

**DISTRICT SCHOOL BOARD OF  
COLLIER COUNTY, FLORIDA**

**FINANCIAL STATEMENTS**

*As of and for the Year Ended June 30, 2022*

*And Reports of Independent Auditor*

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
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## **Report of Independent Auditor**

The Honorable Members of the School Board  
District School Board of Collier County, Florida  
Naples, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Collier County, Florida (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the 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 school internal funds, which represent 9 percent of the assets and 11 percent of the fund balance of the aggregate remaining fund information in the accompanying financial statements. Additionally, we did not audit the financial statements of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the discretely presented component units, are based solely on the reports of the other auditors.

#### ***Basis for Opinions***

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. 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 District's ability to continue as a going concern for twelve 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 generally accepted auditing standards 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 generally accepted auditing standards 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 District'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 District'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 the management's discussion and analysis and the required supplementary information as listed in the table of contents 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the reports of the other auditors, the other supplementary information and schedule and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Orlando, Florida  
January 3, 2023

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

The management of the Collier County District School Board has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2022. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-22 fiscal year are as follows:

- As of June 30, 2022, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$898.0 million.
- In total, net position increased \$82.8 million, which represents a 10.2 percent increase from the 2020-21 fiscal year.
- General revenues total \$736.8 million, or 95.6 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$34.1 million, or 4.4 percent of all revenues.
- On the government-wide financial statements, expenses total \$688.0 million. Only \$34.1 million of these expenses were offset by program revenues.
- During the current fiscal year, General Fund expenditures were below revenues and transfers in by \$13.4 million. This may be compared to last fiscal year's results, in which General Fund expenditures exceeded revenues and transfers in by \$10.5 million.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$91.0 million, which is \$13.4 million more than the prior fiscal year balance. The General Fund assigned and unassigned fund balances total \$83.6 million, or 16.8 percent of total General Fund revenues.
- The District has a tax-neutral referendum, approved by voters in 2020, which provides flexibility in funding to reduce ad valorem taxes up to 0.35 mills for capital funding and add ad valorem taxes up to 0.35 mills for operating funding. In fiscal year 2021-22, the District levied 0.35 mills which generated \$38.2 million for the operating fund while reducing the capital fund by the same amount.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### **Government-Wide Financial Statements**

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

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

- Governmental activities – This represents most of the District's services, including educational programs such as basic, vocational, adult, and exceptional education. Support functions, such as transportation and administration, are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents seven separate legal entities in this report: Bridgeprep Academy of Collier Charter School, Collier Charter Academy, Gulf Coast Charter Academy South, Inc., Marco Island Academy, A Public Charter High School, Inc., Marco Island Charter Middle School, Inc., Mason Classical Academy, Inc, and Naples Classical Academy. Although legally separate organizations, these entities meet the criteria for inclusion provided by generally accepted accounting principles.

### **Fund Financial Statements**

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within one of 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 District's most significant funds. The District's major funds are the General, Capital Projects – Local Capital Improvement, Capital Projects – Other, and Special Revenue – Federal Education Stabilization. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison schedules have been provided for the General Fund and the Special Revenue – Federal Education Stabilization Fund to demonstrate compliance with the respective budgets.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*JUNE 30, 2022*

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**Proprietary Fund:** Proprietary funds may be established to account for activities in which a fee is charged for services. Internal Service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for group health insurance, workers' compensation insurance, and employee benefit plan. As these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

**Notes to the Financial Statements**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's net pension liability and its progress in funding its obligations to provide other postemployment benefits to employees.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2022, compared to net position as of June 30, 2021:

**Net Position, End of Year**  
**(in millions of dollars)**

	<b>Governmental</b>	
	<b>Activities</b>	
	<b>6-30-22</b>	<b>6-30-21</b>
Current and Other Assets	\$ 433.3	\$ 444.0
Capital Assets	905.2	889.8
<b>Total Assets</b>	<b>1,338.5</b>	<b>1,333.8</b>
<b>Deferred Outflows of Resources</b>	<b>112.1</b>	<b>124.4</b>
Long-Term Liabilities	349.0	587.9
Other Liabilities	25.9	39.5
<b>Total Liabilities</b>	<b>374.9</b>	<b>627.4</b>
<b>Deferred Inflows of Resources</b>	<b>177.7</b>	<b>15.7</b>
Net Position:		
Net Investment in Capital Assets	767.1	712.7
Restricted	260.7	288.4
Unrestricted (Deficit)	(129.8)	(186.0)
<b>Total Net Position</b>	<b>\$ 898.0</b>	<b>\$ 815.1</b>

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

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The deficit unrestricted net position is the result of accruing \$40.3 million in compensated absences payable, \$4.7 million in other postemployment benefit obligations, and \$157.2 million in net pension liability.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2022

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2022 and June 30, 2021, are as follows:

**Operating Results for the Fiscal Year Ended**  
**(in millions of dollars)**

	<b>Governmental Activities</b>	
	<b>6-30-22</b>	<b>6-30-21</b>
Program Revenues:		
Charges for Services	\$ 4.3	\$ 3.6
Operating Grants and Contributions	27.8	22.0
Capital Grants and Contributions	2.0	1.9
General Revenues:		
Property Taxes	514.5	501.8
Grants and Contributions Not Restricted to Specific Programs	203.3	169.7
Unrestricted Investment Earnings	1.3	1.1
Other	17.7	11.1
<b>Total Revenues</b>	<b>770.9</b>	<b>711.2</b>
Functions/Program Expenses:		
Instruction	374.7	392.8
Student Personnel Services	26.1	26.7
Instructional Media Services	6.7	6.9
Instruction and Curriculum Development Services	17.8	17.4
Instructional Staff Training Services	11.5	11.6
Instructional-related technology	2.1	2.3
Board	1.5	1.5
General Administration	5.4	3.6
School Administration	36.1	39.3
Facilities, Acquisition, and Construction	72.1	78.9
Fiscal Services	3.7	3.8
Food Services	26.4	24.1
Central Services	10.2	11.1
Student Transportation Services	27.1	25.6
Operation of Plant	38.3	36.3
Maintenance of Plant	17.3	18.4
Administrative Technology Services	5.2	5.1
Unallocated Interest on Long-term Debt	5.8	6.8
<b>Total Functions/Program Expenses</b>	<b>688.0</b>	<b>712.2</b>
<b>Change in Net Position</b>	<b>82.9</b>	<b>(1.0)</b>
Net Position, Beginning of Year	815.1	816.1
<b>Net Position - Ending</b>	<b>\$ 898.0</b>	<b>\$ 815.1</b>

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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The largest revenue source is the local property tax (66.7 percent), as discussed below. Revenues from State sources (12.1 percent) for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP funding formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Property tax revenues increased by \$12.7 million, or 2.5 percent, as a result of increased taxable values and collections, although there was a slight decrease in the required local effort millage.

Grants and contributions not restricted to specific programs increased by \$33.6 million, or 19.8 percent, primarily as a result of the receipt of the ESSER II and ESSER III grants.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

#### **Governmental Funds**

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

The total fund balances of governmental funds decreased by \$4.6 million during the fiscal year to \$351.4 million at June 30, 2022. Approximately 16.0 percent of this amount is unassigned fund balance (\$56.1 million), which is available for spending at the District's discretion. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form (\$2.0 million), (2) restricted for particular purposes (\$262.2 million), or (3) assigned for particular purposes (\$31.1 million).

#### **Major Governmental Funds**

The General Fund is the District's primary operating fund. At the end of the current fiscal year, unassigned fund balance is \$56.1 million, while the total fund balance is \$91.0 million. 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 16.8 percent of the total General Fund revenues, while total assigned and unassigned fund balance represents 16.1 percent of total General Fund expenditures.

Total General Fund balance increased by \$13.4 million during the fiscal year. Key factors impacting the change in fund balance are as follows:

- Decrease in Other Financing Sources revenues, primarily due to a reduction in purchasing of classroom technology due to prior years' acceleration of the one-to-one laptop project.
- An increase in the local property tax rate and property values resulted in increased tax revenues of \$41.5 million.
- Total expenditures increased by \$12.9 million, or 2.5 percent, due mainly to an increase in staff and employee benefit costs, increase in electricity and diesel costs, and other purchased services.

The Special Revenue – Federal Education Stabilization Fund has total revenues and expenditures of \$34.1 million each. This funding represents program revenues and expenditures targeted for specified grant purposes. These funds do not accumulate a fund balance because grant revenues are not recognized until expenditures are incurred. This funding is a result of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which established the Education Stabilization Fund (ESF).

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

*JUNE 30, 2022*

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The Capital Projects – Local Capital Improvement (LCI) Fund has a total fund balance of \$135.7 million. These funds are restricted for the ad valorem (property) tax levy authorized by the Board to support capital improvements. All of the fund balance has been restricted for LCI projects.

The Capital Projects – Other Fund has a total fund balance of \$100.4 million. The fund balance decreased in the current fiscal year due to impact fees being utilized for construction of High School GGG and the Immokalee High School Addition.

**Proprietary Funds**

The District’s proprietary funds provide the same type of information reported in the government-wide financial statements, but in more detail. Unrestricted net position of the Internal Service Fund increased by \$5.3 million during the 2021-22 fiscal year to \$42.1 million at June 30, 2022. This increase occurred primarily because of a transfer in from the ESSER grant of \$6.0 million to provide funding due to increased costs associated with employee testing, hospitalizations, medication, and treatments of COVID-related illnesses.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the 2021-22 fiscal year, the District amended its General Fund budget several times, which resulted in an increase in total budgeted revenues of \$3.0 million, or 0.6 percent. At the same time, final budget appropriations are less than the original budgeted amounts by \$18.5 million. Budget revisions occurred primarily from changes in estimated funding levels and corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

Actual revenues are in line with the final budgeted amounts while actual expenditures are \$18.6 million, or 3.5 percent, less than final budget amounts. This variance is due to the following restricted or required carry forwards: encumbrances (\$7.3 million) and unspent carry forward funds on behalf of projects and schools (\$11.3 million). The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$18.6 million.

**CAPITAL ASSETS AND LONG-TERM DEBT**

**Capital Assets**

The District’s investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$905.2 million (net of accumulated depreciation). This investment in capital assets includes land and land improvements; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; construction in progress; audio-visual materials, and computer software. The total increase in capital assets for the current year was 1.7 percent. At June 30, 2022, construction in progress includes renovations at 5 locations.

Additional information on the District’s capital assets can be found in *Note IV.C., Changes in Capital Assets*.

**Debt Administration**

At June 30, 2022, the District had total long-term debt outstanding of \$137.4 million, composed of Certificates of Participation Payable. During the current fiscal year, retirement of debt was \$35.5 million.

Additional information on the District’s long-term debt can be found in *Note IV.H.1., Certificates of Participation* and *Note IV.H.2., Changes in Long-Term Liabilities*.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*JUNE 30, 2022*

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**OTHER MATTERS OF SIGNIFICANCE**

At the time these financial statements were prepared, the District was aware of five existing circumstances that could significantly affect its financial future:

- The District has a tax-neutral referendum, approved by voters in 2020, which provides flexibility in funding to reduce ad valorem taxes up to 0.35 mills for capital funding and add ad valorem taxes up to 0.35 mills for operating funding. In fiscal year 2022-23, the District is planning to continue to levy the 0.35 mills which is expected to generate \$47.7 million for the operating fund while reducing capital fund by the same amount. The tax-neutral referendum will be entering year two of the four-year referendum.
- Property values in the 2022-23 fiscal year show an increase, and State forecasts indicate property values will continue to show growth in future years.
- One additional charter (virtual) school will open during the 2022-23 fiscal year and more are expected to open in future years. The funding will be passed through to the charter schools.
- At the final budget hearing in September 2022, the District will propose a 2022-23 fiscal year budget with revenue in excess of appropriations of approximately \$10.8 million. This is a change from the funding deficits recorded in the past several fiscal years. The surplus will increase the Reserve for Future Budget Shortfall. This reserve was created by the District to provide stability during periods of uncertain funding.
- The District has not finalized negotiations with employee collective bargaining groups.

**REQUESTS FOR INFORMATION**

The Annual Financial Report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Assistant Superintendent of Financial Services, The District School Board of Collier County, 5775 Osceola Trail, Naples, Florida 34109-0919.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

JUNE 30, 2022

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Units</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 405,836,346	\$ 14,940,321
Investments	-	227,390
Accounts receivable, net	1,325,559	421,445
Interest receivable	-	1,006
Due from other agencies	24,071,991	1,011,164
Deposits receivable	5,620	24,735
Inventory	1,842,526	-
Prepaid items	142,377	443,495
Long-term investments	-	1,506,013
Right-to-use lease asset	-	11,672,197
Capital assets:		
Nondepreciable capital assets	190,251,602	15,430,693
Depreciable capital assets, net	714,910,559	59,235,405
<b>Total Assets</b>	<b>1,338,386,580</b>	<b>104,913,864</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding of debt	3,593,880	233,399
Pension	107,576,638	1,082,344
Other postemployment benefits	969,977	-
<b>Total Deferred Outflows of Resources</b>	<b>112,140,495</b>	<b>1,315,743</b>
<b>LIABILITIES</b>		
Salaries, benefits, and payroll taxes payable	7,430,284	613,489
Payroll deductions and withholdings	1,789,659	-
Accounts payable	4,969,636	2,763,590
Construction contracts payable	58,311	-
Construction contracts payable - retainage percentage	4,187,951	-
Accrued interest	1,549,985	107,285
Due to other agencies	3,681,753	-
Unearned revenue	2,188,214	-
Noncurrent liabilities:		
Portion due within one year:		
Notes payable	-	479,195
Lease liability	-	827,989
Bonds payable	-	505,000
Liability for compensated absences	23,162,994	19,237
Certificates of participation	32,773,606	-
Estimated liability for unpaid claims	8,663,000	-
Net other postemployment benefits obligation	254,640	-
Net pension liability	545,089	741,761
Portion due after one year:		
Notes payable	-	13,118,027
Lease liability	-	11,154,897
Bonds payable	-	49,978,223
Liability for compensated absences	17,171,982	6,412
Certificates of participation	104,670,138	-
Estimated liability for unpaid claims	687,000	-
Net other postemployment benefits obligation	4,413,400	-
Net pension liability	156,633,865	886,862
<b>Total Liabilities</b>	<b>374,831,507</b>	<b>81,201,967</b>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**

JUNE 30, 2022

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Units</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	\$ 176,789,793	\$ 1,883,883
Other postemployment benefits	931,676	-
<b>Total Deferred Inflows of Resources</b>	<b>177,721,469</b>	<b>1,883,883</b>
<b>NET POSITION</b>		
Net investment in capital assets	767,066,035	11,933,969
Restricted for:		
Categorical carryover programs	2,706,899	-
Food service	13,092,723	-
Debt service	547,857	619,571
Capital projects	233,534,041	2,424,006
Other purposes	10,808,447	747,851
Unrestricted (Deficit)	(129,781,903)	7,418,360
<b>Total Net Position</b>	<b>\$ 897,974,099</b>	<b>\$ 23,143,757</b>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Units</u>
<b>Primary government:</b>						
Governmental activities:						
Instruction	\$ 374,751,668	\$ 2,644,718	\$ -	\$ -	\$ (372,106,950)	\$ -
Student support services	26,055,764	-	-	-	(26,055,764)	-
Instructional media services	6,651,808	-	-	-	(6,651,808)	-
Instruction and curriculum development services	17,771,562	-	-	-	(17,771,562)	-
Instructional staff training services	11,483,913	-	-	-	(11,483,913)	-
Instructional related technology	2,075,505	-	-	-	(2,075,505)	-
Board	1,451,719	-	-	-	(1,451,719)	-
General administration	5,384,506	-	-	-	(5,384,506)	-
School administration	36,143,507	-	-	-	(36,143,507)	-
Facilities acquisition and construction	72,065,581	-	-	1,990,693	(70,074,888)	-
Fiscal services	3,738,936	-	-	-	(3,738,936)	-
Food services	26,523,740	1,670,178	27,777,828	-	2,924,266	-
Central services	10,246,883	-	-	-	(10,246,883)	-
Student transportation services	27,144,654	-	-	-	(27,144,654)	-
Operation of plant	38,285,948	-	-	-	(38,285,948)	-
Maintenance of plant	17,265,066	-	-	-	(17,265,066)	-
Administrative technology services	5,231,032	-	-	-	(5,231,032)	-
Interest on long-term debt	5,784,959	-	-	-	(5,784,959)	-
Total governmental activities	<u>688,056,751</u>	<u>4,314,896</u>	<u>27,777,828</u>	<u>1,990,693</u>	<u>(653,973,334)</u>	<u>-</u>
Total primary government	<u>\$ 688,056,751</u>	<u>\$ 4,314,896</u>	<u>\$ 27,777,828</u>	<u>\$ 1,990,693</u>	<u>(653,973,334)</u>	<u>-</u>
<b>Component units:</b>						
Component units	<u>\$ 49,948,856</u>	<u>\$ 772,333</u>	<u>\$ 3,579,246</u>	<u>\$ 1,985,897</u>		<u>\$ (43,611,380)</u>
Total component units	<u>\$ 49,948,856</u>	<u>\$ 772,333</u>	<u>\$ 3,579,246</u>	<u>\$ 1,985,897</u>		<u>\$ (43,611,380)</u>
General revenues:						
Property taxes, levied for operational purposes					393,291,477	\$ -
Property taxes, levied for capital projects					121,221,683	-
Grants and contributions not restricted to specific programs					203,328,846	42,086,627
Investment earnings					1,277,141	3,393
Miscellaneous					17,694,962	1,320,984
Total general revenues					<u>736,814,109</u>	<u>43,411,004</u>
Change in net position					82,840,775	(200,376)
Net position - beginning of year					815,133,324	24,738,770
Adjustments to net position					-	(1,394,637)
Net position - beginning as restated					<u>815,133,324</u>	<u>23,344,133</u>
Net position - end of year					<u>\$ 897,974,099</u>	<u>\$ 23,143,757</u>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**

June 30, 2022

	General Fund	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Federal Education Stabilization Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 96,637,034	\$ 138,122,633	\$ 99,604,538	\$ -	\$ 20,253,630	\$ 354,617,835
Accounts receivable, net	485,890	398	-	-	144	486,432
Deposits receivable	5,620	-	-	-	-	5,620
Due from other funds	5,084,097	814,925	-	-	-	5,899,022
Due from other agencies	6,780,951	6,128	3,428,084	5,916,887	7,939,941	24,071,991
Inventory	922,768	-	-	-	919,758	1,842,526
Prepaid items	142,377	-	-	-	-	142,377
<b>Total Assets</b>	<b>\$ 110,058,737</b>	<b>\$ 138,944,084</b>	<b>\$ 103,032,622</b>	<b>\$ 5,916,887</b>	<b>\$ 29,113,473</b>	<b>\$ 387,065,803</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Salaries, benefits and payroll taxes payable	\$ 5,878,650	\$ 47,451	\$ -	\$ 837,985	\$ 653,498	\$ 7,417,584
Payroll deductions and withholdings	1,396,720	22,090	-	190,906	174,485	1,784,201
Accounts payable	2,568,683	612,141	215,410	826,432	156,337	4,379,003
Construction contracts payable	-	58,311	-	-	-	58,311
Construction contracts payable - retained percentage	-	2,508,895	1,640,790	-	38,266	4,187,951
Due to other agencies	2,990,677	34,374	-	284,646	363,132	3,672,829
Due to other funds	-	-	-	3,776,918	2,122,104	5,899,022
Unearned revenue	-	-	708,382	-	143,774	852,156
Unavailable revenue	254,190	-	-	-	1,081,868	1,336,058
<b>Total Liabilities</b>	<b>13,088,920</b>	<b>3,283,262</b>	<b>2,564,582</b>	<b>5,916,887</b>	<b>4,733,464</b>	<b>29,587,115</b>
Deferred inflows of resources:						
Unavailable revenue	5,939,281	-	103,983	-	1,588	6,044,852
Fund Balances:						
Nonspendable:						
Inventory	922,768	-	-	-	919,758	1,842,526
Prepaid amounts	142,377	-	-	-	-	142,377
Restricted for:						
State required carryover programs	2,706,899	-	-	-	-	2,706,899
Other purposes	3,652,595	-	-	-	7,155,852	10,808,447
Debt service	-	-	-	-	2,097,842	2,097,842
Capital projects	-	135,660,822	96,760,973	-	1,112,245	233,534,040
Food service	-	-	-	-	13,092,724	13,092,724
Assigned to:						
General fund	27,496,703	-	-	-	-	27,496,703
Capital projects	-	-	3,603,084	-	-	3,603,084
Unassigned	56,109,194	-	-	-	-	56,109,194
<b>Total Fund Balances</b>	<b>91,030,536</b>	<b>135,660,822</b>	<b>100,364,057</b>	<b>-</b>	<b>24,378,421</b>	<b>351,433,836</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 110,058,737</b>	<b>\$ 138,944,084</b>	<b>\$ 103,032,622</b>	<b>\$ 5,916,887</b>	<b>\$ 29,113,473</b>	<b>\$ 387,065,803</b>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**

June 30, 2022

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

Ending fund balance - governmental funds		\$ 351,433,836
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		905,162,161
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		42,089,923
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.		(1,549,985)
Revenues not received within 60 days after year end are not available to pay for current period expenditures and, therefore, are reported as deferred inflows in the governmental funds.		6,044,852
The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements, but is not reported in the governmental funds.		3,593,880
The deferred outflows and inflows related to pensions and other post employment benefits are applied to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows related to other post employment benefits	\$ 969,977	
Deferred inflows related to other post employment benefits	(931,676)	
Deferred outflows related to pension	107,576,638	
Deferred inflows related to pension	<u>(176,789,793)</u>	<u>(69,174,854)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:		
Lease-purchase agreements payable	(137,443,744)	
Compensated absences payable	(40,334,976)	
Other postemployment benefits obligation	(4,668,040)	
Net pension liability	<u>(157,178,954)</u>	<u>(339,625,714)</u>
Total net position of governmental activities		<u>\$ 897,974,099</u>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2022

	General Fund	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Federal Education Stabilization Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Federal direct	\$ 557,174	\$ -	\$ -	\$ -	\$ 7,420,850	\$ 7,978,024
Federal through state and local	2,541,978	-	-	34,109,214	59,130,472	95,781,664
State sources	87,951,135	-	2,521,454	-	3,102,775	93,575,364
Local sources	405,717,569	121,572,528	26,601,947	-	11,178,553	565,070,597
Total Revenues	<u>496,767,856</u>	<u>121,572,528</u>	<u>29,123,401</u>	<u>34,109,214</u>	<u>80,832,650</u>	<u>762,405,649</u>
Expenditures:						
Current:						
Instruction	327,285,430	-	-	15,268,549	29,700,353	372,254,332
Student support services	21,292,206	-	-	2,850,137	3,156,708	27,299,051
Instructional media services	6,592,580	-	-	226,282	173,301	6,992,163
Instruction and curriculum development services	9,860,567	-	-	1,879,792	7,029,467	18,769,826
Instructional staff training services	5,949,039	-	-	1,955,588	4,097,402	12,002,029
Instruction related technology	2,044,749	-	-	25,498	123,440	2,193,687
Board	1,588,626	-	-	5,637	-	1,594,263
General administration	2,447,081	-	-	1,553,651	1,579,634	5,580,366
School administration	34,837,312	-	-	1,726,167	1,498,369	38,061,848
Facilities acquisition and construction	3,183,844	37,754,314	345,970	32,404	1,355,842	42,672,374
Fiscal services	3,902,445	-	-	39,300	-	3,941,745
Food services	-	-	-	378,266	26,230,018	26,608,284
Central services	10,346,144	-	-	160,957	165,434	10,672,535
Student transportation services	25,774,872	-	-	945,155	106,764	26,826,791
Operation of plant	37,900,008	-	-	328,738	46,880	38,275,626
Maintenance of plant	17,609,258	-	-	173,134	9,818	17,792,210
Administrative technology services	5,286,329	-	-	141,235	-	5,427,564
Capital outlay:						
Facilities acquisition and construction	32,793	14,049,506	42,863,398	-	-	56,945,697
Charter school capital outlay	-	-	920,737	-	-	920,737
Other capital outlay	3,538,471	2,902,366	-	418,724	442,309	7,301,870
Debt service:						
Principal	-	-	-	-	35,517,000	35,517,000
Interest	-	-	-	-	5,518,697	5,518,697
Dues and fees	-	-	-	-	11,293	11,293
Total Expenditures	<u>519,471,754</u>	<u>54,706,186</u>	<u>44,130,105</u>	<u>28,109,214</u>	<u>116,762,729</u>	<u>763,179,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,703,898)</u>	<u>66,866,342</u>	<u>(15,006,704)</u>	<u>6,000,000</u>	<u>(35,930,079)</u>	<u>(774,339)</u>
Other Financing Sources (Uses):						
Proceeds from the sale of capital assets	18,095	1,237,404	920,737	-	8,174	2,184,410
Loss recoveries	37,949	-	-	-	-	37,949
Transfers in	36,023,015	-	-	-	36,183,342	72,206,357
Transfers out	-	(69,903,380)	(2,302,977)	(6,000,000)	-	(78,206,357)
Total Other Financing Sources (Uses)	<u>36,079,059</u>	<u>(68,665,976)</u>	<u>(1,382,240)</u>	<u>(6,000,000)</u>	<u>36,191,516</u>	<u>(3,777,641)</u>
Net change in fund balances	13,375,161	(1,799,634)	(16,388,944)	-	261,437	(4,551,980)
Fund balance - beginning	77,655,375	137,460,456	116,753,001	-	24,116,984	355,985,816
Fund balance - ending	<u>\$ 91,030,536</u>	<u>\$ 135,660,822</u>	<u>\$ 100,364,057</u>	<u>\$ -</u>	<u>\$ 24,378,421</u>	<u>\$ 351,433,836</u>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2022

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

Net change in fund balances - total governmental funds \$ (4,551,980)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period:

Capital outlays net of amounts not capitalized	\$ 64,459,235	
Depreciation expense	<u>(49,008,078)</u>	15,451,157

The gain or loss on disposal of capital assets during the current fiscal year is reported in the government-wide 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. (41,908)

Premiums and refunding costs are reported in governmental funds in the year debt is issued, but are deferred and amortized over the life of the debt in the government-wide statements. (746,147)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease-purchase agreements and bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded proceeds in the current period. 35,517,000

Revenues not received within 60 days after year end do not provide current financial resources and are reported as deferred inflows in the governmental funds. In the government-wide statement of activities, however, revenues are reported regardless of when available. 6,044,852

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrued in the government-wide statements. 491,177

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current year. 2,196,214

Pensions and other postemployment benefit costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net change in these liabilities, related deferred inflows of resources, and related deferred outflows of resources in the current fiscal year.

Pension	23,372,744	
OPEB	<u>(205,393)</u>	23,167,351

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 5,313,059

Change in net position of governmental activities \$ 82,840,775

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

JUNE 30, 2022

	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 51,218,511
Accounts receivable, net	839,126
<b>Total Assets</b>	<b>\$ 52,057,637</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Salaries, benefits, and payroll taxes payable	\$ 12,700
Payroll deductions and withholding	5,459
Accounts payable	590,631
Due to other agencies	8,924
Estimated unpaid claims - self-insurance program	8,663,000
<b>Total Current Liabilities</b>	<b>9,280,714</b>
Noncurrent Liabilities:	
Estimated liability for long-term claims	687,000
<b>Total Liabilities</b>	<b>\$ 9,967,714</b>
<b>NET POSITION</b>	
Unrestricted	\$ 42,089,923
<b>Total Net Position</b>	<b>\$ 42,089,923</b>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

YEAR ENDED JUNE 30, 2022

	<b>Governmental Activities Internal Service Funds</b>
Operating Revenues:	
Premium revenue	\$ 61,881,708
Total Operating Revenues	<u>61,881,708</u>
Operating Expenses:	
Salaries	524,939
Employee benefits	177,151
Purchased services	5,159,425
Materials and supplies	705
Other expenses	56,837,435
Total Operating Expenses	<u>62,699,655</u>
Operating Loss	<u>(817,947)</u>
Nonoperating revenues:	
Investment income	<u>131,006</u>
Loss before transfers	<u>(686,941)</u>
Transfers in	<u>6,000,000</u>
Change in net position	5,313,059
Total net position - beginning of year	<u>36,776,864</u>
Total net position - end of year	<u>\$ 42,089,923</u>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**STATEMENT OF CASH FLOWS –**  
**PROPRIETARY FUNDS**

YEAR ENDED JUNE 30, 2022

	<b>Governmental Activities Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 61,778,392
Payments to suppliers	(5,168,688)
Payments to employees	(707,532)
Other payments	(55,490,692)
Net cash provided by operating activities	<u>411,480</u>
<b>Cash flows from noncapital financing activities</b>	
Transfers from other funds	<u>6,000,000</u>
<b>Cash flows from investing activities:</b>	
Interest and dividends received	<u>131,006</u>
Net increase in cash and cash equivalents	<u>6,542,486</u>
Cash and cash equivalents:	
Beginning of year	<u>44,676,025</u>
End of year	<u>\$ 51,218,511</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	<u>\$ (817,947)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Accounts receivable	(103,317)
Salaries, benefits, and payroll taxes payable	(3,305)
Payroll deductions and withholding	(552)
Accounts payable	84,344
Due to other agencies	(36,743)
Estimated unpaid claims - self-insurance program	<u>1,289,000</u>
Total adjustments	<u>1,229,427</u>
Net cash provided by operating activities	<u>\$ 411,480</u>

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

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities are supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Collier County School District's (District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is allocated to functions based upon the specific programs or activities with which the capital assets are associated.

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 District.

#### B. Reporting Entity

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

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

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

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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**Discretely Presented Component Units.** The component units' columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District.

The following charter schools are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Collier County District School Board. In accordance with a ruling by and requirement of the Florida Department of Education (FDOE), the charter schools are included as component units of the District. According to the FDOE, the charter schools are fiscally dependent on the District for their tax levy and the majority of their budget and financial accountability is established through a financial burden on the District because the charter schools' student enrollment is the basis for funding. In addition, the charter schools are designated as component units because it is considered misleading to exclude and because of the District's oversight responsibility.

- Bridgeprep Academy of Collier Charter School
- Collier Charter Academy
- Gulf Coast Charter Academy South, Inc.
- Marco Island Academy, A Public Charter High School, Inc.
- Marco Island Charter Middle School, Inc.
- Mason Classical Academy, Inc.
- Naples Classical Academy

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2022. The audit reports are filed in the District's administrative offices at 5775 Osceola Trail, Naples, Florida 34109-0919.

**Change in Reporting Entity.** The Naples Classical Academy is a new charter school, for which financial accountability had not been established because the school did not have students enrolled prior to fiscal year 2022, and as such was not reported as a discretely presented component unit in the prior fiscal year. The beginning net position for discretely presented component units is adjusted accordingly. Please see *Note III* for the impact of this change.

### **C. Basis of Presentation: Government-Wide Financial Statements**

Government-wide financial statements (i.e., the statement of net position and the statement of activities) present information about the District as a whole. These statements include the nonfiduciary financial activity of the District and its component units.

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

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

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

The fund financial statements provide information about the District's funds, including the blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Federal Education Stabilization Fund – to account for certain Federal grant program resources related to the Elementary and Secondary School Emergency Relief Fund and Other Cares Act Relief Funds.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and debt service payments on certificates of participation.
- Capital Projects – Other Capital Projects Fund – to account for various financial resources generated by local school impact fees and other local capital resources. Impact fees are the primary source of revenues within this fund and are utilized for new school construction or expanding capacity of current schools.

Additionally, the District reports the following proprietary fund type:

- Internal Service Funds – to account for the District's individual self-insurance programs and employee benefits plan.

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

### E. Measurement Focus and Basis of Accounting

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

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

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

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

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

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

#### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term highly liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME.

Cash deposits are held by banks qualified as public depositories under Florida law or through the Federally Insured Cash Account program, which complies with the provisions of Section 218.415(23), Florida Statutes, and is therefore exempt from Florida's public deposits program pursuant to Section 280.03(3)(f), Florida Statutes. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

#### **2. Investments**

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

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

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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**3. Inventories and Prepaid Items**

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

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

The inventories and prepaid items at fiscal year end are reported as nonspendable fund balance.

**4. Capital Assets**

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

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	20 years
Buildings and Fixed Equipment	40 years
Furniture, Fixtures, and Equipment	5 - 20 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	5 years

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

**5. Pensions**

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

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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**6. Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Certificates of participation (“COP”) premiums and discounts are deferred and amortized over the life of the debt using the interest method. COPs liabilities are reported net of the applicable premium or discount. Certain costs resulting from debt refunds are reported as deferred outflow of resources.

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

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

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of 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 future periods and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. The first is the deferred loss on refunding of debt resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third items, deferred outflows of resources related to pensions and other postemployment benefits (OPEB) are discussed in subsequent notes.

In addition to liabilities, the statement of net position and the balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are reported only in the government-wide statement of net position and are discussed in subsequent notes. In addition, the governmental fund balance sheet reports as unavailable revenue certain revenues related to Federal Emergency Management Agency (FEMA) claims, State grants, and Capital Outlay and Debt Service.

**8. Net Position Flow Assumption**

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

**9. Fund Balance Flow Assumptions**

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*YEAR ENDED JUNE 30, 2022*

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**10. Fund Balance Policies**

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balances at June 30, 2022.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by adoption of policy authorized the Assistant Superintendent of Financial Services 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, the District has adopted Board Policy 6210, which provides that the Board shall strive to maintain a strategic reserve in its operating funds totaling 5 percent of the current year's annual estimated General Fund revenues. The strategic reserve may only be utilized by an affirmative vote of four (4) members of the Board. The Board is currently maintaining a balance of at least 5 percent for this reserve.

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2. State Revenue Sources**

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

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

The District received an allocation from the State under the Educational Facilities Security Grant program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. Accordingly, the District recognizes the allocation of these funds as unearned revenue until such time as an encumbrance authorization is received.

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

### **3. District Property Taxes**

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

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

The Board adopted the 2021 tax levy on September 8, 2021. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1 and are delinquent on April 1 of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Collier County Tax Collector at fiscal year end but not yet remitted to the District.

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

The District has a tax neutral referendum, approved by voters in 2020, which provides flexibility in funding to reduce ad valorem taxes up to 0.35 mills for capital funding and add ad valorem taxes up to 0.35 mills for operating funding. The tax-neutral referendum will be entering year two of the four-year referendum in the 2022-23 fiscal year.

### **4. Educational Impact Fees**

Collier County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1992. This ordinance was most recently amended in November 2015, when the Board of County Commissioners adopted updated educational impact fees. The educational impact fee is collected for most new residential construction by the County and each municipality within the County based on an interlocal agreement. The fees are to be used solely for the purpose of providing capital improvements to the public educational system necessitated by new residential development and are not

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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to be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include, but are not limited to, land or building acquisition; facility design and construction costs; furniture and equipment; and payment of principal, interest, and related costs of indebtedness necessitated by new residential development.

### 5. Federal Revenue Sources

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

### 6. Compensated Absences

In the government-wide financial statements, compensated absences (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. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

## II. ACCOUNTING CHANGE

### Governmental Accounting Standards Board Statement No. 87.

As of July 1, 2021, the District adopted the provisions of GASB 87, Leases, which amended the existing accounting standards for lease reporting. The new guidance requires lessees in a leasing arrangement to recognize a right to use an asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability is equal to the present value of lease payments.

Additionally, the new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) is equal to the present value of lease payments. Following the adoption of the standard, the District determined there were no material leases that would be considered subject to the standard and, therefore, no leases have been recorded. Please see Note III. A. for the impact of this standard on the District's discretely presented component units.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

**III. PRIOR PERIOD ADJUSTMENT**

**A. Discretely Presented Component Units**

The following is a summary of adjustments to beginning net position of the discretely presented component units reported in the statement of revenues, expenses, and changes in net position:

Net Position Beginning of Year, as previously reported	\$ 24,738,770
Beginning Net Position of new component unit	(1,349,497)
Beginning Net Position is decreased due to implementation of GASB 87	(45,140)
Net Position, Beginning of Year, as Restated	<u>\$ 23,344,133</u>

**IV. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Cash Deposits with Financial Institutions**

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

**B. Investments**

The District's investments at June 30, 2022, are reported as follows:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration:		
Florida PRIME (1)	50 Day Average	<u>\$ 263,532</u>

(1) This investment is reported as a cash equivalent for financial statement reporting purposes and is based on amortized cost, which approximates fair value.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits the length of investment as follows: (1) investments of current short-term funds to a maximum of 12 months, and (2) investments of bond reserves, construction moneys, and other core funds shall have a term appropriate to the need for moneys, and in accordance with debt covenants, but in no event shall exceed 3 years.

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

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board (State Board of Administration) can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

*YEAR ENDED JUNE 30, 2022*

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all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.” With regard to liquidity fees, Florida Statutes 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of June 30, 2022, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

**Credit Risk**

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

The District’s investment policy limits investments to Florida PRIME; United States Treasury securities, including but not limited to notes, bills, bonds, strips, and State and local governmental series; obligations of United States Government agencies and instrumentalities, SEC registered money market funds with the highest rating and in compliance with Title 17, Section 270.2a-7, Code of Federal Regulations; securities or other interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940; certificates of deposit in State qualified public depositories; and other investments permitted by State statute and not prohibited by this policy.

As of June 30, 2022, the District’s investment in Florida PRIME is rated AAAM by Standard & Poor’s.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

**C. Changes in Capital Assets**

Changes in capital assets are presented in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 90,761,863	\$ 35,486	\$ -	\$ 90,797,349
Land Improvements	33,922,905	-	-	33,922,905
Construction in Progress	15,689,169	49,842,179	-	65,531,348
Total Capital Assets				
Not Being Depreciated	<u>140,373,937</u>	<u>49,877,665</u>	<u>-</u>	<u>190,251,602</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	49,929,127	845,493	-	50,774,620
Buildings and Fixed Equipment	1,296,086,384	5,187,431	-	1,301,273,815
Furniture, Fixtures, and Equipment	99,513,928	5,114,904	3,363,060	101,265,772
Motor Vehicles	49,566,111	3,427,670	1,558,457	51,435,324
Audio Visual Materials	24,699	2,602	3,087	24,214
Computer Software	7,640,866	3,470	75,550	7,568,786
Total Capital Assets				
Being Depreciated	<u>1,502,761,115</u>	<u>14,581,570</u>	<u>5,000,154</u>	<u>1,512,342,531</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	29,248,489	2,580,946	-	31,829,435
Buildings and Fixed Equipment	621,152,425	32,715,082	-	653,867,507
Furniture, Fixtures, and Equipment	72,968,474	9,135,849	3,321,152	78,783,171
Motor Vehicles	22,482,856	4,530,616	1,558,457	25,455,015
Audio Visual Materials	24,699	347	3,087	21,959
Computer Software	7,505,197	45,238	75,550	7,474,885
Total Accumulated Depreciation	<u>753,382,140</u>	<u>49,008,078</u>	<u>4,958,246</u>	<u>797,431,972</u>
Total Capital Assets				
Being Depreciated, Net	<u>749,378,975</u>	<u>(34,426,508)</u>	<u>41,908</u>	<u>714,910,559</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 889,752,912</u>	<u>\$ 15,451,157</u>	<u>\$ 41,908</u>	<u>\$ 905,162,161</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
Instruction	\$ 17,832,895
Student Personnel Services	16,866
Instructional Media Services	3,450
Instruction and Curriculum Development Services	121,042
Instructional Staff Training Services	44,539
Board	22,715
General Administration	29,584
School Administration	48,021
Facilities Acquisition and Construction	28,593,294
Fiscal Services	21,074
Food Services	555,733
Central Services	151,495
Student Transportation Services	1,323,323
Operation of Plant	98,099
Maintenance of Plant	135,859
Administrative Technology Services	10,089
Total Depreciation Expense - Governmental Activities	<u>\$ 49,008,078</u>

# DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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### D. Retirement Plans

#### 1. Florida Retirement System (FRS) – Defined Benefit Pension Plans

##### General Information about the FRS

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. 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](http://www.dms.myflorida.com)).

The District's FRS and HIS pension expense totaled \$10,374,347 for the fiscal year ended June 30, 2022.

##### FRS Pension Plan

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

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

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

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The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

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

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
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Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-22 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	10.82
FRS, Elected County Officers	3.00	51.42
FRS, Senior Management Service	3.00	29.01
DROP - Applicable to Members from All of the Above Classes	0.00	18.34
FRS, Re-employed Retiree	(2)	(2)

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

(2) Contribution rates are dependent upon retirement class in which re-employed.

The District's contributions to the Plan totaled \$28,350,000 for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the District reported a liability of \$48,886,078 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the District's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was 0.647166561 percent, which was an increase of 0.065472999 from its proportionate share measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized the Plan pension expense of \$2,511,025. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 8,379,152	\$ -
Change of Assumptions	33,450,278	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	170,551,240
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	18,027,967	1,337,406
District FRS Contributions Subsequent to the Measurement Date	28,350,000	-
<b>Total</b>	<b>\$ 88,207,397</b>	<b>\$ 171,888,646</b>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
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The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$28,350,000, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. 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>
2023	\$ (19,465,974)
2024	(22,737,665)
2025	(31,395,605)
2026	(41,223,143)
2027	2,791,138
<b>Total</b>	<b>\$ (112,031,249)</b>

Actuarial Assumptions. The total pension liability in the July 1, 2021, 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
Long-term Expected Rate of Return	6.80 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2021 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%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
<b>Total</b>	<b>100%</b>			
Assumed inflation - Mean			2.4%	1.2%

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

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Discount Rate. The discount rate used to measure the total pension liability was 6.80 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 2021 valuation was unchanged from the previous year.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.80 percent) or 1 percentage point higher (7.80 percent) than the current rate:

	<b>1% Decrease (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase (7.80%)</b>
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 218,621,818	\$ 48,886,078	\$ (92,993,968)

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.

Payables to the Pension Plan. At June 30, 2022, the District reported a payable of \$2,631,373 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2022.

**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, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$5,397,091 for the fiscal year ended June 30, 2022.

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*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2022, the District reported a net pension liability of \$108,292,876 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the District's proportionate share was 0.882834101 percent, which was an increase of 0.004323595 from its proportionate share measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized the HIS Plan pension expense of \$7,863,322. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 3,623,753	\$ 45,358
Change of Assumptions	8,509,397	4,461,942
Net Difference Between Projected and Actual Earning on HIS Pension Plan Investments	112,892	-
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	1,726,108	393,847
District HIS Contributions Subsequent to the Measurement Date	5,397,091	-
<b>Total</b>	<u>\$ 19,369,241</u>	<u>\$ 4,901,147</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$5,397,091, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. 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>
2023	\$ 2,314,783
2024	949,482
2025	1,788,385
2026	2,104,362
2027	1,584,211
Thereafter	329,780
<b>Total</b>	<u>\$ 9,071,003</u>

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

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.16 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The Mortality rates remained unchanged from the previous year.

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

Discount Rate. The discount rate used to measure the total pension liability was 2.16 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 2.21 percent to 2.16 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.16 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(1.16%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(2.16%)</u>	<u>1%</u> <u>Increase</u> <u>(3.16%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 125,197,054	\$ 108,292,876	\$ 94,443,682

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.

Payables to the Pension Plan. At June 30, 2022, the District reported a payable of \$489,552 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2022.

**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. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
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Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2021-2022 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$8,516,251 for the fiscal year ended June 30, 2022.

*Payables to the Investment Plan.* At June 30, 2022, the District reported a payable of \$1,121,337 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2022.

**E. Other Postemployment Benefit Obligations**

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

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

*Benefits Provided.* The OPEB Plan provides self-insured health and hospitalization plan for medical and prescription drug benefits and fully-insured life insurance coverage benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

*Employees Covered by Benefit Terms.* At June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	136
Active Employees	4,974
Total	<u>5,110</u>

*Total OPEB Liability.* The District's total OPEB liability of \$4,668,040 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent, annually
Salary Increases	3.0 percent, annually
Discount Rate	3.3 percent
Healthcare Cost Trend Rates	5.0 percent for 2023 & later years

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Index.

Mortality rates were based on the Pri-2012 Mortality Fully Generational using Projection Scale MP-2021.

Changes in the Total OPEB Liability.

	<u>Amount</u>
<b>Balance at June 30, 2021</b>	<u>\$ 4,984,361</u>
<b>Changes for the year:</b>	
Service Cost	287,324
Interest	82,427
Differences Between Expected and Actual Experience	299,976
Changes of Assumptions or Other Inputs	(746,055)
Benefit Payments	(239,993)
<b>Net Changes</b>	<u>(316,321)</u>
<b>Balance at June 30, 2022</b>	<u>\$ 4,668,040</u>

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Changes of assumptions and other inputs reflect a change in the discount rate from 1.6 percent as of June 30, 2021, to 3.3 percent as of June 30, 2022. The mortality assumption has been updated from Pri-2012 Mortality Fully Generational using Projection Scale MP-2020. All other assumptions are consistent with those used in the prior valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.3 percent) or 1 percentage point higher (4.3 percent) than the current rate:

	<b>1% Decrease (2.3%)</b>	<b>Current Discount Rate (3.3%)</b>	<b>1% Increase (4.3%)</b>
Total OPEB Liability	\$ 5,090,521	\$ 4,668,040	\$ 4,291,084

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.0 percent for all years) or 1 percentage point higher (6.0 percent for all years) than the current healthcare cost trend rates:

	<b>1% Decrease (4% for all years)</b>	<b>Healthcare Cost Trend Rates (5% for all years)</b>	<b>1% Increase (6% for all years)</b>
Total OPEB Liability	\$ 4,209,469	\$ 4,668,040	\$ 5,204,690

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$445,387. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 517,470	\$ 185,621
Changes of Assumptions or Other Inputs	452,507	746,055
<b>Total</b>	<b>\$ 969,977</b>	<b>\$ 931,676</b>

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The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2023	\$ 24,421
2024	24,421
2025	24,421
2026	24,421
2027	26,545
Thereafter	(85,928)
<b>Total</b>	<u><u>\$ 38,301</u></u>

**F. Construction and Other Significant Commitments**

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

The following is a schedule of encumbrances at June 30, 2022:

<u>Funds</u>	<u>Encumbrances</u>
Major Funds:	
General	\$ 7,255,716
Special Revenue:	
Federal Education Stabilization	5,515,943
Capital Projects:	
Local Capital Improvement	48,259,574
Other	56,967,758
Nonmajor Governmental Funds	5,926,345
<b>Total Governmental Funds</b>	<u><u>\$ 123,925,336</u></u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
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YEAR ENDED JUNE 30, 2022

**Construction Contracts.** Encumbrances include the following major construction contract commitments at June 30, 2022:

PROJECT	CONTRACT AMOUNT	COMPLETED TO DATE	BALANCE COMMITTED
<b>LAKE PARK ELEMENTARY</b> NEW PHYSICAL EDUCATION BUILDING	\$ 36,000	\$ 33,000	\$ 3,000
<b>NAPLES PARK ELEMENTARY</b> IMPROVEMENTS TO BUILDING AND SITE	1,549,578	1,507,908	41,670
<b>IMMOKALEE HIGH</b> DESIGN SERVICES, PERMITTING, AND LABOR AND EQUIPMENT FOR NEW ADDITION AND RENOVATIONS	16,348,101	13,705,932	2,642,169
<b>BIG CYPRESS ELEMENTARY</b> INSTALL CONCRETE PAD ADJACENT TO HARDCOURTS AND PAVILION	48,604	35,628	12,976
<b>HIGH SCHOOL GGG</b> DESIGN SERVICES, ENVIRONMENTAL PERMITTING, RELOCATION OF GOPHER TORTOISES, AND CONSTRUCTION FOR NEW HIGH SCHOOL	101,094,353	50,248,880	50,845,473
<b>TOTAL</b>	<u>\$ 119,076,636</u>	<u>\$ 65,531,348</u>	<u>\$ 53,545,288</u>

**G. Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Collier County District School Board is a member of the Preferred Governmental Insurance Trust (Trust) under which local governmental entities have established a combined limited self-insurance program for property and automobile protection by the participating members of the Trust. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Board of Directors for the Trust is composed of elected or appointed officials from the participating members. The Trust is administered by Public Risk Underwriters.

The District has contracted with a third-party administrator (TPA) to manage the health and hospitalization self-insurance program, including the processing, investigating, and payment of claims. The TPA notifies the District of the scheduled claims disbursements, and the District transfers the required funds into the District's Health Care Claims Account. The TPA then draws on this account to pay claims submitted by District employees, their dependents, and participating retirees. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past 3 fiscal years. A liability for unpaid healthcare claims in the amount of \$7,337,000 was actuarially determined at June 30, 2022.

The District provides a medical and dependent care flexible benefits plan that allows employees to utilize pre-tax dollars, thus reducing their taxable income and taxes. The District has contracted with a TPA to manage this plan. The TPA notifies the District of scheduled claims disbursements, and the District transfers the required funds into the District's Flexible Benefits Account. The TPA then draws on this account to pay claims submitted by District employees. The District has limited liability for this plan as it is funded by employee payroll deductions. Settled claims have not exceeded the resources within the fund for the past 3 years.

The District also contracts with a TPA to manage its workers' compensation self-insurance program that includes provisions for specific excess loss reinsurance. The TPA handles the processing, investigating, and payment of claims. The District's program is reviewed annually by an actuary to determine the long-term exposure for workers' compensation claims. The trend over the last few years has been stable and claims exposure and related long-term liabilities have remained relatively constant. The liability for workers'

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

compensation at June 30, 2022, of \$2,013,000 was discounted to net present value using an annual rate of 2.5 percent.

A liability in the amount of \$9,350,000 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable for the health and hospitalization and workers' compensation self-insurance programs at June 30, 2022.

The following schedule represents the changes in claims liability for the past 2 fiscal years for the District's self-insurance program:

	<b>Beginning of Fiscal Year Liability</b>	<b>Current-Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance at Fiscal Year End</b>
2020-21	\$ 6,114,000	\$ 57,741,823	\$ (55,794,823)	\$ 8,061,000
2021-22	8,061,000	56,779,692	(55,490,692)	9,350,000

Other required insurance coverage such as general liability, automobile, and student accident is being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

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

**H. Long-Term Liabilities**

**1. Certificates of Participation**

Certificates of Participation at June 30, 2022, are as follows:

<b>Series</b>	<b>Amount Outstanding</b>	<b>Interest Rates (Percent)</b>	<b>Lease Term Maturity</b>	<b>Original Amount</b>
Series 2014A, COPS Refunding	\$ 137,400,000	3.05	2026	\$ 164,765,000
Plus: Unamortized Premiums	43,744			
<b>Total Certificates of Participation</b>	<b>\$ 137,443,744</b>			

The District entered into a master financing arrangement on August 1, 1992, which was characterized as lease-purchase agreement, with the Collier County School Board Foundation, Inc. (Foundation), whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of certificates of participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, for each project against which the trustee has rights, the District has given a ground lease on District property to the Foundation with a rental fee of \$10 per year. The properties covered by the ground lease are together with the improvement constructed thereon from the financing proceeds, leased back to the District. The master lease purchase agreement, together with the lease schedule related to each project, is renewable for successive 1-year terms through the final maturity of the applicable series of certificates. If the District fails to renew any lease and provide for the rent payments through maturity, the District may be required to surrender the sites includes under the ground leases for the benefit of the owners of the COPS for the remaining term of the ground leases.

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YEAR ENDED JUNE 30, 2022

The District properties included in the various ground leases under this agreement include Immokalee Middle School, Lely Elementary School, Lake Trafford Elementary School, Vineyards Elementary School, Laurel Oak Elementary School, Oakridge Middle School, Barron Collier High School, Pine Ridge Middle School, Highlands Elementary School, Manatee Middle School, Manatee Elementary School, Gulfview Middle School, Immokalee High School, Lorenzo Walker Institute of Technology, Everglades City School, Gulf Coast High School, Pelican Marsh Elementary School, Calusa Park Elementary School, Sabal Palm Elementary School, North Naples Middle School, Palmetto Ridge High School, Golden Gate High School, Pinecrest Elementary School, Golden Gate Middle School, Village Oaks Elementary School, Mike Davis Elementary School, Marco Charter Middle School, Immokalee High School Renovations, Immokalee Technical Center, Naples High School Gymnasium, and Lorenzo Walker Technical High School.

The certificates of participation payments due semiannually, on August 15 and February 15, and must be remitted by the District as of the preceding June and January 15, respectively.

The following is a schedule by years of future principal and interest payments under the certificates of participation as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Certificates of Participation, Direct Placement</u>	
		<u>Principal</u>	<u>Interest</u>
2023	\$ 36,955,700	\$ 32,765,000	\$ 4,190,700
2024	37,001,368	33,810,000	3,191,368
2025	37,020,162	34,860,000	2,160,162
2026	<u>37,061,932</u>	<u>35,965,000</u>	<u>1,096,932</u>
Total	148,039,162	137,400,000	10,639,162
Plus: Unamortized Premiums	<u>43,744</u>	<u>43,744</u>	-
<b>Total</b>	<b><u>\$ 148,082,906</u></b>	<b><u>\$ 137,443,744</u></b>	<b><u>\$ 10,639,162</u></b>

**2. Changes in Long-Term Liabilities**

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

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Certificates of Participation Payable, Net	\$ 24,847,000	\$ -	\$ 24,847,000	\$ -	\$ -
Certificates of Participation-Direct Placement	148,122,350	-	10,678,606	137,443,744	32,773,606
Other Postemployment Benefits Payable	4,984,361	669,727	986,048	4,668,040	254,640
Estimated Insurance Claims Payable	8,061,000	56,779,692	55,490,692	9,350,000	8,663,000
Compensated Absences Payable	42,531,190	20,966,780	23,162,994	40,334,976	23,162,994
Net Pension Liability	359,379,264	90,706,584	292,906,894	157,178,954	545,089
<b>Total Governmental Activities</b>	<b><u>\$ 587,925,165</u></b>	<b><u>\$ 169,122,783</u></b>	<b><u>\$ 408,072,234</u></b>	<b><u>\$ 348,975,714</u></b>	<b><u>\$ 65,399,329</u></b>

For the governmental activities, compensated absences, pensions, and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the internal service funds, as discussed in *Note IV.G*.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

**I. Fund Balance Reporting**

The following is a schedule of fund balances by category at June 30, 2022:

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects - Local Capital Improvement	Capital Projects - Other		
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid Items	\$ 142,377	\$ -	\$ -	\$ -	\$ 142,377
Inventories	922,768	-	-	919,758	1,842,526
<b>Restricted:</b>					
State Required Carryover	2,706,899	-	-	-	2,706,899
Food Service	-	-	-	13,092,724	13,092,724
Debt Service	-	-	-	2,097,842	2,097,842
Capital Projects	-	135,660,822	96,760,973	1,112,245	233,534,040
Workforce Programs	1,671,111	-	-	-	1,671,111
School Improvement	192,312	-	-	-	192,312
Special Revenue	-	-	-	7,155,852	7,155,852
Other Restriction	1,789,172	-	-	-	1,789,172
<b>Assigned:</b>					
General Fund Purchases					
Outstanding at Year End	7,105,005	-	362,003	-	7,467,008
School Carry Forwards	8,991,698	-	-	-	8,991,698
FTE Audit	200,000	-	-	-	200,000
Low Perform Schools	1,200,000	-	-	-	1,200,000
Enterprise SW	5,000,000	-	-	-	5,000,000
FTE Shortfall/Prorated	5,000,000	-	-	-	5,000,000
Capital Projects	-	-	3,241,081	-	3,241,081
<b>Unassigned:</b>					
Reserve for Future					
Budget Shortfalls	27,109,194	-	-	-	27,109,194
Strategic Reserve	29,000,000	-	-	-	29,000,000
<b>Total Fund Balances</b>	<b>\$ 91,030,536</b>	<b>\$ 135,660,822</b>	<b>\$ 100,364,057</b>	<b>\$ 24,378,421</b>	<b>\$ 351,433,836</b>

**Minimum Fund Balance Policy.** Pursuant to Board Policy 6210, the Board has set a goal of 5 percent of annual resources designated as a strategic reserve. The strategic reserve shall only be utilized by an affirmative vote of four (4) members of the Board. As of June 30, 2022, the Board had designated \$29 million of the unassigned fund balance as a strategic reserve.

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

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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

**J. Interfund Receivables and Payables**

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 5,084,097	\$ -
Special Revenue:		
Federal Education Stabilization	-	3,776,918
Capital Projects:		
Local Capital Improvement	814,925	-
Nonmajor Governmental	-	2,122,104
<b>Total</b>	<b>\$ 5,899,022</b>	<b>\$ 5,899,022</b>

The interfund receivables and payables represent temporary loans between funds to cover expenditures incurred prior to reimbursement from outside parties. All balances are expected to be repaid within 1 year.

**K. Revenues**

**1. Schedule of State Revenue Sources**

The following is a schedule of the District's State revenue sources for the 2021-22 fiscal year:

Source	Amount
Categorical Educational Program - Class Size Reduction	\$ 50,636,432
Florida Education Finance Program	24,762,767
Workforce Development Program	10,017,505
Charter School Capital Outlay Funding	2,262,676
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,990,693
Voluntary Prekindergarten Program	990,418
Florida Job Growth Workforce Training Grant	810,173
Intensive Reading Initiative Pilot	659,451
Sales Tax Distribution	446,500
Educational Facilities Security Grant	246,183
Food Service Supplement	238,390
State License Tax	116,471
Workforce Performance Based Initiative	95,000
State Through Local	12,786
Miscellaneous	289,919
<b>Total</b>	<b>\$ 93,575,364</b>

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

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

**2. Property Taxes**

The following is a summary of millages and taxes levied on the 2021 tax roll for the 2021-22 fiscal year:

<u>General Fund</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	2.641	\$ 288,285,149
Basic Discretionary Local Effort	0.748	81,649,864
Additional Operating Millage Voter Referendum	0.350	38,205,150
<b>Capital Projects - Local Capital Improvement Fund</b>		
Nonvoted Tax:		
Local Capital Improvements	1.150	125,531,209
<b>Total</b>	<b>4.889</b>	<b>\$ 533,671,372</b>

**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>
Major:		
General	\$ 36,023,015	\$ -
Special Revenue:		
Federal Education Stabilization	-	6,000,000
Capital Projects:		
Local Capital Improvement	-	69,903,380
Other	-	2,302,977
Nonmajor Governmental	36,183,342	-
Internal Service	6,000,000	-
<b>Total</b>	<b>\$ 78,206,357</b>	<b>\$ 78,206,357</b>

Transfers to the General Fund were to reimburse expenditures for repairs and maintenance projects, property casualty insurance premiums and equipment purchases. Transfers to the Debt Service – Other Fund (nonmajor governmental) were to provide moneys for scheduled debt service payments for principal, interest, and other debt service costs. Transfers to the Internal Service Fund were to provide for employee testing, hospitalization, treatment, and medication for COVID related illnesses.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

**V. INTERNAL SERVICE FUNDS**

The following is a summary of financial information as reported in the Internal Service Funds for the 2021-22 fiscal year:

	<u>Total</u>	<u>Group Health Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Employee Benefit Plan</u>
Total Assets	\$ 52,057,637	\$ 37,500,520	\$ 13,952,085	\$ 605,032
Liabilities and Net Position:				
Accrued Salaries and Benefits	\$ 12,700	\$ 12,700	\$ -	\$ -
Payroll Deductions and Withholdings Payable	5,459	5,459	-	-
Accounts Payable	590,631	566,855	11,360	12,416
Due to Other Agencies	8,924	8,922	-	2
Estimated Liability for Self-Insurance Program	9,350,000	7,337,000	2,013,000	-
Unrestricted Net Position	42,089,923	29,569,584	11,927,725	592,614
Total Liabilities and Net Position	<u>\$ 52,057,637</u>	<u>\$ 37,500,520</u>	<u>\$ 13,952,085</u>	<u>\$ 605,032</u>
Revenues:				
Premium Contributions	\$ 61,881,708	\$ 59,073,194	\$ 1,374,870	\$ 1,433,644
Investment Income	131,006	87,159	42,683	1,164
Total Revenues	62,012,714	59,160,353	1,417,553	1,434,808
Total Expenses	(62,699,655)	(60,052,055)	(1,216,685)	(1,430,915)
Transfers In	6,000,000	6,000,000	-	-
Change in Net Position	<u>\$ 5,313,059</u>	<u>\$ 5,108,298</u>	<u>\$ 200,868</u>	<u>\$ 3,893</u>

**VI. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Litigation.** The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022

**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**

	<b>General Fund</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 510,000	\$ 557,174	\$ 557,174	\$ -
Federal Through State and Local	1,514,000	2,541,978	2,541,978	-
State	90,621,426	87,951,135	87,951,135	-
Local:				
Property Taxes	392,079,213	393,291,477	393,291,477	-
Miscellaneous	9,049,648	12,426,092	12,426,092	-
Total Local Revenues	<u>401,128,861</u>	<u>405,717,569</u>	<u>405,717,569</u>	<u>-</u>
<b>Total Revenues</b>	<u>493,774,287</u>	<u>496,767,856</u>	<u>496,767,856</u>	<u>-</u>
<b>Expenditures</b>				
Current - Education:				
Instruction	359,424,138	343,846,491	327,285,430	16,561,061
Student Support Services	23,689,249	21,447,248	21,292,206	155,042
Instructional Media Services	6,631,455	6,855,173	6,592,580	262,593
Instruction and Curriculum Development Services	10,738,852	9,862,418	9,860,567	1,851
Instructional Staff Training Services	8,017,845	5,989,907	5,949,039	40,868
Instruction-Related Technology	2,134,414	2,044,749	2,044,749	-
Board	1,734,226	1,771,494	1,588,626	182,868
General Administration	2,519,231	2,447,081	2,447,081	-
School Administration	34,819,328	34,926,733	34,837,312	89,421
Facilities Acquisition and Construction	1,873,677	3,201,682	3,183,844	17,838
Fiscal Services	4,342,504	3,950,427	3,902,445	47,982
Central Services	11,648,736	10,484,645	10,346,144	138,501
Student Transportation Services	25,781,309	25,823,936	25,774,872	49,064
Operation of Plant	39,772,945	38,580,742	37,900,008	680,734
Maintenance of Plant	17,887,490	17,884,028	17,609,258	274,770
Administrative Technology Services	5,552,060	5,393,747	5,286,329	107,418
Capital Outlay:				
Facilities Acquisition and Construction	-	32,793	32,793	-
Other Capital Outlay	-	3,538,471	3,538,471	-
<b>Total Expenditures</b>	<u>556,567,459</u>	<u>538,081,765</u>	<u>519,471,754</u>	<u>18,610,011</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(62,793,172)</u>	<u>(41,313,909)</u>	<u>(22,703,898)</u>	<u>18,610,011</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	9,000	18,095	18,095	-
Loss Recoveries	-	37,949	37,949	-
Transfers In	37,031,067	36,040,854	36,023,015	(17,839)
<b>Total Other Financing Sources</b>	<u>37,040,067</u>	<u>36,096,898</u>	<u>36,079,059</u>	<u>(17,839)</u>
<b>Net Change in Fund Balances</b>	<u>(25,753,105)</u>	<u>(5,217,011)</u>	<u>13,375,161</u>	<u>18,592,172</u>
Fund Balances, Beginning	<u>77,655,375</u>	<u>77,655,375</u>	<u>77,655,375</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 51,902,270</u>	<u>\$ 72,438,364</u>	<u>\$ 91,030,536</u>	<u>\$ 18,592,172</u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022

**Budgetary Comparison Schedule**  
**Special Revenue – Federal Education Stabilization Fund**  
**For the Fiscal Year Ended June 30, 2022**

	Special Revenue - Federal Education Stabilization Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
Federal Through State and Local	\$ 40,862,681	\$ 124,510,428	\$ 34,109,214	\$ (90,401,214)
<b>Total Revenues</b>	<u>40,862,681</u>	<u>124,510,428</u>	<u>34,109,214</u>	<u>(90,401,214)</u>
<b>Expenditures</b>				
Current - Education:				
Instruction	36,471,255	76,741,506	15,268,549	61,472,957
Student Support Services	869,254	10,410,377	2,850,137	7,560,240
Instructional Media Services	-	482,299	226,282	256,017
Instruction and Curriculum Development Services	255,058	4,091,553	1,879,792	2,211,761
Instructional Staff Training Services	329,476	7,502,547	1,955,588	5,546,959
Instruction - Related Technology	-	188,330	25,498	162,832
Board	-	12,125	5,637	6,488
General Administration	1,852,795	5,769,406	1,553,651	4,215,755
School Administration	342,519	3,928,220	1,726,167	2,202,053
Facilities Acquisition and Construction	-	1,063,659	32,404	1,031,255
Fiscal Services	-	45,941	39,300	6,641
Food Service	-	484,185	378,266	105,919
Central Services	96,990	445,946	160,957	284,989
Student Transportation Services	40,527	2,540,174	945,155	1,595,019
Operation of Plant	604,807	1,199,804	328,738	871,066
Maintenance of Plant	-	262,885	173,134	89,751
Administrative Technology Services	-	2,922,747	141,235	2,781,512
Capital Outlay:				
Other Capital Outlay	-	418,724	418,724	-
<b>Total Expenditures</b>	<u>40,862,681</u>	<u>118,510,428</u>	<u>28,109,214</u>	<u>90,401,214</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>
<b>Other Financing Sources</b>				
Transfers Out	-	(6,000,000)	(6,000,000)	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(6,000,000)</u>	<u>(6,000,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning	-	-	-	-
<b>Fund Balances, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022

**Schedule of Changes in the District's  
Total Other Postemployment Benefit Plans (OPEB)  
Liability and Related Ratios (1) (2)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 287,324	\$ 280,594	\$ 242,520	\$ 205,854	\$ 193,755
Interest	82,427	85,061	106,581	127,628	128,817
Differences Between Expected and Actual Experience	299,976	(136,738)	145,223	158,099	(117,344)
Changes of Assumptions or Other Inputs	(746,055)	33,275	273,686	317,621	-
Benefit Payments	(239,993)	(304,937)	(264,669)	(262,517)	(247,657)
<b>Net Change in Total OPEB Liability</b>	(316,321)	(42,745)	503,341	546,685	(42,429)
Total OPEB Liability - Beginning	4,984,361	5,027,106	4,523,765	3,977,080	4,019,509
<b>Total OPEB Liability - Ending</b>	<u>\$ 4,668,040</u>	<u>\$ 4,984,361</u>	<u>\$ 5,027,106</u>	<u>\$ 4,523,765</u>	<u>\$ 3,977,080</u>
Covered-Employee Payroll	\$ 289,794,571	\$ 280,061,091	\$ 279,084,875	\$ 248,030,068	\$ 241,183,041
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	1.61%	1.78%	1.80%	1.82%	1.65%

Notes:

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Information is presented for the years when data is available until ten years of information can be provided.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022

**Schedule of the District's Proportionate Share  
of the Net Pension Liability –  
Florida Retirement System Pension Plan (1) (2)**

<b>Fiscal Year Ending June 30</b>	<b>District's Proportion of the FRS Net Pension Liability</b>	<b>District's Proportionate Share of the FRS Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2013	0.608615952%	\$ 104,769,893	\$ 236,841,725	44.24%	88.54%
2014	0.632654076%	38,601,202	260,243,604	14.83%	96.09%
2015	0.629605084%	81,321,941	264,464,333	30.75%	92.00%
2016	0.582544320%	147,092,898	266,701,427	55.15%	84.88%
2017	0.577072224%	170,694,092	272,584,491	62.62%	83.89%
2018	0.584801490%	176,145,240	284,214,915	61.98%	84.26%
2019	0.577910049%	199,024,175	291,226,683	68.34%	82.61%
2020	0.581693562%	252,114,562	305,079,101	82.64%	78.85%
2021	0.647166561%	48,886,078	312,611,664	15.64%	96.40%

**Schedule of District Contributions –  
Florida Retirement System Pension Plan (1) (2)**

<b>Fiscal Year Ending June 30</b>	<b>Contractually Required FRS Contribution</b>	<b>FRS Contributions in Relation to the Contractually Required Contribution</b>	<b>FRS Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>FRS Contributions as a % of Covered Payroll</b>
2014	\$ 13,857,809	\$ (13,857,809)	\$ -	\$ 260,243,604	5.32%
2015	15,350,307	(15,350,307)	-	264,464,333	5.80%
2016	14,206,272	(14,206,272)	-	266,701,427	5.33%
2017	15,022,611	(15,022,611)	-	272,584,491	5.51%
2018	16,670,000	(16,670,000)	-	284,214,915	5.87%
2019	17,919,382	(17,919,382)	-	291,226,683	6.15%
2020	17,249,000	(17,249,000)	-	305,079,101	5.65%
2021	24,620,000	(24,620,000)	-	312,611,664	7.88%
2022	28,350,000	(28,350,000)	-	325,152,948	8.72%

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

(2) Information is presented for the years when data is available until ten years of information can be provided.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022

**Schedule of the District's Proportionate Share  
of the Net Pension Liability –  
Health Insurance Subsidy Pension Plan (1) (2)**

<b>Fiscal Year Ending June 30</b>	<b>District's Proportion of the HIS Net Pension Liability</b>	<b>District's Proportionate Share of the HIS Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the HIS Net Pension Liability as a Percentage of District's Covered Payroll</b>	<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2013	0.863233755%	\$ 75,155,848	\$ 236,841,725	31.73%	1.78%
2014	0.874825796%	81,798,347	260,243,604	31.43%	0.99%
2015	0.871462424%	88,875,459	264,464,333	33.61%	0.50%
2016	0.863915180%	100,685,735	266,701,427	37.75%	0.97%
2017	0.855030475%	91,423,803	272,584,491	33.54%	1.64%
2018	0.869865375%	92,067,528	284,214,915	32.39%	2.15%
2019	0.870693308%	97,421,868	291,226,683	33.45%	2.63%
2020	0.878510506%	107,264,702	305,079,101	35.16%	3.00%
2021	0.882834101%	108,292,876	312,611,664	34.64%	3.56%

**Schedule of District Contributions –  
Health Insurance Subsidy Pension Plan (1) (2)**

<b>Fiscal Year Ending June 30</b>	<b>Contractually Required HIS Contribution</b>	<b>HIS Contributions in Relation to the Contractually Required Contribution</b>	<b>HIS Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>HIS Contribution as a % of Covered Payroll</b>
2014	\$ 2,996,859	\$ (2,996,859)	\$ -	\$ 260,243,604	1.15%
2015	3,331,272	(3,331,272)	-	264,464,333	1.26%
2016	4,428,116	(4,428,116)	-	266,701,427	1.66%
2017	4,525,068	(4,525,068)	-	272,584,491	1.66%
2018	4,714,936	(4,714,936)	-	284,214,915	1.66%
2019	4,834,875	(4,834,875)	-	291,226,683	1.66%
2020	5,063,803	(5,063,803)	-	305,079,101	1.66%
2021	5,188,835	(5,188,835)	-	312,611,664	1.66%
2022	5,397,091	(5,397,091)	-	325,152,948	1.66%

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

(2) Information is presented for the years when data is available until ten years of information can be provided.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

*YEAR ENDED JUNE 30, 2022*

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**1. Budgetary Basis of Accounting**

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

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

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

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

*Changes of Assumptions.* In 2022, the discount rate was changed from 1.60 percent as of June 30, 2021, to 3.30 percent as of June 30, 2022.

The mortality assumption has been updated from Pri-2012 Mortality Fully Generational using Projection Scale MP-2020 to Pri-2012 Mortality Fully Generational using Projection Scale MP-2021.

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

*Changes of Assumptions.* In 2021, the municipal bond rate used to determine total pension liability was decreased from 2.21 percent to 2.16 percent.

## **OTHER SUPPLEMENTARY INFORMATION**

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**

**COMBINING BALANCE SHEET –  
NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,155,788	\$ 2,097,842	\$ -	\$ 20,253,630
Accounts receivable, net	144	-	-	144
Due from other agencies	5,979,545	-	1,960,396	7,939,941
Inventory	919,758	-	-	919,758
<b>Total Assets</b>	<b>\$ 25,055,235</b>	<b>\$ 2,097,842</b>	<b>\$ 1,960,396</b>	<b>\$ 29,113,473</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Salaries, benefits and payroll taxes payable	\$ 653,498	\$ -	\$ -	\$ 653,498
Payroll deductions and withholdings	174,485	-	-	174,485
Accounts payable	156,337	-	-	156,337
Construction contracts payable - retained percentage	6,628	-	31,638	38,266
Due to other agencies	363,132	-	-	363,132
Due to other funds	1,307,179	-	814,925	2,122,104
Unearned revenue	143,774	-	-	143,774
Unavailable revenue	1,081,868	-	-	1,081,868
<b>Total Liabilities</b>	<b>3,886,901</b>	<b>-</b>	<b>846,563</b>	<b>4,733,464</b>
Deferred Inflow of Resources:				
Deferred revenues	-	-	1,588	1,588
Fund Balances:				
Nonspendable:				
Inventory	919,758	-	-	919,758
Restricted for:				
Other purposes	7,155,852	-	-	7,155,852
Capital projects	-	-	1,112,245	1,112,245
Food service	13,092,724	-	-	13,092,724
Debt service	-	2,097,842	-	2,097,842
<b>Total Fund Balances</b>	<b>21,168,334</b>	<b>2,097,842</b>	<b>1,112,245</b>	<b>24,378,421</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 25,055,235</b>	<b>\$ 2,097,842</b>	<b>\$ 1,960,396</b>	<b>\$ 29,113,473</b>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES –**  
**NONMAJOR GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Federal direct	\$ 7,420,850	\$ -	\$ -	\$ 7,420,850
Federal through state and local	59,130,472	-	-	59,130,472
State sources	1,141,731	-	1,961,044	3,102,775
Local sources	11,095,407	82,570	576	11,178,553
Total Revenues	<u>78,788,460</u>	<u>82,570</u>	<u>1,961,620</u>	<u>80,832,650</u>
Expenditures:				
Current:				
Instruction	29,700,353	-	-	29,700,353
Student support services	3,156,708	-	-	3,156,708
Instructional media services	173,301	-	-	173,301
Instruction and curriculum development services	7,029,467	-	-	7,029,467
Instructional staff training services	4,097,402	-	-	4,097,402
Instruction related technology	123,440	-	-	123,440
General administration	1,579,634	-	-	1,579,634
School administration	1,498,369	-	-	1,498,369
Facilities acquisition and construction	67,775	-	1,288,067	1,355,842
Food services	26,230,018	-	-	26,230,018
Central services	165,434	-	-	165,434
Student transportation services	106,764	-	-	106,764
Operation of plant	46,880	-	-	46,880
Maintenance of plant	9,818	-	-	9,818
Capital outlay:				
Other capital outlay	442,309	-	-	442,309
Debt service:				
Principal	-	35,517,000	-	35,517,000
Interest	-	5,518,697	-	5,518,697
Dues and fees	-	9,058	2,235	11,293
Total Expenditures	<u>74,427,672</u>	<u>41,044,755</u>	<u>1,290,302</u>	<u>116,762,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,360,788</u>	<u>(40,962,185)</u>	<u>671,318</u>	<u>(35,930,079)</u>
Other Financing Sources:				
Proceeds from the sale of capital assets	8,174	-	-	8,174
Transfers in	-	36,183,342	-	36,183,342
Total Other Financing Sources	<u>8,174</u>	<u>36,183,342</u>	<u>-</u>	<u>36,191,516</u>
Net change in fund balances	4,368,962	(4,778,843)	671,318	261,437
Fund balance - beginning	16,799,372	6,876,685	440,927	24,116,984
Fund balance - ending	<u>\$ 21,168,334</u>	<u>\$ 2,097,842</u>	<u>\$ 1,112,245</u>	<u>\$ 24,378,421</u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**

**COMBINING BALANCE SHEET –  
NONMAJOR SPECIAL REVENUE FUNDS**

JUNE 30, 2022

	<u>Food Service</u>	<u>Other Federal Programs</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,999,936	\$ -	\$ 7,155,852	\$ 18,155,788
Accounts receivable, net	144	-	-	144
Due from other agencies	3,472,330	2,507,215	-	5,979,545
Inventory	919,758	-	-	919,758
<b>Total Assets</b>	<u>\$ 15,392,168</u>	<u>\$ 2,507,215</u>	<u>\$ 7,155,852</u>	<u>\$ 25,055,235</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Salaries, benefits and payroll taxes payable	\$ 88,199	\$ 565,299	\$ -	\$ 653,498
Payroll deductions and withholdings	37,035	137,450	-	174,485
Accounts payable	81,804	74,533	-	156,337
Construction contracts payable - retained percentage	-	6,628	-	6,628
Due to other agencies	90,780	272,352	-	363,132
Due to other funds	-	1,307,179	-	1,307,179
Unearned revenue	-	143,774	-	143,774
Unavailable revenue	1,081,868	-	-	1,081,868
<b>Total Liabilities</b>	<u>1,379,686</u>	<u>2,507,215</u>	<u>-</u>	<u>3,886,901</u>
Fund Balances:				
Nonspendable:				
Inventory	919,758	-	-	919,758
Restricted for:				
Other purposes	-	-	7,155,852	7,155,852
Food service	13,092,724	-	-	13,092,724
<b>Total Fund Balances</b>	<u>14,012,482</u>	<u>-</u>	<u>7,155,852</u>	<u>21,168,334</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,392,168</u>	<u>\$ 2,507,215</u>	<u>\$ 7,155,852</u>	<u>\$ 25,055,235</u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES –**  
**NONMAJOR SPECIAL REVENUE FUNDS**

YEAR ENDED JUNE 30, 2022

	<u>Food Service</u>	<u>Other Federal Programs</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:				
Federal direct	\$ -	\$ 7,420,850	\$ -	\$ 7,420,850
Federal through state and local	27,661,854	31,468,618	-	59,130,472
State sources	238,390	903,341	-	1,141,731
Local sources	1,992,254	981,226	8,121,927	11,095,407
Total Revenues	<u>29,892,498</u>	<u>40,774,035</u>	<u>8,121,927</u>	<u>78,788,460</u>
Expenditures:				
Current:				
Instruction	-	23,783,464	5,916,889	29,700,353
Student support services	-	3,156,680	28	3,156,708
Instructional media services	-	13,223	160,078	173,301
Instruction and curriculum development services	-	7,029,467	-	7,029,467
Instructional staff training services	-	4,097,402	-	4,097,402
Instruction related technology	-	123,440	-	123,440
General administration	-	1,579,634	-	1,579,634
School administration	-	302,437	1,195,932	1,498,369
Facilities acquisition and construction	-	67,775	-	67,775
Food services	26,230,018	-	-	26,230,018
Central services	-	165,434	-	165,434
Student transportation services	-	104,451	2,313	106,764
Operation of plant	-	46,880	-	46,880
Maintenance of plant	-	9,818	-	9,818
Capital outlay:				
Other capital outlay	79,958	293,930	68,421	442,309
Total Expenditures	<u>26,309,976</u>	<u>40,774,035</u>	<u>7,343,661</u>	<u>74,427,672</u>
Excess of revenues over expenditures	<u>3,582,522</u>	<u>-</u>	<u>778,266</u>	<u>4,360,788</u>
Other Financing Sources:				
Proceeds from the sale of capital assets	8,174	-	-	8,174
Net change in fund balances	3,590,696	-	778,266	4,368,962
Fund balance - beginning	10,421,786	-	6,377,586	16,799,372
Fund balance - ending	<u>\$ 14,012,482</u>	<u>\$ -</u>	<u>\$ 7,155,852</u>	<u>\$ 21,168,334</u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET –**  
**NONMAJOR DEBT SERVICE FUND**

*JUNE 30, 2022*

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	<u>Other Debt Service</u>	<u>Total Nonmajor Debt Service Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,097,842	\$ 2,097,842
<b>Total Assets</b>	<u>\$ 2,097,842</u>	<u>\$ 2,097,842</u>
<b>FUND BALANCES</b>		
Restricted for:		
Debt service	\$ 2,097,842	\$ 2,097,842
<b>Total Fund Balances</b>	<u>\$ 2,097,842</u>	<u>\$ 2,097,842</u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES –**  
**NONMAJOR DEBT SERVICE FUND**

*YEAR ENDED JUNE 30, 2022*

	<b>Other Debt Service</b>	<b>Total Nonmajor Debt Service Funds</b>
Revenues:		
Local sources	\$ 82,570	\$ 82,570
Total Revenues	<u>82,570</u>	<u>82,570</u>
Expenditures:		
Debt service:		
Principal	35,517,000	35,517,000
Interest	5,518,697	5,518,697
Dues and fees	9,058	9,058
Total Expenditures	<u>41,044,755</u>	<u>41,044,755</u>
Deficiency of revenues under expenditures	<u>(40,962,185)</u>	<u>(40,962,185)</u>
Other Financing Sources		
Transfers in	36,183,342	36,183,342
Total other financing sources	<u>36,183,342</u>	<u>36,183,342</u>
Net change in fund balances	(4,778,843)	(4,778,843)
Fund balance - beginning	6,876,685	6,876,685
Fund balance - ending	<u>\$ 2,097,842</u>	<u>\$ 2,097,842</u>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET –**  
**NONMAJOR CAPITAL PROJECTS FUND**

*JUNE 30, 2022*

	<b>Capital Outlay and Debt Service (CO &amp; DS)</b>	<b>Total Nonmajor Capital Projects Fund</b>
<b>ASSETS</b>		
Due from other agencies	\$ 1,960,396	\$ 1,960,396
<b>Total Assets</b>	<b>\$ 1,960,396</b>	<b>\$ 1,960,396</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Construction contracts payable - retained percentage	\$ 31,638	\$ 31,638
Due to budgetary funds	814,925	814,925
<b>Total Liabilities</b>	<b>846,563</b>	<b>846,563</b>
Deferred inflows of resources:		
Deferred revenues	1,588	1,588
<b>Total Deferred Inflows of Resources</b>	<b>1,588</b>	<b>1,588</b>
Fund Balances:		
Restricted for:		
Capital projects	1,112,245	1,112,245
<b>Total Fund Balances</b>	<b>1,112,245</b>	<b>1,112,245</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,960,396</b>	<b>\$ 1,960,396</b>

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES –**  
**NONMAJOR CAPITAL PROJECTS FUND**

*YEAR ENDED JUNE 30, 2022*

	<b>Capital Outlay and Debt Service (CO &amp; DS)</b>	<b>Total Nonmajor Capital Projects Fund</b>
Revenues:		
State sources	\$ 1,961,044	\$ 1,961,044
Local sources	576	576
Total Revenues	<u>1,961,620</u>	<u>1,961,620</u>
Expenditures:		
Current:		
Facilities acquisition and construction	1,288,067	1,288,067
Dues and fees	<u>2,235</u>	<u>2,235</u>
Total Expenditures	<u>1,290,302</u>	<u>1,290,302</u>
Net change in fund balances	671,318	671,318
Fund balance - beginning	<u>440,927</u>	<u>440,927</u>
Fund balance - ending	<u><u>\$ 1,112,245</u></u>	<u><u>\$ 1,112,245</u></u>

## **COMPLIANCE AND SINGLE AUDIT**

**Report of Independent Auditor 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 Honorable Members of the School Board  
District School Board of Collier County, Florida  
Naples, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Collier County, Florida (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 3, 2023. Our report includes reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, 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 the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Cherry Bekaert LLP*

Orlando, Florida  
January 3, 2023

## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

The Honorable Members of the School Board  
District School Board of Collier County, Florida  
Naples, Florida

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the District School Board of Collier County, Florida's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of District's compliance with the compliance requirements referred to above.

#### ***Responsibility of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to District's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Cherry Bekaert LLP*

Orlando, Florida  
January 3, 2023

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>Clustered</b>				
<b>Child Nutrition Cluster</b>				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	22002	\$ -	\$ 3,438,139
National School Lunch Program	10.555	22001, 22003	-	17,506,627
COVID-19 National School Lunch Program	COVID-19, 10.555	22001, 22003	-	5,814
Total National School Lunch Program			-	17,512,441
Summer Food Service Program for Children	10.559	21006, 21007, 22006, 22007	-	4,665,247
Fresh Fruit and Vegetable Program	10.582	22004	-	382,294
<b>Total Child Nutrition Cluster</b>			-	25,998,121
<b>Student Financial Assistance Cluster</b>				
United States Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	-	9,475
Federal Pell Grant Program	84.063	N/A	-	1,147,676
<b>Total Student Financial Assistance Cluster</b>			-	1,157,151
<b>Special Education Cluster</b>				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	-	9,850,832
ARP Special Education - Grants to States	COVID-19, 84.027X	263	-	89,996
Total Special Education - Grants to States			-	9,940,828
Special Education - Preschool Grants	84.173	267	-	352,774
<b>Total Special Education Cluster</b>			-	10,293,602
<b>Child Care and Development Fund Cluster</b>				
United States Department of Health and Human Services:				
Early Learning Coalition of Southwest Florida				
Child Care and Development Block Grant	COVID-19, 93.575	None	-	625,585
<b>Head Start Cluster</b>				
United States Department of Health and Human Services:				
Head Start	93.600	N/A	-	3,363,873
COVID-19 Head Start	COVID-19, 93.600	N/A	-	206,189
<b>Total Head Start Cluster</b>			-	3,570,062
<b>Not Clustered</b>				
<b>United States Department of Agriculture</b>				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	4750	-	1,388,057
Florida Department of Agriculture and Consumer Services:				
State Administrative Expenses for Child Nutrition	10.560	None	-	5,917
<b>Total United States Department of Agriculture</b>			-	1,393,974

(Continued)

See notes to the Schedule of Expenditures of Federal Awards.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>Not Clustered (continued)</b>				
<b>United States Department of Defense</b>				
Army Junior Reserve Officers Training Corps	12.U01	N/A	\$ -	\$ 557,174
<b>United States Department of Labor</b>				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	-	374,274
Florida Association for Career and Technical Education:				
Apprenticeship USA Grants	17.285	N/A	-	31,200
<b>Total United States Department of Labor</b>			-	405,474
<b>United States Department of Education</b>				
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act				
Higher Education Emergency Relief Fund Student Aid Portion	COVID-19, 84.425E	N/A	-	1,200,756
Higher Education Emergency Relief Fund Institutional Aid Portion	COVID-19, 84.425F	N/A	-	1,292,568
Higher Education Emergency Relief Fund - FIPSE	COVID-19, 84.425N	N/A	-	200,313
Florida Department of Education:				
Governor's Emergency Education Relief	COVID-19, 84.425C	123	-	383,614
Elementary and Secondary School Emergency Relief	COVID-19, 84.425D	124	-	14,468,949
ARP Elementary and Secondary School Emergency Relief	COVID-19, 84.425U	121	-	19,158,663
ARP Homeless Child/Youth Proj	COVID-19, 84.425W	122	-	7,993
Total Education Stabilization Fund			-	36,712,856
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	1,046,825
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	-	10,963,103
Migrant Education - State Grant Program	84.011	217	-	3,846,997
Career and Technical Education - Basic Grants to States	84.048	161	-	888,254
Education for Homeless Children and Youth	84.196	127	-	115,618
English Language Acquisition State Grants	84.365	102	-	1,209,950
Supporting Effective Instruction State Grant	84.367	224	-	1,417,863
Title I School Improvement Grants	84.377	126	-	323,777
Student Support and Academic Enrichment Program	84.424	241	-	818,471
<b>Total United States Department of Education</b>			-	57,343,714
<b>United States Department of Health and Human Services:</b>				
Florida Department of Health:				
Epidemiology and Laboratory Capacity for Infectious Diseases	COVID-19, 93.323	N/A	-	228,680
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 101,573,537

See notes to the Schedule of Expenditures of Federal Awards.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*YEAR ENDED JUNE 30, 2022*

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**Note 1—Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal award activity of the Collier County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**Note 2—Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

**Note 3—Indirect Cost Rate**

The District has not elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

**Note 4—Noncash Assistance**

*National School Lunch Program* - The amount reported includes \$1,458,562 of donated food used during the fiscal year ended June 30, 2022. Commodities are valued at fair market value as determined at the time of donation.

**Note 5—Contingency**

The grant revenue amounts received are subject to audit and adjustment. If expenditures were disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the District. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable Federal and State laws and regulations.

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2022

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**Part I - Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes     x     no

Significant deficiency(ies) identified that are not considered to be a material weakness(es)?            yes     x     none reported

Noncompliance material to financial statements noted?            yes     x     no

**Federal Awards Section**

Internal control over major programs:

Material weakness(es) identified?            yes     x     no

Significant deficiency(ies) identified that are not considered to be a material weakness(es)?            yes     x     none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)            yes     x     no

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED JUNE 30, 2022

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**Part I - Summary of Auditor's Results (continued)**

**Federal Awards Section (continued)**

Identification of major programs:

<u>Name of Program or Cluster</u>	<u>Assistance Listing Number</u>
Education Stabilization Fund	84.425

Dollar threshold used to determine Type A and Type B programs:

Federal \$ 3,000,000

Auditee qualified as low-risk auditee for federal purposes?   x   yes        no

**Part II - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**Part III - Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

**DISTRICT SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

*YEAR ENDED JUNE 30, 2022*

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**Prior Year Audit Findings - Federal Awards**

There were no prior financial statement or Federal award findings requiring follow-up.

## **OTHER REPORTS**

## Independent Auditor's Management Letter

Honorable Chairman and Members of the School Board  
District School Board of Collier County, Florida  
Naples, Florida

### Report of the Financial Statements

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Collier County, Florida (the "District") as of and for the year ended June 30, 2022, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 3, 2023. We did not audit the financial statements of the discretely presented component units nor the school internal funds; those financial statements were audited by other auditors.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Report of Independent Auditor 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*, Report of Independent Auditor on Compliance for Each Major Federal Awards Program and on Internal Control Over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and Report of Independent Accountant on Compliance with Local Government Investment Policies. Disclosures in the schedule and those reports, which are dated January 3, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings in the preceding annual financial audit report.

### Financial Condition and Management

*Section 10.804(1)(f)2., Rules of the Auditor General*, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, the results of our tests did not indicate the District met any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to *Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

*Section 10.804(1)(f)3., Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Transparency**

*Section 10.804(1)(f)6., Rules of the Auditor General*, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

### **Additional Matters**

*Section 10.804(1)(f)4., Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we had no such findings.

### **Purpose of this Letter**

The purpose of this management letter is to communicate certain matters prescribed by *Chapter 10.800, Rules of the Auditor General*. Accordingly, this management letter is not suitable for any other purpose.

*Cherry Bekaert LLP*

Orlando, Florida  
January 3, 2023

## **Report of Independent Accountant on Compliance with Local Government Investment Policies**

Honorable Chairman and Members of the School Board  
District School Board of Collier County, Florida  
Naples, Florida

We have examined the District School Board of Collier County, Florida's (the "District's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended June 30, 2022. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the District complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended June 30, 2022.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

*Cherry Bekaert LLP*

Orlando, Florida  
January 3, 2023