

2020

Clay County District School Board

Financial Statements and Independent Auditor's Report

June 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
CLAY COUNTY DISTRICT SCHOOL BOARD
GREEN COVE SPRINGS, FLORIDA**

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Clay County School District (the District) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represents 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. The financial statements for the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Clay County District School Board and
Superintendent
Green Cove Springs, Florida

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

Emphasis of a Matter

As more fully described in Note 8 to the financial statements, the District may be negatively impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

INDEPENDENT AUDITOR'S REPORT

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



March 8, 2021
Ocala, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the Clay 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, 2020. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

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

- As of June 30, 2020, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$292,181,688.86 (net position).
- In total, net position decreased \$12,431,808.56 from the 2018-19 fiscal year, which represents a 4.08 percent decrease when compared to the 2018-19 fiscal year.
- General revenues total \$351,991,781.35, or 95.19 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$17,798,038.51, or 4.81 percent of all revenues.
- Expenses total \$382,221,628.42. Only \$17,798,038.51 of these expenses was offset by program specific charges, with the remainder paid from general revenues. Total expenses exceeded total revenues by \$12,431,808.56.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, total \$14,690,188.55, which is 4.77 percent of total General Fund revenues.
- During the current year, General Fund revenues exceeded expenditures and other financing sources by \$4,982,279.24.
- During the 2019-20 fiscal year, the District entered into a new capital lease agreement of \$10,680,670.00 to purchase 100 buses.
- The District's capital assets increased by an amount of \$3,940,579.31, or 0.91 percent, as compared to the June 30, 2019, balance.
- The District's capital asset-related debt increased by a net amount of \$4,057,101.29, or 9.82 percent, as compared to the June 30, 2019, balance.
- During the course of the 2019-20 fiscal year, the District amended its General Fund budget several times, which resulted in a decrease in total budgeted revenues of \$3,261,737.28, or 1.04 percent, due primarily from changes in estimated State funding levels.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to 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 activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

- **Governmental activities** – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- **Component units** – The St. Johns Classical Academy, Inc., the Florida Charter Educational Foundation, Inc., d/b/a Clay Charter Academy, and the Northeast Florida Virtual Charter School Board, Inc., d/b/a Florida Cyber Charter Academy at Clay, are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the

MANAGEMENT'S DISCUSSION AND ANALYSIS

government-wide financial statements, the governmental funds 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 – Food Service Fund, Special Revenue - Other Federal Programs Fund, Debt Service – Other Fund, Capital Projects – Non-Voted Capital Improvement Fund, and Capital Projects – Other Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation (i.e., Other Governmental Funds).

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General and major Special Revenue Funds to demonstrate compliance with the budget.

Proprietary Funds: Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains one proprietary fund, an internal service fund. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses its Internal Service Fund to account for its self-insurance program. Since these services predominantly benefit government-wide functions, the Internal Service Fund has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds: Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. 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 school 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 liability, the District's contributions to pension plans, the District's total other postemployment benefits liability, and the District's progress in funding its obligation to provide other postemployment benefits to its employees.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2020, compared to net position as of June 30, 2019:

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-20	6-30-19
Current and Other Assets	\$ 99,126,069.51	\$ 88,552,262.58
Capital Assets	437,639,322.80	433,698,743.49
Total Assets	536,765,392.31	522,251,006.07
 Deferred Outflows of Resources	 69,624,821.00	 74,077,207.00
 Long-Term Liabilities	 275,185,564.17	 249,084,229.12
Other Liabilities	16,946,946.37	15,449,271.53
Total Liabilities	292,132,510.54	264,533,500.65
 Deferred Inflows of Resources	 22,076,014.00	 27,181,215.00
 Net Position:		
Net Investment in Capital Assets	387,617,422.58	387,511,869.75
Restricted	46,375,197.82	37,915,395.26
Unrestricted (Deficit)	(141,810,931.54)	(120,813,767.59)
Total Net Position	\$ 292,181,688.86	\$ 304,613,497.42

The decrease in Deferred Inflows of Resources is primarily due to the fluctuation in the net pension liability. As a participating employer in the Florida Retirement System (FRS), the District is required by Governmental Accounting Standards Board (GASB) Statement No. 68 to recognize its proportionate share of the collective net pension liability of the FRS cost-sharing multiple-employer defined benefits plans. Changes in the net pension liability are recognized through the statement of activities or reported as deferred outflows of resources or deferred inflows of resources on the statement of net position, depending on the nature of the change.

The largest portion of the District's net position (\$387,617,422.58) is investment in capital assets (e.g., land; building; furniture, fixtures and equipment), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position (\$46,375,197.82) represents resources that are subject to external restrictions on how they may be used.

The unrestricted net position is a deficit of \$141,810,931.54 due primarily to the District's proportionate share of the collective net liabilities required to be reported by GASB Statement No. 68 and due to GASB Statement No. 75. GASB Statement No. 75 addresses accounting and financial reporting for

MANAGEMENT'S DISCUSSION AND ANALYSIS

postemployment benefits (OPEB) other than pensions provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; and requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statements for the OPEB that they provide. The District has sufficient current assets to meet its current obligations.

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

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-20	6-30-19
Program Revenues:		
Charges for Services	\$ 3,823,149.06	\$ 4,874,028.42
Operating Grants and Contributions	11,433,781.02	13,759,282.76
Capital Grants and Contributions	2,541,108.43	4,195,647.32
General Revenues:		
Property Tax Levied for Operational Purposes	67,676,874.23	53,810,865.86
Property Tax Levied for Capital Projects	18,368,154.21	17,239,064.35
Local Sales Taxes	1,272,846.29	2,197,400.53
Impact Fees	8,657,051.75	4,899,922.88
Grants and Contributions Not Restricted		
to Specific Programs	248,829,048.71	238,421,248.55
Unrestricted Investment Earnings	1,373,529.38	1,598,677.76
Miscellaneous	5,814,276.78	7,827,547.69
Total Revenues	369,789,819.86	348,823,686.12
Functions/Program Expenses:		
Instruction	224,310,706.30	202,436,885.67
Student Support Services	18,289,125.05	15,685,273.74
Instructional Media Services	4,706,270.46	4,455,224.37
Instruction and Curriculum Development Services	6,308,921.51	5,490,419.88
Instructional Staff Training	5,094,764.43	4,219,131.62
Instruction Related Technology	4,478,299.30	3,778,801.91
Board of Education	815,643.50	787,306.50
General Administration	1,146,404.61	836,183.47
School Administration	17,135,533.99	15,335,965.21
Facilities Acquisition and Construction	11,048,678.08	9,645,283.10
Fiscal Services	1,302,717.23	1,396,228.39
Food Services	16,950,535.18	17,838,280.78
Central Services	3,621,756.40	3,445,457.25
Pupil Transportation Services	13,470,498.90	13,348,779.25
Operation of Plant	28,731,514.13	24,901,213.49
Maintenance of Plant	6,047,560.53	5,624,640.10
Administrative Technology Services	1,398,598.94	1,948,531.93
Community Services	388,785.01	378,317.44
Interest on Long-Term Debt	1,588,752.41	1,553,739.60
Unallocated Depreciation Expenses	15,386,562.46	13,964,449.68
Total Functions/Program Expenses	382,221,628.42	347,070,113.38
Change in Net Position	(12,431,808.56)	1,753,572.74
Net Position - Beginning of Year	304,613,497.42	302,859,924.68
Net Position - End of Year	\$ 292,181,688.86	\$ 304,613,497.42

MANAGEMENT'S DISCUSSION AND ANALYSIS

The State's Florida Education Finance Program (FEFP) and local property taxes provide the majority of the District's revenues for current operations. The FEFP funding formula is used to allocate State revenue sources for current District operations and 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 the local property tax base.

The State's FEFP revenues and local property taxes are included in general revenues, which provide about 95.19 percent of total revenues, whereas program revenues provide only about 4.81 percent. The majority of program revenues (82.68 percent) are in the food services activity.

Under the general revenues category, revenues increased by \$25,997,053.73, due to increases in FEFP revenues from the State, Property Taxes Levied for Operational Purposes, and Impact Fees collected. FEFP revenues increased by \$10,524,025.00, or 5.62 percent, in part, because student enrollment increased by 532, from \$37,768.44 in 2018-19 fiscal year to \$38,300.53 in 2019-20 fiscal year. Property Taxes Levied for Operational Purposes increased by \$13,866,008.37, or 25.77 percent because the residents of Clay County voted an additional discretionary millage levy beginning the 2019-20 fiscal year.

Overall, total governmental expenses increased by \$35,151,515.04, or 10.13 percent, during the 2019-20 fiscal year. Instruction expenses represent 58.69 percent of total government expenses and increased \$21,873,820.63, or 11.76 percent from the previous fiscal year, mainly because of increases in instructional salaries and benefits. Facilities acquisition and construction expenses increased \$1,403,394.98, or 14.55 percent from the previous fiscal year, mainly from safety and security capital projects expenditures. Operation of Plant expenses represent 7.52 percent of total government expenses and increased \$3,830,300.64, or 15.38 percent from the previous fiscal year, due to the establishment and operation of the Clay County District Schools Police Department during the 2019-20 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 \$9,353,961.90 during the fiscal year to \$70,436,220.11 at June 30, 2020. Of the total fund balance, \$8,420,631.51, is assigned; \$14,690,188.55, is unassigned; \$1,222,925.17, is non-spendable; and \$46,102,474.88, is restricted.

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 \$14,690,188.55, while the total fund balance is \$36,707,675.30. As a measure of the General Fund's liquidity, it may be useful to compare the total unassigned fund balances to General Fund total revenues. The total unassigned fund balance is \$14,690,188.55, or 4.77 percent of the total General Fund revenues, while the total fund balance represents 11.93 percent of such revenues.

Total fund balance increased by \$4,982,279.24, or 15.70 percent, during the fiscal year. The key factor impacting the change in fund balance is General Fund revenues increased by \$20,604,576.28, or 7.18 percent, due mainly to increases in State FEFP revenues and property taxes levied for operational purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Special Revenue – Food Service Fund is used to account for and report all food service activities. This fund had revenues and expenditures of \$14,789,777.52 and \$16,726,560.05, respectively, and ended the fiscal year with a fund balance of \$3,294,035.21, including inventories of \$272,722.94 that represent the non-spendable fund balance, and the remaining \$3,021,312.27 fund balance is restricted for food service operations. The total fund balance decreased \$1,816,971.20 during the fiscal year due to the food service operations being impacted by the COVID-19 pandemic and our government's stay-at-home order.

The Special Revenue – Other Fund is used to account for mainly Federal grants administered through the State's cash advance system, and has total revenues and expenditures of \$14,852,109.09. The funding was mainly used for instructional activities. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Debt Service – Other Debt Service Fund is used to account for financial resources used to pay debt principal, interest, and related costs for the certificates of participation. The fund maintained a small fund balance of \$121,187.94 at June 30, 2020, which is restricted for debt service payments.

Capital Projects – Non-Voted Capital Improvement Fund has a total fund balance of \$15,070,271.49, which is restricted for the acquisition, construction, and maintenance of capital assets. Total fund balance increased by \$1,706,757.73 in the current fiscal year. Expenditures were mainly for renovation/construction of school facilities and the purchase of furniture, fixtures, equipment, and buses. Transfers out were to provide for debt service payments, to fund equipment purchases, to pay property insurance premiums, and to provide funding for certain expenditures of the District's maintenance and facilities departments. It should be noted that \$3,255,891.64 of fund balance is encumbered for specific projects.

The Capital Projects – Other Capital Projects Fund is mainly used to account for the financial resources received from local impact fees, local sales taxes, and other miscellaneous sources to be used for educational capital outlay needs, including new construction and renovation and remodeling projects. The total fund balance increased by \$5,068,598.34, or 56.78 percent, to \$13,994,597.09 at June 30, 2020, because the Impact Fee collections increased and will be used for construction and renovations projects that target growth within the county in the subsequent fiscal years. The District is accumulating other financial resources (e.g., local impact fees) for future construction and renovation projects. Transfers out of \$3,364,275.00 were to provide for debt service payments.

Proprietary Funds

The District reports the following proprietary fund type:

Internal Service Fund is used to account for the District's individual self-insurance programs. Workers' compensation, automobile liability, general liability, and property loss coverages are being provided on a self-insured basis up to specified limits. The District established a Risk Management Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, general liability, and property loss coverages. At June 30, 2020, the Internal Service Fund has a net position of \$4,923,526.28, representing a decrease of \$145,590.35 in net position as compared to the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2019-20 fiscal year, the District amended its General Fund budget several times, which resulted in a decrease in total budgeted revenues of \$3,261,737.25, or 1.04 percent. Budget revisions to estimated revenue occurred primarily from changes in estimated State funding levels. The budget revisions were necessary to adjust planned expenditures based on actual resources and resource needs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Budget revisions to appropriations occurred primarily to adjust planned expenditures when on September 10, 2019, the District entered into a lease-purchase financing agreement. The property being acquired under the capital lease arrangement consisted of 100 buses. The District received proceeds of \$10,680,670.00, and it was used throughout the fiscal year to purchase and take delivery of all 100 buses before the fiscal year-end of June 30, 2020.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

At June 30, 2020, the District had capital assets, net of accumulated depreciation, of \$437,639,322.80 as compared to \$433,698,743.49 at June 30, 2019. These capital assets include land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures, and equipment, motor vehicles, property acquired under capital leases, and audio visual materials and computer software. Capital assets increased by an amount of \$3,940,579.31 during the 2019-20 fiscal year. Major capital asset events during the 2019-20 fiscal year included an increase to property under capital leases of \$10,680,670.00. The District used proceeds of a lease-purchase financing agreement to purchase and take delivery of 100 buses. Additional information on the District's capital assets can be found in subsequent notes to the financial statements.

Long-Term Debt

At June 30, 2020, the District had capital asset-related long-term debt outstanding of \$45,357,407.32 composed of bonds payable, obligations under capital lease, and certificates of participation. During the 2019-20 fiscal year, capital asset-related debt increased by \$4,057,101.29, or 9.82 percent from the June 30, 2019 balance, from the redemption of debt principal and the entering into a lease-purchase obligation on September 10, 2019. During the 2019-20 fiscal year, the District entered into a new capital lease agreement of \$10,680,670.00 to purchase 100 buses.

Additional information on the District's long-term debt can be found in the Notes to the Financial Statements.

OTHER

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the United States, with accelerated effects in February and March, as federal, state, and local governments reacted to the public health crisis, creating significant uncertainties in the United States economy. In the interest of public health and safety, face-to-face teaching at schools was halted and students completed the remainder of the school year online.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Assistant Superintendent for Business Services, Clay County District School Board, 900 Walnut Street, Green Cove Springs, Florida 32043.

FINANCIAL STATEMENTS

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

	Primary Government	
	Governmental	Component
	Activities	Units
Assets		
Cash and Investments	\$ 87,239,744.87	\$ 4,888,996.00
Cash with Fiscal Agent	40,000.00	-
Accounts Receivable	274,219.49	2,367.00
Due from Other Agencies	5,219,912.23	250,985.00
Inventories	1,222,925.17	-
Capital Credits Receivable	5,129,267.75	10,727.00
Deposits	-	52,045.00
Capital Assets:		
Non-Depreciable Capital Assets	32,871,941.19	1,385,000.00
Depreciable Capital Assets, Net	404,767,381.61	23,795,548.00
Total Assets	536,765,392.31	30,385,668.00
Deferred Outflows of Resources		
Other Postemployment Benefits	2,126,802.00	-
Pensions	67,498,019.00	-
Total Deferred Outflows of Resources	69,624,821.00	-
Liabilities		
Salaries and Benefits Payable	6,411,680.86	423,570.00
Payroll Deductions and Withholdings	2,623,776.38	-
Accounts Payable	2,234,437.02	1,835,124.00
Sales Tax Payable	945.00	-
Accrued Interest Payable	-	47,053.00
Construction Contracts Payable	623,154.30	-
Construction Contracts Payable - Retainage	219,339.60	-
Unearned Revenue	368,408.21	-
Matured Certificates of Participation Payable	3,822,000.00	-
Matured Interest Payable	643,205.00	-
Long-Term Liabilities:		
Portion Due Within One Year	12,789,944.69	1,269,940.00
Portion Due After One Year	262,395,619.39	29,811,592.00
Total Liabilities	292,132,510.45	33,387,279.00
Deferred Inflows of Resources		
Other Postemployment Benefits	1,117,972.00	-
Pensions	20,958,042.00	-
Total Deferred Inflows of Resources	22,076,014.00	-
Net Position		
Net Investment in Capital Assets	387,617,422.58	(3,437,510.00)
Restricted for:		
State Required Carryover Programs	9,982,722.07	-
Debt Service	455,715.36	91,802.00
Capital Projects	29,978,794.24	-
Food Service	3,294,035.21	-
Other Purposes	2,663,930.94	170,197.00
Unrestricted (Deficit)	(141,810,931.54)	173,900.00
Total Net Position	\$ 292,181,688.86	\$ (3,001,611.00)

See accompanying notes.

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

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
Instruction	\$ 224,310,706.30	\$ 60,118.57	\$ -
Student Support Services	18,289,125.05	-	-
Instructional Media Services	4,706,270.46	-	-
Instruction and Curriculum Development Services	6,308,921.51	-	-
Instructional Staff Training Services	5,094,764.43	-	-
Instruction-Related Technology	4,478,299.30	-	-
Board	815,643.50	-	-
General Administration	1,146,404.61	-	-
School Administration	17,135,533.99	-	-
Facilities Acquisition and Construction	11,048,678.08	-	-
Fiscal Services	1,302,717.23	-	-
Food Services	16,950,535.18	3,281,222.86	11,433,781.02
Central Services	3,621,756.40	-	-
Student Transportation Services	13,470,498.90	-	-
Operation of Plant	28,731,514.13	-	-
Maintenance of Plant	6,047,560.53	-	-
Administrative Technology Services	1,398,598.94	-	-
Community Services	388,785.01	481,807.63	-
Unallocated Interest on Long-Term Debt	1,588,752.41	-	-
Unallocated Depreciation Expense*	15,386,562.46	-	-
Total Governmental Activities	\$ 382,221,628.42	\$ 3,823,149.06	\$ 11,433,781.02
Component Units			
Charter Schools	\$ 12,688,126.00	\$ 186,090.00	\$ 403,684.00

General Revenues

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Tax

Impact Fees

Grants and Contributions Not Restricted to

Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

See accompanying notes.

Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	Component Units
	Governmental Activities	
\$ -	\$ (224,250,587.73)	\$ -
-	(18,289,125.05)	-
-	(4,706,270.46)	-
-	(6,308,921.51)	-
-	(5,094,764.43)	-
-	(4,478,299.30)	-
-	(815,643.50)	-
-	(1,146,404.61)	-
-	(17,135,533.99)	-
2,476,006.19	(8,572,671.89)	-
-	(1,302,717.23)	-
-	(2,235,531.30)	-
-	(3,621,756.40)	-
-	(13,470,498.90)	-
-	(28,731,514.13)	-
-	(6,047,560.53)	-
-	(1,398,598.94)	-
-	93,022.62	-
65,102.24	(1,523,650.17)	-
-	(15,386,562.46)	-
<u>\$ 2,541,108.43</u>	<u>(364,423,589.91)</u>	<u>-</u>
<u>\$ 725,830.00</u>	<u>-</u>	<u>(11,372,522.00)</u>

67,676,874.23	-
18,368,154.21	-
1,272,846.29	-
8,657,051.75	-
248,829,048.71	11,576,347.00
1,373,529.38	33,559.00
5,814,276.78	716.00
<u>351,991,781.35</u>	<u>11,610,622.00</u>
(12,431,808.56)	238,100.00
304,613,497.42	(3,239,711.00)
<u>\$ 292,181,688.86</u>	<u>\$ (3,001,611.00)</u>

See accompanying notes.

CLAY COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Special Revenue Food Service Fund	Special Revenue Other Fund
Assets			
Cash and Investments	\$ 39,301,514.05	\$ 6,854,149.23	\$ 182,674.04
Accounts Receivable	178,443.58	-	-
Due from Other Funds	6,686,686.79	-	-
Due from Other Agencies	624,129.11	116,640.78	3,149,177.50
Inventories	950,202.23	272,722.94	-
Total Assets	47,740,975.76	7,243,512.95	3,331,851.54
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Salaries and Benefits Payable	6,411,680.86	-	-
Payroll Deductions and Withholdings	2,623,776.38	-	-
Accounts Payable	1,996,898.22	39,984.51	192,208.41
Sales Tax Payable	945.00	-	-
Construction Contracts Payable	-	-	-
Construction Contracts Payable - Retainage	-	-	-
Due to Other Funds	-	3,654,422.55	3,026,305.60
Unearned Revenue	-	255,070.68	113,337.53
Matured Certificates of Participation Payable	-	-	-
Matured Interest Payable	-	-	-
Total Liabilities	11,033,300.46	3,949,477.74	3,331,851.54
Fund Balances			
Non-Spendable:			
Inventory	950,202.23	272,722.94	-
Restricted:			
State Required Carryover Programs	9,982,722.07	-	-
Local Sales Tax and Other Tax Levy	2,663,930.94	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Food Services	-	3,021,312.27	-
Assigned:			
Employee Benefits	1,287,736.42	-	-
Accelerated Student Learning Programs	2,214,550.15	-	-
Special Education Programs	1,913,415.20	-	-
Purchase Obligations	1,734,125.06	-	-
Local Programs and Other Purposes	1,270,804.68	-	-
Unassigned	14,690,188.55	-	-
Total Fund Balances	36,707,675.30	3,294,035.21	-
Total Liabilities and Fund Balances	\$ 47,740,975.76	\$ 7,243,512.95	\$ 3,331,851.54

See accompanying notes.

Debt Service Other Debt Service Fund	Capital Projects Non-Voted Capital Improvement Fund	Capital Projects Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 4,586,380.77	\$ 15,425,901.28	\$ 12,719,299.50	\$ 1,603,156.08	\$ 80,673,074.95
-	88,736.00	-	74.55	267,254.13
12.17	14,578.80	-	-	6,701,277.76
-	20,097.77	1,295,211.81	14,655.26	5,219,912.23
-	-	-	-	1,222,925.17
<u>4,586,392.94</u>	<u>15,549,313.85</u>	<u>14,014,511.31</u>	<u>1,617,885.89</u>	<u>94,084,444.24</u>
-	-	-	-	6,411,680.86
-	-	-	-	2,623,776.38
-	-	5,345.88	-	2,234,437.02
-	-	-	-	945.00
-	410,884.36	-	212,269.94	623,154.30
-	68,158.00	-	151,181.60	219,339.60
-	-	14,568.34	5,981.27	6,701,277.76
-	-	-	-	368,408.21
3,822,000.00	-	-	-	3,822,000.00
643,205.00	-	-	-	643,205.00
<u>4,465,205.00</u>	<u>479,042.36</u>	<u>19,914.22</u>	<u>369,432.81</u>	<u>23,648,224.13</u>
-	-	-	-	1,222,925.17
-	-	-	-	9,982,722.07
-	-	-	-	2,663,930.94
121,187.94	-	-	334,527.42	455,715.36
-	15,070,271.49	13,994,597.09	913,925.66	29,978,794.24
-	-	-	-	3,021,312.27
-	-	-	-	1,287,736.42
-	-	-	-	2,214,550.15
-	-	-	-	1,913,415.20
-	-	-	-	1,734,125.06
-	-	-	-	1,270,804.68
-	-	-	-	14,690,188.55
<u>121,187.94</u>	<u>15,070,271.49</u>	<u>13,994,597.09</u>	<u>1,248,453.08</u>	<u>70,436,220.11</u>
<u>\$ 4,586,392.94</u>	<u>\$ 15,549,313.85</u>	<u>\$ 14,014,511.31</u>	<u>\$ 1,617,885.89</u>	<u>\$ 94,084,444.24</u>

See accompanying notes.

**CLAY COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balances - Governmental Funds		\$ 70,436,220.11
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.		437,639,322.80
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		4,923,526.28
Capital credits are not available to liquidate liabilities in governmental funds, but are accrued in governmental activities in the statement of net position.		5,129,267.75
Deferred outflows of resources and deferred inflows of resources related to the other postemployment benefits are applicable to future periods and, therefore, are not reported in governmental funds:		
Deferred Outflows	\$ 2,126,802.00	
Deferred Inflows	<u>(1,117,972.00)</u>	1,008,830.00
Deferred outflows of resources and deferred inflows of resources related to the cost-sharing pensions are applicable to future periods and, therefore, are not reported in governmental funds:		
Deferred Outflows	67,498,019.00	
Deferred Inflows	<u>(20,958,042.00)</u>	46,539,977.00
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Obligation Under Capital Lease	(9,749,407.32)	
Bonds Payable	(2,115,000.00)	
Certificates of Participation Payable	(33,493,000.00)	
Compensated Absences Payable	(24,875,787.76)	
Net Pension Liability	(198,107,478.00)	
Other Postemployment Benefits Payable	<u>(5,154,782.00)</u>	<u>(273,495,455.08)</u>
Total Net Position - Governmental Activities		\$ 292,181,688.86

See accompanying notes.

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

	General Fund	Special Revenue Food Service Fund	Special Revenue Other Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 1,003,663.89	\$ -	\$ 152,252.17
Federal Through State and Local	1,425,752.18	11,267,515.02	14,681,681.23
State	232,432,277.11	166,266.00	-
Local:			
Property Taxes	67,676,874.23	-	-
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Charges for Services - Food Service	-	3,281,222.86	-
Miscellaneous	5,210,587.51	74,773.64	18,175.69
Total Revenues	<u>307,749,154.92</u>	<u>14,789,777.52</u>	<u>14,852,109.09</u>
Expenditures			
Current - Education:			
Instruction	200,961,379.78	-	8,710,438.19
Student Support Services	15,572,363.42	-	1,392,591.69
Instructional Media Services	4,393,672.00	-	2,066.11
Instruction and Curriculum Development Services	3,940,576.32	-	1,909,300.27
Instructional Staff Training Services	2,823,135.18	-	1,958,693.42
Instruction-Related Technology	4,224,536.77	-	1,144.00
School Board	777,174.13	-	-
General Administration	607,306.87	-	499,346.00
School Administration	15,775,866.78	-	75,991.61
Facilities Acquisition and Construction	4,019,301.54	-	-
Fiscal Services	1,204,019.28	-	-
Food Services	175,908.18	16,266,590.32	-
Central Services	3,388,496.29	-	741.37
Student Transportation Services	10,970,907.70	-	77,379.68
Operation of Plant	27,471,047.85	-	176,242.00
Maintenance of Plant	5,736,522.80	-	-
Administrative Technology Services	1,296,911.74	-	3,000.00
Community Services	367,053.60	-	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	285,106.90	394,741.52	-
Other Capital Outlay	13,038,623.37	65,228.21	45,174.75
Debt Service:			
Principal	723,482.70	-	-
Interest and Fiscal Charges	53,427.62	-	-
(Total Expenditures)	<u>317,806,820.82</u>	<u>16,726,560.05</u>	<u>14,852,109.09</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,057,665.90)</u>	<u>(1,936,782.53)</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers In	4,297,809.75	-	-
Proceeds from Sale of Capital Assets	93,965.39	-	-
Capital Lease	10,680,670.00	-	-
Transfers (Out)	(32,500.00)	-	-
Total Other Financing Sources (Uses)	<u>15,039,945.14</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,982,279.24	(1,936,782.53)	-
Fund Balances, Beginning of Year	31,725,396.06	5,111,006.41	-
Increase (Decrease) in Inventory Reserve	-	119,811.33	-
Fund Balances, End of Year	<u>\$ 36,707,675.30</u>	<u>\$ 3,294,035.21</u>	<u>\$ -</u>

See accompanying notes.

Debt Service Other Debt Service Fund	Capital Projects Non-Voted Capital Improvement Fund	Capital Projects Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,155,916.06
-	-	-	-	27,374,948.43
-	-	1,404,691.27	1,794,387.74	235,797,622.12
-	18,368,154.21	-	-	86,045,028.44
-	-	1,272,846.29	-	1,272,846.29
-	-	8,657,051.75	-	8,657,051.75
-	-	-	-	3,281,222.86
6,941.11	21,843.29	200,723.70	38,164.24	5,571,209.18
6,941.11	18,389,997.50	11,535,313.01	1,832,551.98	369,155,845.13
-	-	-	-	209,671,817.97
-	-	-	-	16,964,955.11
-	-	-	-	4,395,738.11
-	-	-	-	5,849,876.59
-	-	-	-	4,781,828.60
-	-	-	-	4,225,680.77
-	-	-	-	777,174.13
-	-	-	-	1,106,652.87
-	-	-	-	15,851,858.39
-	5,767,587.38	1,364,911.88	58,066.27	11,209,867.07
-	-	-	-	1,204,019.28
-	-	-	-	16,442,498.50
-	-	-	-	3,389,237.66
-	-	-	-	11,048,287.38
-	-	-	-	27,647,289.85
-	-	-	-	5,736,522.80
-	-	-	-	1,299,911.74
-	-	-	-	367,053.60
-	3,324,399.30	659,664.92	2,076,131.65	6,740,044.29
-	46,226.08	827,862.87	-	14,023,115.28
5,365,323.21	123,937.80	232,825.00	178,000.00	6,623,568.71
1,399,098.37	13,006.20	17,175.00	106,045.22	1,588,752.41
6,764,421.58	9,275,156.76	3,102,439.67	2,418,243.14	370,945,751.11
(6,757,480.47)	9,114,840.74	8,432,873.34	(585,691.16)	(1,789,905.98)
6,756,469.42	-	-	-	11,054,279.17
-	249,421.16	-	-	343,386.55
-	-	-	-	10,680,670.00
-	(7,657,504.17)	(3,364,275.00)	-	(11,054,279.17)
6,756,469.42	(7,408,083.01)	(3,364,275.00)	-	11,024,056.55
(1,011.05)	1,706,757.73	5,068,598.34	(585,691.16)	9,234,150.57
122,198.99	13,363,513.76	8,925,998.75	1,834,144.24	61,082,258.21
-	-	-	-	119,811.33
\$ 121,187.94	\$ 15,070,271.49	\$ 13,994,597.09	\$ 1,248,453.08	\$ 70,436,220.11

See accompanying notes.

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

Net Change in Fund Balances - Governmental Funds	\$	9,234,150.57
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Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period.		3,691,796.60
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Capital assets donated to the District increase net position in the government-wide financial statements, but are not financial resources and, therefore, are not reported in the governmental funds.		248,782.71
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Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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 by which proceeds exceed repayments in the current fiscal year:

New Obligations Under Capital Lease	\$	(10,680,670.00)	
Long-Term Debt Repayments		6,623,568.71	(4,057,101.29)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount used in the current period.		(3,117,960.67)
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Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.		(145,590.35)
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Capital credits revenues are accrued in the statement of activities, but do not provide current financial resources and are not reported as revenues in the governmental funds. This is the net increase in capital credits receivable in the current fiscal year.		156,676.54
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See accompanying notes.

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

The purchase method of inventory accounting is used in the governmental funds, while in the government-wide statements inventories are accounted for on the consumption method.

\$ 119,811.33

Governmental funds reported District other postemployment benefits (OPEB) contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions, as determined through an actuarial valuation, is reported as an OPEB expenses.

Change in OPEB Liability	\$ (21,749.00)	
Change in Deferred Outflows of Resources - OPEB	(228,693.00)	
Change in Deferred Inflows of Resources - OPEB	(178,325.00)	(428,767.00)

Pension expenses related to the changes in net pension liability as reported in the statement of activities does not require the use of current financial resources and is not reported in the governmental funds.

FRS Pension Contribution	13,410,842.00	
HIS Pension Contribution	3,356,499.00	
FRS Pension Expense	(30,835,302.00)	
HIS Pension Expense	(4,065,646.00)	(18,133,607.00)

Change in Net Position - Governmental Activities	\$ (12,431,808.56)
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See accompanying notes.

CLAY COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Governmental Activities Internal Service Funds
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 6,566,669.92
Cash with Fiscal Agent	40,000.00
Accounts Receivable	6,965.36
Total Assets	6,613,635.28
Liabilities	
Current Liabilities:	
Estimated Insurance Claims Payable	919,419.00
Total Current Liabilities	919,419.00
Non-Current Liabilities:	
Estimated Insurance Claims Payable	770,690.00
Total Liabilities	1,690,109.00
Net Position	
Unrestricted	\$ 4,923,526.28

See accompanying notes.

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

	Governmental Activities Internal Service Funds
Operating Revenues	
Insurance Premiums	\$ 2,029,153.00
Total Operating Revenues	<u>2,029,153.00</u>
Operating Expenses	
Insurance Claims	1,770,305.09
Excess Insurance Premiums	355,614.74
State Assessments	19,870.18
Purchased Services	162,858.98
Total Operating Expenses	<u>2,308,648.99</u>
Operating Income	<u>(279,495.99)</u>
Non-Operating Revenues	
Investment Income	133,905.64
Total Non-Operating Revenues	<u>133,905.64</u>
Net Income (Loss)	(145,590.35)
Total Net Position - Beginning of Year	<u>5,069,116.63</u>
Total Net Position - End of Year	<u><u>\$ 4,923,526.28</u></u>

See accompanying notes.

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

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$ 2,022,187.64
Cash Payments to Vendors for Goods and Services	(1,147,973.86)
Cash Payments to Insurance Claims	(2,059,221.09)
Net Cash Provided by Operating Activities	<u>(1,185,007.31)</u>
Cash Flows from Investing Activities	
Interest and Dividends Received	<u>133,905.64</u>
Net Cash Provided by Investing Activities	<u>133,905.64</u>
Net Increase in Cash and Cash Equivalents	(1,051,101.67)
Cash and Cash Equivalents, Beginning of Year	<u>7,657,771.59</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 6,606,669.92</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>	
Operating Income	<u>\$ (279,495.99)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:	
Increase in Accounts Receivable	(6,965.36)
Decrease in Due to Other Funds	(609,629.96)
Decrease in Estimated Insurance Claims Payable	(288,916.00)
Total Adjustments	<u>(905,511.32)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (1,185,007.31)</u></u>

See accompanying notes.

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

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 3,816,051.00
Total Assets	<u>3,816,051.00</u>
Liabilities	
Accounts Payable	19,336.90
Internal Accounts Payable Student Organizations	<u>3,796,714.10</u>
Total Liabilities	<u>\$ 3,816,051.00</u>

See accompanying notes.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Clay County School District's (the District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the pupil transportation function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

Reporting Entity

The Clay County District School Board (the Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (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 Clay County, Florida.

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

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

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

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

- **Discretely Presented Component Units**—The component unit columns in the government-wide financial statements include the financial data of the District’s other component units. A separate column is used to emphasize that they are legally separate from the District. During the 2019-20 fiscal year, the component unit column consists of three charter schools as follows:

- The Charter Entities consist of: St. Johns Classical Academy, the Florida Charter Educational Foundation, Inc., d/b/a Clay Charter Academy, and Northeast Florida Virtual Charter School Board, Inc., d/b/a Florida Cyber Charter Academy at Clay. The Charter Entities are organized as not-for-profit corporations pursuant to Chapter 617, Florida Statutes, the *Florida Not-For-Profit Corporation Act*, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Clay County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

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

Basis of Presentation

- **Government-Wide Financial Statements**

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

- **Fund Financial Statements**

Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds, including blended component units. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

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

- **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—Food Services Fund**—to account for the proceeds of Federal grants and related programs for the Food and Nutrition Services program, that are legally restricted to expenditure for specified purposes.
- **Special Revenue—Other Fund**—to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Because revenues of grants accounted for in the Special Revenue—Other Funds are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances.
- **Debt Service—Other Debt Service Fund**—to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the long-term certificates of participation.
- **Capital Projects—Non-Voted Capital Improvement Fund**—to account for the financial resources generated by the non-voted capital improvement tax levy, Section 1011.71(2), Florida Statutes, to be used for educational capital outlay needs, including new construction projects, maintenance, renovation and remodeling projects, and replacement equipment, motor vehicle purchases, property and casualty insurance premiums, bus purchases, and debt service payments on certificates of participation.
- **Capital Projects—Other Capital Projects Fund**—to account for the financial resources received from local sales taxes, local impact fees, and other miscellaneous sources, to be used for educational capital outlay needs and debt service payments on certificates of participation.

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

- **Internal Service Fund**—to account for the District’s individual self-insurance programs.
- **Agency Funds**—to account for resources of the school internal funds which are used to administer monies collected at the several schools in connection with school, student athletic, class, and club activities.

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

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

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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

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

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounts. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

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

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and short-term, highly liquid investments with original maturities of three months or less. Investments classified as cash equivalents include money market mutual funds, Florida Public Assets for Liquidity Management (FL PALM), and the State Board of Administration (SBA), in Florida PRIME.

CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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.

Investments

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

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

Investments made locally consist of amounts placed in money market mutual funds under a trust agreement in connection with certificates of participation financing arrangements and are reported at fair value.

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

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on the first-in, first-out basis, except that maintenance inventories are stated at weighted-average and United States Department of Agriculture surplus commodities 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. Under the economic resources measurement focus of the government-wide financial statements, the costs of inventories are recorded as expenditures when used rather than purchased. In the fund financial statements, except for United States Department of Agriculture donated foods, the costs of inventories are recorded as expenditures when purchased rather than used and reported purchased inventories are equally offset by a fund balance reserve.

Certain payments to vendors reflect cost 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.

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

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at the acquisition value of similar assets at the date of donation. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction. Land, improvements other than buildings, and buildings acquired or constructed prior to July 1, 1968, are stated at appraised value when historical cost could not be determined.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other Than Buildings	25 Years
Buildings and Fixed Equipment	50 Years
Furniture, Fixtures, and Equipment	7 Years
Motor Vehicles	10 Years
Property Acquired Under Capital Lease	7 Years
Audio Visual Materials and Computer Software	5-15 Years

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

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 the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, 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's and the HIS's 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.

Matured Certificates of Participation Payable

Certificate of Participation principal and interest payments are due twice each year. The principal and interest payment expected to be liquidated with current available financial resources as of June 30th each year is recognized as matured certificates of participation payable and matured interest payable in the governmental fund financial statements.

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.

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

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 uses of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

The committed fund balance classification includes amounts that can be used only for 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 (adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balances at June 30, 2020.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as committed. Board Policy 5.02 provides that the assigned fund balance includes amounts which are assigned for the intended use of the Board or by delegation to the Superintendent or Superintendent's designee. 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.

REVENUES AND EXPENDITURES/EXPENSES

Program Revenue

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 resource 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 expense with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

State Revenue Sources

Revenues from State sources for current operations are primarily from 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 for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. 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 categorical 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

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

forward into the following year to be expended for the same categorical educational programs. The FDOE generally requires that categorical 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 funds financial statements for the balance of categorical educational program resources.

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

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

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 Clay County Property Appraiser, and property taxes are collected by the Clay County Tax Collector.

The Board adopted the 2019 tax levy on September 5, 2019. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1, and become 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 Clay 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.

Local Government Infrastructure Surtax

The citizens of Clay County, on November 3, 1989, approved a one percent local government infrastructure sales surtax authorized under Section 212.055(2), Florida Statutes. Pursuant to Section 212.055(2)(c)1., Florida Statutes, the County and its municipalities entered into an inter-local agreement with the Board, dated June 23, 1998, wherein the parties agreed to a distribution formula for the infrastructure sales surtax proceeds. The distribution formula provides, in part, that the District shall receive ten percent of Clay County's portion of the proceeds using the statutory distribution formula provided in Section 218.62,

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

Florida Statutes. The surtax proceeds are to be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of public facilities, which have a useful life expectancy of five or more years; any land acquisition, land improvement, design, and engineering costs related thereto; and certain vehicle purchases.

Educational Impact Fees

Clay County imposes an educational impact fee based on an ordinance adopted by the County Commission in 2003. This ordinance was most recently amended in September 2016 when Ordinance 2017-29 revised the timing of when impact fee payments were required to be made. The educational impact fee is collected by Clay County for most new residential construction. The fees are collected by Clay County and each municipality within Clay County based on an inter-local 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 shall not be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include, but are not limited to, land acquisition, facility design and construction costs, furniture and equipment, and payment of principal, interest, and related costs of indebtedness necessitated by new residential development.

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.

Compensated Absences

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

Proprietary Funds Operating and Non-Operating Revenues and Expenses

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

Note 2 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial Credit Risk

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

Note 3 - INVESTMENTS

As of June 30, 2020, the District has the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Cash Deposits with Financial Institutions	n/a	\$ 10,589,940.98
Money Market Mutual Funds:		
First American Treasury Obligations (A)	43 Day Average	4,465,204.96
State Board of Administration:		
Florida PRIME	53 Day Average	63,111,294.10
Debt Service Accounts	6 Months	3,078.37
Florida Public Assets for Liquidity Management	53 Day Average	<u>9,070,226.46</u>
Total Cash and Investments Reported in Government-Wide		87,239,744.87
Fiduciary Funds:		
Cash Deposits with Financial Institutions	n/a	2,443,128.61
State Board of Administration:		
Florida PRIME	53 Day Average	<u>1,372,922.39</u>
Total Cash and Investments, Reporting Entity		<u>\$ 91,055,795.87</u>

Notes: (A) At June 30, 2020, investments totaling \$4,465,204.96 were held under a trust agreement in connection with Certificates of Participation financing arrangements.

Fair Value Measurements

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

CLAY COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates, but generally requires shorter-term investment maturities that are matched with cash flow needs to avoid selling securities prior to maturity.

The trust agreement in connection with certificates of participation financing arrangements does not specifically limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. The FL PALM and the First American Treasury Obligations money market mutual fund are designed to maintain a \$1 per share net asset value and provide immediate liquidity to meet cash flow needs.

Florida PRIME, FL PALM, and First American Money Market Mutual Funds use a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

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

As of June 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

FL PALM does not have any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, or the authority to impose liquidity fees or redemption gates).

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, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal*

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Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District's investment policy limits investments to the SBA Local Government Surplus Funds Trust Fund Investment Pool, which effective July 1, 2009, is known as Florida PRIME, or any intergovernmental investment pool; Securities and Exchange Commission registered money market funds with the highest credit quality rating; interest-bearing time deposits or savings accounts held in qualified public depositories; direct obligations of the United States Treasury; Federal Agencies and Instrumentalities, any open-end or closed-end management-type investment company or registered investment trust investing in, or repurchase agreements collateralized by, obligations of the United States Government or any agency or instrumentality; and commercial paper and bankers' acceptances with quality credit ratings.

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

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

The District's investments in the First American Treasury Obligations money market fund is rated AAAM by Standard & Poor's and Aaa-mf by Moody's Investor Services.

The District's investment in the FL PALM is rated AAAM by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy addresses custodial credit risk in that all securities, with the exception of certificates of deposit, are held with a third party custodian; and all securities purchased by and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution.

The District's investments in the money market mutual funds are held by the safekeeping agent in the name of the District.

Note 4 - RECEIVABLES

Capital Credit Receivable

The District participates in a non-profit electric cooperative established under Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless otherwise determined by a vote of the membership, are distributed by the cooperative on a pro rata basis to its members. The policy of Clay Electric Cooperative, Inc. is to credit the excess revenues to the members' accounts. Annually, Clay Electric Cooperative, Inc. makes payments for designated prior years' capital credits. During the 2019-20 fiscal year, the District received \$141,740.37 related to portions of capital credits earned from the 1990 through 2018 fiscal years. At June 30, 2020, the accumulated credits to the District's accounts were \$5,129,267.75.

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Due From Other Agencies

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. The following is a schedule of the amounts Due From Other Agencies at June 30, 2020:

FUND/SOURCE	AMOUNT
Major Governmental Funds	
General:	
State of Florida:	
District Instructional Leadership Grant	\$ 27,632.02
Florida Youth Challenge Academy Grant	143,750.00
Medicaid	236,143.31
Youth Mental Health Grant	21,525.00
Computer Science Certification Grant	38,451.92
U.S. Department of Defense:	
Navy Junior Reserve Officers Training Corps	84,934.12
Clay County Board of County Commissioners:	
Driver Education Safety Fund	-
Clay County Tax Collector:	
Local Property Taxes	71,692.74
Special Revenue - Food Service:	
State of Florida:	
Reimbursement for School Meals	116,640.78
Special Revenue - Other:	
State of Florida:	
Federal Cash Advance System	3,081,851.76
U.S. Department of Defense Education Activities:	
Achievement at Military Connected Schools	67,325.74
Capital Projects - Non-Voted Capital Improvement:	
Clay County Tax Collector:	
Local Property Taxes	20,097.77
Capital Projects - Other Capital Projects:	
Clay County Board of County Commissioners:	
Local Impact Fees	302,230.62
Clay County BOCC - Technology Strategy Agreement	112,463.23
Town of Orange Park:	
Local Impact Fees	6,928.97
State of Florida:	
Safety and Security of School Buildings	873,588.99
Non-Major - Other Governmental Funds	
State of Florida:	
Motor Vehicle License Tax	2,984.35
Public Education Capital Outlay	11,670.91
TOTAL	\$ 5,219,912.23

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Note 5 - CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital Assets Not Being Depreciated:					
Land	\$ 30,044,945.69	\$ -	\$ -	\$ -	\$ 30,044,945.69
Construction in Progress	2,484,065.02	6,740,044.29	6,397,113.81	-	2,826,995.50
Total Capital Assets Not Being Depreciated	32,529,010.71	6,740,044.29	6,397,113.81	-	32,871,941.19
Capital Assets Being Depreciated:					
Improvements Other Than Buildings	29,231,048.25	920,901.65	-	-	30,151,949.90
Buildings and Fixed Equipment	562,762,679.87	5,476,212.16	-	-	568,238,892.03
Furniture, Fixtures, and Equipment	21,921,916.50	1,089,873.15	1,886,268.48	1,494,758.00	22,620,279.17
Motor Vehicles	27,526,669.27	1,731,332.15	8,687,926.76	-	20,570,074.66
Property Acquired Under Capital Lease	3,426,894.65	10,680,670.00	-	(1,494,758.00)	12,612,806.65
Audio Visual Materials and Computer Software	4,864,393.06	770,022.69	191,321.69	-	5,443,094.06
Total Capital Assets Being Depreciated	649,733,601.60	20,669,011.80	10,765,516.93	-	659,637,096.47
Less Accumulated Depreciation for:					
Improvements Other Than Buildings	22,445,621.05	1,169,241.99	-	-	23,614,863.04
Buildings and Fixed Equipment	189,530,210.82	11,438,829.82	-	-	200,969,040.64
Furniture, Fixtures, and Equipment	15,433,677.39	1,540,117.26	1,886,268.48	427,073.70	15,514,599.87
Motor Vehicles	17,941,614.78	1,684,806.52	8,687,926.76	-	10,938,494.54
Property Acquired Under Capital Lease	349,770.64	871,652.02	-	(427,073.70)	794,348.96
Audio Visual Materials and Computer Software	2,862,974.14	366,715.36	191,321.69	-	3,038,367.81
Total Accumulated Depreciation	248,563,868.82	17,071,362.97	10,765,516.93	-	254,869,714.86
Total Capital Assets Being Depreciated, Net	401,169,732.78	3,597,648.83	-	-	404,767,381.61
Total Governmental Activities Capital Assets, Net	\$ 433,698,743.49	\$ 10,337,693.12	\$ 6,397,113.81	\$ -	\$ 437,639,322.80

Depreciation expense was charged to functions as follows:

Function	Amount
Governmental Activities	
Pupil Transportation Services	\$ 1,684,806.52
Unallocated	15,386,556.45
Total Depreciation Expense - Governmental Activities	\$ 17,071,362.97

Note 6 - RETIREMENT PLANS

Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about 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

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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 non-integrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$34,900,948 for the fiscal year ended June 30, 2020.

FRS Pension Plan

Plan Description - The FRS Pension Plan (the 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 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 Class* - 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 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.

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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 the DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts from the 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 compensations, 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:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class Members Initially Enrolled Before July 1, 2011</i>	
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
<i>Regular Class Members Initially Enrolled On or After July 1, 2011</i>	
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
<i>Elected County Officers</i>	3.00
<i>Special Risk Class</i>	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.

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Contributions - The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-20 fiscal year were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3.00	8.47
Florida Retirement System, Special Risk	3.00	25.48
Florida Retirement System, Elected County Officers	3.00	48.82
Deferred Retirement Option Program – Applicable to Members from All of the Above Classes or Plans	0.00	14.60
Florida Retirement System, Reemployed Retiree	(B)	(B)

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

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

The District's contributions, including employee contributions, to the Plan totaled \$13,410,842 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the District reported a liability of \$134,242,899 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, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the 2018-19 contributions of all participating members. At June 30, 2019, the District's proportionate share was .389803501 percent, which was a decrease of .003926245 from its proportionate share at prior measurement date.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$30,835,302. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 7,962,330	\$ 83,310
Change of Assumptions	34,479,353	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	-	7,427,018
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	-	5,323,055
District FRS Contributions Subsequent to the Measurement Date	13,410,842	-
Total	\$ 55,852,525	\$ 12,833,383

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The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$13,410,842, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 10,775,336
2022	2,141,985
2023	8,201,391
2024	6,505,196
2025	1,587,236
Thereafter	397,157

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

Inflation	2.60 Percent
Salary Increases	3.25 Percent, Average, Including Inflation
Investment Rate of Return	6.90 Percent, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption, which was based on the Generational RP-2000 with Projection Scale BB tables

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	100.00%			
Assumed Inflation - Mean			2.6%	1.7%

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

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's Proportionate Share of the Net Pension Liability	\$ 232,061,269	\$ 134,242,899	\$ 52,548,014

Pension Plan Fiduciary Net Position - The 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, 2020, the District reported a payable of \$1,882,343.33 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2020.

HIS Pension Plan

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

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

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in

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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 \$3,356,499 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the District reported a net pension liability of \$63,864,580 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was 0.570780091 percent, which was an increase of .000863628 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized the HIS Plan pension expense of \$4,065,646. 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	\$ 775,707	\$ 78,200
Change of Assumptions	7,394,916	5,219,770
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	41,211	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	77,161	2,826,689
District FRS Contributions Subsequent to the Measurement Date	3,356,499	-
Total	\$ 11,645,494	\$ 8,124,659

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$3,356,499, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 409,215
2022	248,825
2023	(78,334)
2024	(754,564)
2025	(102,273)
Thereafter	441,466

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

Inflation	2.60 Percent
Salary Increases	3.25 Percent, Average, Including Inflation
Municipal Bond Rate	3.50 Percent

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

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.5 percent) or 1 percentage point higher (4.5 percent) than the current rate:

	<u>1% Decrease (2.5%)</u>	<u>Current Discount Rate (3.5%)</u>	<u>1% Increase (4.5%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 72,904,692	\$ 63,864,580	\$ 56,335,190

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.

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Payables to the Pension Plan - At June 30, 2020, the District reported a payable of \$462,917.03 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2020.

FRS - Defined Contribution Pension Plans

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (the 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. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2019-20 fiscal year were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Compensation</u>	
	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	3.30
FRS, Elected County Officers	3.00	8.34
FRS, Special Risk Class	3.00	11.00

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, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS covered employment within the 5 year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage

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is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension contributions totaled \$3,592,870 for the fiscal year ended June 30, 2020.

Note 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description - The Other Postemployment Health Care Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health insurance plan. 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. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a Public Employee Retirement System or another entity. 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 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	101
Active Employees	<u>4,671</u>
Total	<u><u>4,772</u></u>

Total OPEB Liability - The District's total OPEB liability of \$5,154,782 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

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	2.50 Percent
Salary Increases	4.50 Percent, Average, Including Inflation
Discount Rate	3.51 Percent
Healthcare Cost Trend Rates	6.51 and 7.09 Percent, for Pre and Post-65, Decreasing Annually to an Ultimate Rate of 4.50 Percent for 2028 and Later

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The discount rate was based on the Bond Buyer GO 20-Bond Municipal Bond Index.

Mortality rates were based on PUB TH-2010 employees and healthy annuitants mortality table projected generationally using Scale MP-2019.

The District selected the economic, demographic, and healthcare claim cost assumptions used in the OPEB Plan valuation. The actuary provided guidance with respect to the mortality, health claims, medical trend, plan participation, and spousal assumptions. All other assumptions were selected by the District and align with the FRS Pension valuation.

Changes in the Total OPEB Liability

<u>Description</u>	<u>Amount</u>
Balance at June 30, 2019	<u>\$ 5,133,033</u>
Changes for the Year:	
Service Cost	447,382
Interest	200,672
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	469,785
Changes in Assumptions or Other Inputs	(298,330)
Benefit Payments	<u>(797,760)</u>
Net Changes	<u>21,749</u>
Balance at June 30, 2020	<u><u>\$ 5,154,782</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2019 to 3.51 percent in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.51 percent) or 1 percentage point higher (4.51 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(2.51%)</u>	<u>Discount Rate</u>	<u>(4.51%)</u>
		<u>(3.51%)</u>	
Total OPEB Liability	\$ 5,605,792	\$ 5,154,782	\$ 4,752,436

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.85 percent decreasing to 3.50 percent) or 1 percentage point higher (7.85 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare</u>	<u>1% Increase</u>
		<u>Cost Trend</u>	
Total OPEB Liability	\$ 4,454,833	\$ 5,154,782	\$ 6,017,941

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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 \$725,907. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 845,896	\$ 645,547
Change of Assumptions or Other Inputs	983,766	472,425
Benefits Paid Subsequent to the Measurement Date	297,140	-
Total	<u>\$ 2,126,802</u>	<u>\$ 1,117,972</u>

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year, totaling \$797,760, will be recognized as a reduction of the total OPEB liability in the fiscal year ended June 30, 2020. 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	\$ 77,853
2022	77,853
2023	77,853
2024	77,853
2025	77,853
Total Thereafter	322,425

Note 8 - COMMITMENTS AND CONTINGENCY

Construction Contracts

The following is a schedule of major construction contract commitments at June 30, 2020:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed Amount</u>	<u>Balance Committed</u>
Orange Park High School - HVAC Replacement:			
Engineer	\$ 75,096.00	\$ 60,076.80	\$ 15,019.20
General Contractor	938,700.00	-	938,700.00
Orange Park High School - Baseball Field Lighting:			
General Contractor	344,300.00	-	344,300.00
District Offices Renovation:			
Architect	16,957.50	-	16,957.50
General Contractor	1,270,753.14	1,010,552.74	260,200.40
Doctors Inlet Elementary Cafeteria Expansion Project:			
Architect	301,340.00	167,048.00	134,292.00
General Contractor	1,667,900.57	1,357,076.76	310,823.81
Direct Materials	579,154.14	232,241.20	346,912.94
Total	<u>\$ 5,194,201.35</u>	<u>\$ 2,826,995.50</u>	<u>\$ 2,367,205.85</u>

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Encumbrances

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

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

<u>Fund</u>	<u>Encumbrance Amount</u>
General	\$ 4,184,596.64
Special Revenue - Food Services	976,394.56
Other Federal Programs	1,084,580.14
Other Debt Service	5,452.66
Non-Voted Capital Improvement	3,255,891.64
Other Capital Projects	750,541.02
Other Governmental Funds	<u>679,497.12</u>
Total	<u>\$ 10,936,953.78</u>

COVID-19

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay-at-home orders and advisories and quarantining of people who may have been exposed to the virus. After close monitoring and responses and guidance from federal, state, and local governments, in an effort to mitigate the spread of COVID-19, effective in late March 2020, the District moved to remote learning for the remainder of the school year.

At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on the District.

Note 9 - 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. Workers' compensation, automobile liability, general liability, and property loss coverages are being provided on a self-insured basis up to specified limits. The District established a Risk Management Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, general liability, and property loss coverages. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

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

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The District's liability is limited to \$100,000 per claim and \$200,000 per occurrence for automobile liability, general liability, and property loss coverages. The District's liability for workers' compensation is limited from \$125,000 to \$500,000 per occurrence, depending on the year of occurrence.

A liability in the amount of \$1,690,109 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2020.

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

<u>Fiscal Year</u>	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimated Liability</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2018-19	\$ 2,069,258.00	\$ 920,315.79	\$ (1,010,548.79)	\$ 1,979,025.00
2019-20	1,979,025.00	795,001.55	(1,083,917.55)	1,690,109.00

The District's health and hospitalization coverage and other coverages deemed necessary by the Board were provided through purchased commercial insurance with minimum deductibles for each line of coverage.

Note 10 - OBLIGATION UNDER CAPITAL LEASE

Property being acquired under capital lease arrangements consist of a GPS equipment and software with an asset value of \$485,596 and computer hardware with an asset value of \$1,446,540, and Ninety (90) 77 passenger school buses and ten (10) 65 passenger school buses along with related video and GPS equipment with an asset value of \$10,680,670.

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,258,879.23	\$ 2,070,978.43	\$ 187,900.80
2022	1,615,559.43	1,483,928.12	131,631.31
2023	1,615,559.43	1,509,367.10	106,192.33
2024	1,615,559.43	1,535,242.18	80,317.25
2025	1,615,559.42	1,561,560.83	53,998.59
2026	<u>1,615,559.41</u>	<u>1,588,330.66</u>	<u>27,228.75</u>
Total Minimum Lease Payments	\$ 10,336,676.35	\$ 9,749,407.32	\$ 587,269.03

The imputed interest rate for the GPS equipment is 5.00 percent. The imputed interest rate for the computer equipment is between 4.449 percent - 4.593 percent. The interest rate for the buses is 1.7143 percent.

Amortization of leased equipment under capital assets is included with depreciation expense.

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Note 11 - CERTIFICATES OF PARTICIPATION

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

<u>Series</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Lease Term Maturity</u>	<u>Original Amount</u>
Series 2012, Refunding	\$ 20,145,000	3.0 – 5.0	2028	\$ 24,930,000
Series 2014, Refunding, Direct Placement	11,615,000	2.79	2027	17,540,000
Series 2017, Refunding, Direct Placement	<u>1,733,000</u>	1.71	2025	<u>8,817,000</u>
Total Certificates of Participation	<u>\$ 33,493,000</u>			<u>\$ 51,287,000</u>

The District entered into a master financing arrangement on May 15, 1997, which arrangement was characterized as lease-purchase agreement, with the Leasing Corporation whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given ground leases on District property to the Leasing Corporation, with a rental fee of \$10 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the certificates for a period of time specified by the arrangements.

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

<u>Certificates</u>	<u>Description of Properties</u>
Series 2012, Refunding	Construction of a New Junior High School in the Lake Asbury Area (Lake Asbury Junior High School) and a New Senior High School in the Oakleaf Area (Oakleaf High School).
Series 2014, Refunding, Direct Placement	Acquisition of Approximately 42 Acres of Land Adjacent to the Former Ridgeview Junior High School and Conversion of the Facility to a Senior High School and Construction of a New Junior High School in the Oakleaf Area (Oakleaf Junior High School).
Series 2017, Refunding, Direct Placement	Construction of Fleming Island High School.

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The lease payments are payable by the District, semiannually, on July 1 and January 1, and must be remitted by the District as of the 15th day of the month preceding the payment dates.

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

Fiscal Year Ending June 30,	Total	Principal	Interest
2021	\$ 3,935,112.50	\$ 3,085,000.00	\$ 850,112.50
2022	3,935,862.50	3,240,000.00	695,862.50
2023	3,933,862.50	3,400,000.00	533,862.50
2024	3,931,862.50	3,500,000.00	431,862.50
2025	3,926,862.50	3,670,000.00	256,862.50
2026 - 2029	<u>3,561,012.50</u>	<u>3,250,000.00</u>	<u>311,012.50</u>
Total Minimum Lease Payments	<u>\$ 23,224,575.00</u>	<u>\$ 20,145,000.00</u>	<u>\$ 3,079,575.00</u>

The following is a schedule by years of future minimum lease payments under the direct placement lease agreements together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30,	Total	Principal	Interest
2021	\$ 1,242,692.80	\$ 889,000.00	\$ 353,692.80
2022	1,237,507.70	905,000.00	332,507.70
2023	1,240,897.80	930,000.00	310,897.80
2024	1,243,720.00	955,000.00	288,720.00
2025	1,243,866.30	978,000.00	265,866.30
2026 - 2029	<u>9,056,350.50</u>	<u>8,691,000.00</u>	<u>365,350.50</u>
Total Minimum Lease Payments	<u>\$ 15,265,035.10</u>	<u>\$ 13,348,000.00</u>	<u>\$ 1,917,035.10</u>

Note 12 - BONDS PAYABLE

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

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2011A, Refunding	\$ 165,000	3.00 – 5.00	2023
District Revenue Bonds:			
Series 2010, Refunding	<u>1,950,000</u>	4.125 – 5.00	2032
Total Bonds Payable	<u>\$ 2,115,000</u>		

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

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■ **State School Bonds**

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

■ **District Revenue Bonds**

These bonds were issued to refund the District Revenue Bonds, Series 1995, and to finance costs of various capital improvements in the District. These bonds are authorized by Chapter 65-1383, Laws of Florida, and Chapter 70-631, Laws of Florida, which provide that the bonds be secured by the portion of the racetrack and jai alai fronton funds distributed annually to Clay County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the Board has established a sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of \$2,827,288.78 of sales tax distribution revenues in connection with the District Revenue Bond, Series 2010, described above. During the 2019-20 fiscal year, the District recognized sales tax distribution revenues totaling \$223,250.00 and expended \$215,955.00 (97 percent) of these revenues for debt services directly collateralized by these revenues. The pledged sales tax distribution revenues are committed until final maturity of the debt in 2032. Approximately 97 percent of this revenue stream has been pledged in connection with debt services on the revenue bond.

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

Fiscal Year Ending June 30,	Total	Principal	Interest
State School Bonds:			
2021	\$ 55,950.00	\$ 50,000.00	\$ 5,950.00
2022	58,450.00	55,000.00	3,450.00
2023	<u>61,800.00</u>	<u>60,000.00</u>	<u>1,800.00</u>
Total State School Bonds	<u>176,200.00</u>	<u>165,000.00</u>	<u>11,200.00</u>
District Revenue Bonds:			
2021	216,155.00	125,000.00	91,155.00
2022	215,998.76	130,000.00	85,998.76
2023	215,473.76	135,000.00	80,473.76
2024	219,668.76	145,000.00	74,668.76
2025	218,325.00	150,000.00	68,325.00
2026 - 2030	1,090,212.50	860,000.00	230,212.50
2031 - 2032	<u>435,500.00</u>	<u>405,000.00</u>	<u>30,500.00</u>
Total District Revenue Bonds	<u>2,611,333.78</u>	<u>1,950,000.00</u>	<u>661,333.78</u>
Total	<u>\$ 2,787,533.78</u>	<u>\$ 2,115,000.00</u>	<u>\$ 672,533.78</u>

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Note 13 - PRIOR PERIOD DEFEASED DEBT

In a prior year, the Certificates of Participation (COPs), Series 2005B, were defeased in substance by placing a portion of the proceeds of new COPs in an irrevocable trust to provide for all future debt service payments on the old COPs. Accordingly, the trust account assets and the liability for the in-substance defeased COPs are not included in the District's financial statements. On June 30, 2020, COPs, Series 2005B, totaling \$4,145,000 outstanding are considered defeased in substance.

Note 14 - CHANGES IN LONG-TERM LIABILITIES

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

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020	Due In One Year
GOVERNMENTAL ACTIVITIES					
Estimated Insurance Claims Payable	\$ 1,979,025.00	\$ 1,071,643.83	\$ 1,360,559.83	\$ 1,690,109.00	\$ 919,419.00
Obligations Under Capital Leases	1,692,306.03	10,680,670.00	2,623,568.71	9,749,407.32	2,070,978.43
Bonds Payable	2,293,000.00	-	178,000.00	2,115,000.00	175,000.00
Certificates of Participation Payable	21,030,000.00	-	885,000.00	20,145,000.00	3,085,000.00
Certificates of Participation Payable, Direct Placement	16,285,000.00	-	2,937,000.00	13,348,000.00	889,000.00
Compensated Absences Payable	21,757,827.09	6,601,308.80	3,483,348.13	24,875,787.76	3,483,348.13
Net Pension Liability	178,914,038.00	21,939,598.00	2,746,158.00	198,107,478.00	1,083,600.00
Other Postemployment Benefits Payable	5,133,033.00	819,509.00	797,760.00	5,154,782.00	1,083,599.13
Total Governmental Activities	\$ 249,084,229.12	\$ 41,112,729.63	\$ 15,011,394.67	\$ 275,185,564.08	\$ 12,789,944.69

For the governmental activities, compensated absences and other postemployment healthcare benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund.

Note 15 - FUND BALANCE REPORTING

In addition to the non-spendable fund balance, the District reports its governmental fund balances as spendable fund balances, based on a hierarchy of spending constraints.

■ **Non-Spendable Fund Balance**

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

■ **Restricted Fund Balance**

Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances other than in the General Fund as restricted, as well as unspent State categorical programs reported in the General Fund, that are legally or otherwise restricted.

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■ **Unassigned Fund Balance**

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

Note 16 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Major Governmental Funds:		
General	\$ 6,686,686.79	\$ -
Debt Service:		
Other Debt Service	12.17	-
Capital Projects:		
Non-Voted Capital Improvement	14,578.80	-
Other Capital Projects	-	14,568.34
Special Revenue:		
Food Service	-	3,654,422.55
Other Federal Programs	-	3,026,305.60
Non-Major Governmental Funds	-	5,981.27
Total	<u>\$ 6,701,277.76</u>	<u>\$ 6,701,277.76</u>

The outstanding interfund balances result mainly from expenditures and reimbursements timing differences being adjusted between funds. The interfund amounts represent temporary loans from one fund to another and are expected to be repaid within 1 year.

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General	\$ 4,297,809.75	\$ 32,500.00
Debt Service:		
Other Debt Service	6,756,469.42	-
Capital Projects:		
Non-Voted Capital Improvement	-	7,657,504.17
Other Capital Projects	-	3,364,275.00
Total	<u>\$ 11,054,279.17</u>	<u>\$ 11,054,279.17</u>

Interfund transfers represent permanent transfers of moneys between funds. The transfers out of the Capital Projects Funds were to provide for debt service payments, to fund equipment purchases, to fund property and casualty insurance premiums, and to fund certain facilities and maintenance expenditures of the District's General Fund.

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JUNE 30, 2020**

Note 17 - SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's state revenue for the 2019-2020 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 187,205,277.00
Categorical Educational Program - Class Size Reduction	40,780,072.00
School Recognition	2,275,119.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,594,370.43
Miscellaneous	<u>3,942,783.69</u>
Total	<u>\$ 235,797,622.12</u>

Accounting policies relating to certain state revenue sources are described in Note 1.

Note 18 - PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2020 tax roll for the 2019-20 fiscal year:

<u>General Fund</u>	<u>Millages</u>	<u>Taxes Levied</u>
Non-Voted School Tax:		
Required Local Effort	3.799	\$ 48,191,198
Basic Discretionary Local Effort	0.748	9,488,554
Voted School Tax:		
Additional Operating	1.000	12,685,232
 Capital Projects Funds		
Non-Voted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>19,027,849</u>
Total	<u>7.047</u>	<u>\$ 89,392,833</u>

Note 19 - SUBSEQUENT EVENTS

In the fall of 2020, Clay County voters approved a local infrastructure sales tax through the end of calendar year 2039. This tax is estimated to provide about \$13 million annually in additional funds to help support the District's capital program, including constructing additional schools within the District.

REQUIRED SUPPLEMENTARY INFORMATION

**CLAY COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,065,000.00	\$ 966,749.05	\$ 1,003,663.89	\$ 36,914.84
Federal Through State and Local	1,997,585.00	1,562,219.00	1,425,752.18	(136,466.82)
State	239,512,118.00	235,815,580.15	232,432,277.11	(3,383,303.04)
Local:				
Property Taxes	68,426,120.00	68,378,516.06	67,676,874.23	(701,641.83)
Miscellaneous	3,566,974.75	4,582,996.21	5,210,587.51	627,591.30
Total Revenues	314,567,797.75	311,306,060.47	307,749,154.92	(3,556,905.55)
Expenditures				
Current - Education:				
Instruction	208,959,216.86	214,547,775.06	200,961,379.78	13,586,395.28
Student Personnel Services	15,387,563.93	16,176,734.59	15,572,363.42	604,371.17
Instructional Media Services	4,339,895.69	4,410,909.67	4,393,672.00	17,237.67
Instruction and Curriculum				
Development Services	3,780,933.56	3,956,741.22	3,940,576.32	16,164.90
Instructional Staff Training Services	2,248,100.50	3,218,401.43	2,823,135.18	395,266.25
Instruction-Related Technology	4,579,437.53	4,826,655.98	4,224,536.77	602,119.21
School Board	825,800.82	1,149,230.58	777,174.13	372,056.45
General Administration	735,931.04	613,856.38	607,306.87	6,549.51
School Administration	15,116,225.53	16,334,327.63	15,775,866.78	558,460.85
Facilities Acquisition and Construction	5,662,776.38	5,667,271.07	4,019,301.54	1,647,969.53
Fiscal Services	1,532,116.03	1,323,195.17	1,204,019.28	119,175.89
Food Services	4,454.28	177,226.35	175,908.18	1,318.17
Central Services	3,681,994.67	4,543,889.42	3,388,496.29	1,155,393.13
Student Transportation Services	536,118.56	11,316,858.54	10,970,907.70	345,950.84
Operation of Plant	31,197,595.26	31,138,333.26	27,471,047.85	3,667,285.41
Maintenance of Plant	5,669,096.64	5,864,912.01	5,736,522.80	128,389.21
Administrative Technology Services	1,433,499.88	1,332,532.14	1,296,911.74	35,620.40
Community Services	554,238.96	659,353.42	367,053.60	292,299.82
Fixed Capital Outlay:				
Facilities Acquisition and Construction	288,956.42	288,956.42	285,106.90	3,849.52
Other Capital Outlay	13,054,048.85	13,054,048.85	13,038,623.37	15,425.48
Debt Service:				
Principal	-	956,307.70	723,482.70	232,825.00
Interest and Fiscal Charges	-	70,602.62	53,427.62	17,175.00
(Total Expenditures)	319,588,001.39	341,628,119.51	317,806,820.82	23,821,298.69
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,020,203.64)	(30,322,059.04)	(10,057,665.90)	20,264,393.14
Other Financing Sources (Uses)				
Transfers In	4,170,753.00	4,100,753.00	4,297,809.75	197,056.75
Transfers (Out)	-	(32,500.00)	(32,500.00)	-
Proceeds from Sale of Capital Assets	-	70,000.00	93,965.39	23,965.39
Loan Proceeds	-	10,680,670.00	10,680,670.00	-
Total Other Financing Sources (Uses)	4,170,753.00	14,818,923.00	15,039,945.14	221,022.14
Net Change in Fund Balances	(849,450.64)	(15,503,136.04)	4,982,279.24	20,485,415.28
Fund Balances, Beginning of Year	31,725,396.00	31,725,396.00	31,725,396.00	0.06
Fund Balances, End of Year	\$ 30,875,945.36	\$ 16,222,259.96	\$ 36,707,675.30	\$ 20,485,415.34

**CLAY COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue - Food Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 13,476,644.00	\$ 13,476,644.00	\$ 11,267,515.02	\$ (2,209,128.98)
State	145,000.00	145,000.00	166,266.00	21,266.00
Local:				
Charges for Services - Food Service	4,162,430.00	4,157,430.00	3,281,222.86	(876,207.14)
Miscellaneous	10,000.00	15,000.00	74,773.64	59,773.64
Total Revenues	<u>17,794,074.00</u>	<u>17,794,074.00</u>	<u>14,789,777.52</u>	<u>(3,004,296.48)</u>
Expenditures				
Current - Education	17,055,402.27	19,383,871.14	16,266,590.32	3,117,280.82
Fixed Capital Outlay:				
Other Capital Outlay	459,969.73	459,969.73	459,969.73	-
(Total Expenditures)	<u>17,515,372.00</u>	<u>19,843,840.87</u>	<u>16,726,560.05</u>	<u>3,117,280.82</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>278,702.00</u>	<u>(2,049,766.87)</u>	<u>(1,936,782.53)</u>	<u>112,984.34</u>
Net Change in Fund Balances	278,702.00	(2,049,766.87)	(1,936,782.53)	112,984.34
Fund Balances, Beginning of Year	5,099,294.00	5,099,294.00	5,111,006.41	11,712.41
(Decrease) Increase in Inventory Reserve	-	-	119,811.33	119,811.33
Fund Balances, End of Year	<u>\$ 5,377,996.00</u>	<u>\$ 3,049,527.13</u>	<u>\$ 3,294,035.21</u>	<u>\$ 244,508.08</u>

**CLAY COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue - Other Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental:				
Federal Direct	\$ -	\$ 731,062.05	\$ 152,252.17	\$ (578,809.88)
Federal Through State and Local	17,942,206.55	21,251,463.32	14,681,681.23	(6,569,782.09)
Miscellaneous	-	-	18,175.69	18,175.69
Total Revenues	<u>17,942,206.55</u>	<u>21,982,525.37</u>	<u>14,852,109.09</u>	<u>(7,130,416.28)</u>
Expenditures				
Current - Education:				
Instruction	10,148,011.49	13,100,408.33	8,710,438.19	4,389,970.14
Student Personnel Services	1,914,030.29	1,823,243.99	1,392,591.69	430,652.30
Instructional Media Services	11,024.53	5,639.83	2,066.11	3,573.72
Instruction and Curriculum				
Development Services	2,228,803.40	2,241,376.36	1,909,300.27	332,076.09
Instructional Staff Training Services	2,508,820.18	3,044,890.79	1,958,693.42	1,086,197.37
Instruction-Related Technology	-	403,813.80	1,144.00	402,669.80
General Administration	634,870.12	704,793.69	499,346.00	205,447.69
School Administration	87,151.93	87,132.93	75,991.61	11,141.32
Central Services	32,605.96	114,567.02	741.37	113,825.65
Student Transportation Services	86,100.90	165,870.88	77,379.68	88,491.20
Operation of Plant	242,613.00	242,613.00	176,242.00	66,371.00
Administrative Technology Services	3,000.00	3,000.00	3,000.00	-
Fixed Capital Outlay:				
Other Capital Outlay	45,174.75	45,174.75	45,174.75	-
(Total Expenditures)	<u>17,942,206.55</u>	<u>21,982,525.37</u>	<u>14,852,109.09</u>	<u>7,130,416.28</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
(Decrease) Increase in Inventory Reserve	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 447,382	\$ 386,770	\$ 418,487
Interest on the Total OPEB Plan Liability	200,672	171,035	133,076
Difference Between Expected and Actual Experiences	469,785	(784,077)	570,023
Changes of Assumptions	(298,330)	1,194,874	(273,607)
Benefit Payments	(797,760)	(448,703)	(964,632)
Net Change in Total OPEB Plan Liability	<u>21,749</u>	<u>519,899</u>	<u>(116,653)</u>
Total OPEB Plan Liability, Beginning	<u>5,133,033</u>	<u>4,613,134</u>	<u>4,729,787</u>
Total OPEB Plan Liability, Ending	<u><u>\$ 5,154,782</u></u>	<u><u>\$ 5,133,033</u></u>	<u><u>\$ 4,613,134</u></u>
Covered-Employee Payroll	\$ 164,035,159	\$ 124,672,310	\$ 123,080,806
Total OPEB Liability as Percentage of Covered-Employee Payroll	3.14%	4.12%	3.75%

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

**CLAY COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – FRS/HIS
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹**

	2020	2019	2018	2017	2016	2015	2014
Contractually Required FRS Contributions	\$ 13,410,842	\$ 12,086,721	\$ 11,220,981	\$ 10,449,452	\$ 10,097,942	\$ 11,169,189	\$ 10,229,631
FRS Contributions in Relation to the Contractually Required Contribution	13,410,842	12,086,721	11,220,981	10,449,452	10,097,942	11,169,189	10,229,631
FRS Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 202,201,335	\$ 190,978,921	\$ 186,148,834	\$ 186,245,454	\$ 182,993,112	\$ 186,699,223	\$ 157,292,662
FRS Contributions as a Percentage of Covered-Employee Payroll	6.63%	6.33%	6.03%	5.61%	5.52%	5.98%	6.50%

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹**

	2020	2019	2018	2017	2016	2015	2014
Contractually Required HIS Contributions	\$ 3,356,499	\$ 3,169,486	\$ 3,090,671	\$ 3,074,448	\$ 3,036,702	\$ 2,351,792	\$ 2,142,039
HIS Contributions in Relation to the Contractually Required Contribution	3,356,499	3,169,486	3,090,671	3,074,448	3,036,702	2,351,792	2,142,039
HIS Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 202,201,335	\$ 190,978,921	\$ 186,148,834	\$ 186,245,454	\$ 182,993,112	\$ 186,699,223	\$ 186,136,123
HIS Contributions as a Percentage of Covered-Employee Payroll	1.66%	1.66%	1.66%	1.65%	1.66%	1.26%	1.15%

¹ This exhibit will fill in to a ten-year schedule as results for new fiscal years are calculated.

**CLAY COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY – FRS/HIS
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹**

	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the FRS Net Pension Liability	0.389803501%	0.393729747%	0.401400834%	0.414077561%	0.458113222%	0.467015927%	0.474202722%
District's Proportionate Share of the FRS Net Pension Liability	\$ 134,242,899	\$ 118,593,441	\$ 118,731,673	\$ 104,554,909	\$ 59,171,467	\$ 28,494,839	\$ 81,631,394
District's Covered-Employee Payroll	190,978,922	186,148,834	186,245,454	182,993,112	186,699,223	186,136,123	184,215,903
District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered-Employee Payroll	70.29%	63.71%	63.75%	57.14%	31.69%	15.31%	44.31%
FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹**

	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the HIS Net Pension Liability	0.570780091%	0.569916461%	0.580929845%	0.592453790%	0.615229877%	0.625291587%	0.634342458%
District's Proportionate Share of the HIS Net Pension Liability	\$ 63,864,580	\$ 60,320,598	\$ 62,115,699	\$ 69,048,010	\$ 62,743,770	\$ 58,466,289	\$ 55,227,851
District's Covered-Employee Payroll	190,978,922	186,148,834	186,245,454	182,993,112	186,699,223	186,136,123	184,215,903
District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered-Employee Payroll	33.44%	32.40%	33.35%	37.73%	33.61%	31.41%	29.98%
HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%

¹ This exhibit will fill in to a ten-year schedule as results for new fiscal years are calculated.

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

BUDGETARY BASIS OF ACCOUNTING

The Clay County District School Board (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 SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

- No assets are accumulated in a trust that meet the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.
- *Changes of Assumption* – The municipal rate used to determine total OPEB liability was decreased from 3.87% to 3.51%.

SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM PENSION PLAN

Changes of Assumption – The long-term expected rate of return decreased from 7.00% to 6.90% and the active member mortality assumption was updated.

SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS - HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes of Assumption – The municipal rate used to determine total pension liability was decreased from 3.87% to 3.50%.

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

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

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Number	Amount Provided to Subrecipients	Amount of Expenditures (1)(2)
United States Department of Agriculture				
Pass - Through				
Florida Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	17002	\$ -	\$ 1,801,365.03
National School Lunch Program	10.555 (3)	17001, 17003	-	8,750,701.28
Summer Food Service Program for Children	10.559	17006, 17007	-	715,448.71
Total Child Nutrition Cluster			-	11,267,515.02
Total United States Department of Agriculture			-	11,267,515.02
United States Department of Defense				
Competitive Grants: Promoting K-12 Student Achievement at Military Connected Schools	12.556	HE 1254-15-1-0052	-	152,252.17
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	439,721.06
Total United States Department of Defense			-	591,973.23
United States Department of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	-	11,749.05
Total United States Department of Justice			-	11,749.05
United States Department of Education				
Impact Aid	84.041 (5)	N/A	-	599,980.03
Special Education Cluster:				
Pass - Through				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	-	6,912,117.53
University of South Florida:				
Special Education - Grants to States	84.027	1725104600	-	1,418.43
Total Special Education Grants to States			-	6,913,535.96
Special Education - Preschool Grants	84.173	267	-	121,835.76
Total Special Education Cluster			-	7,035,371.72
Pass - Through				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	275,377.93
Title I Grants to Local Educational Agencies	84.010	212, 226	-	5,214,112.32
Career and Technical Education - Basic Grants to States	84.048	161	-	186,612.92
Education for Homeless Children and Youth	84.196	127	-	42,259.06
Charter Schools	84.282	298	51,615.43	51,615.43
Twenty-First Century Community Learning Centers	84.287	244	-	271,799.95
English Language Acquisition State Grants	84.365	102	-	151,172.82
Supporting Effective Instruction				
State Grants	84.367	224	-	917,870.86
Student Support and Academic Enrichment Program	84.424	241	-	350,996.38
Disaster Recovery Assistance for Education				
Immediate Aid to Restart School Operations	84.938A	105, 107	-	202,667.53
Total United States Department of Education			51,615.43	15,299,836.95

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

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass- Through Grantor Number	Amount Provided to Subrecipients	Amount of Expenditures (1)(2)
United States Department of Health and Human Services				
Block Grants for Community Mental Health Services	93.958	N/A	\$ -	\$ 156,109.50
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	-	156,109.50
Total United States Department of Health and Human Services			-	312,219.00
Total Expenditures of Federal Awards			<u>\$ 51,615.43</u>	<u>\$ 27,483,293.25</u>

Notes:

Basis of Presentation:

- (1) The Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Clay County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, change in net position, or cash flows of the District.

Summary of Significant Accounting Policies:

- (2) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Non-Cash Assistance:

- (3) National School Lunch Program - Includes \$1,471,767 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

Indirect Cost Rate Election:

- (4) The District received a negotiated indirect cost rate for federal awards and state projects; therefore, the District did not elect to charge de minimus rate of 10% for determining indirect cost amounts.

Impact Aid:

- (5) Expenditures include \$470,560.49 for award number S041B-2020-1240 and \$129,419.54 for award number S041B-2019-1240.

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

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clay County District School Board (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 8, 2021. Other auditors audited the financial statements of the aggregate discretely presented component unit as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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Clay County District School Board and
Superintendent
Green Cove Springs, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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



March 8, 2021
Ocala, Florida

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

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

Report on Compliance for Each Major Federal Program

We have audited the Clay County District School Board's (the District) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

Report on Internal Control Over Compliance

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

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

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

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



March 8, 2021
Ocala, Florida

CLAY COUNTY DISTRICT SCHOOL BOARD - GREEN COVE SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Federal Awards

Internal Control Over Major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of Auditor’s Report Issued on Compliance for the Major Federal Program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of Major Federal Programs:	
	Supporting Effective Instruction State Grants (CFDA No. 84.367)
	Title I Grants to Local Education Agencies (CFDA No. 84.010)
Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$824,499
Auditee qualified as low-risk auditee?	Yes

CLAY COUNTY DISTRICT SCHOOL BOARD - GREEN COVE SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to the Basic Financial Statements Required to be Reported Under Generally Accepted Government Auditing Standards (GAGAS)

The audit disclosed no findings, which are required to be reported under GAGAS.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

STATUS OF PRIOR AUDIT FINDINGS

<u>Finding No.</u>	<u>Program/Area</u>	<u>Brief Description</u>	<u>Status</u>
Report No. 2019 Finding No. 2019-1	Special Education Cluster (CFDA No. 84.027 and 84.173)	The District's purchasing policy did not adhere to the Uniform Guidance for purchasing requirements. The District updated their purchasing policy to include requirements found in the Uniform Guidance for purchasing requirements.	Fully Corrected

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

We have examined the Clay County District School Board's (the District) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended June 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion the District's compliance based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the District, its management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 8, 2021
Ocala, Florida

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MANAGEMENT LETTER

Clay County District School Board and
Superintendent
Green Cove Springs, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Clay County District School Board (the District), as of and for the year ended June 30, 2020, and have issued our report thereon March 8, 2021. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This letter does not include the results of the other auditor's and such information related to that audit is reported on separately by those auditors.

Auditors Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, with are dated March 8, 2021, should be considered in conjunction with this management letter.

Prior Year Audit Findings

- Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.

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Clay County District School Board and
Superintendent
Green Cove Springs, Florida

MANAGEMENT LETTER

Financial Condition and Management

- Section 10.804(1)(f)2., *Rules of the Auditor General*, requires a statement be included as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.804(1)(f)5.a and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.
- Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have such recommendations.

Transparency

- Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the District maintains on its Web site the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its Web site the information specified in Section 1011.035, Florida Statutes.

Additional Matters

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

Purpose of this Letter

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



March 8, 2021
Ocala, Florida

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Dr. Susan M. Legutko, who being duly sworn, deposes and says on oath that:

1. I am the Assistant Superintendent, Business Affairs of Clay County District Schools which is a local governmental entity of the State of Florida;
2. The Board of County Commissioners of Clay County, Florida adopted certain ordinances by which it has imposed and subsequently modified public school impact fees. In 2003, the County Commission adopted Ordinance 2003-30 imposing public school impact fees. Ordinance 2003-30 was most recently amended in September 2017 when Ordinance 2017-29 revised the timing of when impact fee payments were required to be made, in May 2014 when Ordinance 2014-10 revised certain provisions related to impact fee credits for donations of land and construction of improvements or additions, and in September 2013 when Ordinance 2013-17 established, in part, revised fees to be collected.
3. Clay County District Schools has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

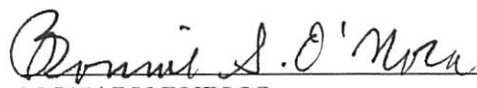


Assistant Superintendent, Business Affairs of
Clay County District Schools

STATE OF FLORIDA
COUNTY OF CLAY

SWORN TO AND SUBSCRIBED before me this 27 day of January, 2021.




NOTARY PUBLIC
Print Name Bonnie S. O'Nora

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires: November 20, 2023