

**FLORIDA DEPARTMENT OF EDUCATION  
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)  
DISTRICT SCHOOL BOARD OF NASSAU COUNTY  
For the Fiscal Year Ended June 30, 2021**

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**INDEX:**

		<b>PAGE NUMBER</b>	
		<b>Minimum Reporting</b>	<b>CAFR</b>
Exhibit A-1	Management's Discussion and Analysis-----	1	1
Exhibit B-1	Statement of Net Position-----	2	2
Exhibit B-2	Statement of Activities -----	3	3
Exhibit C-1	Balance Sheet – Governmental Funds -----	4	4
Exhibit C-2	Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position-----	5	5
Exhibit C-3	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds-----	6	6
Exhibit C-4	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities -----	7	7
Exhibit C-5	Statement of Net Position – Proprietary Funds – Not Applicable-----	8	8
Exhibit C-6	Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds – Not Applicable -----	9	9
Exhibit C-7	Statement of Cash Flows – Proprietary Funds – Not Applicable-----	10	10
Exhibit C-8	Statement of Fiduciary Net Position -----	11	11
Exhibit C-9	Statement of Changes in Fiduciary Net Position -----	12	12
Exhibit C-10	Combining Statement of Net Position – Major and Nonmajor Component Units – N/A -----	13	13
Exhibit C-11 a-d	Combining Statement of Activities – Major and Nonmajor Component Units – N/A -----	14-17	14-17
Exhibit D-1	Notes to Financial Statements-----	18	18
Exhibit D-2a	Required Supplementary Information – Schedule of Funding Progress -----	19	19
Exhibit D-2b	Notes to Required Supplementary Information -----	20	20
Exhibit E-1	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund -----	21	21
Exhibit E-2a-d	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Special Revenue Funds – -----	22-25	22-25
Exhibit F-1a-d	Combining Balance Sheet – Nonmajor Governmental Funds -----		26-29
Exhibit F-2a-d	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds -----		30-33
Exhibit G-1	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds-----		34
Exhibit G-2	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Funds-----		35
Exhibit G-3	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Funds -----		36
Exhibit G-4	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Permanent Funds – Not Applicable -----		37
Exhibit H-1	Combining Statement of Net Position – Nonmajor Enterprise Funds – Not Applicable-----		38
Exhibit H-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds – Not Applicable-----		39
Exhibit H-3	Combining Statement of Cash Flows – Nonmajor Enterprise Funds – Not Applicable-----		40
Exhibit H-4	Combining Statement of Net Position – Internal Service Funds -----		41
Exhibit H-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds – Not Applicable -----		42
Exhibit H-6	Combining Statement of Cash Flows – Internal Service Funds – Not Applicable-----		43
Exhibit I-1	Combining Statement of Fiduciary Net Position – Investment Trust Funds – N/A-----		44
Exhibit I-2	Combining Statement of Changes in Net Position – Investment Trust Funds – N/A-----		45
Exhibit I-3	Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds – N/A-----		46
Exhibit I-4	Combining Statement of Changes In Net Position – Private-Purpose Trust Funds-N/A-----		47
Exhibit I-5	Combining Statement of Fiduciary Net Position – Pension Trust Funds – N/A -----		48
Exhibit I-6	Combining Statement of Changes In Net Position – Pension Trust Funds – N/A -----		49
Exhibit I-7	Combining Statement of Fiduciary Net Position – Custodial Funds-----		50
Exhibit I-8a-d	Combining Statement of Changes in Net Position– Custodial Funds-----		51
Exhibit J-1	Combining Statement of Net Position – Nonmajor Component Units - N/A-----		52
Exhibit J-2a-d	Combining Statement of Activities – Nonmajor Component Units – N/A -----		53-56

The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2021, was submitted in accordance with rule 6A-1.0071, Florida Administrative Code (section 1001.51(12)(b), Florida Statutes). This report was approved by the school board on September 9, 2021.

  
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 Signature of District School Superintendent

September 9, 2021  
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 Signature Date

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The management of the Nassau County District School Board has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is 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. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

### FINANCIAL HIGHLIGHTS

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

- As of June 30, 2021, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$190,394,870.81.
- In total, net position increased by \$12,429,953.69 due to revenues exceeding expenditures, which represents a 7 percent increase from the 2019-20 fiscal year.
- General revenues total \$135,305,012.94, or 94 percent of all revenues. Program-specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$7,968,191.69, or 6 percent.
- Expenses total \$130,843,250.94. Only \$7,968,191.69 of these expenses were offset by program specific charges, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$17,359,054.95, which is \$3,255,638.22 more than the prior fiscal year balance. The General Fund total assigned and unassigned fund balances was \$11,622,931.28, or 12 percent of total General Fund revenues.

### NON-FINANCIAL HIGHLIGHTS

#### Key highlights

- Nassau County School District student's achievements on the FSA tests were outstanding. In ELA, our 3rd, 4th, and 7th grade tied for 2nd in the state; our 5th grade was 1st in the state. In Math, our 3rd, 4th, 5th, and 6th grades were 1st in the state and our 7th grade was second in the state. In science, our 5th grade was 1st in the state and our 8th grade was 3rd in the state.
- The CNA team at Hilliard Middle Senior High had a pass rate of 100% on the CNA exam.
- Hilliard Middle Senior High's FFA program placed 3rd in the state for CTE Proficiency.
- Nassau County School District's graduation rate was 91.6% in 2020.
- Our US History and Algebra 2 students scored 2nd in the state on FSA.
- Rebecca Smith was recognized as Principal of the Year.
- Lori Amos was recognized as Assistant Principal of the Year.
- Kristan Cronin was recognized as Teacher of the Year.
- Lori Kale was recognized as School Related Employee of the Year.
- Landis M. Stetler ESE Leadership Scholarship Recipient - Lauren Paillillo
- Callahan Middles School's boys' soccer team was county champs.
- All 16 Nassau County Schools were awarded the Hunger Free Campus Recognition Award at the Bronze level for their efforts in supporting school meals and feeding our children and community.
- West Nassau High School received 1st place in the FBLA state competition
- Implemented the Minds on a Mission Summer school program.

- TAP- Students from the Transition Adult Program worked to complete a variety of jobs with NCSD personnel
- Emma Love Hardee Elementary completed a project that supported our community while learning and bringing nonperishable items to support local foodbanks.
- HMSH- Life Savers Program- Hilliard schools combined efforts to thank health care workers for their hard work.
- Talented Authors- Emma Love Hardee Elementary celebrated two of their students for their essays in the Retired Teacher's Association. (Lauren Wortham 1st place, Reese Talbert 2nd place).
- 2021 Nassau County Sunshine State Scholar, Tristan Roddenberry.
- FHSAA Basketball player of the year, Deboo Coleman.
- FHSAA 4A Weightlifting State Champion, Wyatt Butler.
- FHSAA State Weightlifting Competition 2nd place winner, Huntley Moore.
- West Nassau High School Varsity Cheerleaders won 10th FHSAA State title, National Champions.
- 2021 Florida High School Cheerleader of the Year, Presley Ellis.
- Sheriffs Office Outstanding Student Award winner, Taylor Bass.
- Callahan Middle Student Art in the Capital Award winner Gabriel Adkins.
- Callahan Middle School received a new gym floor and foyer.
- Fernandina Beach Middle School received a new gym floor.
- Hilliard Middle Senior High students were the University of US Constitution Bowl Champions.
- All 6 students passed the AP Computer Science A exam, all 6 students passed MTA Java Certification, 2 out of 2 students passed the Oracle Java Certification exam.
- 100% of our 2020-21 NTCC HVAC/Electricity students earned at least two CAPE industry certifications. Four students earned 7 credentials.
- The American Institute of Aeronautics and Astronautics (AIAA) Science, Technology, Engineering, and Mathematics (STEM) named Hilliard Middle/Senior High School's Alyson McCullough their 2020-21 Teacher of the Year for the State of Florida at both the middle and high school levels.
- West Nassau High School student team won the Future Business Leaders of America state contest for Public Service Announcement.
- Nassau County School District was recently accredited by Cognia for the next five years.
- Implemented Absence Manager function in Frontline to automate substitute calling process.

### OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements.

#### **Government-wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental 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, less deferred inflows of resources, equal net position, which is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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 instruction, student support services,

instructional support services, administrative support services, facility maintenance, transportation, and food services. Property taxes and State revenues finance most of these activities. Additionally, all capital and debt financing activities are reported as governmental activities.

### **Fund Financial Statements**

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue Funds – Other Federal Programs, Capital Projects – Local Capital Improvement Fund, and Capital Projects – Governmental Other Funds. 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 all the funds to demonstrate compliance with the budget.

**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 agency funds to account for resources held for student activities and groups.



**Notes to Financial Statements**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District’s net pension and changes in its other postemployment benefits liability.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, 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:

	<b>Net Position, June 30,</b>	
	<b>Governmental</b>	
	<b>Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and Other Assets	86,167,889.23	68,371,184.98
Capital Assets	184,514,018.14	177,994,209.21
<b>Total Assets</b>	<b>\$ 270,681,907.37</b>	<b>\$ 246,365,394.19</b>
<b>Deferred Outflows of Resources</b>	<b>\$ 28,409,100.00</b>	<b>\$ 25,218,631.00</b>
Long-Term Liabilities	96,847,201.71	79,203,054.15
Other Liabilities	4,742,537.85	2,654,332.57
<b>Total Liabilities</b>	<b>\$ 101,589,739.56</b>	<b>\$ 81,857,386.72</b>
<b>Deferred Inflows of Resources</b>	<b>\$ 7,106,307.00</b>	<b>\$ 9,395,212.00</b>
Net Position:		
Net Investment in Capital Assets	177,865,930.31	176,415,891.66
Restricted	68,459,833.34	55,341,918.83
Unrestricted	(55,930,892.84)	(51,263,796.02)
<b>Total Net Position</b>	<b>\$ 190,394,870.81</b>	<b>\$ 180,494,014.47</b>

The District’s net investment in capital assets (e.g., land; buildings; furniture, fixtures, and equipment, less any related debt still outstanding) of \$177,865,930.31 is the largest portion of net position. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The District’s restricted net position of \$68,459,833.34 represents resources that are subject to external restrictions on how they may be used.

The District’s deficit unrestricted net position of \$55,930,892.84 was mainly the result of accruing long-term liabilities of \$80,076,031 for net pension liabilities, \$4,503,333 for other postemployment benefit obligations, and \$5,407,246.89 for compensated absences payable.

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:

	Governmental Activities	
	06-30-2021	06-30-2020
Program Revenues:		
Charges for Services	\$ 586,231.84	\$ 1,687,062.14
Operating Grants and Contributions	6,900,811.90	4,100,064.51
Capital Grants and Contributions	481,147.95	443,664.52
General Revenues:		
Property Taxes, Levied for Operational Purposes	47,129,611.25	45,092,264.60
Property Taxes, Levied for Capital Projects	15,834,738.44	14,587,081.84
Impact Fees	9,490,185.47	6,113,069.00
Grants and Contributions Not Restricted to Specific Programs	59,460,333.61	55,628,849.76
Unrestricted Investment Earnings	73,699.36	818,214.02
Miscellaneous	3,316,444.81	2,253,456.96
<b>Total Revenues</b>	<b>143,273,204.63</b>	<b>130,723,727.35</b>
Functions/Program Expenses:		
Instruction	69,704,983.95	68,781,683.17
Pupil Personnel Services	5,697,711.17	5,857,191.00
Instructional Media Services	1,673,077.01	961,920.22
Instruction and Curriculum Development Services	2,462,512.44	2,874,405.19
Instructional Staff Training Services	1,804,369.76	1,744,720.61
Instruction Related Technology	1,884,905.91	1,499,551.80
School Board	600,526.96	457,464.62
General Administration	887,403.39	1,026,290.71
School Administration	6,479,020.54	6,566,668.72
Facilities Acquisition and Construction	2,992,955.08	3,073,505.88
Fiscal Services	676,388.10	700,988.51
Food Services	6,050,284.83	6,140,676.09
Central Services	739,304.41	796,232.13
Pupil Transportation Services	5,947,172.05	6,095,852.46
Operation of Plant	10,450,406.24	9,845,968.86
Maintenance of Plant	3,286,396.77	3,266,545.95
Administrative Technology Services	1,202,454.63	1,107,682.64
Community Services	238,494.62	306,335.18
Unallocated Interest on Long-Term Debt	49,716.51	54,290.43
Unallocated Depreciation Expense	7,003,710.40	7,669,812.12
Loss on Disposal of Capital Assets	1,011,456.17	13,219.80
<b>Total Functions/Program Expenses</b>	<b>130,843,250.94</b>	<b>128,841,006.09</b>
<b>Change in Net Position</b>	<b>12,429,953.69</b>	<b>1,882,721.26</b>
Net Position - Beginning	180,494,014.47	180,850,938.12
Adjustment to Beginning Net Positions (1)	(2,529,097.35)	(2,239,644.91)
Net Position - Beginning, as Restated	177,964,917.12	178,611,293.21
<b>Net Position - Ending</b>	<b>\$ 190,394,870.81</b>	<b>\$ 180,494,014.47</b>

(1) Adjustment to beginning net position is due to changes in the determination of which capital assets are capitalized in the financial statements

The largest revenue source is local property taxes (44 percent), which increased by \$3,285,003.25, or 6 percent, as a result of an increase in taxable assessed values, although the total millage rate decreased for the 2020-21 fiscal year. The State of Florida is the next largest revenue source (35 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on its local property tax base. FEFP revenues increased by \$914,779, in part, due to State emergency funding order related to student enrollment decreases attributed to the COVID-19.

Instruction expenses represent 53 percent of total expenses in the 2020-21 fiscal year which is fairly consistent with the previous fiscal year.

### **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 increased by \$15,490,784.69 during the fiscal year to \$81,037,328.00 at June 30, 2021. Of the total fund balance, \$6,865,690.90, or 8 percent, is unassigned fund balance, which is available for spending at the District's discretion; \$1,036,244.10 is nonspendable; \$68,378,152.62 is restricted; and \$4,757,240.38 is assigned.

#### **Major Governmental Funds**

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$6,865,690.90, while the total fund balance is \$17,359,054.95. As a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is 12 percent of the total General Fund revenues, while total fund balance represents 17 percent of total General Fund revenues.

Total fund balance increased by \$3,255,638.22 during the fiscal year. Key factors impacting the change in fund balance are as follows:

- Increase in property taxes levied for operational purposes revenues of \$2,037,346.65, primarily due to an increase in Taxable Value Base related to population growth.
- Decrease in expenditures of 858,909.87, primarily due to assigning cost to the Federal Education Stabilization Fund and reduction of staff.
- Total revenues exceeded total expenditures by \$286,410.28, while other financing sources net of uses totaled \$2,969,227.94 mainly due to transfer of cost associated with renovation and repair of existing school plants from the Capital Project – Local Capital Improvement Fund.

## **JUNE 2021**

## **EXHIBIT A-1**

The Federal Education Stabilization Fund has a total fund balance of zero since revenues is dependent upon expenditures. This fund has revenues and expenditures of \$3,558,136.87 and encumbrances of \$1,133,635 at June 30, 2021.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of \$26,236,359.81, which is restricted for the acquisition, construction, and maintenance of capital assets. This fund has revenues of \$17,466,594.20, expenditures of \$9,498,028.33, and encumbrances of \$4,497,735 at June 30, 2021. The ending fund balance increased by \$5,522,209.17 as compared to the prior fiscal year as the District is accumulating assets for future construction projects to add classrooms at existing schools in the Yulee area to address future student growth.

The Capital Projects – Other Capital Projects Fund has a total fund balance of \$33,261,161.31. This fund accounts for the financial resources generated by the collection of impact fees to be used for educational capital outlay needs, including new construction, renovations, and remodeling projects. This fund has revenues of \$9,565,138.47, expenditures of \$4,211,825.20, and encumbrances of \$1,831,008 at June 30, 2021. The ending fund balance increase by \$4,980,713.27 as compared to the prior fiscal year as the District is accumulating assets for future construction projects to add classrooms at existing schools in the Yulee area to address future student growth.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund final budgeted revenues and expenditures were in line with original budget amounts. Actual revenues are \$712,274.85 or 1 percent less than the final budgeted amounts, while actual expenditures are \$13,576,598.44 or 12 percent less than final budget amounts. The increase in revenues is mainly from the Medicaid Administration billing being brought up to date. The difference between the budget and actual expenditures are due to the reduction of instructional staff due to decrease in student population related to Covid-19 concerns. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$13,848,202.23.

### **CAPITAL ASSETS AND LONG-TERM DEBT**

#### **Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2021, is \$184,514,018.14 (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; construction in progress; and property under leases.

The major capital asset event during the fiscal year was the completion of the Callahan Intermediate Storm Drain replacement, Callahan Intermediate and Hilliard Parent Pick Up reconfiguration, and lease-purchase agreement for 55 new buses, which will be delivered in the 2021-22 fiscal year.

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

#### **Long-Term Debt**

At June 30, 2020 the District has total long-term debt outstanding of \$6,860,590.82 comprised of District Revenue Bonds and Lease-Purchase Agreement. During the current fiscal year, the District reduced bond payable debt of \$121,902.34 through scheduled principal payments. On April 22, 2021, the District entered into



a five-year lease agreement as a lessee for the acquisition and use of 55 buses. An initial lease liability was recorded in the amount of \$5,404,175.61 during 2020-21 fiscal year.

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

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Nassau County District School Board's finances. Questions concerning information provided in this report or requests for additional financial information should be addressed to the Executive Director of Business Services, Nassau County District School Board, 1201 Atlantic Avenue, Fernandina Beach, FL 32034.

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Account Number	Primary Government	
		Governmental Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	1110	80,158,569.75	80,158,569.75
Capital Credits	1130	175,520.39	175,520.39
Accounts Receivable, Net	1131	67,368.89	67,368.89
Due From Other Agencies	1220	4,517,683.11	4,517,683.11
Inventory	1150	1,036,244.10	1,036,244.10
Prepaid Items	1230	212,502.99	212,502.99
<i>Capital Assets</i>			
Land	1310	5,442,850.98	5,442,850.98
Construction in Progress	1360	6,653,376.64	6,653,376.64
Nondepreciable Capital Assets		12,096,227.62	12,096,227.62
Improvements Other Than Buildings	1320	16,223,088.72	16,223,088.72
Less Accumulated Depreciation	1329	(10,311,161.55)	(10,311,161.55)
Buildings and Fixed Equipment	1330	250,221,948.00	250,221,948.00
Less Accumulated Depreciation	1339	(97,074,005.13)	(97,074,005.13)
Furniture, Fixtures and Equipment	1340	14,861,071.57	14,861,071.57
Less Accumulated Depreciation	1349	(10,353,955.91)	(10,353,955.91)
Motor Vehicles	1350	12,816,761.73	12,816,761.73
Less Accumulated Depreciation	1359	(9,247,593.74)	(9,247,593.74)
Property Under Leases	1370	5,404,675.61	5,404,675.61
Less Accumulated Amortization	1379	(123,038.78)	(123,038.78)
Depreciable Capital Assets, Net		172,417,790.52	172,417,790.52
Total Capital Assets		184,514,018.14	184,514,018.14
<b>Total Assets</b>		270,681,907.37	270,681,907.37
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	1940	27,438,219.00	27,438,219.00
Other Postemployment Benefits	1950	970,791.00	970,791.00
<b>Total Deferred Outflows of Resources</b>		28,409,010.00	28,409,010.00
<b>LIABILITIES</b>			
Accrued Salaries and Benefits	2110	2,611,364.11	2,611,364.11
Payroll Deductions and Withholdings	2170	519,195.93	519,195.93
Accounts Payable	2120	464,440.40	464,440.40
Construction Contracts Payable	2140	121,240.66	121,240.66
Construction Contracts Payable - Retained Percentage	2150	370,987.75	370,987.75
Unearned Revenues	2410	655,309.00	655,309.00
<i>Long-Term Liabilities:</i>			
<i>Portion Due Within One Year:</i>			
Bonds Payable	2320	125,820.13	125,820.13
Liability for Compensated Absences	2330	736,726.69	736,726.69
Lease-Purchase Agreements Payable	2340	1,087,385.67	1,087,385.67
Net Other Postemployment Benefits Obligation	2360	219,914.00	219,914.00
Net Pension Liability	2365	246,459.00	246,459.00
Due Within One Year		2,416,305.49	2,416,305.49
<i>Portion Due After One Year:</i>			
Bonds Payable	2320	1,330,595.08	1,330,595.08
Liability for Compensated Absences	2330	4,670,520.20	4,670,520.20
Lease-Purchase Agreements Payable	2340	4,316,789.94	4,316,789.94
Net Other Postemployment Benefits Obligation	2360	4,283,419.00	4,283,419.00
Net Pension Liability	2365	79,829,572.00	79,829,572.00
Due in More than One Year		94,430,896.22	94,430,896.22
Total Long-Term Liabilities		96,847,201.71	96,847,201.71
<b>Total Liabilities</b>		101,589,739.56	101,589,739.56
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	2610	3,580,613.00	3,580,613.00
Other Postemployment Benefits	2650	3,525,694.00	3,525,694.00
<b>Total Deferred Inflows of Resources</b>		7,106,307.00	7,106,307.00
<b>NET POSITION</b>			
Net Investment in Capital Assets	2770	177,865,930.31	177,865,930.31
<i>Restricted For:</i>			
Categorical Carryover Programs	2780	2,468,669.33	2,468,669.33
Food Service	2780	3,342,918.25	3,342,918.25
Debt Service	2780	38,467.12	38,467.12
Capital Projects	2780	60,296,887.68	60,296,887.68
Other Purposes	2780	2,312,890.96	2,312,890.96
Unrestricted	2790	(55,930,892.84)	(55,930,892.84)
<b>Total Net Position</b>		190,394,870.81	190,394,870.81

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
						Governmental Activities
<i>Governmental Activities:</i>						
Instruction	5000	69,704,983.95	13,490.00			(69,691,493.95)
Student Support Services	6100	5,697,711.17				(5,697,711.17)
Instructional Media Services	6200	1,673,077.01				(1,673,077.01)
Instruction and Curriculum Development Services	6300	2,462,512.44				(2,462,512.44)
Instructional Staff Training Services	6400	1,804,369.76				(1,804,369.76)
Instruction-Related Technology	6500	1,884,905.91				(1,884,905.91)
Board	7100	600,526.96				(600,526.96)
General Administration	7200	887,403.39				(887,403.39)
School Administration	7300	6,479,020.54				(6,479,020.54)
Facilities Acquisition and Construction	7400	2,992,955.08			481,147.95	(2,511,807.13)
Fiscal Services	7500	676,388.10				(676,388.10)
Food Services	7600	6,050,284.83	555,321.87	6,900,811.90		1,405,848.94
Central Services	7700	739,304.41				(739,304.41)
Student Transportation Services	7800	5,947,172.05	17,419.97			(5,929,752.08)
Operation of Plant	7900	10,450,406.24				(10,450,406.24)
Maintenance of Plant	8100	3,286,396.77				(3,286,396.77)
Administrative Technology Services	8200	1,202,454.63				(1,202,454.63)
Community Services	9100	238,494.62				(238,494.62)
Unallocated Interest on Long-Term Debt		49,716.51				(49,716.51)
Loss on Disposal of Capital Assets		1,011,456.17				(1,011,456.17)
Unallocated Depreciation/Amortization Expense		7,003,710.40				(7,003,710.40)
<b>Total Governmental Activities</b>		130,843,250.94	586,231.84	6,900,811.90	481,147.95	(122,875,059.25)

**General Revenues:**

*Taxes:*

Property Taxes, Levied for Operational Purposes	47,129,611.25
Property Taxes, Levied for Debt Service	15,834,738.44
Impact Fees, Levied for Capital Projects	9,490,185.47
Grants and Contributions Not Restricted to Specific Programs	59,460,333.61
Investment Earnings	73,699.36
Miscellaneous	3,316,444.81
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>	135,305,012.94
<b>Change in Net Position</b>	12,429,953.69
Net Position, July 1, 2020	180,494,014.47
Adjustments to Beginning Net Position	(2,529,097.35)
Net Position - Beginning, as Restated	177,964,917.12
Net Position, June 30, 2021	190,394,870.81

DISTRICT SCHOOL BOARD OF NASSAU COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	Account Number	General 100	Federal Education Stabilization Fund 440	Nonvoted Capital Improvement Fund 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>ASSETS</b>							
Cash and Cash Equivalents	1110	18,546,422.75	0.00	26,435,493.48	31,267,031.73	3,909,621.79	80,158,569.75
Accounts Receivable, Net	1131	67,368.89	0.00	0.00	0.00	0.00	67,368.89
Due From Other Agencies	1220	133,702.09	963,286.75	1,698.93	2,749,842.64	669,152.70	4,517,683.11
Due From Budgetary Funds	1141	1,096,319.07	0.00	0.00	0.00	0.00	1,096,319.07
Inventory	1150	954,563.38	0.00	0.00	0.00	81,680.72	1,036,244.10
<b>Total Assets</b>		20,798,376.18	963,286.75	26,437,192.41	34,016,874.37	4,660,455.21	86,876,184.92
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Outflows of Resources</b>		0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Assets and Deferred Outflows of Resources</b>		20,798,376.18	963,286.75	26,437,192.41	34,016,874.37	4,660,455.21	86,876,184.92
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Cash Overdraft	2125	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Salaries and Benefits	2110	2,611,364.11	0.00	0.00	0.00	0.00	2,611,364.11
Payroll Deductions and Withholdings	2170	519,195.93	0.00	0.00	0.00	0.00	519,195.93
Accounts Payable	2120	308,761.19	1,748.08	131,860.72	12,567.38	9,503.03	464,440.40
Due to Budgetary Funds	2161	0.00	757,529.63	0.00	0.00	338,789.44	1,096,319.07
Construction Contracts Payable	2140	0.00	0.00	68,971.88	34,207.66	18,061.12	121,240.66
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00	0.00	370,987.75	0.00	370,987.75
Unearned Revenue	2410	0.00	204,009.04	0.00	337,950.27	113,349.69	655,309.00
<b>Total Liabilities</b>		3,439,321.23	963,286.75	200,832.60	755,713.06	479,703.28	5,838,856.92
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Revenues	2630	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Inflows of Resources</b>		0.00	0.00	0.00	0.00	0.00	0.00
<b>FUND BALANCES</b>							
<i>Nonspendable:</i>							
Inventory	2711	954,563.38	0.00	0.00	0.00	81,680.72	1,036,244.10
<i>Total Nonspendable Fund Balances</i>	2710	954,563.38	0.00	0.00	0.00	81,680.72	1,036,244.10
<i>Restricted for:</i>							
State Required Carryover Programs	2723	2,468,669.33	0.00	0.00	0.00	0.00	2,468,669.33
Debt Service	2724	0.00	0.00	0.00	0.00	38,467.12	38,467.12
Capital Projects	2725	0.00	0.00	26,236,359.81	33,261,161.31	799,366.56	60,296,887.68
Food Service	2726	0.00	0.00	0.00	0.00	3,261,237.53	3,261,237.53
FL Career and Professional Education	2729	1,731,191.80	0.00	0.00	0.00	0.00	1,731,191.80
Workforce Development	2729	500,134.67	0.00	0.00	0.00	0.00	500,134.67
Other Purposes	2729	81,564.49	0.00	0.00	0.00	0.00	81,564.49
<i>Total Restricted Fund Balances</i>	2720	4,781,560.29	0.00	26,236,359.81	33,261,161.31	4,099,071.21	68,378,152.62
<i>Total Committed Fund Balances</i>	2730	0.00	0.00	0.00	0.00	0.00	0.00
<i>Assigned to:</i>							
Health Insurance	2749	1,987,217.50	0.00	0.00	0.00	0.00	1,987,217.50
Special Education Programs	2749	842,326.64	0.00	0.00	0.00	0.00	842,326.64
Advanced Placement Program	2749	373,619.23	0.00	0.00	0.00	0.00	373,619.23
Purchase Obligations	2749	155,858.89	0.00	0.00	0.00	0.00	155,858.89
Local Programs and Other Purposes	2749	1,398,218.12	0.00	0.00	0.00	0.00	1,398,218.12
<i>Total Assigned Fund Balances</i>	2740	4,757,240.38	0.00	0.00	0.00	0.00	4,757,240.38
<i>Total Unassigned Fund Balances</i>	2750	6,865,690.90	0.00	0.00	0.00	0.00	6,865,690.90
<b>Total Fund Balances</b>	2700	17,359,054.95	0.00	26,236,359.81	33,261,161.31	4,180,751.93	81,037,328.00
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>		20,798,376.18	963,286.75	26,437,192.41	34,016,874.37	4,660,455.21	86,876,184.92

The notes to financial statements are an integral part of this statement.  
ESE 145

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**For the Fiscal Year Ended June 30, 2021**

**Total Fund Balances - Governmental Funds** \$ 81,037,328.00

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. 184,514,018.14

Deposited for capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 212,502.99

Capital credits are not available to liquidate liabilities in governmental funds, but are accrued in governmental activities in the statement of net position. 175,520.39

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:

Bonds Payable	\$ 1,456,415.21	
Lease Payable	5,404,175.61	
Compensated Absences Payable	5,407,246.89	
Other Post Employment Benefits	4,503,333.00	
Net Pension Liability	80,076,031.00	(96,847,201.71)

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 OPEB	\$ 970,791.00	
Deferred Outflows Related to Pensions	27,438,219.00	
Deferred Inflows Related to OPEB	(3,525,694.00)	
Deferred Inflows Related to Pensions	(3,580,613.00)	21,302,703.00

**Total Net Position - Governmental Activities** \$ 190,394,870.81

The notes to financial statements are an integral part of this statement.  
ESE 145



**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	Account Number	General 100	Federal Education Stabilization Fund 440	Nonvoted Capital Improvement Fund 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Federal Direct	3100	73,770.75	0.00	0.00	0.00	0.00	73,770.75
Federal Through State and Local	3200	633,559.19	3,558,136.87	0.00	0.00	11,873,063.02	16,064,759.08
State Sources	3300	49,994,479.17	0.00	0.00	59,152.73	650,131.73	50,703,763.63
<i>Local Sources:</i>							
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	47,129,611.25	0.00	0.00	0.00	0.00	47,129,611.25
Property Taxes Levied, Tax Redemptions and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	0.00	15,834,738.44	0.00	0.00	15,834,738.44
Local Sales Taxes	3418, 3419	0.00	0.00	0.00	0.00	0.00	0.00
Charges for Service - Food Service	345X	0.00	0.00	0.00	0.00	555,321.87	555,321.87
Impact Fees	3496	0.00	0.00	0.00	9,490,185.47	0.00	9,490,185.47
Other Local Revenue		1,653,203.09	0.00	1,631,855.76	15,800.27	41,443.48	3,342,302.60
Total Local Sources	3400	48,782,814.34	0.00	17,466,594.20	9,505,985.74	596,765.35	76,352,159.63
<b>Total Revenues</b>		99,484,623.45	3,558,136.87	17,466,594.20	9,565,138.47	13,119,960.10	143,194,453.09
<b>EXPENDITURES</b>							
<i>Current:</i>							
Instruction	5000	60,555,660.06	1,612,667.73	0.00	0.00	3,233,957.15	65,402,284.94
Student Support Services	6100	4,866,252.76	166,131.93	0.00	0.00	271,993.56	5,304,378.25
Instructional Media Services	6200	801,572.33	79.20	0.00	0.00	819,921.92	1,621,573.45
Instruction and Curriculum Development Services	6300	1,813,690.16	85,283.76	0.00	0.00	390,634.79	2,289,608.71
Instructional Staff Training Services	6400	1,421,315.79	249,816.43	0.00	0.00	0.00	1,671,132.22
Instruction-Related Technology	6500	1,640,088.26	157,140.00	0.00	0.00	0.00	1,797,228.26
Board	7100	582,848.81	0.00	0.00	0.00	0.00	582,848.81
General Administration	7200	663,370.17	39,882.05	0.00	0.00	143,020.52	846,272.74
School Administration	7300	5,812,874.61	65,358.58	0.00	0.00	0.00	5,878,233.19
Facilities Acquisition and Construction	7410	593,440.41	0.00	2,106,501.91	94,140.37	180,994.57	2,975,077.26
Fiscal Services	7500	611,936.36	0.00	0.00	0.00	0.00	611,936.36
Food Services	7600	63,149.18	90,215.78	0.00	0.00	5,688,377.16	5,841,742.12
Central Services	7700	685,291.37	0.00	0.00	0.00	2,422.20	687,713.57
Student Transportation Services	7800	4,746,413.84	11,565.34	0.00	0.00	40,314.05	4,798,293.23
Operation of Plant	7900	9,847,210.32	243,647.60	0.00	0.00	0.00	10,090,857.92
Maintenance of Plant	8100	3,110,333.29	0.00	0.00	0.00	0.00	3,110,333.29
Administrative Technology Services	8200	1,124,343.88	0.00	0.00	0.00	0.00	1,124,343.88
Community Services	9100	190,395.81	0.00	0.00	0.00	29,869.98	220,265.79
<i>Debt Service: (Function 9200)</i>							
Redemption of Principal	710	0.00	0.00	0.00	0.00	121,902.34	121,902.34
Interest	720	0.00	0.00	0.00	0.00	49,250.48	49,250.48
Dues and Fees	730	0.00	0.00	0.00	0.00	466.03	466.03
<i>Capital Outlay:</i>							
Facilities Acquisition and Construction	7420	1,122.60	0.00	4,593,192.81	4,117,684.83	306,125.36	9,018,125.60
Other Capital Outlay	9300	66,903.16	764,719.85	2,798,333.61	0.00	121,717.96	3,751,674.58
<b>Total Expenditures</b>		99,198,213.17	3,486,508.25	9,498,028.33	4,211,825.20	11,400,968.07	127,795,543.02
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		286,410.28	71,628.62	7,968,565.87	5,353,313.27	1,718,992.03	15,398,910.07
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Capital Assets	3730	61,692.49	0.00	0.00	0.00	13,232.00	74,924.49
Loss Recoveries	3740	16,950.13	0.00	0.00	0.00	0.00	16,950.13
Transfers In	3600	2,890,585.32	0.00	0.00	0.00	0.00	2,890,585.32
Transfers Out	9700	0.00	(71,628.62)	(2,446,356.70)	(372,600.00)	0.00	(2,890,585.32)
<b>Total Other Financing Sources (Uses)</b>		2,969,227.94	(71,628.62)	(2,446,356.70)	(372,600.00)	13,232.00	91,874.62
<b>Net Change in Fund Balances</b>		3,255,638.22	0.00	5,522,209.17	4,980,713.27	1,732,224.03	15,490,784.69
Fund Balances, July 1, 2020	2800	14,103,416.73	0.00	20,714,150.64	28,280,448.04	2,448,527.90	65,546,543.31
Adjustments to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2021	2700	17,359,054.95	0.00	26,236,359.81	33,261,161.31	4,180,751.93	81,037,328.00

The notes to financial statements are an integral part of this statement.  
ESE 145

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2021**

**Net Change in Fund Balances - Governmental Funds** \$ 15,490,784.69

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 allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays and donated assets in excess of depreciation expense in the current fiscal year.

Capital Outlay Expenditures - Governmental Funds	\$	12,769,800.18	
Depreciation Expense		(7,882,775.98)	
Donated Assets		56,590.12	4,943,614.32

The loss on disposal of capital assets during the current fiscal year is report in the statement of activities. In the governmental, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (1,086,380.66)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt repayments in the current fiscal year.

District Revenue Bonds 121,902.34

The District accrues capital credits to be received in future years in the statement of activities, but the revenue does not provide current financial resources and is not reported in the governmental funds. This is the net increase in capital credits receivable in the current fiscal year.

Current Year Accruals	\$	175,520.39	
Prior Year Accruals		(170,309.10)	5,211.29

In the statement of activates, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental fund, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences used in excess of the amount earned in the current fiscal year. (108,606.29)

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 determines through an actuarial valuation, is reported as on OPEB expense.

Increase in OPEB Liability	\$	(18,167.00)	
Increase in Deferred Outflows of Resources -OPEB		626,696.00	
Increase in Deferred Inflows of Resources -OPEB		(433,534.00)	174,995.00

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

FRS Pension Contribution	\$	5,323,956.00	
HIS Pension Contribution		1,128,953.00	
FRS Pension Expense		(11,480,863.00)	
HIS Pension Expense		(2,083,613.00)	(7,111,567.00)

**Change in Net Position of Governmental Activities** 12,429,953.69

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**LISTING OF PAGES NOT APPLICABLE AND NOT SHOWN IN REPORT**  
**For the Fiscal Year Ended June 30, 2021**

<b>PAGE TITLE</b>	<b>EXHIBIT TITLE</b>	<b>PAGE NUMBER</b>
STATEMENT OF NET POSITION PROPRIETARY FUNDS	C-5	<b>8</b>
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS	C-6	<b>9</b>
STATEMENT OF CASH FLOWS PROPRIETARY FUNDS	C-7	<b>10</b>

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2021**

	Account Number	Total Custodial Funds 89X
<b>ASSETS</b>		
Cash and Cash Equivalents	1110	1,152,592.00
Investments	1160	465,333.00
Accounts Receivable, Net	1131	0.00
Pension Contributions Receivable	1132	
Interest Receivable on Investments	1170	0.00
Due From Budgetary Funds	1141	0.00
Due From Other Agencies	1220	0.00
Inventory	1150	0.00
<b>Total Assets</b>		1,617,925.00
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	
Pension	1940	
Other Postemployment Benefits	1950	
<b>Total Deferred Outflows of Resources</b>		
<b>LIABILITIES</b>		
Cash Overdraft	2125	0.00
Accrued Salaries and Benefits	2110	0.00
Payroll Deductions and Withholdings	2170	0.00
Accounts Payable	2120	0.00
Internal Accounts Payable	2290	0.00
Due to Other Agencies	2230	
Due to Budgetary Funds	2161	0.00
<b>Total Liabilities</b>		0.00
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Accumulated Increase in Fair Value of Hedging Derivatives	2610	
Pension	2640	
Other Postemployment Benefits	2650	
<b>Total Deferred Inflows of Resources</b>		
<b>NET POSITION</b>		
<b>Restricted for:</b>		
Pensions	2785	0.00
Postemployment benefits other than pensions	2785	0.00
Other purposes	2785	1,617,925.00
Individuals, organizations and other governments	2785	0.00
<b>Total Net Position</b>		1,617,925.00

The notes to financial statements are an integral part of this statement.  
ESE 145

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	Account Number	Total Custodial Funds 89X
<b>ADDITIONS</b>		
Athletics		828,458.00
Music		56,949.00
Classes		224,949.00
Clubs		140,134.00
Departments		251,597.00
Trusts		48,173.00
General		451,196.00
<b>Total Additions</b>		2,001,456.00
<b>DEDUCTIONS</b>		
Athletics		812,154.00
Music		31,189.00
Classes		219,287.00
Clubs		163,782.00
Departments		208,439.00
Trusts		42,257.00
General		380,952.00
<b>Total Deductions</b>		1,858,060.00
<b>Change In Net Position</b>		143,396.00
Net position-beginning	2885	1,474,529.00
Adjustments to Net Position	2896	0.00
Net position-ending	2785	1,617,925.00

The notes to financial statements are an integral part of this statement.  
ESE 145



**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**LISTING OF PAGES NOT APPLICABLE AND NOT SHOWN IN REPORT**  
**For the Fiscal Year Ended June 30, 2021**

<b>PAGE TITLE</b>	<b>EXHIBIT TITLE</b>	<b>PAGE NUMBER</b>
COMBINING STATEMENT OF NET POSITION MAJOR AND NONMAJOR COMPONENT UNITS	C-10	<b>13</b>
COMBINING STATEMENT OF ACTIVITIES MAJOR AND NONMAJOR COMPONENT UNITS Major Component Unit Name	C-11a	<b>14</b>
COMBINING STATEMENT OF ACTIVITIES (CONTINUED) MAJOR AND NONMAJOR COMPONENT UNITS Major Component Unit Name	C-11b	<b>15</b>
COMBINING STATEMENT OF ACTIVITIES (CONTINUED) MAJOR AND NONMAJOR COMPONENT UNITS TOTAL NONMAJOR COMPONENT UNITS	C-11c	<b>16</b>
COMBINING STATEMENT OF ACTIVITIES MAJOR AND NONMAJOR COMPONENT UNITS TOTAL COMPONENT UNITS	C-11d	<b>17</b>

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees charged to external customers for support.

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

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

**B. Reporting Entity**

The Nassau 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 Nassau County School District (District) is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Nassau 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 services provided and used.

### D. Basis of Presentation: Fund Financial Statements

The fund financial statements provide information about the District's funds, including the fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise 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 Program Stabilization – to account for certain Federal program resources related to Coronavirus.
- 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, motor vehicle purchases, and debt service payments on October 1<sup>st</sup>.
- Capital Projects - Other Fund – to account for the financial resources generated by the collection of impact fees to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.

Additionally, the District reports the following fiduciary fund type:

- Custodial Funds – to account for resources of the school internal funds, which are used to administer monies collected at several schools in connection with school, student athletic, class, and club activities.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. 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 preparation of the government-wide financial statements.

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**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 when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 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 30 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, 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 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, highly liquid investments with original maturities of three months or less. Investments classified as cash equivalents include a money market mutual fund and amounts placed with the State Board of Administration (SBA) in Florida, PRIME.

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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 pools created by Sections 218.405, Florida Statutes, and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME, 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. These investments are reported at fair value, which is amortized cost.

Investments made locally consist of a money market mutual fund and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note.

## 3. Inventories and Prepaid Items

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

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

## 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. As of April 22, 2021, Capital assets are defined by the District as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation. The value of land acquired prior to December 30, 1973, is based on the Nassau County Property Appraiser's appraised value at the time and, as a result, \$711,698.26 of stated land values are based on these appraised values. Interest costs incurred during construction of capital assets are not consider material and are not capitalized as part of the cost of construction.



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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	50 years
Furniture, Fixtures, and Equipment	3 - 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.

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 financial 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 a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualifies 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 and the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has two types of items that qualifies for reporting in this category on the statement of

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net position. 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 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 balance 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.

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In addition, Board Policy 6.15 was amended to provide at least 3 percent of the current year's annual estimated General Fund revenues to be reserved for contingency purposes. If the unassigned fund balance falls below 3 percent, the Superintendent will notify the Board and work to restore the funds to the appropriate level within a reasonable time period.

## **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 year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The FDOE generally requires 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 School Hardening Grant program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. Accordingly, the District recognizes the allocation of these funds as unearned revenue until such time as an encumbrance authorization is received.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

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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 Nassau County Property Appraiser, and property taxes are collected by the Nassau 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 Nassau 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. Educational Impact Fees

Nassau County (County) imposes an educational impact fee based on an Ordinance No. 2005-56 adopted by the County Commission in July 2005. This ordinance was most recently amended on January 8, 2018, when Resolution 2018-001 revised the fees collected. The educational impact fee is collected for most new residential construction by the County and each municipality within the County based upon interlocal agreement. The fees shall be used solely for the purpose of providing capital improvements to the public educational system necessitated by new residential development, and are not to be used for any expenditure that would be classified as an operating, maintenance or repair expense. The authorized capital improvement cost include, but are not limited to, school sites, building, relocatable classroom, building contents, nonbuilding improvements, and vehicles.

### 5. 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.

**6. Compensated Absences**

In the government-wide financial statements, compensated absences (e.g. paid absences for employee vacation and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability 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**

**A. Change in Capitalization Threshold**

The District previously defined capital assets as those costing more than \$1,000 and, during the 2020-21 fiscal year, the District changed the capitalization threshold to \$5,000. As a result of this accounting change, the District reduced the beginning capital assets and accumulated depreciation balances by \$9,140,752.43 and \$6,611,655.08, respectively. This accounting change restates the beginning net position by \$2,529,097.35.

**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 a bank failure, 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**

As of June 30, 2021, the District has the following investments and maturities:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA:		
Florida PRIME (1)	53 Day Average	\$ 1,841,529.54
Dreyfus Cash Management Institutional Shares		
Money Market Mutual Fund (1)	27 Day Average	\$ 68,646,111.03
Total Investments, Reporting Entity		\$ 70,487,640.57

Notes: (1) Investments reported as a cash equivalent for financial statement reporting purposes.

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**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 Dreyfus Government Cash Management Institutional Shares 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 monies 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 monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the 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 does not have a formal investment policy that limits its investment choices

The District's investment in Florida PRIME is rated AAAm by Standard & Poor's.

The District's investment in the Dreyfus Cash Management Institutional Shares Money Market Mutual Fund is rated AAAm by Standard & Poor's and Aaa-mf by Moody's Investors Service.

### C. Capital Credits

The District participates in the Okefenoke Rural Electric Membership Corporation, a nonprofit electric cooperative. Revenues in excess of operating expenses, unless otherwise determined by a vote of the membership, are distributed by the cooperative on a pro rata share basis to its members. Annually, the cooperative makes payments for designated prior years' capital credits. During the 2020-21 fiscal year, the District received \$1,023.12 and \$2,768.70, related to the 1991 and 1992 capital credits, respectively, and new credits of \$9,003.11. At June 30, 2021, the accumulated credits to the District's accounts were \$175,520.39.

### D. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 5,142,970.53	\$ 299,880.45		\$ 5,442,850.98
Construction in Progress	1,154,958.28	8,718,245.15	3,219,826.79	6,653,376.64
Total Capital Assets Not Being Depreciated	6,297,928.81	9,018,125.60	3,219,826.79	12,096,227.62
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	13,724,881.68	2,498,207.04		16,223,088.72
Buildings and Fixed Equipment	249,500,328.25	721,619.75		250,221,948.00
Furniture, Fixtures, and Equipment (1)	25,803,198.28	3,110,733.71	14,052,860.42	14,861,071.57
Motor Vehicles	13,761,422.48	484,528.00	1,429,188.75	12,816,761.73
Property Under Leases		5,404,675.61		5,404,675.61
Audio Visual Materials and Computer Software (1)	3,546,481.95		3,546,481.95	-
Total Capital Assets Being Depreciated	306,336,312.64	12,219,764.11	19,028,531.12	299,527,545.63
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	9,677,015.46	634,146.09		10,311,161.55
Buildings and Fixed Equipment	92,620,640.06	4,453,365.07		97,074,005.13
Furniture, Fixtures, and Equipment (1)	18,906,316.17	1,916,199.24	10,468,559.50	10,353,955.91
Motor Vehicles	9,920,755.69	756,026.80	1,429,188.75	9,247,593.74
Property Under Leases		123,038.78		123,038.78
Audio Visual Materials and Computer Software (1)	3,515,304.86		3,515,304.86	-
Total Accumulated Depreciation	134,640,032.24	7,882,775.98	15,413,053.11	127,109,755.11
Total Capital Assets Being Depreciated, Net	171,696,280.40	4,336,988.13	3,615,478.01	172,417,790.52
Governmental Activities Capital Assets, Net	\$ 177,994,209.21	\$ 13,355,113.73	\$ 6,835,304.80	\$ 184,514,018.14

(1) The beginning balances for furniture, fixtures, and equipment and computer software and the related accumulated depreciation were reduced by \$9,140,752.43 and \$6,611,655.08, respectively, for an accounting change as discussed in Note II.A to the financial statement.



Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Pupil Transportation Services	\$ 879,065.58
Unallocated	7,003,710.40
Total Depreciation Expense - Governmental Activities	<u>\$ 7,882,775.98</u>

**E. 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 under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to 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](http://www.dms.myflorida.com)).

The District's FRS and HIS pension expense totaled \$13,564,476 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 Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- 
- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
  - Elected County Officers Class – Members who hold specified elective offices in local government.
  - Special Risk – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

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, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of 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 employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except those certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

<b>Regular Class members initially enrolled before July 1, 2011</b>	
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
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
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
<b>Elected County Officers</b>	3.00
<b>Special Risk</b>	3.00

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

Contributions. The State of Florida 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
FRS, Special Risk Class	3.00	24.45
DROP - Applicable to		
Members from All of the Above Classes	0.00	16.98
FRS, Reemployed Retiree	█ (2)	█ (2)

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

█(2) Contribution rates are dependent upon retirement class and plan in which

The District's contributions, including employee contributions, to the Plan totaled \$5,323,956 for the fiscal year ended June 30, 2021, excluding HIS plan contributions.

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 \$56,434,948 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 2019-20

fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.130210034 percent, which was a decrease of 0.003565860 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$11,480,863. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,159,880	\$
Change of assumptions	10,216,521	
Net difference between projected and actual earnings on FRS pension plan investments	3,360,191	
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	875,380	1,867,802
District FRS contributions subsequent to the measurement date	5,323,956	
<b>Total</b>	<b>\$ 21,935,928</b>	<b>\$ 1,867,802</b>

The deferred outflows of resources related to pensions, totaling \$5,323,956, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended 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>
2021	\$ 2,939,767
2022	4,901,792
2023	4,205,375
2024	2,324,975
2025	372,261
<b>Total</b>	<b>\$ 14,744,170</b>

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	6.8 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:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
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%
<b>Total</b>	<b>100%</b>			
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 Position 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:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District's proportionate share of the net pension liability	\$ 90,117,127	\$ 56,434,948	\$ 28,303,445

**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.

**Payables to the Pension Plan.** At June 30, 2021, the District reported a payable of \$781,639.80 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2021.

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## 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 \$1,125,953 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 \$23,641,083 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 .193623244 percent, which was a decrease of .000946199 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized HIS pension expense of \$2,083,613. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 967,064	\$ 18,238
Change of assumptions	2,542,090	1,374,637
Net difference between projected and actual earnings on FRS pension plan investments	18,875	
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	845,309	319,936
District FRS contributions subsequent to the measurement date	1,128,953	
Total	<u>\$ 5,502,291</u>	<u>\$ 1,712,811</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$1,128,953, will be recognized as a reduction of the net pension liability in the fiscal year ended 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:

Fiscal Year Ending June 30	Amount
2020	\$ 713,473
2021	590,115
2022	278,446
2023	409,003
2024	364,096
Thereafter	305,394
Total	<u>\$ 2,660,527</u>

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	\$ 27,327,038	\$ 23,641,083	\$ 20,623,322

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.

Payables to the Pension Plan. At June 30, 2021, the District reported a payable of \$148,022.22 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2021.

**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 of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2020-21 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Special Risk	14.00

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. 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; 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 \$1,614,524.76 for the fiscal year ended June 30, 2021.

*Payables to the Pension Plan.* At June 30, 2020 the District reported a payable of \$342,906.89 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2021.

**F. 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 vision coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare

costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	39
Active Employees with health insurance	<u>974</u>
Total	<u><u>1,013</u></u>

**Total OPEB Liability.** The District’s total OPEB liability of \$4,503,333 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 - 7.8 percent, including inflation.
Discount Rate	2.45 percent
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 0% for 2020 (based on actual premiums), 6.25% for 2021, and gradually decreasing to an ultimate trend rate of 3.99% 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 plans that do not have formal assets, the discount rate should equal tax-exempt municipal bond rate based on an index of 20-year general obligation municipal bonds with an average AA rating of the measurement date. For the purpose of the OPEB Plan actuarial roll-forward, the municipal bond rate of 3.13 percent was based on the daily rate of Fidelity’s “20-Year Municipal GO 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 Pension Plan for Regular Class members. These demographic assumptions were developed by FRS from an actuarial experience study, and therefore are appropriate for use in this 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 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>
<b>Balance at June 30, 2020</b>	<u>\$ 4,485,166</u>
<b>Changes for the year:</b>	
Service Cost	249,625
Interest	145,654
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	641,622
Changes in Assumptions or Other Inputs	(856,146)
Benefit Payments	<u>(162,588)</u>
<b>Net Changes</b>	<u>18,167</u>
<b>Balance at June 30, 2021</b>	<u><u>\$ 4,503,333</u></u>

Changes of assumptions and other inputs are as follows:

- The discount rate was changed from 3.13 percent as of June 30, 2019, to 2.45 percent as of June 30, 2020.
- The inflation rate was changed from 2.50 percent as of June 30, 2019, to 2.25 percent as of June 30, 2020.
- Changes in demographic assumptions developed, such as mortality, retirements, termination, disability, and salary increases, to match assumptions developed by the FRS and adopted for July 1, 2020, 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	\$ 5,058,875	\$ 4,503,333	\$ 4,028,607

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

	<b>Current Healthcare Cost Trend Rate Assumption</b>		
	<u>1% Decrease</u>		<u>1% Increase</u>
Total OPEB Liability	\$ 3	\$ 4,503,333	\$ 5,399,612

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$32,938. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 587,704	\$ 510,284
Change of Assumptions or Other Inputs	163,173	3,015,410
Benefits Paid Subsequent to the Measurement Date	<u>219,914</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 970,791</u></b>	<b><u>\$ 3,525,694</u></b>

Of the total amount reported as deferred outflows of resources related to OPEB, \$219,914 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred 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	\$ (350,360)
2023	\$ (350,360)
2024	\$ (350,360)
2025	\$ (350,360)
2026	\$ (350,360)
Thereafter	<u>(1,023,017)</u>
<b>Total</b>	<b><u>\$ (2,774,817)</u></b>

**G. Construction and Other Significant Commitments**

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

Project	Contract Amount	Completed to Date	Balance Committed
<b>Wildlight Elementary Additional Classrooms</b>			
Architect	440,150.40	335,786.36	104,364.04
Contractor	4,808,346.75	3,709,878.10	1,098,468.65
Direct Purchases		1,552,957.39	
<b>Total</b>	<b>\$ 5,248,497.15</b>	<b>\$ 5,598,621.85</b>	<b>\$ 1,202,832.69</b>
<b>Yulee High Additional Classrooms</b>			
Architect	605,128.60	366,707.50	238,421.10
Direct Purchases		71,763.15	
<b>Total</b>	<b>\$ 605,128.60</b>	<b>\$ 438,470.65</b>	<b>\$ 238,421.10</b>
<b>Yulee Middle Additional Classrooms</b>			
Architect	488,056.98	363,179.75	124,877.23
Direct Purchases		3,336.34	
<b>Total</b>	<b>\$ 488,056.98</b>	<b>\$ 366,516.09</b>	<b>\$ 124,877.23</b>
<b>Yulee High Plumbing Repairs</b>			
Architect	51,250.00	47,192.50	4,057.50
Contractor	75,000.00		75,000.00
<b>Total</b>	<b>\$ 126,250.00</b>	<b>\$ 47,192.50</b>	<b>\$ 79,057.50</b>
<b>FBHS Mechanical Upgrades</b>			
Architect	153,000.00	122,410.00	30,590.00
Contractor	1,312,500.00		1,312,500.00
<b>Total</b>	<b>\$ 1,465,500.00</b>	<b>\$ 122,410.00</b>	<b>\$ 1,343,090.00</b>
<b>Chiller Replacements</b>			
Contractor	119,548.00		119,548.00
Direct Purchases		5,698.56	
<b>Total</b>	<b>\$ 119,548.00</b>	<b>\$ 5,698.56</b>	<b>\$ 119,548.00</b>
<b>Yulee Middle Roofing Replacement</b>			
Contractor	280,039.69	77,027.04	203,012.65
<b>Total</b>	<b>\$ 280,039.69</b>	<b>\$ 77,027.04</b>	<b>\$ 203,012.65</b>
<b>Yulee Primary Cafeteria/Classrooms</b>			
Architect	736,393.26	41,048.00	695,345.26
Direct Purchases		1,281.48	
<b>Total</b>	<b>\$ 736,393.26</b>	<b>\$ 42,329.48</b>	<b>\$ 695,345.26</b>

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

The following is a schedule of encumbrances at June 30, 2021:

<b>Major Funds</b>					
<b>General</b>	<b>Special Revenue - Federal Education Stabilization</b>	<b>Capital Projects - Local Capital Improvement</b>	<b>Capital Projects - Other</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<u>\$ 1,557,482</u>	<u>\$ 1,133,635</u>	<u>\$ 4,497,735</u>	<u>\$ 1,831,008</u>	<u>\$ 496,951</u>	<u>\$ 9,516,811</u>

**H. Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Nassau County District School Board is a member of the North East Florida Educational 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, money and securities, employee fidelity and faithful performance, boiler and machinery, 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 Putnam County District School Board serves as fiscal agent for the Consortium.

The District's group health insurance plans are being provided through a minimum premium commercial insurance program administered by an insurance company. Premiums are established annually by the insurance company based on the District's claims experience, and the program is governed by an accounting and retention agreement. The agreement provides that when earned premiums are less than the sum of incurred claims less claims in excess of the pooling point, capitation charges, pooling charges, and administrative charges, the deficit is retained by the insurance company; when earned premiums are more than the sum of incurred claims less claims in excess of the pooling point, capitation charges, pooling charges, and administrative charges, 50 percent of the excess is returned to the District; and, if the District cancels the agreement prior to completion of the settlement accounting to be provided within 120 days after September 2021, any excess earned premiums will not be available for return to the District. The District has experienced favorable claims experiences, resulting in refunds for every agreement period (1 or 2 years depending on the agreement) from October 1, 2007, the balance of which is reported as assigned fund balance in the General Fund.

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



**I. Long-Term Liabilities**

**1. Bonds Payable**

Bonds payable at June 30, 2021, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
District Revenue Bonds: Series 2012	1,456,415.21	3.18	2031
Total Bonds Payable	<u>\$ 1,456,415.21</u>		

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

District Revenue Bonds

These bonds are authorized by Chapter 80-550, Laws of Florida, and a resolution adopted by the Board on April 12, 2012. These bonds secured by pari-mutuel replacement (sales tax) revenues distributed annually to Nassau County from the State pursuant to Section 212.20(6)(d)6.a., Florida Statutes, as a replacement for moneys distributed under Chapter 550, Florida Statutes, prior to July 1, 2000. The bonds, and the indebtedness evidenced thereon, are secured solely by the pledged sales tax revenues. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of \$1,883,161.34 of pari-mutuel revenues in connection with the District Revenue Bonds, Series 2012. During the 2020-21 fiscal year, the District recognized pari-mutuel revenues totaling \$223,250.00 and expended \$171,152.82 (77percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt on July 1, 2031. Approximately 77 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2021 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
District Revenue Bonds:			
2022	171,152.82	125,820.13	45,332.69
2023	171,152.82	129,853.02	41,299.80
2024	171,152.82	133,916.34	37,236.48
2025	171,152.82	138,307.57	32,845.25
2026-2028	513,458.46	442,045.44	71,413.02
2029-2031	513,953.30	486,472.71	27,480.59
Total District Revenue Bonds	<u>1,712,023.04</u>	<u>1,456,415.21</u>	<u>255,607.83</u>
<b>Total</b>	<b><u>1,712,023.04</u></b>	<b><u>1,456,415.21</u></b>	<b><u>255,607.83</u></b>

**2. Lease Payable**

Lease payable at June 30, 2021, are as follows:

Lease Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
Bus Lease	5,404,175.61	1.837	2025
Total Lease Payable	<u>\$ 5,404,175.61</u>		

Bus Lease On April 22, 2021, the District entered into a five-year lease agreement as a lessee for the acquisition and use of 55 buses. An initial lease liability was recorded in the amount of \$5,404,175.61 during 2020-21 fiscal year. As of June 20, 2021, the value of lease liability was \$5,404,175.61. The District is required to make annual principal and interest payments of \$1,144,991.84. The lease has an interest rate of 1.837 percent. The District will own 30 buses on 10/22/2025 and has the option to purchase the additional 25 buses for \$847,548.39 on 11/22/2025; however, at this time the option to purchase is not being considered and the liability is reduced by this amount. The value of the right-to-use asset as June 30, 2021 is \$5,404,675.61 and had accumulated amortization of \$123,030.46.

**3. Changes In Long-Term Liabilities**

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 1,578,317.55	\$ -	\$ 121,902.34	\$ 1,456,415.21	\$ 125,820.13
Lease Payable	-	5,404,175.61	-	\$ 5,404,175.61	\$ 1,087,385.67
Compensated Absences Payable	5,298,640.60	845,332.98	736,726.69	5,407,246.89	736,726.69
Other Postemployment Benefits Payable	4,485,166.00	1,036,901.00	1,018,734.00	4,503,333.00	219,914.00
Net Pension Liability	67,840,930.00	38,623,789.00	26,388,689.00	80,076,030.00	369,381.00
Total Governmental Activities	<u>\$ 79,203,054.15</u>	<u>\$ 45,910,198.59</u>	<u>\$ 28,266,052.03</u>	<u>\$ 96,847,200.71</u>	<u>\$ 2,539,227.49</u>

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

**J. Fund Balance Reporting**

The following is a schedule of fund balances by category at June 30, 2021:

	Major Funds				Total Governmental Funds
	General	Capital Projects - Local Capital Improvement	Capital Projects - Other	Nonmajor Governmental Funds	
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Inventories	\$ 954,563.38	\$ -	\$ -	\$ 81,680.72	\$ 1,036,244.10
<b>Restricted:</b>					
State Req. Carryover	2,468,669.33				2,468,669.33
Food Service				3,261,237.53	3,261,237.53
Debt Service				38,467.12	38,467.12
Capital Projects		26,236,359.81	33,261,161.31	799,366.56	60,296,887.68
FL Career and Professional Education	1,731,191.80				1,731,191.80
Workforce Development	500,134.67				500,134.67
Other Purposes	81,564.49				81,564.49
<b>Assigned:</b>					
Health Insurance	1,987,217.50				1,987,217.50
Special Education Program	842,326.64				842,326.64
Advanced Placement	373,619.23				373,619.23
Purchase Obligations	155,858.89				155,858.89
Local Programs and Other Purposes	1,398,218.12				1,398,218.12
<b>Unassigned</b>	6,865,690.90				6,865,690.90
<b>Total Fund Balances</b>	\$ 17,359,054.95	\$ 26,236,359.81	\$ 33,261,161.31	\$ 4,180,751.93	\$ 81,037,328.00

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.

**K. Interfund Receivables And Payables**

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 1,096,319.07	\$
Special Revenue - Federal Education Stabilization		757,529.63
Nonmajor Governmental		338,789.44
Total	<u>\$ 1,096,319.07</u>	<u>\$ 1,096,319.07</u>

Interfund balances generally arise due to expenditure being adjusted between funds. The interfund amounts represent temporary loans from one fund to another and are expected to be repaid within a year.

**L. Revenues and Expenditures/Expenses**

**1. Schedule of State Revenue Sources**

The following is a schedule of the District’s State revenue sources for the 2020-20 fiscal year:

Source	Amount
Florida Education Finance Program*	\$ 35,423,751.00
Categorical Educational Program - Class Size Reduction	13,566,272.00
Workforce Development Program	646,119.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	421,995.22
Miscellaneous	641,592.84
Total	<u>\$ 50,699,730.06</u>

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

**2. Property Taxes**

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

	<u>Millages</u>	<u>Taxes Levied</u>
<b><u>GENERAL FUND</u></b>		
Nonvoted School Tax:		
Required Local Effort	3.716	\$ 40,801,410
Basic Discretionary Local Effort	0.748	8,212,986
<b><u>CAPITAL PROJECTS FUNDS</u></b>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>16,469,891</u>
Total	<u><u>5.964</u></u>	<u><u>\$ 65,484,287</u></u>

**M. Interfund Transfers**

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

Funds	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 2,890,585.32	\$ -
Capital Projects:		
Local Capital Improvements		2,446,356.70
Other Capital		372,600.00
Special Revenue - Federal Education Stabilization		<u>71,628.62</u>
Total	<u><u>\$ 2,890,585.32</u></u>	<u><u>\$ 2,890,585.32</u></u>

Interfund transfers represent permanent transfers of money between funds. The transfers out of the Capital Projects – Local Capital Improvement fund were to reimburse property insurance expenditures, costs associated with renovation and repair of existing school plants and lease payments on portables to the General. The transfer out of the Capital Projects – Other Fund was to reimburse the General Fund for lease payments on portables. The transfer out of the Special Revenue – Federal Education Stabilization was to reimburse the General Fund for overtime charges in Fiscal Year 2019-20 for essential workers that worked at the District facilities during the lock down.

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**OTHER REQUIRED SUPPLEMENTARY INFORMATION**


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**SCHEDULE OF CHANGES IN THE DISTRICT'S –  
TOTAL OPEB LIABILITIES AND RELATED RATIOS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 249,625.00	\$ 212,237.00	\$ 347,213.00	\$ 394,902.00
Interest	145,654	153,034	260,388	216,919
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	641,622	-	(704,063)	-
Changes of Assumptions or Other Inputs	(856,146)	199,841	(2,595,477)	(541,911)
Benefit Payments	<u>(162,588)</u>	<u>(190,311)</u>	<u>(329,531)</u>	<u>(338,684)</u>
<b>Net Change in Total OPEB Liability</b>	18,167	374,801	(3,021,470)	(268,774)
Total OPEB Liability - Beginning	<u>4,485,166</u>	<u>4,110,365</u>	<u>7,131,835</u>	<u>7,400,609</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 4,503,333</u>	<u>\$ 4,485,166</u>	<u>\$ 4,110,365</u>	<u>\$ 7,131,835</u>
Covered-Employee Payroll *	\$ 48,418,341	\$ 44,616,715	\$ 43,317,199	\$ 38,517,263
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>9.30%</b>	<b>10.05%</b>	<b>9.49%</b>	<b>18.52%</b>

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the FRS net pension liability (asset)	13.021003400%	0.133775894%	0.139549023%	0.131089229%	0.129815756%
District's proportionate share of the FRS net pension liability (asset)	\$ 56,434,948	\$ 46,070,556	\$ 42,032,889	\$ 38,775,314	\$ 32,778,580
District's covered-employee payroll	\$ 67,211,253	\$ 65,104,091	\$ 64,382,620	\$ 58,909,792	\$ 56,496,509
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	83.97%	70.76%	65.29%	65.82%	58.02%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%
	<u>2015</u>	<u>2014</u>	<u>2013</u>		
District's proportion of the FRS net pension liability (asset)	0.138869376%	0.143543691%	0.141777871%		
District's proportionate share of the FRS net pension liability (asset)	\$ 17,936,842	\$ 8,758,276	\$ 24,406,282		
District's covered-employee payroll	\$ 55,274,650	\$ 55,132,674	\$ 53,470,525		
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	32.45%	15.89%	45.64%		
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%	88.54%		

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

**SCHEDULE OF DISTRICT CONTRIBUTIONS –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required FRS contribution	\$ 5,323,956	\$ 4,326,302	\$ 4,148,018	\$ 3,977,035	\$ 3,412,575
FRS contributions in relation to the contractually required contribution	(5,323,956)	(4,326,302)	(4,148,018)	(3,977,035)	(3,412,575)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 68,040,611	\$ 67,211,253	\$ 65,104,091	\$ 64,382,620	\$ 58,909,792
FRS contributions as a percentage of covered-employee payroll	7.82%	6.44%	6.37%	6.18%	5.79%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
Contractually required FRS contribution	\$ 3,165,764	\$ 3,385,753	\$ 3,144,216		
FRS contributions in relation to the contractually required contribution	(3,165,764)	(3,385,753)	(3,144,216)		
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -		
District's covered-employee payroll	\$ 56,496,509	\$ 55,274,650	\$ 55,132,674		
FRS contributions as a percentage of covered-employee payroll	5.60%	6.13%	5.70%		

Note: (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)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the HIS net pension liability (asset)	0.193623244%	0.194569443%	0.197015614%	0.184698727%	0.182189840%
District's proportionate share of the HIS net pension liability (asset)	\$ 23,641,083	\$ 21,770,374	\$ 20,852,354	\$ 19,748,840	\$ 21,233,471
District's covered-employee payroll	\$ 67,211,253	\$ 65,104,091	\$ 64,382,620	\$ 58,909,792	\$ 56,496,509
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	35.17%	33.44%	32.39%	33.52%	37.58%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%
	<u>2015</u>	<u>2014</u>	<u>2013</u>		
District's proportion of the HIS net pension liability (asset)	0.182057079%	0.185360671%	0.183767199%		
District's proportionate share of the HIS net pension liability (asset)	\$ 18,566,958	\$ 17,331,675	\$ 15,999,351		
District's covered-employee payroll	\$ 55,274,650	\$ 55,132,674	\$ 53,470,525		
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	33.59%	31.44%	29.92%		
HIS Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%	1.78%		

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

**SCHEDULE OF DISTRICT CONTRIBUTIONS –  
HEALTH INSURANCE SUBSIDY PENSION PLAN (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required HIS contribution	\$ 1,128,953	\$ 1,115,760	\$ 1,080,425	\$ 1,068,421	\$ 977,479
HIS contributions in relation to the contractually required contribution	(1,128,953)	(1,115,760)	(1,080,425)	(1,068,421)	(977,479)
HIS contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$ 68,040,611	\$ 67,211,253	\$ 65,104,091	\$ 64,382,620	\$ 58,909,792
HIS contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
Contractually required HIS contribution	\$ 933,839	\$ 695,935	\$ 634,983		
HIS contributions in relation to the contractually required contribution	(933,839)	(695,935)	(634,983)		
HIS contribution deficiency (excess)	\$ 0	\$ 0	\$ 0		
District's covered-employee payroll	\$ 56,496,509	\$ 55,274,650	\$ 55,132,674		
HIS contributions as a percentage of covered-employee payroll	1.65%	1.26%	1.15%		

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

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**I. BUDGETARY BASIS OF ACCOUNTING**

The Board follows procedures established by State statutes 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 law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis 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.

**II. SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS**

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

- The discount rate was changed from 3.13 percent as of June 30, 2019, to 2.45 percent as of June 30, 2020.
- Changes in demographic assumptions developed, such as mortality, retirements, termination, disability, and salary increases, to match assumptions developed by the FRS and adopted for July 1, 2020, valuation.
- The inflation rate was changed from 2.50 percent as of June 30, 2019, to 2.25 percent as of June 30, 2020.

**III. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN**

*Changes of Assumptions.* In 2020, the long-term expected was decreased from 6.9 percent to 6.8 percent, and the inflation rate was decreased from 2.6 percent to 2.4 percent.

**IV. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY DEFINED BENEFIT PENSION PLAN**

*Changes of Assumptions.* The 2020, municipal rate used to determine total pension liability was decreased from 3.5 percent to 2.21 percent, and the inflation rate was decreased from 2.6 percent to 2.4 percent.

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Federal Direct	3100	65,000.00	65,000.00	73,770.75	8,770.75
Federal Through State and Local	3200		19,120.34	633,559.19	614,438.85
State Sources	3300	51,744,107.60	50,031,187.39	49,994,479.17	(36,708.22)
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions and Excess Fees for Operational Purposes	3411, 3421, 3423	47,231,296.00	47,231,296.00	47,129,611.25	(101,684.75)
Other Local Revenue		667,746.96	1,425,744.87	1,653,203.09	227,458.22
Total Local Sources	3400	47,899,042.96	48,657,040.87	48,782,814.34	125,773.47
<b>Total Revenues</b>		99,708,150.56	98,772,348.60	99,484,623.45	712,274.85
<b>EXPENDITURES</b>					
<i>Current:</i>					
Instruction	5000	69,452,013.93	69,131,386.75	60,555,660.06	8,575,726.69
Student Support Services	6100	5,292,173.41	5,266,208.89	4,866,252.76	399,956.13
Instructional Media Services	6200	956,523.35	946,773.61	801,572.33	145,201.28
Instruction and Curriculum Development Services	6300	1,895,905.41	1,964,747.58	1,813,690.16	151,057.42
Instructional Staff Training Services	6400	1,259,007.13	1,623,689.65	1,421,315.79	202,373.86
Instruction-Related Technology	6500	1,772,857.40	1,667,774.90	1,640,088.26	27,686.64
Board	7100	559,428.04	608,344.54	582,848.81	25,495.73
General Administration	7200	854,160.59	865,523.19	663,370.17	202,153.02
School Administration	7300	6,129,204.08	6,151,812.66	5,812,874.61	338,938.05
Facilities Acquisition and Construction	7410	668,663.87	639,103.87	593,440.41	45,663.46
Fiscal Services	7500	609,655.38	628,196.13	611,936.36	16,259.77
Food Services	7600	35,991.29	66,923.71	63,149.18	3,774.53
Central Services	7700	829,989.61	828,946.40	685,291.37	143,655.03
Student Transportation Services	7800	5,608,421.89	5,661,179.95	4,746,413.84	914,766.11
Operation of Plant	7900	10,775,615.54	10,879,976.61	9,847,210.32	1,032,766.29
Maintenance of Plant	8100	3,700,466.57	3,627,758.09	3,110,333.29	517,424.80
Administrative Technology Services	8200	1,114,737.82	1,175,049.93	1,124,343.88	50,706.05
Community Services	9100	444,263.32	461,079.29	190,395.81	270,683.48
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420	6,477.32	6,977.32	1,122.60	5,854.72
Other Capital Outlay	9300	512,794.25	573,358.54	66,903.16	506,455.38
<b>Total Expenditures</b>		112,478,350.20	112,774,811.61	99,198,213.17	13,576,598.44
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		(12,770,199.64)	(14,002,463.01)	286,410.28	14,288,873.29
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	3730			61,692.49	61,692.49
Loss Recoveries	3740			16,950.13	16,950.13
Transfers In	3600	3,409,899.00	3,409,899.00	2,890,585.32	(519,313.68)
Transfers Out	9700			0.00	0.00
<b>Total Other Financing Sources (Uses)</b>		3,409,899.00	3,409,899.00	2,969,227.94	(440,671.06)
<b>Net Change in Fund Balances</b>		(9,360,300.64)	(10,592,564.01)	3,255,638.22	13,848,202.23
Fund Balances, July 1, 2020	2800	14,103,416.73	14,103,416.73	14,103,416.73	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2021	2700	4,743,116.09	3,510,852.72	17,359,054.95	13,848,202.23

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**LISTING OF PAGES NOT APPLICABLE AND NOT SHOWN IN REPORT**  
**For the Fiscal Year Ended June 30, 2021**

<b>PAGE TITLE</b>	<b>EXHIBIT TITLE</b>	<b>PAGE NUMBER</b>
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL RESERVED FOR SPECIAL REVENUE FUNDS - FOOD SERVICES - NOT MAJOR	E-2a	<b>22</b>
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL RESERVED FOR SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAMS, IF MAJOR	E-2b	<b>23</b>

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUNDS - FEDERAL EDUCATION STABILIZATION FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Federal Direct	3100			0.00	0.00
Federal Through State and Local	3200	1,513,090.03	4,274,402.52	3,558,136.87	(716,265.65)
State Sources	3300			0.00	0.00
<i>Local Sources:</i>					
Total Local Sources	3400	0.00	0.00	0.00	0.00
<b>Total Revenues</b>		1,513,090.03	4,274,402.52	3,558,136.87	(716,265.65)
<b>EXPENDITURES</b>					
<i>Current:</i>					
Instruction	5000	853,693.94	1,833,465.42	1,612,667.73	220,797.69
Student Support Services	6100	173,780.00	177,979.42	166,131.93	11,847.49
Instructional Media Services	6200		79.20	79.20	0.00
Instruction and Curriculum Development Services	6300	18,620.27	91,070.50	85,283.76	5,786.74
Instructional Staff Training Services	6400	270,666.00	353,250.30	249,816.43	103,433.87
Instruction-Related Technology	6500	150,000.00	172,080.00	157,140.00	14,940.00
Board	7100			0.00	0.00
General Administration	7200		39,882.05	39,882.05	0.00
School Administration	7300	626.60	65,358.58	65,358.58	0.00
Facilities Acquisition and Construction	7410			0.00	0.00
Fiscal Services	7500			0.00	0.00
Food Services	7600		124,939.47	90,215.78	34,723.69
Central Services	7700			0.00	0.00
Student Transportation Services	7800	11,117.93	50,865.34	11,565.34	39,300.00
Operation of Plant	7900	15,595.29	267,408.70	243,647.60	23,761.10
Maintenance of Plant	8100			0.00	0.00
Administrative Technology Services	8200			0.00	0.00
Community Services	9100			0.00	0.00
<i>Debt Service: (Function 9200)</i>					
Redemption of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Dues and Fees	730			0.00	0.00
Other Debt Service	791			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		200,000.00	0.00	200,000.00
Other Capital Outlay	9300	18,990.00	826,394.92	764,719.85	61,675.07
<b>Total Expenditures</b>		1,513,090.03	4,202,773.90	3,486,508.25	716,265.65
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		0.00	71,628.62	71,628.62	0.00
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Bonds	3710			0.00	0.00
Transfers In	3600			0.00	0.00
Transfers Out	9700		(71,628.62)	(71,628.62)	0.00
<b>Total Other Financing Sources (Uses)</b>		0.00	(71,628.62)	(71,628.62)	0.00
<b>Net Change in Fund Balances</b>		0.00	(0.00)	0.00	0.00
Fund Balances, July 1, 2020	2800			0.00	0.00
Adjustments to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2021	2700	0.00	(0.00)	0.00	0.00

**DISTRICT SCHOOL BOARD OF NASSAU COUNTY**  
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**For the Fiscal Year Ended June 30, 2021**

<b>PAGE TITLE</b>	<b>EXHIBIT TITLE</b>	<b>PAGE NUMBER</b>
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL RESERVED FOR SPECIAL REVENUE FUNDS - MISCELLANEOUS - NOT MAJOR	E-2d	<b>25</b>