelly G. Curti, CPA.

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

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GULF COUNTY DISTRICT SCHOOL BOARD

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

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

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal awards requirements. The Title I program and Education Stabilization Fund were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs.

AUDIT OBJECTIVES AND SCOPE

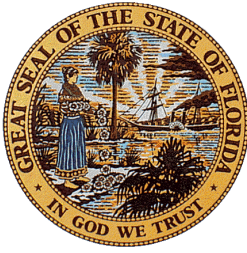
Our audit objectives were to determine whether the School Board and its officers with administrative and stewardship responsibilities for District operations had:

- Presented the District's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements or on the District's major Federal programs;
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements, and those applicable to the District's major Federal programs; and
- Taken corrective actions for findings included in our report No. 2021-133.

The scope of this audit included an examination of the District's basic financial statements and the accompanying Schedule of Expenditures of Federal Awards, as of and for the fiscal year ended June 30, 2021. We obtained an understanding of the District's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements and Federal awards. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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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, each major fund, and the aggregate remaining fund information of the Gulf County District School Board, as of and for the fiscal year ended June 30, 2021, 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 48 percent, 0 percent, 48 percent, 31 percent, and 27 percent, respectively, of the assets, liabilities, net position and fund balance, additions and revenues, and deductions and expenditures of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the school internal funds, is based solely on the report 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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gulf County District School Board, as of June 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note II. to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the 2020-21 fiscal year with amounts reported for the 2019-20 fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General and Major Special Revenue Funds**, **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information**, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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. In our opinion, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2022, 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
February 2, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Gulf County District School Board has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-21 fiscal year are as follows:

- The District entered into phase two of an installment-purchase agreement totaling \$12,769,110 to upgrade HVAC systems Districtwide.
- The District completed the reroofing projects at Port St. Joe High School and Wewahitchka High School totaling \$5,644,888.56.
- The District's net position decreased by \$3,057,434.88 as a result of expending the insurance loss recoveries and grants received in the prior year as a result of Hurricane Michael.
- The General Fund (the primary operating fund) in the fund financial statements reflects expenditures and other financing uses that exceed revenues and other financing sources by \$2,541,382.42. This may be compared to last fiscal year's results in which General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$958,195.72.
- General revenues in the government-wide statements account for \$22,582,826.09 of total revenues. Program specific revenues in the form of charges for services, grants, or contributions account for \$871,309.43 of total revenues.
- The District has \$26,511,570.40 in expenses, including \$871,309.43 that are offset by program specific revenues. General revenues, primarily from ad valorem taxes and the Florida Education Finance Program (FEFP), provided resources for the remaining programs.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

Government-Wide Financial Statements

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

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

All of the District's activities and services are reported in the government-wide financial statements as governmental activities. The District's governmental activities include education programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local taxes and the State's education finance program provide most of the resources that support these activities.

Over a period of time, changes in the District's net position are an indication of an improving or deteriorating financial condition. This information should be evaluated in conjunction with nonfinancial factors, such as changes in the District's property tax base and student enrollment.

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 financial statements to provide information on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

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

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the Special Revenue – Federal Education Stabilization Fund.

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 are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses private-purpose trust funds to account for scholarship funds established by private donors and uses custodial funds to account for resources held for student activities and groups.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's total other postemployment benefits (OPEB) and net pension liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section is used to present condensed financial information from the government-wide statements that compares the current fiscal year to the prior fiscal year.

Net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2021, compared to net position as of June 30, 2020:

Net Position, End of Year

	Governmental Activities	
	6-30-21	6-30-20
Current and Other Assets	\$ 7,481,666.47	\$ 11,050,714.06
Capital Assets	39,621,004.47	24,752,778.43
Total Assets	47,102,670.94	35,803,492.49
Deferred Outflows of Resources	5,388,888.00	4,898,112.00
Long-Term Liabilities	37,073,911.11	22,097,121.70
Other Liabilities	180,245.66	197,553.74
Total Liabilities	37,254,156.77	22,294,675.44
Deferred Inflows of Resources	1,279,523.00	1,391,615.00
Net Position:		
Net Investment in Capital Assets	22,523,628.59	21,353,944.53
Restricted	680,965.33	1,138,384.85
Unrestricted (Deficit)	(9,246,714.75)	(5,477,015.33)
Total Net Position	<u>\$ 13,957,879.17</u>	<u>\$ 17,015,314.05</u>

The largest portion of the District's net position is investment in capital assets (e.g., land; buildings; furniture, fixtures, and equipment; improvements other than buildings; and motor vehicles), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position deficit of \$9,246,714.75 is primarily the result of reporting employer's proportionate share of the defined benefit pension plans offered by the State of Florida. The District's portion of these pension plans for the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) pension liabilities were \$11,679,923 and \$4,212,400, respectively, at June 30, 2021.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2021, and June 30, 2020, are as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-21	6-30-20
Program Revenues:		
Charges for Services	\$ 208,925.72	\$ 262,077.60
Operating Grants and Contributions	544,211.83	617,551.75
Capital Grants and Contributions	118,171.88	137,113.68
General Revenues:		
Property Taxes, Levied for Operational Purposes	10,585,626.57	9,424,339.72
Property Taxes, Levied for Capital Projects	1,654,684.03	1,433,285.57
Grants and Contributions Not Restricted to Specific Programs	9,521,328.98	12,888,813.98
Unrestricted Investment Earnings	15,121.86	108,598.54
Miscellaneous	806,064.65	9,649,197.92
Total Revenues	23,454,135.52	34,520,978.76
Functions/Program Expenses:		
Instruction	12,771,846.23	12,975,562.14
Student Support Services	1,460,086.22	1,259,699.87
Instructional Media Services	313,567.56	302,953.84
Instruction and Curriculum Development Services	420,101.47	398,452.49
Instructional Staff Training Services	443,853.00	436,717.31
Instruction-Related Technology	95,209.05	90,498.15
Board	218,631.69	190,420.42
General Administration	965,288.78	934,204.42
School Administration	1,294,573.02	1,209,255.39
Facilities Acquisition and Construction	955,696.61	94,563.54
Fiscal Services	449,076.53	408,981.82
Food Services	1,013,765.38	1,043,136.26
Central Services	206,926.20	232,007.39
Student Transportation Services	1,221,537.29	1,302,940.33
Operation of Plant	1,719,520.09	1,819,087.14
Maintenance of Plant	1,812,119.64	5,530,386.30
Administrative Technology Services	94,601.93	84,144.39
Unallocated Interest on Long-Term Debt	84.12	2,704.32
Unallocated Depreciation Expense	1,055,085.59	768,975.73
Total Functions/Program Expenses	26,511,570.40	29,084,691.25
Change in Net Position	(3,057,434.88)	5,436,287.51
Net Position - Beginning	17,015,314.05	11,579,026.54
Net Position - Ending	\$ 13,957,879.17	\$ 17,015,314.05

Revenues from local sources for current operations are primarily received through property taxes. The increase in property taxes is related to the increase in the underlying property values within the county.

Grants and contributions not restricted to specific programs decreased by \$3,367,485, mainly due to a State grant in the previous year for hurricane losses and an overall decrease in FEFP revenues.

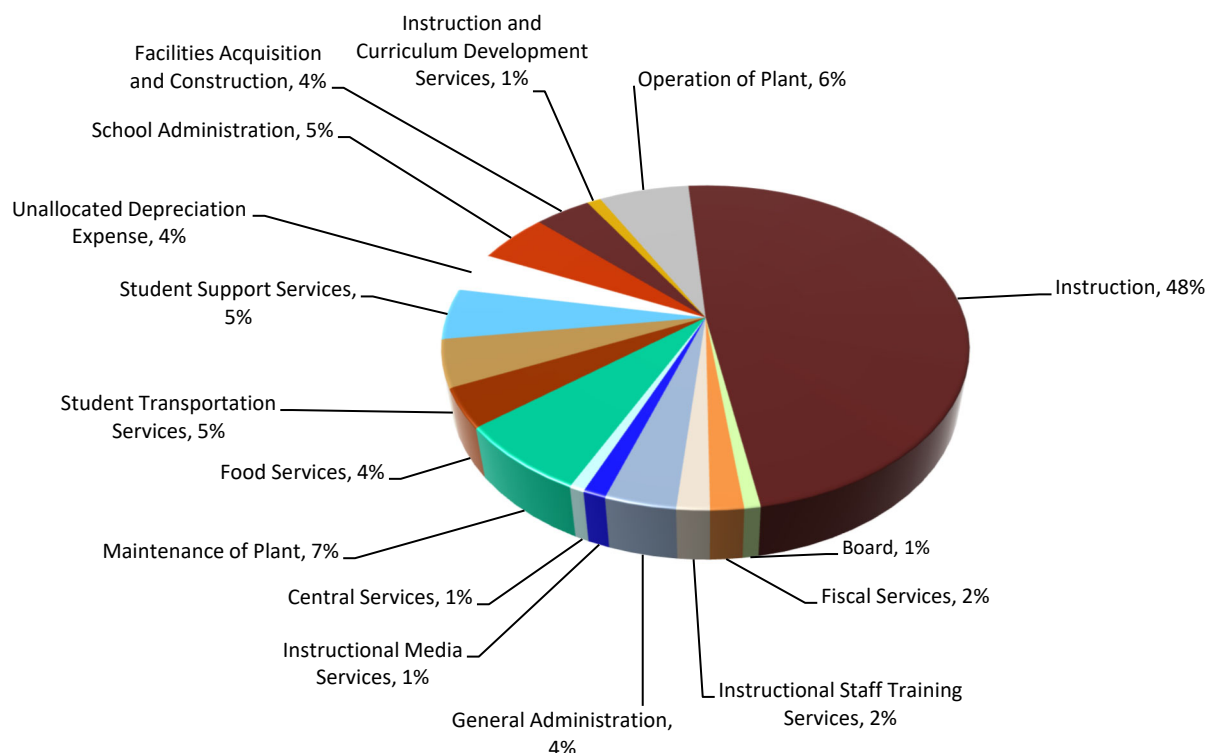
Miscellaneous revenues decreased by \$8,843,133.27 mainly due to the receipt of insurance loss recoveries from Hurricane Michael in the 2019-20 fiscal year.

Instructional expenses represent 48 percent of total governmental expenses in the 2020-21 fiscal year.

Facilities acquisition and construction expenses increased by \$861,133.07 due to Districtwide HVAC system upgrades.

Maintenance of plant decreased by \$3,718,266.66 from the prior year due to major repairs that were required in the 2019-20 fiscal year resulting from Hurricane Michael.

The following graph depicts the distribution of expenses of the District as a whole.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

The total fund balances of governmental funds decreased by \$3,551,739.51 during the fiscal year to \$7,301,420.81 at June 30, 2021. Of the total fund balance, \$1,212,369.68, or 17 percent, is unassigned

fund balance, which is available for spending at the District's discretion; \$38,123.12 is nonspendable; \$1,748,374.33 is restricted; and \$4,302,553.68 is assigned.

Major Governmental Funds

The General Fund is the District's chief operating fund. The General Fund total fund balance decreased by \$2,541,382.42 during the fiscal year as a result of expending the insurance loss recoveries and grants received in the prior year as a result of Hurricane Michael.

The Special Revenue – Federal Education Stabilization Fund has total revenues and expenditures of \$575,870.15 each and the funding was mainly for instruction. Because grants revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Debt Service – Other Fund has a fund balance totaling \$1,105,532.12 and represents unspent installment-purchase proceeds held by the fiscal agent.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of \$257,128.41, which is restricted to acquisition, construction, and maintenance of capital assets. The fund balance decreased \$84,238.89 during the fiscal year primarily due to expenditures of major roofing projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues are in line with final budgeted amounts while actual expenditures are \$4,185,422.02, or 16 percent, less than final budgeted amounts. The decrease was primarily because facility repairs were not completed by fiscal year end.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investments in capital assets increased by \$14,868,226.04, primarily due to HVAC renovations. Additional information on the District's capital assets can be found in Notes I.F.4. and III.C. to the financial statements.

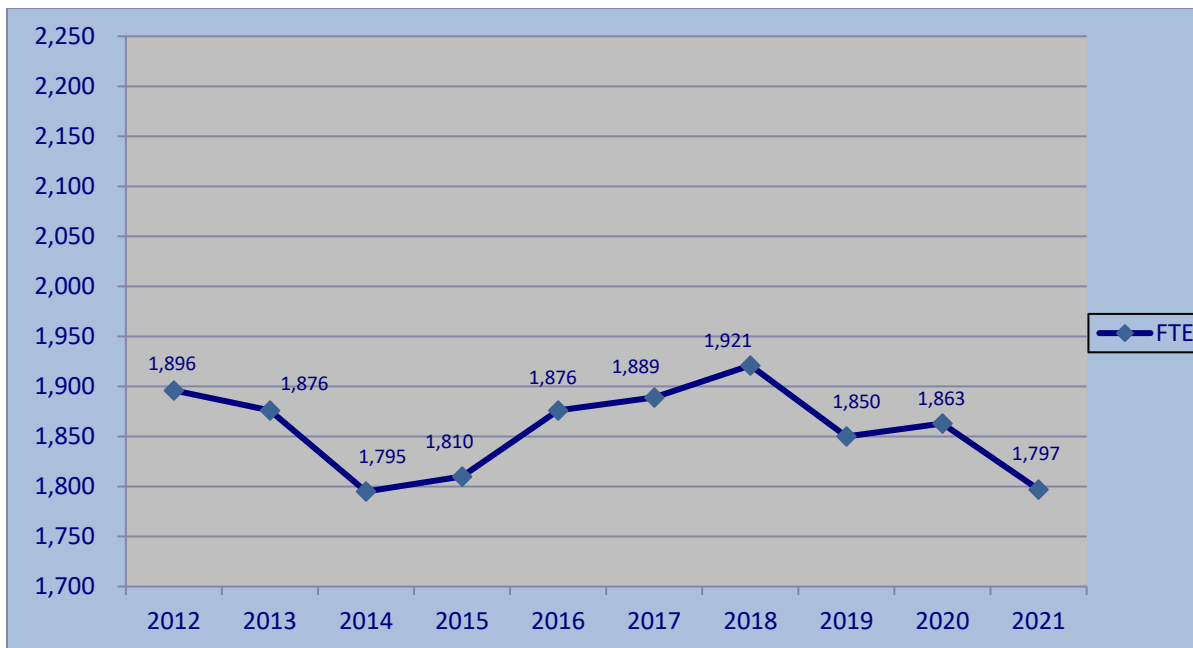
Long-Term Debt

The District entered into phase 2 of an installment-purchase agreement of \$12,769,110 for major HVAC renovations. Additional information on the District's long-term debt can be found in Note III.H. to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

Student Enrollment and Funding

Revenues from State sources comprise significant sources of total available resources of the District. Revenues from State sources for current operations are primarily from the FEFP administered by the Florida Department of Education (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. As shown in the following chart, the District experienced a slight decrease in FTE during the 2020-21 fiscal year.



REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Gulf County District School Board's finances and to demonstrate compliance and accountability for its resources. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Director of Finance, Gulf County District School Board, 150 Middle School Road, Port St. Joe, Florida 32456.

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BASIC FINANCIAL STATEMENTS

Gulf County District School Board Statement of Net Position June 30, 2021

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 6,297,297.97
Accounts Receivable	101.85
Due from Other Agencies	40,611.41
Inventories	38,123.12
Restricted Cash and Cash Equivalents with Fiscal Agent	1,105,532.12
Capital Assets:	
Nondepreciable Capital Assets	18,840,634.85
Depreciable Capital Assets, Net	20,780,369.62
TOTAL ASSETS	47,102,670.94
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	5,345,146.00
OPEB	43,742.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,388,888.00
LIABILITIES	
Accrued Salaries and Benefits	160,196.69
Payroll Deductions and Withholdings	19,548.97
Due to Other Agencies	500.00
Long-Term Liabilities:	
Portion Due Within 1 Year	1,029,709.55
Portion Due After 1 Year	36,044,201.56
TOTAL LIABILITIES	37,254,156.77
DEFERRED INFLOWS OF RESOURCES	
Pensions	567,114.00
OPEB	712,409.00
TOTAL DEFERRED INFLOWS OF RESOURCES	1,279,523.00
NET POSITION	
Net Investment in Capital Assets	22,523,628.59
Restricted for:	
State Required Carryover Programs	90,498.07
Capital Projects	504,098.01
Food Service	86,369.25
Unrestricted	(9,246,714.75)
TOTAL NET POSITION	\$ 13,957,879.17

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

**Gulf County District School Board
Statement of Activities
For the Fiscal Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 12,771,846.23	\$ 31,690.00	\$ -
Student Support Services	1,460,086.22	-	-
Instructional Media Services	313,567.56	-	-
Instruction and Curriculum Development Services	420,101.47	-	-
Instructional Staff Training Services	443,853.00	-	-
Instruction-Related Technology	95,209.05	-	-
Board	218,631.69	-	-
General Administration	965,288.78	-	-
School Administration	1,294,573.02	-	-
Facilities Acquisition and Construction	955,696.61	-	-
Fiscal Services	449,076.53	-	-
Food Services	1,013,765.38	155,263.37	544,211.83
Central Services	206,926.20	-	-
Student Transportation Services	1,221,537.29	21,972.35	-
Operation of Plant	1,719,520.09	-	-
Maintenance of Plant	1,812,119.64	-	-
Administrative Technology Services	94,601.93	-	-
Unallocated Interest on Long-Term Debt	84.12	-	-
Unallocated Depreciation Expense*	1,055,085.59	-	-
Total Governmental Activities	\$ 26,511,570.40	\$ 208,925.72	\$ 544,211.83

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

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

		Net (Expense) Revenue and Changes in in Net Position
Capital Grants and Contributions		Governmental Activities
\$	-	\$ (12,740,156.23)
	-	(1,460,086.22)
	-	(313,567.56)
	-	(420,101.47)
	-	(443,853.00)
	-	(95,209.05)
	-	(218,631.69)
	-	(965,288.78)
	-	(1,294,573.02)
	76,171.88	(879,524.73)
	-	(449,076.53)
	-	(314,290.18)
	-	(206,926.20)
	-	(1,199,564.94)
	-	(1,719,520.09)
	42,000.00	(1,770,119.64)
	-	(94,601.93)
	-	(84.12)
	-	(1,055,085.59)
<u>\$</u>	<u>118,171.88</u>	<u>(25,640,260.97)</u>

10,585,626.57
1,654,684.03
9,521,328.98
15,121.86
<u>806,064.65</u>
<u>22,582,826.09</u>
(3,057,434.88)
<u>17,015,314.05</u>
<u>\$ 13,957,879.17</u>

**Gulf County District School Board
Balance Sheet – Governmental Funds
June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue - Federal Education Stabilization Fund</u>	<u>Debt Service - Other Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,744,658.73	\$ -	\$ -
Accounts Receivable	101.85	-	-
Due from Other Agencies	40,406.51	-	-
Inventories	-	-	-
Restricted Cash and Cash Equivalents with Fiscal Agent	-	-	1,105,532.12
TOTAL ASSETS	<u>\$ 5,785,167.09</u>	<u>\$ -</u>	<u>\$ 1,105,532.12</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	\$ 160,196.69	\$ -	\$ -
Payroll Deductions and Withholdings	19,548.97	-	-
Due to Other Agencies	-	-	-
Total Liabilities	<u>179,745.66</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Restricted for:			
State Required Carryover Programs	90,498.07	-	-
Debt Service	-	-	1,105,532.12
Capital Projects	-	-	-
Food Service	-	-	-
Total Restricted Fund Balance	<u>90,498.07</u>	<u>-</u>	<u>1,105,532.12</u>
Assigned for:			
Hurricane Michael Repairs	1,562,504.46	-	-
Budget Shortfall	2,740,049.22	-	-
Total Assigned Fund Balance	<u>4,302,553.68</u>	<u>-</u>	<u>-</u>
Unassigned Fund Balance	<u>1,212,369.68</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,605,421.43</u>	<u>-</u>	<u>1,105,532.12</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,785,167.09</u>	<u>\$ 0.00</u>	<u>\$ 1,105,532.12</u>

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

Capital Projects - Local Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 256,923.51	\$ 295,715.73	\$ 6,297,297.97
-	-	101.85
204.90	-	40,611.41
-	38,123.12	38,123.12
-	-	1,105,532.12
<u>\$ 257,128.41</u>	<u>\$ 333,838.85</u>	<u>\$ 7,481,666.47</u>
\$ -	\$ -	\$ 160,196.69
-	-	19,548.97
-	500.00	500.00
<u>-</u>	<u>500.00</u>	<u>180,245.66</u>
-	38,123.12	38,123.12
-	-	90,498.07
-	-	1,105,532.12
257,128.41	246,969.60	504,098.01
-	48,246.13	48,246.13
<u>257,128.41</u>	<u>295,215.73</u>	<u>1,748,374.33</u>
-	-	1,562,504.46
-	-	2,740,049.22
-	-	4,302,553.68
-	-	1,212,369.68
<u>257,128.41</u>	<u>333,338.85</u>	<u>7,301,420.81</u>
<u>\$ 257,128.41</u>	<u>\$ 333,838.85</u>	<u>\$ 7,481,666.47</u>

**Gulf County District School Board
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021**

Total Fund Balances - Governmental Funds \$ 7,301,420.81

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 39,621,004.47

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

Deferred Outflows Related to Pensions	\$ 5,345,146.00	
Deferred Outflows Related to OPEB	43,742.00	
Deferred Inflows Related to Pensions	(567,114.00)	
Deferred Inflows Related to OPEB	<u>(712,409.00)</u>	4,109,365.00

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

Installment-Purchase Payable	\$ (18,202,908.00)	
Compensated Absences Payable	(2,236,772.11)	
Net Pension Liability	(15,892,323.00)	
Total OPEB Liability	<u>(741,908.00)</u>	<u>(37,073,911.11)</u>

Net Position - Governmental Activities **\$ 13,957,879.17**

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

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Gulf County District School Board
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue - Federal Education Stabilization Fund	Debt Service - Other Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 51,444.73	\$ -	\$ -
Federal Through State and Local	218,998.04	575,870.15	-
State	7,240,840.17	-	-
Local:			
Property Taxes	10,585,626.57	-	-
Charges for Services - Food Service	-	-	-
Miscellaneous	443,338.77	-	-
Total Local Revenues	11,028,965.34	-	-
Total Revenues	18,540,248.28	575,870.15	-
Expenditures			
Current - Education:			
Instruction	10,472,204.19	502,728.47	-
Student Support Services	1,024,927.42	-	-
Instructional Media Services	283,186.68	-	-
Instruction and Curriculum Development Services	251,886.37	-	-
Instructional Staff Training Services	308,413.13	19,824.90	-
Instruction-Related Technology	51,080.69	-	-
Board	218,631.69	-	-
General Administration	882,900.26	4,960.93	-
School Administration	1,160,657.12	-	-
Facilities Acquisition and Construction	-	-	-
Fiscal Services	403,420.66	-	-
Food Services	-	-	-
Central Services	217,422.37	-	-
Student Transportation Services	905,971.33	4,731.00	-
Operation of Plant	1,719,520.09	-	-
Maintenance of Plant	1,736,169.80	-	-
Administrative Technology Services	85,544.43	-	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	1,887,651.25	-	-
Other Capital Outlay	164,798.60	43,624.85	-
Debt Service:			
Interest and Fiscal Charges	-	-	-
Total Expenditures	21,774,386.08	575,870.15	-
Excess (Deficiency) of Revenues Over Expenditures	(3,234,137.80)	-	-
Other Financing Sources (Uses)			
Transfers In	587,280.38	-	-
Proceeds of Installment-Purchase Agreement	-	-	12,769,110.00
Loss Recoveries	430,475.00	-	-
Transfers Out	(325,000.00)	-	(13,698,541.98)
Total Other Financing Sources (Uses)	692,755.38	-	(929,431.98)
Net Change in Fund Balances	(2,541,382.42)	-	(929,431.98)
Fund Balances, Beginning	8,146,803.85	-	2,034,964.10
Fund Balances, Ending	\$ 5,605,421.43	\$ 0.00	\$ 1,105,532.12

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

Capital Projects - Local Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 51,444.73
-	1,970,176.72	2,765,044.91
-	126,382.88	7,367,223.05
1,654,684.03	-	12,240,310.60
-	155,263.37	155,263.37
34.44	1,000.65	444,373.86
<u>1,654,718.47</u>	<u>156,264.02</u>	<u>12,839,947.83</u>
<u>1,654,718.47</u>	<u>2,252,823.62</u>	<u>23,023,660.52</u>
-	738,462.55	11,713,395.21
-	320,907.21	1,345,834.63
-	-	283,186.68
-	195,194.68	447,081.05
-	81,715.45	409,953.48
-	38,090.00	89,170.69
-	-	218,631.69
-	15,911.08	903,772.27
-	-	1,160,657.12
829,212.16	126,484.45	955,696.61
-	-	403,420.66
-	1,013,765.38	1,013,765.38
-	-	217,422.37
-	35,048.37	945,750.70
-	-	1,719,520.09
-	-	1,736,169.80
-	-	85,544.43
13,698,541.98	-	15,586,193.23
322,464.82	8,846.55	539,734.82
-	84.12	84.12
<u>14,850,218.96</u>	<u>2,574,509.84</u>	<u>39,774,985.03</u>
<u>(13,195,500.49)</u>	<u>(321,686.22)</u>	<u>(16,751,324.51)</u>
13,698,541.98	325,000.00	14,610,822.36
-	-	12,769,110.00
-	-	430,475.00
<u>(587,280.38)</u>	<u>-</u>	<u>(14,610,822.36)</u>
<u>13,111,261.60</u>	<u>325,000.00</u>	<u>13,199,585.00</u>
<u>(84,238.89)</u>	<u>3,313.78</u>	<u>(3,551,739.51)</u>
<u>341,367.30</u>	<u>330,025.07</u>	<u>10,853,160.32</u>
<u>\$ 257,128.41</u>	<u>\$ 333,338.85</u>	<u>\$ 7,301,420.81</u>

Gulf County District School Board
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Governmental Funds **\$ (3,551,739.51)**

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

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

Capitalized Expenditures	\$ 16,125,928.05	
Depreciation	<u>(1,257,702.01)</u>	14,868,226.04

The proceeds from an installment-purchase provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (12,769,110.00)

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

Amounts Earned During the Year	\$ (400,271.90)	
Amounts Paid During the Year	<u>107,656.49</u>	(292,615.41)

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

Decrease in Total OPEB Liability	\$ 514,349.00	
Decrease in Deferred Outflows of Resources - OPEB	(49,575.00)	
Increase in Deferred Inflows of Resources - OPEB	<u>(383,787.00)</u>	80,987.00

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

FRS Pension Contribution	\$ 1,141,580.00	
HIS Pension Contribution	211,152.00	
FRS Pension Expense	(2,405,580.00)	
HIS Pension Expense	<u>(340,335.00)</u>	(1,393,183.00)

Change in Net Position - Governmental Activities **\$ (3,057,434.88)**

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

Gulf County District School Board
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 103,486.31	\$ 396,888.00
NET POSITION		
Restricted for Scholarships	103,486.31	-
Restricted for Student Groups	-	396,888.00
TOTAL NET POSITION	\$ 103,486.31	\$ 396,888.00

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

Gulf County District School Board
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Gifts	\$ 3,253.41	\$ -
Student Group Collections	-	1,024,572.00
Interest	237.07	-
Total Additions	<u>3,490.48</u>	<u>1,024,572.00</u>
DEDUCTIONS		
Scholarship Payments	5,003.41	-
Student Group Disbursements	-	978,033.00
Total Deductions	<u>5,003.41</u>	<u>978,033.00</u>
Change in Net Position	<u>(1,512.93)</u>	<u>46,539.00</u>
Net Position - Beginning	104,999.24	-
Adjustment to Beginning Net Position	-	350,349.00
Net Position - Beginning, as Restated	<u>104,999.24</u>	<u>350,349.00</u>
Net Position - Ending	<u><u>\$ 103,486.31</u></u>	<u><u>\$ 396,888.00</u></u>

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Gulf County School District (District). All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions.

The 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 associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

B. Reporting Entity

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading. Based on these criteria, no component units are included within the District's reporting entity.

C. Basis of Presentation: Government-Wide Financial Statements

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

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

D. Basis of Presentation: Fund Financial Statements

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Federal Education Stabilization Fund – to account for Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided through the State as emergency relief to school districts to address the impact of COVID-19 on elementary and secondary schools.
- Debt Service – Other Fund – to account for the proceeds of the District installment-purchase agreement.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and motor vehicle purchases.

Additionally, the District reports the following fiduciary fund types:

- Private-Purpose Trust Funds – to account for resources of the Herman R. Dean Scholarship Fund, Marilyn Witten Scholarship Fund, James Lamar Faison Scholarship Fund, Marion “Coach” Craig Memorial Scholarship Fund, Margaret K. Biggs Scholarship Fund, Paul and Marlene Sewell Scholarship Fund, and the Lila Gunter Scholarship Fund.
- Custodial Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME. Restricted cash and cash equivalents totaling \$1,105,532.12 is held by an escrow agent in connection with an installment-purchase financing arrangement.

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

2. Investments

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

The District's investment in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. This investment is reported at fair value, which is amortized cost.

Investments made locally consist of a money market fund held by an escrow agent in connection with an installment-purchase financing arrangement.

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

3. Inventories

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

4. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation. Land and some buildings acquired or constructed prior to July 1, 1984, are stated at estimated historical cost using price levels at the time of acquisition and, as a result, all of the stated land values and \$1,365,298 of stated building values are based on these estimates.

Buildings and fixed equipment are depreciated using the straight-line method, with all other assets being depreciated using the composite method, over the following estimated useful lives:

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

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

5. Pensions

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

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

6. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position.

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

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

7. Deferred Outflows/Inflows of Resources

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

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

8. Net Position Flow Assumption

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

applied. Consequently, it is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balances at June 30, 2021.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has, by approval of the annual financial report, authorized the assignment of fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. State Revenue Sources

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

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

The District received an allocation from the State under the Educational Facilities Security Grant program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

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

3. District Property Taxes

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

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

The Board adopted the 2020 tax levy on September 10, 2020. 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 Gulf County Tax Collector at fiscal year end but not yet remitted to the District.

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

4. Federal Revenue Sources

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

5. Compensated Absences

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

II. ACCOUNTING CHANGE

The District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The District considers the school internal funds to meet the criteria for reporting as fiduciary activities in the custodial funds. As such, the beginning net position of the custodial funds was increased by \$350,349.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

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

B. Investments

The District's investments at June 30, 2021, are reported as follows:

Investments	Maturities	Fair Value
SBA:		
Florida PRIME (1)	50 Days	\$ 5,650,367.38
Money Market Fund:		
Federated Hermes Treasury Obligations Fund (1) (2)	37 Days	1,105,532.12
Total Investments		\$ 6,755,899.50

(1) These investments are reported as cash equivalents for financial statement reporting purposes.

(2) This investment is held by an escrow agent in connection with an installment-purchase financing arrangement (see Note III. H.).

Interest Rate Risk

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

Florida PRIME and the money market fund use a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such

measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.” As of June 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Credit Risk

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

The District’s investments in Florida PRIME and the money market fund are rated AAAM by Standard & Poor’s.

C. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 494,036.47	\$ -	\$ -	\$ 494,036.47
Land Improvements	124,222.00	-	-	124,222.00
Construction in Progress	10,030,853.71	13,698,541.98	5,507,019.31	18,222,376.38
Total Capital Assets Not Being Depreciated	10,649,112.18	13,698,541.98	5,507,019.31	18,840,634.85
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	1,416,120.45	1,483,082.00	-	2,899,202.45
Buildings and Fixed Equipment	22,840,467.24	5,911,588.56	-	28,752,055.80
Furniture, Fixtures, and Equipment	3,149,626.11	316,228.82	244,727.87	3,221,127.06
Motor Vehicles	3,125,357.16	221,256.00	-	3,346,613.16
Audio Visual Materials and Computer Software	320,360.72	2,250.00	14,435.00	308,175.72
Total Capital Assets Being Depreciated	30,851,931.68	7,934,405.38	259,162.87	38,527,174.19
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	737,889.39	29,163.94	-	767,053.33
Buildings and Fixed Equipment	13,690,390.75	720,122.72	-	14,410,513.47
Furniture, Fixtures, and Equipment	415,050.73	295,607.60	244,727.87	465,930.46
Motor Vehicles	1,635,530.51	202,616.42	-	1,838,146.93
Audio Visual Materials and Computer Software	269,404.05	10,191.33	14,435.00	265,160.38
Total Accumulated Depreciation	16,748,265.43	1,257,702.01	259,162.87	17,746,804.57
Total Capital Assets Being Depreciated, Net	14,103,666.25	6,676,703.37	-	20,780,369.62
Governmental Activities Capital Assets, Net	\$ 24,752,778.43	\$ 20,375,245.35	\$ 5,507,019.31	\$ 39,621,004.47

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 202,616.42
Unallocated	<u>1,055,085.59</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,257,702.01</u>

D. Retirement Plans

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. 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 \$2,745,915 for the fiscal year ended June 30, 2021.

FRS Pension Plan

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

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

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

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 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 table shows the percentage value for each year of service credit earned:

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

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-21 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	10.00
FRS, Elected County Officers	3.00	49.18
DROP – Applicable to Members from All of the Above Classes	0.00	16.98
FRS, Reemployed Retiree	(2)	(2)

(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 \$1,141,580 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the District reported a liability of \$11,679,923 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.026948605 percent, which was a decrease of 0.000906412 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized the Plan pension expense of \$2,405,580. 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	\$ 447,014	\$ -
Change of Assumptions	2,114,438	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	695,433	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	29,008	293,981
District FRS Contributions Subsequent to the Measurement Date	1,141,580	-
Total	\$ 4,427,473	\$ 293,981

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$1,141,580, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. 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>
2022	\$ 601,214
2023	994,148
2024	839,709
2025	477,454
2026	79,387
Total	\$ 2,991,912

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.80 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.

The actuarial assumptions used in the July 1, 2020, 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	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100%			
Assumed inflation - Mean			2.4%	1.7%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.8 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 2020 valuation was updated from 6.9 percent to 6.8 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 6.8 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 (5.8 percent) or 1 percentage point higher (7.8 percent) than the current rate:

	<u>1% Decrease (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase (7.8%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 18,650,873	\$ 11,679,923	\$ 5,857,754

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, 2021, 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, 2021, 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 \$211,152 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the District reported a net pension liability of \$4,212,400 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.03450005 percent, which was a decrease of 0.00008776 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized the HIS Plan pension expense of \$340,335. 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	\$ 172,312	\$ 3,249
Change of Assumptions	452,953	244,934
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	3,363	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	77,893	24,950
District HIS Contributions Subsequent to the Measurement Date	211,152	-
Total	\$ 917,673	\$ 273,133

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$211,152, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. 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>
2022	\$ 112,135
2023	97,294
2024	39,894
2025	56,101
2026	70,118
Thereafter	57,846
Total	\$ 433,388

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.21 percent

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.

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 2.21 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 3.5 percent to 2.21 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 2.21 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 (1.21 percent) or 1 percentage point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
District's Proportionate Share of the Net Pension Liability	\$ 4,869,346	\$ 4,212,400	\$ 3,674,691

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.

2. FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's 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 by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2020-21 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 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, 2021, 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 \$270,822 for the fiscal year ended June 30, 2021.

E. Other Postemployment Benefit Obligations

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

coverage as soon as they are eligible. 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 healthcare and life insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	114
Active Employees	<u>258</u>
Total	<u><u>372</u></u>

Total OPEB Liability. The District's total OPEB liability of \$741,908 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020.

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

Inflation	2.25 percent
Salary Increases	3.4 percent to 7.8 percent, including inflation
Discount Rate	2.45 percent
Healthcare Cost Trend Rates	Starting at -10 percent for 2021 (based on scheduled premium decrease), followed by 6 percent for 2022, and then gradually decreasing according to the Getzen Model to an ultimate trend rate of 3.99 percent starting in 2040.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death."
Expenses	Administrative expenses are included in the per capita health costs.

For the plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 2.45 percent based on the daily rate of Fidelity's 20-Year Municipal General Obligation AA Index closest to but not later than the measurement date.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2020, actuarial valuation of the FRS Defined Benefit Pension Plan. These demographic assumptions were developed by FRS from an actuarial experience study, and therefore are appropriate for use in the OPEB Plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions (for development of the pattern of the normal cost increases) were the same as those used in the July 1, 2020, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment Plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2020	<u>\$ 1,256,257</u>
Changes for the year:	
Service Cost	42,743
Interest	39,602
Differences Between Expected and Actual Experience	(114,849)
Changes of Assumptions or Other Inputs	(414,317)
Benefit Payments	<u>(67,528)</u>
Net Changes	<u>(514,349)</u>
Balance at June 30, 2021	<u>\$ 741,908</u>

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

- The discount rate was changed from 3.13 percent as of the beginning of the measurement period to 2.45 percent as of June 30, 2020.
- The medical claims costs and premiums were updated based on actual premium information provided for the valuation.
- The retiree medical coverage acceptance assumption was lowered from 30 percent to 20 percent based on recent experience.
- The retiree life insurance coverage acceptance assumption was lowered from 75 percent to 70 percent based on recent experience.
- The short-term medical healthcare trend rate was revised to reflect premium changes scheduled for the January 1, 2021, renewal.
- The healthcare cost trend assumption was revised to reflect a lower inflation assumption (from 2.5 percent to 2.25 percent) and the assumed load to model the excise tax was removed, as it was repealed in December 2019.
- Rates of salary increases were changed to be based on revised inflation and individual member pay increases used in the July 1, 2020, FRS Actuarial Valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.45 percent) or 1 percentage point higher (3.45 percent) than the current rate:

	<u>1% Decrease (1.45%)</u>	<u>Current Discount Rate (2.45%)</u>	<u>1% Increase (3.45%)</u>
Total OPEB Liability	\$ 837,418	\$ 741,908	\$ 662,087

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (-11 percent increasing to 2.99 percent) or 1 percentage point higher (-9 percent increasing to 4.99 percent) than the current healthcare cost trend rates:

	1% Decrease (-11% increasing to 2.99%)	Healthcare Cost Trend Rates (-10% increasing to 3.99%)	1% Increase (-9% increasing to 4.99%)
Total OPEB Liability	\$ 664,443	\$ 741,908	\$ 839,213

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2021, the District recognized a negative OPEB expense of \$57,888. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 8,797	\$ 99,737
Changes of Assumptions or Other Inputs	11,846	612,672
Benefits Paid Subsequent to the Measurement Date	23,099	-
Total	\$ 43,742	\$ 712,409

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling \$23,099, will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ (140,233)
2023	(140,233)
2024	(136,728)
2025	(94,855)
2026	(68,313)
Thereafter	(111,404)
Total	\$ (691,766)

F. Construction Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2021:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Districtwide HVAC Upgrade	\$ 20,452,908.00	\$ 19,347,355.78	\$ 1,105,552.22

G. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Gulf County District School Board is a member of the Panhandle Area Educational Consortium – Risk Management Consortium (Consortium) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, sabotage and terrorism, cyber liability, employee dishonesty, equipment breakdown, and other coverage deemed necessary by the members of the Consortium. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. The Board of Directors for the Consortium is composed of superintendents of all participating districts. The Washington County District School Board serves as fiscal agent for the Consortium.

Health and hospitalization coverage for District employees is being provided through purchased commercial insurance.

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

H. Long-Term Liabilities

1. Installment-Purchase Payable

In March 2020, the District entered into Phase 1 of an energy savings installment-purchase agreement (direct placement) for the acquisition of energy services and equipment. In the event of a default, the lessor may terminate the lease, demand all unpaid rental payments, and/or request the District to convey any or all of the equipment to the lessor so the equipment can be leased or sold. The proceeds will be applied to the unpaid obligations. Events of default include failure to pay within 10 days or failure to maintain insurance; failure to observe and perform any covenant, condition, or agreement for a period of 30 days after written notice specifying such failure and requesting it be remedied; false statements or misrepresentations pursuant to the lease; any default occurring under any other agreement for borrowing money, lease financing, or otherwise receiving credit under which there is outstanding and aggregate amount of \$100,000; appointment of a receiver, trustee, custodian, or liquidator of all or a substantial part of the assets of the District. During the 2020-21 fiscal year, the District entered into Phase 2 of the energy savings agreement totaling \$12,769,110. The total installment-purchase payable at June 30, 2021, is as follows:

<u>Installment-Purchase Payable</u>	<u>Amount Outstanding</u>	<u>Interest Rate (Percent)</u>	<u>Maturity To</u>
Major HVAC Renovations	<u>\$ 18,202,908</u>	2.223	2035

The payment will be made from the District's local capital improvement funds.

Annual requirements to amortize the installment-purchase payable outstanding as of June 30, 2021, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,385,412.87	\$ 940,162.25	\$ 445,250.62
2023	1,372,113.87	988,363.04	383,750.83
2024	1,383,137.87	1,021,358.34	361,779.53
2025	1,394,490.87	1,055,416.14	339,074.73
2026	1,406,186.87	1,090,574.04	315,612.83
2027-2031	7,219,002.37	6,021,118.39	1,197,883.98
2032-2036	7,568,706.37	7,085,915.80	482,790.57
Total	\$ 21,729,051.09	\$ 18,202,908.00	\$ 3,526,143.09

2. Changes in Long-Term Liabilities

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
GOVERNMENTAL ACTIVITIES					
Installment-Purchase Payable, Direct Placement	\$ 5,433,798.00	\$ 12,769,110.00	\$ -	\$ 18,202,908.00	\$ 940,162.25
Compensated Absences Payable	1,944,156.70	400,271.90	107,656.49	2,236,772.11	22,534.30
Net Pension Liability	13,462,910.00	7,677,209.00	5,247,796.00	15,892,323.00	43,914.00
Total OPEB Liability	1,256,257.00	82,345.00	596,694.00	741,908.00	23,099.00
Total Governmental Activities	\$ 22,097,121.70	\$ 20,928,935.90	\$ 5,952,146.49	\$ 37,073,911.11	\$ 1,029,709.55

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

I. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in Note I.F.10., fund balances may be classified as follows:

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

J. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2020-21 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 4,744,254.00
Categorical Educational Program - Class Size Reduction	1,973,906.00
Voluntary Prekindergarten Program	114,271.05
Workforce Development Program	79,816.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	77,312.63
Educational Facilities Security Grant	42,000.00
Adults with Disabilities	35,000.00
Food Service Supplement	8,211.00
State License Tax	8,131.89
Miscellaneous	284,320.48
Total	\$ 7,367,223.05

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

2. Property Taxes

The following is a summary of millages and taxes levied on the 2020 tax roll for the 2020-21 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Nonvoted School Tax:		
Required Local Effort	3.662	\$ 7,411,251.86
Basic Discretionary Local Effort	0.748	1,513,822.06
Voted School Tax:		
Additional Operating	1.000	2,023,826.29
<u>Capital Projects - Local Capital Improvement Fund</u>		
Nonvoted Tax:		
Local Capital Improvements	0.847	1,714,180.87
Total	6.257	\$ 12,663,081.08

K. Interfund Transfers

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 587,280.38	\$ 325,000.00
Debt Service - Other	-	13,698,541.98
Capital Projects - Local Capital Improvement	13,698,541.98	587,280.38
Nonmajor Governmental	325,000.00	-
Total	\$ 14,610,822.36	\$ 14,610,822.36

Transfers to the General Fund were to purchase school equipment, refund maintenance expenditures, and to pay for property casualty insurance. Transfers to the Local Capital Improvement Fund were to record the HVAC renovations paid from the proceeds of the installment-purchase agreement. Transfers to the nonmajor governmental funds were provided to supplement food service operations.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule General and Major Special Revenue Funds For the Fiscal Year Ended June 30, 2021

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 60,000.00	\$ 60,000.00	\$ 51,444.73	\$ (8,555.27)
Federal Through State and Local	428,273.38	508,273.38	218,998.04	(289,275.34)
State	7,476,719.00	7,255,941.00	7,240,840.17	(15,100.83)
Local:				
Property Taxes	10,536,874.00	10,536,874.00	10,585,626.57	48,752.57
Miscellaneous	507,198.00	510,198.00	443,338.77	(66,859.23)
Total Local Revenues	11,044,072.00	11,047,072.00	11,028,965.34	(18,106.66)
Total Revenues	19,009,064.38	18,871,286.38	18,540,248.28	(331,038.10)
Expenditures				
Current - Education:				
Instruction	11,632,554.17	11,339,168.64	10,472,204.19	866,964.45
Student Support Services	1,067,750.65	1,075,665.65	1,024,927.42	50,738.23
Instructional Media Services	281,916.57	290,727.57	283,186.68	7,540.89
Instruction and Curriculum Development Services	193,050.00	258,257.05	251,886.37	6,370.68
Instructional Staff Training Services	327,873.71	339,312.71	308,413.13	30,899.58
Instruction-Related Technology	49,413.00	51,943.00	51,080.69	862.31
Board	253,115.00	240,115.00	218,631.69	21,483.31
General Administration	879,028.00	897,297.95	882,900.26	14,397.69
School Administration	1,210,838.00	1,206,538.00	1,160,657.12	45,880.88
Fiscal Services	395,033.00	414,333.00	403,420.66	10,912.34
Central Services	251,376.00	226,186.00	217,422.37	8,763.63
Student Transportation Services	1,170,154.00	1,176,937.46	905,971.33	270,966.13
Operation of Plant	2,097,229.00	2,070,229.00	1,719,520.09	350,708.91
Maintenance of Plant	5,623,757.00	4,113,422.22	1,736,169.80	2,377,252.42
Administrative Technology Services	84,765.00	87,247.00	85,544.43	1,702.57
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	2,007,629.25	1,887,651.25	119,978.00
Other Capital Outlay	-	164,798.60	164,798.60	-
Total Expenditures	25,517,853.10	25,959,808.10	21,774,386.08	4,185,422.02
Deficiency of Revenues Over Expenditures	(6,508,788.72)	(7,088,521.72)	(3,234,137.80)	3,854,383.92
Other Financing Sources (Uses)				
Transfers In	517,894.70	654,374.70	587,280.38	(67,094.32)
Loss Recoveries	-	430,475.00	430,475.00	-
Transfers Out	(150,000.00)	(325,000.00)	(325,000.00)	-
Total Other Financing Sources	367,894.70	759,849.70	692,755.38	(67,094.32)
Net Change in Fund Balances	(6,140,894.02)	(6,328,672.02)	(2,541,382.42)	3,787,289.60
Fund Balances, Beginning	8,146,803.85	8,146,803.85	8,146,803.85	-
Fund Balances, Ending	\$ 2,005,909.83	\$ 1,818,131.83	\$ 5,605,421.43	\$ 3,787,289.60

Special Revenue - Federal Education Stabilization Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ -	\$ -	\$ -	\$ -
620,246.80	730,487.10	575,870.15	(154,616.95)
-	-	-	-
-	-	-	-
-	-	-	-
620,246.80	730,487.10	575,870.15	(154,616.95)
608,890.80	597,822.25	502,728.47	95,093.78
-	5,650.00	-	5,650.00
-	-	-	-
-	-	-	-
-	72,034.00	19,824.90	52,209.10
-	-	-	-
-	-	-	-
6,625.00	6,625.00	4,960.93	1,664.07
-	-	-	-
-	-	-	-
-	-	-	-
4,731.00	4,731.00	4,731.00	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	43,624.85	43,624.85	-
620,246.80	730,487.10	575,870.15	154,616.95
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 42,743	\$ 37,050	\$ 53,554	\$ 58,739
Interest	39,602	44,501	55,803	48,194
Differences Between Expected and Actual Experience	(114,849)	-	16,336	-
Changes of Assumptions or Other Inputs	(414,317)	17,112	(378,529)	(119,114)
Benefit Payments	(67,528)	(69,334)	(68,367)	(62,864)
Net Change in Total OPEB Liability	<u>(514,349)</u>	<u>29,329</u>	<u>(321,203)</u>	<u>(75,045)</u>
Total OPEB Liability - Beginning	<u>1,256,257</u>	<u>1,226,928</u>	<u>1,548,131</u>	<u>1,623,176</u>
Total OPEB Liability - Ending	<u><u>\$ 741,908</u></u>	<u><u>\$ 1,256,257</u></u>	<u><u>\$ 1,226,928</u></u>	<u><u>\$ 1,548,131</u></u>
Covered-Employee Payroll	\$ 11,846,687	\$ 10,495,472	\$ 10,189,779	\$ 9,139,993
Total OPEB Liability as a Percentage of Covered-Employee Payroll	6.26%	11.97%	12.04%	16.94%

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	0.028094264%	\$ 4,836,273	\$ 10,222,857	47.31%	88.54%
2014	0.029729613%	1,813,944	10,044,409	18.06%	96.09%
2015	0.028782672%	3,717,668	9,989,487	37.22%	92.00%
2016	0.027891758%	7,042,691	10,259,555	68.65%	84.88%
2017	0.028269260%	8,361,857	10,923,326	76.55%	83.89%
2018	0.028343881%	8,537,324	11,215,173	76.12%	84.26%
2019	0.027855017%	9,592,880	11,568,586	82.92%	82.61%
2020	0.026948605%	11,679,923	11,972,934	97.55%	78.85%

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

**Schedule of District Contributions –
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2014	\$ 651,205	\$ (651,205)	\$ -	\$ 10,044,409	6.48%
2015	701,746	(701,746)	-	9,989,487	7.02%
2016	680,904	(680,904)	-	10,259,555	6.64%
2017	736,429	(736,429)	-	10,923,326	6.74%
2018	812,417	(812,417)	-	11,215,173	7.24%
2019	873,301	(873,301)	-	11,568,586	7.55%
2020	921,297	(921,297)	-	11,972,934	7.69%
2021	1,141,580	(1,141,580)	-	12,720,027	8.97%

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

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

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	0.035189503%	\$ 3,063,709	\$ 10,222,857	29.97%	1.78%
2014	0.033832342%	3,163,408	10,044,409	31.49%	0.99%
2015	0.032971100%	3,358,046	9,989,487	33.62%	0.50%
2016	0.033205550%	3,869,968	10,259,555	37.72%	0.97%
2017	0.034236747%	3,660,750	10,923,326	33.51%	1.64%
2018	0.034333329%	3,633,877	11,215,173	32.40%	2.15%
2019	0.034587810%	3,870,030	11,568,586	33.45%	2.63%
2020	0.034500050%	4,212,400	11,972,934	35.18%	3.00%

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

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

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2014	\$ 115,898	\$ (115,898)	\$ -	\$ 10,044,409	1.15%
2015	125,868	(125,868)	-	9,989,487	1.26%
2016	170,349	(170,349)	-	10,259,555	1.66%
2017	181,328	(181,328)	-	10,923,326	1.66%
2018	186,712	(186,712)	-	11,215,173	1.66%
2019	192,038	(192,038)	-	11,568,586	1.66%
2020	198,750	(198,750)	-	11,972,934	1.66%
2021	211,152	(211,152)	-	12,720,027	1.66%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Budgetary Basis of Accounting

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

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

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

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2021, total OPEB liability decreased from the prior fiscal year as a result of changes in assumptions as discussed below:

- The discount rate was changed from 3.13 percent as of the beginning of the measurement period to 2.45 percent as of June 30, 2020.
- The medical claims costs and premiums were updated based on actual premium information provided for the valuation.
- The retiree medical coverage acceptance assumption was lowered from 30 percent to 20 percent based on recent experience.
- The retiree life insurance coverage acceptance assumption was lowered from 75 percent to 70 percent based on recent experience.
- The short-term medical healthcare trend rate was revised to reflect premium changes scheduled for the January 1, 2021, renewal.
- The healthcare cost trend assumption was revised to reflect a lower inflation assumption (from 2.5 percent to 2.25 percent) and the assumed load to model the excise tax was removed, as it was repealed in December 2019.
- The salary increase rates were changed to be based on revised inflation and individual member pay increases used in the July 1, 2020, FRS Actuarial Valuation.

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

Changes of Assumptions. In 2020, the long-term expected rate of return was decreased from 6.9 percent to 6.8 percent.

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

Changes of Assumptions. In 2020, the municipal bond rate used to determine total pension liability was decreased from 3.5 percent to 2.21 percent, and the mortality assumption was updated.

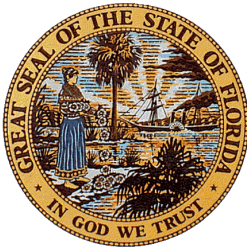
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Gulf County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	21002	\$ 108,597.66
National School Lunch Program	10.555	21001, 21003	396,374.48
COVID-19 National School Lunch Program	COVID-19, 10.555	21001, 21003	31,028.69
Total National School Lunch Program	10.555		<u>427,403.17</u>
Total Child Nutrition Cluster			<u>536,000.83</u>
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	263	480,255.50
Special Education - Preschool Grants	84.173	267	24,349.36
Total Special Education Cluster			<u>504,604.86</u>
Child Care and Development Fund Cluster			
United States Department of Health and Human Services:			
Early Learning Coalition of Northwest Florida:			
Child Care and Development Block Grant	COVID-19, 93.575	None	<u>7,741.36</u>
Not Clustered			
United States Department of Defense			
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	<u>51,444.73</u>
United States Department of Education			
Florida Department of Education:			
Title I Grants to Local Educational Agencies	84.010	212	550,141.72
Career and Technical Education - Basic Grants to States	84.048	161	76,666.91
Education for Homeless Children and Youth	84.196	127	48,287.68
Twenty-First Century Community Learning Centers	84.287	244	104,603.22
Rural Education	84.358	110	27,625.59
Supporting Effective Instruction State Grants	84.367	224	73,267.97
Student Support and Academic Enrichment Program	84.424	241	48,977.94
Education Stabilization Fund:	84.425		
Governor's Emergency Education Relief Fund	COVID-19, 84.425C	123	153,863.72
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124	422,006.43
Total Education Stabilization Fund	84.425		<u>575,870.15</u>
Total United States Department of Education			<u>1,505,441.18</u>
United States Department of Homeland Security			
Florida Division of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1022	<u>70,849.20</u>
Total Expenditures of Federal Awards			<u>\$ 2,676,082.16</u>

The accompanying notes are an integral part of this Schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Gulf County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2021. 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 Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance – National School Lunch Program. Includes \$17,015.20 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) COVID-19 National School Lunch Program. The District incurred \$31,028.69 in expenditures for the National School Lunch Program grant in the 2019-20 fiscal year.
- (6) Disaster Grants – Public Assistance (Presidentially Declared Disasters). The District incurred \$70,849.20 in expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) grant in the 2019-20 fiscal year.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gulf County District School Board as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 2, 2022, 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, 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.

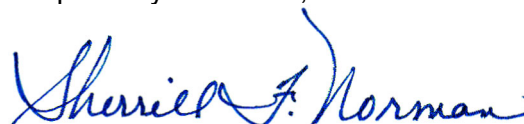
Compliance and Other Matters

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*.

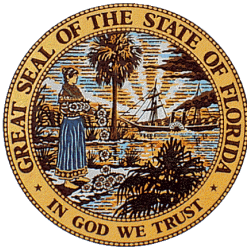
Purpose of this Report

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
February 2, 2022



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 Gulf 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, 2021. 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, 2021.

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,

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

Sherrill F. Norman, CPA
Tallahassee, Florida
February 2, 2022

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:	
Assistance Listing Numbers:	Name of Federal Program or Cluster:
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund
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 Federal award audit finding included in our report No. 2021-133.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JIM NORTON
SUPERINTENDENT



150 Middle School Road
Port St. Joe, FL 32456
850-229-8256 • 850-639-2871
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Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
2021-133 (2020-001)	Title I Grants to Local Educational Agencies (CFDA No. 84.010)	District did not always comply with Federal regulations by properly allocating Title I Program funds to eligible schools.	Partially Corrected	The deficiencies have been corrected; however, resolution of the questioned costs is pending from the grantor.

www.gulf.k12.fl.us

Denny McGlon
District 1

Brooke Wooten
District 2

Cindy Belin
District 3

Marvin Davis
District 4

Ruby Knox
District 5