

STATE OF FLORIDA AUDITOR GENERAL

Financial Audit

Report No. 2025-168
March 2025

THE FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

For the Fiscal Year Ended June 30, 2024



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President of the Florida School for the Deaf and the Blind

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The team leader was Daniel O'Donnell, CPA, and the audit was supervised by Ivo Njabe, CPA.

Please address inquiries regarding this report to Joshua T. Barrett, CPA, Audit Manager, by e-mail at joshuabarrett@aud.state.fl.us or by telephone at (850) 412-2804.

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THE FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the Florida School for the Deaf and the Blind (School) (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

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

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

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. In doing so, we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an understanding of internal control relevant to the audit 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 School's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

The scope of this audit included an examination of the School's basic financial statements as of and for the fiscal year ended June 30, 2024.

AUDIT METHODOLOGY

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.

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Sherrill F. Norman, CPA
Auditor General

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Florida School for the Deaf and the Blind (School), a component unit of the State of Florida, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2024, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Endowment Fund, which represents 100 percent of the transactions and account balances of the Endowment Fund columns in the governmental funds financial statements, and 24 percent, 3 percent, and 61 percent of the assets, expenses, and net position, respectively, of the government-wide financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Endowment Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those

standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I., the financial statements present only the financial position and changes in financial position of the School and do not purport to, and do not, present fairly the financial position of the State of Florida as of June 30, 2024, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS** on pages 5 through 10, the **Budgetary Comparison Schedule – General Fund, Schedule of the School's Proportionate Share of the Total Other Postemployment Benefits Liability, Schedule of the School's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan, Schedule of School Contributions – Florida Retirement System Pension Plan, Schedule of the School's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan, Schedule of School Contributions – Health Insurance Subsidy Pension Plan** on pages 49 through 52, and **Notes to Required Supplementary Information** on page 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and

not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Respectfully submitted,

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

Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Florida School for the Deaf and the Blind (School) has prepared the following discussion and analysis to provide an overview of the School's financial activities for the fiscal year ended June 30, 2024. 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 School's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-24 fiscal year are as follows:

- As of June 30, 2024, the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$54,730,381.
- In total, net position increased \$7,089,745, which represented a 14.9 percent increase over the 2022-23 fiscal year.
- General revenues totaled \$75,620,128, or 91.3 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions totaled \$7,185,923, or 8.7 percent of all revenues.
- Expenses totaled \$63,944,506. Only \$7,185,923 of these expenses was offset by program specific revenues, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totaled \$24,201,329, which is \$1,314,173 more than the prior fiscal year balance. The General Fund assigned and unassigned fund balances totaled \$23,902,488, or 38.3 percent of total General Fund revenues.
- The School's capital assets (net of depreciation) increased \$2,395,518 due mainly to capital asset additions exceeding depreciation expense in the 2023-24 fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the School'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 School's financial health. The statement of activities presents information about the change in the School's net position, the results of

operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating.

All of the School's activities and services are reported in the government-wide financial statements as governmental activities. The School's governmental activities include instruction, student support services, instructional support services, residential services, administrative support services, facility maintenance, transportation, and food services. State revenues finance most of these activities.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School 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 School'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 School's funds may be classified within one of the broad categories discussed below.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School's major funds are the General Fund, Endowment Fund, and Public Education Capital Outlay Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The School adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

Fiduciary Funds: Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the School's own programs. In its fiduciary capacity, the School

is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The School uses a custodial fund to account for resources held in custodial capacity for students.

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 School's net pension liability and its proportionate share of the total other postemployment benefits liability.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the School's net position as of June 30, 2024, compared to net position as of June 30, 2023:

Net Position, End of Year		
	Governmental Activities	
	6-30-24	6-30-23
Current and Other Assets	71,166,000	\$ 71,704,597
Capital Assets	70,538,523	68,143,005
Total Assets	141,704,523	139,847,602
Deferred Outflows of Resources	17,006,410	16,806,108
Long-Term Liabilities	75,162,530	66,304,717
Other Liabilities	4,397,673	11,681,919
Total Liabilities	79,560,203	77,986,636
Deferred Inflows of Resources	24,420,349	31,026,438
Net Position:		
Net Investment in Capital Assets	69,915,230	67,951,797
Restricted	36,674,472	35,741,786
Unrestricted (Deficit)	(51,859,321)	(56,052,947)
Total Net Position	\$ 54,730,381	\$ 47,640,636

The School's net investment in capital assets (e.g., land, buildings, infrastructure, furniture, and equipment) of \$69,915,230 is the largest portion of net position. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. The restricted portion of the School's net position, \$36,674,472, represents resources that are subject to external restrictions on how they may be used. The School's deficit unrestricted net position of

\$51,859,321 is due mainly to the accrual of long-term liabilities for other postemployment benefits (OPEB) payable and net pension liability, along with their related deferred outflows and inflows of resources, and compensated absences payable, in excess of School assets that are otherwise unrestricted. The increase in net position of \$7,089,745 from the prior fiscal year was due mainly to a \$2,395,518 increase in capital assets and a \$6,606,089 decrease in deferred inflows resulting mainly from changes in actuarially determined amounts reported as of June 30, 2024, for OPEB and pensions.

The key elements of the changes in the School's net position for the fiscal years ended June 30, 2024, and June 30, 2023, are as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-24	6-30-23
Program Revenues:		
Charges for Services	\$ 213,120	\$ 202,994
Operating Grants and Contributions	345,891	348,111
Capital Grants and Contributions	6,716,912	6,318,804
General Revenues:		
Not Restricted to Specific Programs	72,339,135	59,905,385
Unrestricted Investment Earnings	3,280,993	2,711,974
Miscellaneous	-	2,391,082
Total Revenues	82,896,051	71,878,350
Functions/Program Expenses:		
Instruction	18,883,838	16,609,072
Instructional Support Services	4,870,139	3,936,224
Student Support Services	6,654,688	4,792,987
Instructional Media Services	387,790	337,727
Instruction-Related Technology	4,336,159	4,091,747
Board	266,734	159,023
General Administration	441,161	382,681
School Administration	2,252,951	2,156,434
Fiscal Services	1,428,444	1,242,419
Food Services	1,750,268	1,409,142
Central Services	1,937,315	1,555,090
Residential Services	8,491,796	6,451,693
Student Transportation Services	5,209,346	3,593,333
Operation of Plant	6,006,066	5,938,619
Maintenance of Plant	5,783,599	4,248,360
Unallocated Depreciation	7,106,012	7,039,955
Total Functions/Program Expenses	75,806,306	63,944,506
Change in Net Position	7,089,745	7,933,844
Net Position - Beginning	47,640,636	39,706,792
Net Position - Ending	\$ 54,730,381	\$ 47,640,636

The largest revenue source is the State of Florida, which provides appropriated State funds through the General Appropriations Act to fund current operations and capital projects. The State general revenue

appropriations of \$62,446,378 comprise 86.3 percent of grants and contributions not restricted to specific programs and the State capital appropriations comprise 100 percent of the capital grants and contributions. Capital grants and contributions revenue increased by \$398,108 due mainly to an increase in State capital appropriations for maintenance, renovation, and repair projects; unrestricted investment earnings increased \$569,019 primarily due to an increase in net realized and unrealized investment gains.

The School's largest expenses are for instruction, residential services, depreciation, and operation of plant, representing 24.9, 11.2, 9.4, and 7.9 percent, respectively, of total governmental expenses in the 2023-24 fiscal year.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School'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 School, 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 \$853,123 during the fiscal year to \$60,875,801 at June 30, 2024. Of the total fund balance, \$13,595,172, or 22.3 percent, is unassigned fund balance, which is available for spending at the School's discretion; \$298,841 is nonspendable; \$36,674,472 is restricted; and \$10,307,316 is assigned.

Major Governmental Funds

The General Fund is the School's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$13,595,172 while the total fund balance is \$24,201,329. As a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is 38.3 percent of the total General Fund revenues, while total fund balance represents 38.8 percent of total General Fund revenues. Total fund balance increased by \$1,314,173 during the fiscal year, due to State general appropriations of \$62,446,378 exceeding expenditures of \$61,132,205.

The Endowment Fund had a total fund balance of \$33,206,864. This fund accounts for gifts, donations, and bequests of money or property from donors and is restricted for the use and benefit of the School and its students, as the Board of Trustees determines to be in the best interest of the School and its students. The Board of Trustees Endowment Fund spending policy provides an annual allocation for current expenditures in an amount no greater than 5 percent of the average value of the Fund for the 12 trailing quarters, unless a greater amount is approved by a super majority of the Board (i.e., five of its seven members). This fund had revenues of \$4,716,994 and expenditures of \$2,336,903 for the current fiscal year. Revenues decreased by \$394,202 or 7.7 percent, as compared to the prior fiscal year, due primarily to a decrease in donations.

The Public Education Capital Outlay Fund had a total fund balance of \$1,947,776. This fund accounts for State Public Education Capital Outlay appropriations and is restricted for the acquisition, construction, and maintenance of capital assets. This fund had revenues of \$6,701,429, expenditures of \$9,278,573, and encumbrances of \$8,643,573 at June 30, 2024. The fund balance decreased \$2,577,144 mainly due to increases in project expenditures during the current fiscal year for the completion of capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund final budgeted revenues agreed with actual revenues, while actual expenditures were \$12,090,282, or 16.5 percent, less than final budgeted amounts. The decrease in expenditures was primarily due to fixed capital outlay, salaries and benefits, and other personal services expenditures being less than projected. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$12,090,282.

CAPITAL ASSETS

The School's capital assets for governmental activities as of June 30, 2024, is \$70,538,523 (net of accumulated depreciation). These capital assets include land, buildings, infrastructure, construction in progress, furniture and equipment, and library resources. The School's capital assets (net of depreciation) increased \$2,395,518 during the 2023-24 fiscal year.

The major capital asset event was the complete rebuilding of Gregg Hall that was reported as construction in progress in FY 2023-24.

OTHER MATTERS OF SIGNIFICANCE

For the 2024-25 fiscal year, the School's Board of Trustees adopted a General Fund budget with appropriations of \$93,736,098, including anticipated State general revenue appropriations for current operations of \$63,188,999 for the 2024-25 fiscal year and unexpended appropriations from previous fiscal years of \$24,094,010. To ensure that adequate fund balance is available for financial emergencies, the Board of Trustees has reserved \$8,811,334, or approximately 60 days of average annual expenditures, along with an additional \$2,009,952, for storm-related emergencies and recovery.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the School's finances for all those with an interest in the School'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 Administrator of Business Services, Florida School for the Deaf and the Blind, 207 N. San Marco Avenue, St. Augustine, Florida 32084.

BASIC FINANCIAL STATEMENTS

**Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
Statement of Net Position
June 30, 2024**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 496,883
Pooled Cash with State Treasury	2,608,760
Unexpended General Revenue	28,244,605
Investments	32,902,407
Accounts Receivable	482,235
Due from Other Departments	6,132,269
Inventories	298,841
Capital Assets:	
Nondepreciable Capital Assets	9,049,432
Depreciable Capital Assets, Net	61,489,091
TOTAL ASSETS	141,704,523
DEFERRED OUTFLOWS OF RESOURCE	
Pensions	9,932,684
OPEB	7,073,726
TOTAL DEFERRED OUTFLOWS OF RESOURCE	17,006,410
LIABILITIES	
Salaries and Wages Payable	2,347,415
Accounts Payable	1,397,376
Construction Contracts Payable	623,293
Due to Other Departments	29,589
Long-Term Liabilities:	
Portion Due Within 1 Year	1,786,496
Portion Due After 1 Year	73,376,034
TOTAL LIABILITIES	79,560,203
DEFERRED INFLOW OF RESOURCES	
Pensions	1,801,094
OPEB	22,619,255
TOTAL DEFERRED INFLOW OF RESOURCES	24,420,349
NET POSITION	
Net Investment in Capital Assets	69,915,230
Restricted for:	
Endowment	33,206,864
Capital Projects	2,009,179
Student Activities	851,207
Food Service	607,222
Unrestricted (Deficit)	(51,859,321)
TOTAL NET POSITION	\$ 54,730,381

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

**Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 18,883,838	\$ -	\$ -
Instructional Support Services	4,870,139	213,120	-
Student Support Services	6,654,688	-	-
Instructional Media Services	387,790	-	-
Instruction-Related Technology	4,336,159	-	-
Board	266,734	-	-
General Administration	441,161	-	-
School Administration	2,252,951	-	-
Fiscal Services	1,428,444	-	-
Food Services	1,750,268	-	345,891
Central Services	1,937,315	-	-
Residential Services	8,491,796	-	-
Student Transportation Services	5,209,346	-	-
Operation of Plant	6,006,066	-	-
Maintenance of Plant	5,783,599	-	-
Unallocated Depreciation Expense	7,106,012	-	-
Total Governmental Activities	\$ 75,806,306	\$ 213,120	\$ 345,891

General Revenues:

Grants and Contributions Not Restricted to Specific Programs
Unrestricted Investment Earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

		Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions		Governmental Activities	
\$	15,483	\$	(18,868,355)
	-		(4,657,019)
	-		(6,654,688)
	-		(387,790)
	-		(4,336,159)
	-		(266,734)
	-		(441,161)
	-		(2,252,951)
	-		(1,428,444)
	-		(1,404,377)
	-		(1,937,315)
	-		(8,491,796)
	-		(5,209,346)
	-		(6,006,066)
	6,701,429		917,830
	-		(7,106,012)
<u>\$</u>	<u>6,716,912</u>		<u>(68,530,383)</u>
		72,339,135	
		3,280,993	
		<u>75,620,128</u>	
		7,089,745	
		<u>47,640,636</u>	
		<u>\$ 54,730,381</u>	

Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
Balance Sheet – Governmental Funds
June 30, 2024

	General Fund	Endowment Fund	Public Education Capital Outlay Fund
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 400,841	\$ -
Pooled Cash with State Treasury	-	-	1,555,517
Unexpended General Revenue	27,225,344	-	1,019,261
Investments	-	32,902,407	-
Accounts Receivable	-	162,551	-
Due from Other Funds	-	-	-
Due from Other Departments	-	-	5,892,526
Inventories	298,841	-	-
TOTAL ASSETS	<u>\$ 27,524,185</u>	<u>\$ 33,465,799</u>	<u>\$ 8,467,304</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and Wages Payable	\$ 2,236,933	\$ -	\$ -
Accounts Payable	693,903	258,935	366,140
Construction Contracts Payable	362,431	-	260,862
Due to Other Funds	-	-	-
Due to Other Departments	29,589	-	-
Total Liabilities	<u>3,322,856</u>	<u>258,935</u>	<u>627,002</u>
Deferred Inflows of Resources			
Unavailable Revenue- State Capital Outlay	-	-	5,892,526
Fund Balances:			
Nonspendable:			
Inventories	298,841	-	-
Restricted for:			
Endowment	-	33,206,864	-
Capital Projects	-	-	1,947,776
Student Activities	-	-	-
Food Service	-	-	-
Total Restricted Fund Balance	<u>-</u>	<u>33,206,864</u>	<u>1,947,776</u>
Assigned for:			
2024-25 Fiscal Year Projects	10,307,316	-	-
Unassigned Fund Balance	13,595,172	-	-
Total Fund Balances	<u>24,201,329</u>	<u>33,206,864</u>	<u>1,947,776</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 27,524,185</u>	<u>\$ 33,465,799</u>	<u>\$ 8,467,304</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 96,042	\$ 496,883
1,053,243	2,608,760
-	28,244,605
-	32,902,407
319,684	482,235
18,608	18,608
239,743	6,132,269
-	298,841
<u>\$ 1,727,320</u>	<u>\$ 71,184,608</u>
\$ 110,482	\$ 2,347,415
78,398	1,397,376
-	623,293
18,608	18,608
-	29,589
<u>207,488</u>	<u>4,416,281</u>
-	5,892,526
-	298,841
-	33,206,864
61,403	2,009,179
851,207	851,207
607,222	607,222
<u>1,519,832</u>	<u>36,674,472</u>
-	10,307,316
-	13,595,172
1,519,832	60,875,801
<u>\$ 1,727,320</u>	<u>\$ 71,184,608</u>

**Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024**

Total Fund Balances - Governmental Funds	\$ 60,875,801
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	70,538,523
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A portion of the Preventative Maintenance Grant is not available to pay for current period expenditures and, therefore, is reported as unavailable revenue on the governmental fund statements	5,892,526
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Long-term liabilities are not due and payable in the fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

Compensated Absences Payable	\$ (3,699,622)	
Other Postemployment Benefits Payable	(36,851,840)	
Net Pension Liability	(34,611,068)	(75,162,530)

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

Deferred Outflows Related to OPEB	\$ 7,073,726	
Deferred Outflows Related to Pensions	9,932,684	
Deferred Inflows Related to OPEB	(22,619,255)	
Deferred Inflows Related to Pensions	(1,801,094)	(7,413,939)

Net Position - Governmental Activities	\$ 54,730,381
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The accompanying notes to financial statements are an integral part of this statement.

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**Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2024**

	General Fund	Endowment Fund	Public Education Capital Outlay Fund
Revenues			
Released General Revenue Appropriations	\$ 62,446,378	\$ -	\$ -
State Capital Appropriations	-	-	6,701,429
Federal Grants and Contracts	-	-	-
State and Local Grants and Donations	-	1,432,992	-
Interest and Investment Earnings (Loss)	-	3,280,993	-
Fees	-	3,009	-
Total Revenues	62,446,378	4,716,994	6,701,429
Expenditures			
Current - Education:			
Instruction	14,783,405	2,336,903	-
Instructional Support Services	4,409,694	-	-
Student Support Services	5,728,616	-	-
Instructional Media Services	371,558	-	-
Instruction-Related Technology	4,175,998	-	-
Board	266,734	-	-
General Administration	313,171	-	-
School Administration	2,147,454	-	-
Fiscal Services	957,681	-	-
Food Services	1,216,505	-	-
Central Services	1,844,602	-	-
Residential Services	8,202,050	-	-
Student Transportation Services	5,031,599	-	-
Operation of Plant	4,555,540	-	1,289,596
Maintenance of Plant	5,300,222	-	296,142
Fixed Capital Outlay:			
Facilities Acquisition and Construction	-	-	7,692,835
Other Capital Outlay	1,827,376	-	-
Total Expenditures	61,132,205	2,336,903	9,278,573
Excess (Deficiency) of Revenues Over Expenditures	1,314,173	2,380,091	(2,577,144)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	1,314,173	2,380,091	(2,577,144)
Fund Balances, Beginning	22,887,156	30,826,773	4,524,920
Fund Balances, Ending	\$ 24,201,329	\$ 33,206,864	\$ 1,947,776

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

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 62,446,378
-	6,701,429
1,903,158	1,903,158
1,009,972	2,442,964
-	3,280,993
210,111	213,120
<u>3,123,241</u>	<u>76,988,042</u>
1,241,288	18,361,596
304,667	4,714,361
723,702	6,452,318
3,106	374,664
12,639	4,188,637
-	266,734
116,928	430,099
29,636	2,177,090
436,932	1,394,613
490,789	1,707,294
27,551	1,872,153
-	8,202,050
-	5,031,599
-	5,845,136
-	5,596,364
-	7,692,835
-	1,827,376
<u>3,387,238</u>	<u>76,134,919</u>
<u>(263,997)</u>	<u>853,123</u>
513,217	513,217
<u>(513,217)</u>	<u>(513,217)</u>
-	-
(263,997)	853,123
<u>1,783,829</u>	<u>60,022,678</u>
<u>\$ 1,519,832</u>	<u>\$ 60,875,801</u>

**Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
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, 2024**

Net Change in Fund Balances - Governmental Funds **\$ 853,123**

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

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

Capital Outlay Expenditures	\$ 9,520,211	
Depreciation Expense	(7,106,012)	
Donated Assets	15,483	2,429,682

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

(34,164)

In the statement of activities, the cost of compensated absences is measured by the amount 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 fiscal year.

(334,124)

A portion of the legislative appropriations from Public Education Capital Outlay was not available to pay for current period expenditures in the prior year and, therefore, is reported as unavailable revenue on the governmental fund statements. In the current year, this was recognized as revenue on the government-wide statements, but not recognized in the governmental fund statements.

5,892,526

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

Increase in OPEB Liability	\$ (2,012,094)	
Decrease in Deferred Outflows of Resources - OPEB	(317,503)	
Decrease in Deferred Inflows of Resources - OPEB	6,104,065	3,774,468

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

FRS Pension Contribution	\$ 3,040,070	
HIS Pension Contribution	626,028	
FRS Pension Expense	(4,744,259)	
HIS Pension Expense	(4,413,605)	(5,491,766)

Change in Net Position - Governmental Activities **\$ 7,089,745**

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

Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
Statement of Fiduciary Net Position – Custodial Funds
June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 40,333</u>
NET POSITION	
Restricted for Students	<u><u>\$ 40,333</u></u>

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

Florida School for the Deaf and the Blind
A Component Unit of the State of Florida
Statement of Changes in Fiduciary Net Position – Custodial Funds
For the Fiscal Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Student Collections	<u>\$ 49,399</u>
DEDUCTIONS	
Student Disbursements	<u>50,354</u>
Change in Net Position	(955)
Net Position - Beginning	<u>41,288</u>
Net Position - Ending	<u><u>\$ 40,333</u></u>

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

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

B. Reporting Entity

The School, a component unit of the State of Florida, was established by an act of the Florida Legislature, as specified under Section 1002.36, Florida Statutes, to provide educational programs and support services appropriate to meet the education, related evaluation, and counseling needs of deaf/hearing-impaired and blind/visually impaired students in the State who meet enrollment criteria. The School is a State-supported residential public school for deaf/hearing-impaired and blind/visually impaired students in preschool through 12th grade and is funded through the Department of Education. The School operates under the leadership and direction of a Board of Trustees (Board). The Board is composed of seven members appointed by the Governor and confirmed by the Senate. The Board must include one blind person and one deaf person and each member is required to have been a Florida resident for at least 10 years. The Board exercises control of the School through a Board-appointed President, who serves as the chief executive officer and is responsible for the operation, control, and supervision of the School and its programs. Unless otherwise provided by law, the School is required to comply with all State laws and rules applicable to State agencies. The School is reported as a blended component unit within the State of Florida's Annual Comprehensive Financial Report. The accompanying financial statements only present the financial position and changes in financial position of the School and are not intended to present fairly the financial position of the State of Florida and the results of its operations in conformity with generally accepted accounting principles.

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

cause the School's basic financial statements to be misleading. Based on these criteria, no component units are included within the School's reporting entity.

C. Basis of Presentation: Government-Wide Financial Statements

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

The effects of interfund activity have been eliminated from the government-wide financial statements.

D. Basis of Presentation: Fund Financial Statements

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

The School reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Endowment Fund – to account for and administer cash, securities, and real property received by the School through bequests; solicited and unsolicited contributions by donors; or contributions from the Theodore R. and Vivian M. Johnson Scholarship Foundation.
- Public Education Capital Outlay Fund – to account for the financial resources generated by the Public Educational Capital Outlay and Debt Service Trust Fund to be used for facilities maintenance and construction.

Additionally, the School reports the following fiduciary fund type:

- Custodial Fund – to account for resources held in a custodial capacity for students.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses

are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, claims and judgments, pension benefits, other postemployment benefits (OPEB), and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

1. Cash and Cash Equivalents

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of 3 months or less from the date of acquisition. Cash received from student activities at the School is deposited with a bank qualified as a public depository under Florida Law. School deposits are insured by Federal depository insurance, up to specific limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes, except for a portion of the School's Endowment Fund investments classified as cash equivalents, which are held by a safekeeping agent in the name of the School. All other funds, including funds appropriated by the State, are held in the State Treasury's general pool of investments as specified by Section 1002.36(4)(f), Florida Statutes, and are considered School cash equivalents.

2. Unexpended General Revenue Releases

Unexpended General Revenue Releases represent unexpended appropriations carried forward. As specified in Section 1011.57, Florida Statutes, funds appropriated to the School do not revert to the State of Florida if not spent in the year they are appropriated. All unexpended funds are carried forward to the School's operating budget for use in subsequent years.

3. Investments

The School invests funds in securities authorized by Section 215.47, Florida Statutes. The School reports investments at fair value. Types and amounts of investments held at fiscal year-end are described in Note II.C.

4. Inventories

Inventories consist of expendable supplies held for consumption in the course of School operations. Inventories are stated at cost on the first-in, first-out basis. The costs of inventories are recorded as expenditures when used rather than purchased.

5. Capital Assets

As provided in Section 1002.36(4)(d), Florida Statutes, title to all capital assets of the School vests in the State Board of Education, but the School's Board has complete jurisdiction over the management of the School. Capital assets under the management of the School's Board are reported in the government-wide statement of net position.

Expenditures for capital assets acquired or constructed for general School 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 School as those with a useful life greater than one year and costing more than \$5,000. Hard-covered library books costing more than \$25 and hard-covered books costing more than \$250 are considered capital assets. Certain Braille books with a useful life greater than 1 year and costing more than \$250 are also considered capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	10 - 30 years
Infrastructure and Improvements	15 - 20 years
Furniture and Equipment	3 - 5 years
Library Resources	5 years

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

6. 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.

7. Pensions

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

The School's retirement plans and related amounts are described in Note II.E.

8. Long-Term Liabilities

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

In the governmental fund financial statements, long-term obligations are not recognized as liabilities until due.

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

9. 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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The School only has two items that qualify for reporting in this category. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School has three items that qualify for reporting in this category. The first two items, deferred inflows of resources related to pensions and OPEB, are reported in the statement of net position and discussed in subsequent notes. The remaining item, unavailable revenue from Public Education Capital Outlay, is reported in the governmental funds balance sheet and will be recognized as an inflow of resources when it becomes available.

10. Net Position Flow Assumption

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

11. Fund Balance Flow Assumptions

The School 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 School's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. 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 School itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision-making authority. The Board is the highest level of decision-making authority for the School that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The School reported no committed fund balances at June 30, 2024.

Amounts in the assigned fund balance classification are intended to be used by the School for specific purposes but do not meet the criteria to be classified as committed. On May 18, 2018, the Board approved a resolution authorizing the President or the President's designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

In addition, Section 1011.56, Florida Statutes, provides that, if at any time the unencumbered balance of approved operating budget goes below 5 percent, the President shall provide written notification to the State Board of Education. To comply with this requirement, the School sets aside as part of its annual operating budget an emergency reserve equal to 5 percent of the prior year operating budget or 2 months of the average General Fund expenditures, whichever is greater. For the 2023-24 fiscal year, the emergency reserve approved in the annual operating budget was \$7,945,740.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

2. State Revenue Sources

Significant revenues from State sources for current operations are the Florida Legislature's appropriations to the School as approved in the annual General Appropriations Act. In accordance with Section 1011.55, Florida Statutes, the School submits legislative budget requests for operating funds and fixed capital outlay funds to the Department of Education. The Department of Education reviews and approves the legislative budget request before their submission to the State Board of Education, the Governor, and the Florida Legislature. The annual appropriation for the School is distributed to the School on a quarterly basis.

Revenue for preventative maintenance of buildings and infrastructure, site acquisition, building renovation and remodeling, construction projects and site improvements is appropriated for the School from the State's Public Education Capital Outlay and Debt Service Trust Fund. The School is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department of Education.

3. Federal Revenue Sources

The School 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.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a policy for custodial credit risk. All School bank balances are fully insured or collateralized as required by Chapter 280, Florida Statutes, except for certain Endowment Fund deposits held by a safekeeping agent in the name of the School. At June 30, 2024, the School's deposits in financial institutions totaled \$496,883. The Endowment Fund's cash deposits with the safekeeping agent are insured by the Federal Deposit Insurance Corporation up to \$250,000.

B. Cash Held in State Treasury

The State of Florida Chief Financial Officer (State CFO) pools funds in the State Treasury from all State agencies. Included in the pool are primarily time deposits, U.S. Government securities, Federal agency securities, commercial paper, corporate bonds and notes and repurchase agreements. The School's share of this investment pool was \$2,608,760 at June 30, 2024. No allocation will be made as to the School's share of the types of investments or their risk categories. The School's share of the assets and liabilities arising from the securities lending agreement administered by the State Treasury operates on a pooled basis and to do so may give the misleading impression that the School itself has entered into such agreements. For further information, refer to the State of Florida's Annual Comprehensive Financial Report or publications of the State of Florida Department of Financial Services, Office of the Chief Financial Officer.

C. Investments

The Board has adopted a written investment policy providing that funds other than those appropriated from the State and held in State Treasury, such as gifts, contributions or bequests to the School that are accounted for in the School's Endowment Fund, be invested in securities authorized by Section 215.47(1), (2)(c), (3), (4), and (10), Florida Statutes. Accordingly, the School is authorized to invest in bonds, notes or other obligations of the United States; bonds issued or administered by the State Board of Administration (SBA) or State Board of Education; interest-bearing time deposits and savings accounts in qualified public depositories; obligations of Federal Agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; and other types of investments

Fair Value Measurement

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

All of the School's recurring fair value measurements as of June 30, 2024, are valued using quoted market prices (Level 1 inputs), with the exception of domestic bonds and marketable equity securities

which are valued daily using available market pricing information, including benchmarking processes, sector groupings and matrix pricing (Level 2 inputs).

The School's investments at June 30, 2024, are reported as follows:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Guaranteed Obligations	\$ 3,972,431	\$ 3,972,431	\$ -	\$ -
Domestic Bonds and Notes	9,580,301	9,401,241	179,060	-
International Bonds and Notes	1,083,163	866,784	216,379	-
Marketable Equity Securities	18,266,512	18,266,512	-	-
Total Investments By Fair Value	\$ 32,902,407	\$ 32,506,968	\$ 395,439	\$ -

All investments are reported in the Endowment Fund and are managed by a contracted investment management firm. The following risks apply to the School's Endowment Fund investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. However, securities with short-term maturities are held in order to accommodate cash flow needs and to avoid selling securities prior to maturity.

Investments by Fair Value Level	Fair Value	Remaining Maturity (in Years)		
		Less Than 1	1 - 5	Between 6 - 10
U.S. Guaranteed Obligations	\$ 3,972,431	\$ 492,074	\$ 1,873,892	\$ 1,606,465
Domestic Bonds and Notes	9,580,301	1,071,776	5,413,831	3,094,694
International Bonds and Notes	1,083,163	46,727	1,011,890	24,546
Total Investments By Fair Value	\$ 14,635,895	\$ 1,610,577	\$ 8,299,613	\$ 4,725,705

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As a means of limiting its exposure to credit risk, the School's investment policy limits its investments to those authorized by Section 215.47(1), (2)(c), (3), (4), and (10), Florida Statutes, which are generally recognized as elements of a conservative investment portfolio and carry minimal credit risk. Obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. International bonds and notes are rated as investment grade or above by rating services recognized in the United States. The School's investments are rated as follows:

Investment Type	Fair Value	Credit Quality Rating (1)
U.S. Guaranteed Obligations	\$ 3,972,431	Aaa
Domestic Bonds and Notes	9,580,301	Aa3 - Baa3
International Bonds and Notes	1,083,163	Aa2 - Baa3
Total	\$ 14,635,895	

(1) The credit quality ratings are from Moody's Investors Service.

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 School will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Although the School's investments are held by a third-party custodian in the name of the School, the School does not have a formal investment policy that addresses custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investment in a single issuer. Although the School does not have a formal investment policy that limits the amount the School may invest in any one issuer, Section 215.47(2)(c), Florida Statutes, limits the School's investments in mortgage security obligations of Federal Agencies and instrumentalities to no more than 25 percent of the fund, and Section 215.47(3), Florida Statutes, limits the School's investments in equity securities to no more than 80 percent of the fund.

D. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 2,494,135	\$ -	\$ -	\$ 2,494,135
Construction in Progress	-	7,692,835	1,137,538	6,555,297
Total Capital Assets Not Being Depreciated	2,494,135	7,692,835	1,137,538	9,049,432
Capital Assets Being Depreciated:				
Buildings and Improvements	166,511,576	1,137,538	1,250,087	166,399,027
Infrastructure and Improvements	39,513,964	-	-	39,513,964
Furniture and Equipment	11,184,556	1,426,006	946,798	11,663,764
Library Resources	1,141,273	416,853	169,453	1,388,673
Total Capital Assets Being Depreciated	218,351,369	2,980,397	2,366,338	218,965,428
Less Accumulated Depreciation for:				
Buildings and Improvements	117,081,144	4,980,538	1,250,087	120,811,595
Infrastructure and Improvements	26,453,680	1,211,379	-	27,665,059
Furniture and Equipment	8,354,203	762,704	919,301	8,197,606
Library Resources	813,472	151,391	162,786	802,077
Total Accumulated Depreciation	152,702,499	7,106,012	2,332,174	157,476,337
Total Capital Assets Being Depreciated, Net	65,648,870	(4,125,615)	34,164	61,489,091
Governmental Activities Capital Assets, Net	\$ 68,143,005	\$ 3,567,220	\$ 1,171,702	\$ 70,538,523

Depreciation expense of \$7,106,012 was not allocated to the School's functions/programs. This amount is reported as unallocated depreciation on the statement of activities.

E. Retirement Plans

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

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

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

by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. An Annual Comprehensive 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 School's FRS and HIS pension expense totaled \$9,157,864 for the fiscal year ended June 30, 2024.

FRS Pension Plan

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

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Special Risk* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation

is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-24 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.57
FRS, Special Risk	3.00	32.67
DROP – Applicable to Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2.00 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The School's contributions to the Plan totaled \$3,040,070 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the School reported a liability of \$22,632,328 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The School's proportionate share of the net pension liability was based on the School's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the School's proportionate share was 0.056798308 percent, which was an increase of 0.001516298 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the School recognized a Plan pension expense of \$4,744,259. In addition, the School 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	\$ 2,124,980	\$ -
Change of Assumptions	1,475,363	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	945,187	-
Changes in Proportion and Differences Between School FRS Contributions and Proportionate Share of Contributions	811,650	362,902
School FRS Contributions Subsequent to the Measurement Date	3,040,070	-
Total	<u>\$ 8,397,250</u>	<u>\$ 362,902</u>

The deferred outflows of resources related to pensions resulting from School contributions to the Plan subsequent to the measurement date, totaling \$3,040,070, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. 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>
2025	\$ 680,656
2026	(269,673)
2027	4,084,249
2028	387,970
2029	111,076
Total	<u><u>\$ 4,994,278</u></u>

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed inflation - Mean			2.4%	1.4%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.7 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 2023 valuation was unchanged from the previous valuation.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.7 percent) or 1 percentage point higher (7.7 percent) than the current rate:

	<u>1% Decrease (5.7%)</u>	<u>Current Discount Rate (6.7%)</u>	<u>1% Increase (7.7%)</u>
School's Proportionate Share of the Net Pension Liability	\$ 38,660,625	\$ 22,632,338	\$ 9,222,740

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

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the

time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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, 2024, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The School contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The School's contributions to the HIS Plan totaled \$626,028 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the School reported a net pension liability of \$11,978,740 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the School's proportionate share of benefit payments expected to be paid within 1 year, net of the School'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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The School's proportionate share of the net pension liability was based on the School's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the School's proportionate share was 0.075426539 percent, which was an increase of 0.004331288 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the School recognized the HIS Plan pension expense of \$4,413,605. In addition, the School 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	\$ 175,361	\$ 28,116
Change of Assumptions	314,917	1,037,998
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	6,186	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	412,942	372,078
District HIS Contributions Subsequent to the Measurement Date	626,028	-
Total	\$ 1,535,434	\$ 1,438,192

The deferred outflows of resources related to pensions resulting from School contributions to the HIS Plan subsequent to the measurement date, totaling \$626,028, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. 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>
2025	\$ (92,393)
2026	(56,018)
2027	(93,202)
2028	(182,810)
2029	(96,836)
Thereafter	(7,527)
Total	\$ (528,786)

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.65 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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 3.65 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 3.54 percent to 3.65 percent.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 3.65 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
School's Proportionate Share of the Net Pension Liability	\$ 13,665,873	\$ 11,978,740	\$ 10,580,221

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 Annual Comprehensive Financial Report.

Deferred Compensation Plan

The School, through the State of Florida, offers its employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. The plan (refer to Section 112.215, Florida Statutes), available to all regular payroll State employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with these amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and their beneficiaries as mandated by Title 26, Section 457(g)(1), United States Code.

The School does not contribute to the plan. Participation under the plan is solely at the discretion of the employee.

The School has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary and prudent investor. Pursuant to Section 112.215, Florida Statutes, the Deferred Compensation Trust Fund is created in the State Treasury.

2. FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Annual Comprehensive 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. School 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 and Special Risk), 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. During the 2023-24 fiscal year, allocations to Investment Plan member accounts for FRS Regular membership class and FRS Special Risk class employees were 11.30 percent and 19.00 percent, respectively, of gross compensation.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2024, 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 School.

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

The School's Investment Plan pension expense totaled \$1,281,239 for the fiscal year ended June 30, 2024.

F. Other Postemployment Benefit Obligations

The School follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the School are eligible to participate in the State Group Health Insurance Program. 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. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The State of Florida 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. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

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

Proportionate Share of the Total OPEB Liability

The OPEB Plan's total OPEB liability of \$8,377,526,587 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. The School's proportionate share of the total liability reported at June 30, 2023, was \$36,851,840. At June 30, 2023, the School's proportionate share, determined by its proportion of total School employees as compared to total OPEB Plan employees, was 0.440324458 percent, which was a decrease of 0.003875583 percent from its proportionate share measured as of June 30, 2022.

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	2.40 percent
Salary increases	Varies by FRS Class
Discount rate	4.13 percent
Healthcare cost trend rates	8.10 percent for Preferred Provider Organizations (PPO) for fiscal year 2023, decreasing to ultimate rate of 4.04 percent for 2076 and later years.
	6.44 percent for Health Maintenance Organizations (HMO) for fiscal year 2023, decreasing to ultimate rate of 4.04 percent for 2076 and later years.
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Standard & Poor's Municipal Bond 20-Year High Grade Rate Index.

Mortality rates were based on the PUB-2010 mortality tables with fully generational mortality improvement using Scale MP-2018.

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

The following changes have been made since the prior valuation:

- Disability Rates – For those in the Special Risk Class, disability rates were updated to those used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022.
- DROP Election Percentage and DROP Participation Period – For Law Enforcement Officers, the percentage of members assumed to elect to participate in the Deferred Retirement Option Program (DROP) was updated to align with rates used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022. Further, Law Enforcement Officers' maximum DROP participation period was extended from 60 months (5 years) to 96 months (8 years).
- Inflation – Inflation was lowered to match the 2.4 percent used in the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2022.
- Discount Rate – The discount rate was updated to utilize the mandated discount rate based on a 20-year Standard & Poor's Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. The discount rate increased from 4.09 percent to 4.13 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the School's proportionate share of the total OPEB liability, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13) or 1 percentage point higher (5.13) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 43,973,816	\$ 36,851,840	\$ 31,253,319

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 30,409,927	\$ 36,851,840	\$ 45,335,759

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2024, the School recognized OPEB expense of \$1,982,871. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumption	\$ 3,335,767	\$ 17,564,357
Changes in Proportion and Difference between School Contributions	1,967,569	2,006,482
Difference between expected and actual experience	-	3,048,416
Benefits Paid Subsequent to the Measurement Date	1,770,390	-
Total	\$ 7,073,726	\$ 22,619,255

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,770,390 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ (4,690,868)
2026	(3,728,553)
2027	(3,214,942)
2028	(1,980,082)
2029	(1,979,741)
Thereafter	(1,721,733)
Total	\$ (17,315,919)

G. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2024:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Gregg Hall	\$ 9,246,647	\$ 6,555,297	\$ 2,691,350
Kramer Hall	7,766,758	-	7,766,758
Total	<u>\$17,013,405</u>	<u>\$ 6,555,297</u>	<u>\$10,458,108</u>

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 fiscal year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2024:

<u>Major Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>General</u>	<u>Public Education Capital Outlay</u>		
<u>\$ 8,892,706</u>	<u>\$ 8,643,573</u>	<u>\$ 88,002.00</u>	<u>\$ 17,624,281</u>

H. Risk Management Programs

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School participates in various insurance programs established by the State of Florida. Coverages include property, general liability, automobile liability, workers' compensation, and Federal civil rights action. For further information, refer to the State of Florida's Annual Comprehensive Financial Report or publications of the State of Florida Department of Financial Services, Office of the Chief Financial Officer.

The School obtains conventional coverage through purchased commercial insurance for additional automobile liability, boiler and machinery breakdown, information technology, accidental death and dismemberment, and losses due to crime. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past 3 fiscal years.

I. Long-Term Liabilities

1. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
GOVERNMENTAL ACTIVITIES					
Compensated Absences Payable	\$ 3,365,498	\$ 2,048,454	\$ 1,714,330	\$ 3,699,622	\$ 827,827
Net Pension Liability	28,099,473	17,968,836	11,457,241	34,611,068	-
Other Postemployment Benefits Payable	34,839,746	2,877,623	865,529	36,851,840	958,669
Total Governmental Activities	\$ 66,304,717	\$ 22,894,913	\$ 14,037,100	\$ 75,162,530	\$ 1,786,496

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

J. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in Note I.F.12., fund balances may be classified as follows:

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

K. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Nonmajor Governmental	\$ 18,608	\$ 18,608
Total	\$ 18,608	\$ 18,608

The amounts due are from the Federal Grants Trust Fund and Grants and Donations Trust fund to the Administrative Trust Fund and Grants and Donations Trust Fund. The amounts due represent a temporary loan and are expected to be repaid within 1 year.

L. Interfund Transfers

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>
Nonmajor Governmental	\$ 513,217	\$ 513,217
Total	<u>\$ 513,217</u>	<u>\$ 513,217</u>

The principal purposes of the interfund transfers were to transfer administrative fees and indirect costs from the nonmajor Federal Grants Trust Fund and the nonmajor Grants and Donations Trust Fund to the nonmajor Administrative Trust Fund.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule General Fund For the Fiscal Year Ended June 30, 2024

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Released General Revenue Appropriations	\$ 57,856,546	\$ 62,446,378	\$ 62,446,378	\$ -
Expenditures				
Category:				
Salaries and Benefits	44,095,754	46,816,333	44,530,709	2,285,624
Other Personal Services	4,299,181	4,299,181	3,116,435	1,182,746
Expenses	7,707,577	7,823,229	5,584,475	2,238,754
Operating Capital Outlay	2,595,406	2,595,406	1,827,376	768,030
Fixed Capital Outlay	8,628,193	8,628,193	3,454,858	5,173,335
Food Products	202,135	202,135	143,436	58,699
Special Categories:				-
Professional Supplements	167,000	167,000	158,773	8,227
Overtime	138,293	188,293	162,035	26,258
Students Home on Weekends	2,502,717	2,502,717	2,154,108	348,609
Total Expenditures	70,336,256	73,222,487	61,132,205	12,090,282
Excess (Deficiency) of Revenues Over Expenditures	(12,479,710)	(10,776,109)	1,314,173	(12,090,282)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(12,479,710)	(10,776,109)	1,314,173	12,090,282
Fund Balances, Beginning	22,887,156	22,887,156	22,887,156	-
Fund Balances, Ending	\$ 10,407,446	\$ 12,111,047	\$ 24,201,329	\$ 12,090,282

**Schedule of the School's Proportionate Share
of the Total Other Postemployment Benefits Liability ^{(1) (2)}**

	2023	2022	2021	2020	2019	2018	2017
School's Proportion of the Total Other Postemployment Benefits Liability	0.440324458%	0.444200042%	0.443647843%	0.426956725%	0.440803760%	0.438945358%	0.456089153%
School's Proportionate Share of the Total Other Postemployment Benefits Liability	\$ 36,851,840	\$ 34,839,746	\$ 46,763,307	\$ 43,934,040	\$ 55,076,469	\$ 46,315,548	\$ 49,308,186
School's Covered Employee Payroll	\$ 28,789,141	\$ 25,823,717	\$ 25,662,350	\$ 25,404,316	\$ 25,762,571	\$ 25,437,198	\$ 25,154,555
School's Proportionate Share of the Total Other Postemployment Benefits Liability as a Percentage of its Covered-Employee Payroll	128.01%	134.91%	182.23%	172.94%	213.78%	182.08%	196.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

(2) The schedule is intended to report information for ten years. Additional information will be displayed as it becomes available.

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

Fiscal Year Ending June 30	School's Proportion of the FRS Net Pension Liability	School's Proportionate of the FRS Net Pension Liability	School's Covered Payroll	School's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.063910706%	\$ 3,899,493	\$ 24,676,161	15.80%	96.09%
2015	0.064088039%	8,277,830	25,363,140	32.64%	92.00%
2016	0.059549104%	15,036,196	25,047,732	60.03%	84.88%
2017	0.056164950%	16,613,215	25,154,555	66.04%	83.89%
2018	0.056733039%	17,088,285	25,437,198	67.18%	84.26%
2019	0.054652905%	18,821,699	25,762,571	73.06%	82.61%
2020	0.052960682%	22,953,940	25,404,316	90.35%	78.85%
2021	0.056040094%	4,233,193	25,662,350	16.50%	96.40%
2022	0.055282010%	20,569,350	25,823,717	79.65%	82.89%
2023	0.056798308%	22,632,328	28,789,141	78.61%	82.38%

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

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

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	School's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2015	\$ 1,562,521	\$ (1,562,521)	\$ -	\$ 25,363,140	6.16%
2016	1,452,200	(1,452,200)	-	25,047,732	5.80%
2017	1,462,112	(1,462,112)	-	25,154,555	5.81%
2018	1,616,846	(1,616,846)	-	25,437,198	6.36%
2019	1,694,634	(1,694,634)	-	25,762,571	6.58%
2020	1,759,467	(1,759,467)	-	25,404,316	6.93%
2021	2,134,885	(2,134,885)	-	25,662,350	8.32%
2022	2,358,984	(2,358,984)	-	25,823,717	9.13%
2023	2,732,364	(2,732,364)	-	28,789,141	9.49%
2024	3,040,070	(3,040,070)	-	31,229,255	9.73%

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

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

Fiscal Year Ending June 30	School's Proportion of the HIS Net Pension Liability	School's Proportionate Share of the HIS Net Pension Liability	School's Covered Payroll	School's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.081999972%	\$ 7,667,197	\$ 24,676,161	31.07%	0.99%
2015	0.083215789%	8,486,701	25,363,140	33.46%	0.50%
2016	0.081550149%	9,504,332	25,047,732	37.94%	0.97%
2017	0.078925072%	8,439,033	25,154,555	33.55%	1.64%
2018	0.078236855%	8,280,677	25,437,198	32.55%	2.15%
2019	0.075687226%	8,468,643	25,762,571	32.87%	2.63%
2020	0.073273362%	8,946,558	25,404,316	35.22%	3.00%
2021	0.072616683%	8,907,528	25,662,350	34.71%	3.58%
2022	0.071095251%	7,530,123	25,823,717	29.16%	4.81%
2023	0.075426539%	11,978,740	28,789,141	41.61%	4.12%

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

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

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	School's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2015	\$ 318,103	\$ (318,103)	\$ -	\$ 25,363,140	1.25%
2016	417,996	(417,996)	-	25,047,732	1.67%
2017	417,694	(417,694)	-	25,154,555	1.66%
2018	424,280	(424,280)	-	25,437,198	1.67%
2019	420,284	(420,284)	-	25,762,571	1.63%
2020	422,240	(422,240)	-	25,404,316	1.66%
2021	426,284	(426,284)	-	25,662,350	1.66%
2022	430,186	(430,186)	-	25,823,717	1.67%
2023	496,169	(496,169)	-	28,789,141	1.72%
2024	626,028	(626,028)	-	31,229,255	2.00%

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

1. Budgetary Basis of Accounting

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

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

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

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

Changes of Assumptions. The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75. The discount rate increased from 4.09 percent to 4.13 percent.

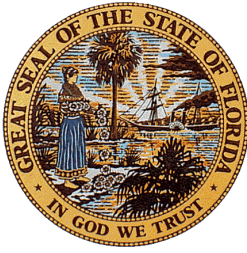
3. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. The economic and demographic assumptions are unchanged from the prior valuation with the exception of changes made to the DROP and retirement assumptions to reflect provisions of Senate Bill 7024 (2023).

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

Changes of Assumptions. In 2023, the municipal rate used to determine total pension liability increased from 3.54 percent to 3.65 percent. In addition, the increase in benefits was incorporated into the actuarial assumptions.

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Sherrill F. Norman, CPA
Auditor General

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Florida School for the Deaf and the Blind (School), a component unit of the State of Florida, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated March 28, 2025, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the Endowment Fund, as described in our report on the School's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2025