

**STATE OF FLORIDA AUDITOR GENERAL**

**Financial and Federal Single Audit**

Report No. 2026-160  
March 2026

**GLADES COUNTY  
DISTRICT SCHOOL BOARD**

For the Fiscal Year Ended  
June 30, 2025



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2024-25 fiscal year, Dr. Alice E. Barfield served as Superintendent of the Glades County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Crystal Drake, Chair	1
Larry Luckey II from 11-19-24	2
Jenny Allen through 11-18-24	2
Jean Prowant, Vice Chair	3
Kimberly Clement	4
Patricia Pearce	5

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

The team leader was Daria L. Ermakova, CPA, and the audit was supervised by Clare Waters, CPA.

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

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## SUMMARY

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### SUMMARY OF REPORT ON FINANCIAL STATEMENTS

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

### SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we noted certain significant deficiencies as summarized below.

#### Significant Deficiencies

**Finding No. 2025-001:** District controls over financial recordkeeping and reporting continue to be deficient, reducing the Board's ability to effectively monitor District financial activities. Without effective monitoring controls, available financial resources significantly declined in the General and Special Revenue – Food Service Funds with combined deficit unassigned fund balances of approximately \$2.6 million at June 30, 2025.

**Finding No. 2025-002:** District controls over the accounting entry process continue to need improvement.

**Finding No. 2025-003:** The District maintained five bank accounts during the 2024-25 fiscal year; however, as similarly noted in our report No. 2025-183, District personnel did not perform any bank account reconciliations. Without reconciliations, there is an increased risk that any cash transaction errors or fraud that may occur will not be timely detected.

**Finding No. 2025-004:** Five District employees had access privileges to information technology applications or components that allowed them to perform incompatible District duties, increasing the risk of fraud or errors to occur without timely detection and resolution.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States; however, we noted a certain additional matter as summarized below.

#### Additional Matter

**Finding AM 2025-001:** District procedures did not always limit expenditures to budgeted amounts, contrary to State law and State Board of Education rules.

### SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal award requirements. The Child Nutrition Cluster was audited as the major Federal program. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on the major Federal program.

## AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. Our audit objectives were also to obtain reasonable assurance about whether material noncompliance with applicable Federal awards requirements occurred, whether due to fraud or error, and to express an opinion on the District's compliance based on our audit. In doing so, we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements and material noncompliance with Federal awards requirements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and accompanying Schedule of Expenditures of Federal Awards.
- Concluded 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.
- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.
- Determined whether corrective actions were taken for findings included in our report No. 2025-183.
- Assessed the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the District.

## AUDIT METHODOLOGY

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



Sherrill F. Norman, CPA  
Auditor General

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Glades County District School Board, as of and for the fiscal year ended June 30, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Glades County District School Board, as of June 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the school internal funds, which represent 17 percent, 0 percent, 0 percent, 26 percent, 17 percent, and 23 percent, respectively, of the assets, liabilities, deferred inflows of resources, net position and fund balance, additions and revenues, and deductions and expenditures of the aggregate remaining fund information as of June 30, 2025. In addition, we did not audit the financial statements of the discretely presented component unit, which represent 100 percent of the transactions and account balances of the discretely presented component unit column as of June 30, 2025. The financial statements of the school internal funds and the discretely presented component unit 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 financial statements of the school internal funds and the discretely presented component unit, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 that 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General and Major Special Revenue Funds**, **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information** be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

opinion, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
March 27, 2026

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management of the Glades 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, 2025. 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 2024-25 fiscal year are as follows:

- As of June 30, 2025, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$74,957,593 (net position).
- In total, net position increased \$27,662,497, which represents a 58 percent increase over the 2023-24 fiscal year.
- General revenues total \$23,349,047, or 43 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$30,954,863, or 57 percent of all revenues.
- Expenses total \$26,641,413. Program specific revenues exceeded expenses by \$4,313,449.
- At the end of the current fiscal year, the fund balance of the General Fund totals a deficit \$1,458,265, which is \$1,821,106 less than the prior fiscal year balance. The General Fund unassigned fund balance totals a deficit \$1,997,533, or a negative 10 percent of total General Fund revenues.

## **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.

All of the District's activities and services are reported in the government-wide financial statements as governmental activities. The District's governmental activities include instruction, student support

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

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

- Governmental activities – This represents most of the District's services, including its educational programs 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 unit – The District presents one separate legal entity in this report, which is the Pematv Emahkv, Inc. (Corporation). The Corporation is a not-for-profit corporation organized and operated as a direct-support organization under Section 1002.33, Florida Statutes. The Corporation operated the Pematv Emahkv Charter "Our Way School" under a charter approved by their sponsor, the Glades County School Board. Based on generally accepted accounting principles, as discussed in the notes to the financial statements, this entity has been included as an integral part of the primary government.

### **Fund Financial Statements**

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Food Service Fund, and Capital Projects – Public

Education Capital Outlay Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

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

**Fiduciary Funds:** Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses private-purpose trust funds to account for scholarship funds established by private donors.

The District uses custodial funds to account for resources held for student activities and groups.

### **Notes to Financial Statements**

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

### **Other Information**

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

<b>GOVERNMENT-WIDE FINANCIAL ANALYSIS</b>
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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, 2025, compared to net position as of June 30, 2024:

## Net Position, End of Year

	Governmental Activities	
	6-30-25	6-30-24
Current and Other Assets	\$ 23,951,417	\$ 18,324,410
Capital Assets	66,667,163	42,362,541
<b>Total Assets</b>	<b>90,618,580</b>	<b>60,686,951</b>
<b>Deferred Outflows of Resources</b>	<b>3,832,393</b>	<b>4,189,290</b>
Long-Term Liabilities	11,660,391	14,431,494
Other Liabilities	4,976,178	2,203,693
<b>Total Liabilities</b>	<b>16,636,569</b>	<b>16,635,187</b>
<b>Deferred Inflows of Resources</b>	<b>2,856,811</b>	<b>945,958</b>
Net Position:		
Net Investment in Capital Assets	63,725,708	42,362,541
Restricted	24,558,391	16,734,719
Unrestricted (Deficit)	(13,326,506)	(11,802,164)
<b>Total Net Position</b>	<b>\$ 74,957,593</b>	<b>\$ 47,295,096</b>

The largest portion of the District's net position is investment in capital assets (e.g., land; buildings; furniture, fixtures, and equipment). 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 was the result, in part, of accruing \$424,696 in compensated absences payable, \$388,671 in total OPEB liability, and \$10,847,024 in net pension liability.

Current and other assets increased significantly over the prior fiscal year primarily due to recognizing the 2024-25 fiscal year State allocation of Public Education Capital Outlay (PECO) Special Facilities funding to be used for the construction of the new Moore Haven Elementary School. These construction costs contributed to the increase in capital assets and other liabilities.

Long-term liabilities decreased and deferred inflows of resources increased primarily due to the District recognizing its proportionate share of the Florida Retirement System's decrease in net pension liability and increase in the related deferred inflows of resources.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2025, and June 30, 2024, are as follows:

## Operating Results for the Fiscal Year Ended

	Governmental Activities	
	6-30-25	6-30-24
Program Revenues:		
Charges for Services	\$ 54,609	\$ 118,118
Operating Grants and Contributions	1,245,941	961,752
Capital Grants and Contributions	29,654,313	18,062,669
General Revenues:		
Property Taxes, Levied for Operational Purposes	4,579,024	4,351,644
Property Taxes, Levied for Capital Projects	1,848,584	1,681,408
Grants and Contributions Not Restricted to Specific Programs	16,556,760	17,202,580
Unrestricted Investment Earnings	19,903	12,993
Miscellaneous	344,776	775,668
<b>Total Revenues</b>	<b>54,303,910</b>	<b>43,166,832</b>
Functions/Program Expenses:		
Instruction	14,653,333	17,612,540
Student Support Services	1,155,523	1,289,899
Instructional Media Services	80,316	179,606
Instruction and Curriculum Development Services	596,455	651,342
Instructional Staff Training Services	131,302	390,206
Instruction-Related Technology	239,522	283,007
Board	758,653	854,317
General Administration	476,650	410,524
School Administration	1,283,803	1,521,804
Facilities Acquisition and Construction	480,435	-
Fiscal Services	377,238	394,148
Food Services	1,558,753	1,751,023
Central Services	266,884	297,306
Student Transportation Services	670,610	861,025
Operation of Plant	2,045,900	2,034,179
Maintenance of Plant	455,787	581,843
Administrative Technology Services	148,400	618,602
Unallocated Interest on Long-Term Debt	-	76
Unallocated Depreciation Expense	1,261,849	1,261,849
<b>Total Functions/Program Expenses</b>	<b>26,641,413</b>	<b>30,993,296</b>
<b>Change in Net Position</b>	<b>27,662,497</b>	<b>12,173,536</b>
Net Position - Beginning	47,295,096	35,121,560
<b>Net Position - Ending</b>	<b>\$ 74,957,593</b>	<b>\$ 47,295,096</b>

The largest revenue source is the State of Florida (81 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and the PECO Special Facilities Construction Account. 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.

Capital grants and contributions revenue increased by \$11,591,644, or 64 percent primarily due to the PECO Special Facilities funding which is for the construction of the new Moore Haven Elementary School.

Instruction expenses represent 55 percent of total governmental expenses in the 2024-25 fiscal year. Instruction expenses decreased by \$2,959,484, or 16.8 percent, primarily due to decreases in Federal Education Stabilization funding and pension expense.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Governmental Funds**

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

The total fund balances of governmental funds increased by \$4,666,150 during the fiscal year to \$4,523,256 at June 30, 2025. Of the total fund balance, \$7,164,953 is restricted for specific purposes and \$1,443 is nonspendable. The remaining deficit fund balance totaling (\$2,643,140) is reported as unassigned.

**Major Governmental Funds**

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is a deficit \$1,997,533, while the total fund balance is a deficit \$1,458,265. The total fund balance decreased by \$1,821,106, in part, due to the absorption of costs previously covered by the Federal Education Stabilization Funds.

The Special Revenue – Food Service Fund accounts for the District's Food and Nutrition Programs. At the end of the current fiscal year, the total fund balance is a deficit \$644,164. The total fund balance decreased by \$131,420.

The Capital Projects – Public Education Capital Outlay Fund has a total fund balance of \$6,308,070, which is restricted for the construction of the new Moore Haven Elementary School. Encumbrances exceed the total fund balance by \$14,751,767 and are expected to be honored using resources received in subsequent fiscal years from the Public Education Capital Outlay and Debt Service Trust Fund – Special Facility Construction Account.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the 2024-25 fiscal year, the District amended its General Fund budget, which resulted in an increase in total budgeted expenditures of \$3,069,087, or 15 percent. Budget revisions occurred primarily due to additional operating expenses.

## CAPITAL ASSETS AND LONG-TERM DEBT

### **Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2025, is \$66,667,163 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Additional information on the District's capital assets can be found in Notes I.F.3. and IV.B. to the financial statements.

## REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the School Board of Glades County, 400 10th Street, Post Office Box 459, Moore Haven Florida 33471.

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# BASIC FINANCIAL STATEMENTS

**Glades County District School Board  
Statement of Net Position  
June 30, 2025**

	<b>Primary Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,813,250.98	\$ 5,546,145.00
Accounts Receivable	-	9,173.00
Due from Other Agencies	19,136,722.48	636,028.00
Inventories	1,443.79	-
Prepaid Items	-	31,724.00
Capital Assets:		
Nondepreciable Capital Assets	29,524,331.08	-
Depreciable Capital Assets, Net	37,142,832.14	1,410,872.00
<b>TOTAL ASSETS</b>	<b>90,618,580.47</b>	<b>7,633,942.00</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	3,822,081.00	3,067,682.00
OPEB	10,312.00	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,832,393.00</b>	<b>3,067,682.00</b>
<b>LIABILITIES</b>		
Accrued Salaries and Benefits	798,766.91	1,105,296.00
Payroll Deductions and Withholdings	141,085.05	-
Accounts Payable	1,094,870.67	87,142.00
Construction Contracts Payable	2,202,711.14	-
Construction Contracts Payable - Retained Percentage	738,744.62	-
Unearned Revenue	-	156,000.00
Long-Term Liabilities:		
Portion Due Within 1 Year	92,711.00	-
Portion Due After 1 Year	11,567,680.00	7,862,824.00
<b>TOTAL LIABILITIES</b>	<b>16,636,569.39</b>	<b>9,211,262.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	2,499,834.00	795,985.00
OPEB	356,977.00	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,856,811.00</b>	<b>795,985.00</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	63,725,707.46	1,410,872.00
Restricted for:		
State Required Carryover Programs	539,267.39	-
Capital Projects	24,019,123.93	-
Unrestricted	(13,326,505.70)	(716,495.00)
<b>TOTAL NET POSITION</b>	<b>\$ 74,957,593.08</b>	<b>\$ 694,377.00</b>

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

**Glades County District School Board  
Statement of Activities  
For the Fiscal Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 14,653,333.12	\$ 184.35	\$ -	\$ -
Student Support Services	1,155,523.19	-	-	-
Instructional Media Services	80,315.77	-	-	-
Instruction and Curriculum Development Services	596,455.52	-	-	-
Instructional Staff Training Services	131,301.79	-	-	-
Instruction-Related Technology	239,521.62	-	-	-
Board	758,653.47	-	-	-
General Administration	476,650.27	-	-	-
School Administration	1,283,802.93	-	-	-
Facilities Acquisition and Construction	480,434.86	-	-	29,654,312.63
Fiscal Services	377,238.36	-	-	-
Food Services	1,558,752.30	54,424.80	1,245,940.57	-
Central Services	266,884.34	-	-	-
Student Transportation Services	670,610.12	-	-	-
Operation of Plant	2,045,899.85	-	-	-
Maintenance of Plant	455,787.39	-	-	-
Administrative Technology Services	148,399.64	-	-	-
Unallocated Depreciation Expense	1,261,848.80	-	-	-
<b>Total Primary Government</b>	<b>\$ 26,641,413.34</b>	<b>\$ 54,609.15</b>	<b>\$ 1,245,940.57</b>	<b>\$ 29,654,312.63</b>
<b>Component Unit</b>				
Pemayetv Emahakv Charter "Our Way School"	\$ 13,967,186.00	\$ 141,017.00	\$ 63,447.00	\$ 184,257.00

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

**Total General Revenues**

**Change in Net Position**

Net Position - Beginning

**Net Position - Ending**

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

**Net (Expense) Revenue and Changes in  
Net Position**

<u>Primary Government</u>	
<u>Governmental</u>	<u>Component</u>
<u>Activities</u>	<u>Unit</u>
\$ (14,653,148.77)	\$ -
(1,155,523.19)	-
(80,315.77)	-
(596,455.52)	-
(131,301.79)	-
(239,521.62)	-
(758,653.47)	-
(476,650.27)	-
(1,283,802.93)	-
29,173,877.77	-
(377,238.36)	-
(258,386.93)	-
(266,884.34)	-
(670,610.12)	-
(2,045,899.85)	-
(455,787.39)	-
(148,399.64)	-
(1,261,848.80)	-
<u>4,313,449.01</u>	<u>-</u>
-	(13,578,465.00)
4,579,024.44	-
1,848,584.36	-
16,556,759.72	3,557,841.00
19,902.97	-
<u>344,776.10</u>	<u>10,525,162.00</u>
<u>23,349,047.59</u>	<u>14,083,003.00</u>
27,662,496.60	504,538.00
<u>47,295,096.48</u>	<u>189,839.00</u>
<u>\$ 74,957,593.08</u>	<u>\$ 694,377.00</u>

**Glades County District School Board  
Balance Sheet – Governmental Funds  
June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue - Food Service Fund</u>	<u>Capital Projects - Public Education Capital Outlay Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 61,459.32	\$ -	\$ 4,530,085.68
Due from Other Funds	999,465.72	-	797,516.45
Due from Other Agencies	156,667.71	125,626.91	18,373,785.51
Inventories	-	1,443.79	-
<b>TOTAL ASSETS</b>	<u>\$ 1,217,592.75</u>	<u>\$ 127,070.70</u>	<u>\$ 23,701,387.64</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accrued Salaries and Benefits	\$ 714,934.40	\$ 35,386.13	\$ -
Payroll Deductions and Withholdings	115,921.90	5,240.31	-
Accounts Payable	990,805.82	13,665.99	-
Construction Contracts Payable	-	-	2,202,711.14
Construction Contracts Payable - Retained Percentage	-	-	738,744.62
Due to Other Funds	854,195.81	716,942.40	-
<b>Total Liabilities</b>	<u>2,675,857.93</u>	<u>771,234.83</u>	<u>2,941,455.76</u>
Deferred Inflows of Resources:			
Unavailable Revenue - State Capital Outlay	-	-	14,451,861.88
Fund Balances:			
Nonspendable:			
Inventories	-	1,443.79	-
Restricted for:			
State Required Carryover Programs	539,267.39	-	-
Capital Projects	-	-	6,308,070.00
Total Restricted Fund Balance	<u>539,267.39</u>	<u>-</u>	<u>6,308,070.00</u>
Unassigned Fund Balance	<u>(1,997,532.57)</u>	<u>(645,607.92)</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>(1,458,265.18)</u>	<u>(644,164.13)</u>	<u>6,308,070.00</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 1,217,592.75</u>	<u>\$ 127,070.70</u>	<u>\$ 23,701,387.64</u>

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 221,705.98	\$ 4,813,250.98
56,679.36	1,853,661.53
480,642.35	19,136,722.48
-	1,443.79
\$ 759,027.69	\$ 25,805,078.78
\$ 48,446.38	\$ 798,766.91
19,922.84	141,085.05
90,398.86	1,094,870.67
-	2,202,711.14
-	738,744.62
282,523.32	1,853,661.53
441,291.40	6,829,839.92
120.54	14,451,982.42
-	1,443.79
-	539,267.39
317,615.75	6,625,685.75
317,615.75	7,164,953.14
-	(2,643,140.49)
317,615.75	4,523,256.44
\$ 759,027.69	\$ 25,805,078.78

**Glades County District School Board  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2025**

**Total Fund Balances - Governmental Funds** \$ 4,523,256.44

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 66,667,163.22

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

Deferred Outflows Related to Pensions	\$ 3,822,081.00	
Deferred Outflows Related to OPEB	10,312.00	
Deferred Inflows Related to Pensions	(2,499,834.00)	
Deferred Inflows Related to OPEB	<u>(356,977.00)</u>	975,582.00

A portion of State Capital Outlay funding is not available to pay for current period expenditures and, therefore, is reported as unavailable revenue in the governmental funds. 14,451,982.42

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

Compensated Absences Payable	\$ (424,696.00)	
Net Pension Liability	(10,847,024.00)	
Total OPEB Liability	<u>(388,671.00)</u>	<u>(11,660,391.00)</u>

**Net Position - Governmental Activities** \$ 74,957,593.08

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

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**Glades County District School Board  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue - Food Service Fund</u>	<u>Capital Projects - Public Education Capital Outlay Fund</u>
<b>Revenues</b>			
Intergovernmental:			
Federal Direct	\$ 654,814.59	\$ -	\$ -
Federal Through State and Local	14.00	1,245,940.57	-
State	14,201,781.63	16,077.95	31,466,061.05
Local:			
Property Taxes	4,579,024.44	-	-
Charges for Services - Food Service	-	54,424.80	-
Miscellaneous	232,529.22	131,866.12	-
Total Local Revenues	<u>4,811,553.66</u>	<u>186,290.92</u>	<u>-</u>
<b>Total Revenues</b>	<u>19,668,163.88</u>	<u>1,448,309.44</u>	<u>31,466,061.05</u>
<b>Expenditures</b>			
Current - Education:			
Instruction	13,791,440.19	-	-
Student Support Services	1,039,049.05	-	-
Instructional Media Services	82,758.39	-	-
Instruction and Curriculum Development Services	472,481.92	-	-
Instructional Staff Training Services	19,747.98	-	-
Instruction-Related Technology	237,583.38	-	-
Board	765,395.90	-	-
General Administration	481,155.54	-	-
School Administration	1,323,775.64	-	-
Facilities Acquisition and Construction	30,743.90	-	-
Fiscal Services	387,015.88	-	-
Food Services	-	1,579,729.70	-
Central Services	273,873.84	-	-
Student Transportation Services	689,362.10	-	-
Operation of Plant	2,062,246.93	-	-
Maintenance of Plant	466,182.69	-	-
Administrative Technology Services	150,713.85	-	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	-	-	24,973,734.05
<b>Total Expenditures</b>	<u>22,273,527.18</u>	<u>1,579,729.70</u>	<u>24,973,734.05</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(2,605,363.30)</u>	<u>(131,420.26)</u>	<u>6,492,327.00</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	784,257.00	-	-
Transfers Out	-	-	(184,257.00)
<b>Total Other Financing Sources (Uses)</b>	<u>784,257.00</u>	<u>-</u>	<u>(184,257.00)</u>
<b>Net Change in Fund Balances</b>	<u>(1,821,106.30)</u>	<u>(131,420.26)</u>	<u>6,308,070.00</u>
Fund Balances, Beginning	362,841.12	-	-
Adjustments to Beginning Fund Balances	-	(512,743.87)	-
Fund Balances, Beginning, as Restated	<u>362,841.12</u>	<u>(512,743.87)</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ (1,458,265.18)</u>	<u>\$ (644,164.13)</u>	<u>\$ 6,308,070.00</u>

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 654,814.59
1,614,791.19	2,860,745.76
69,464.71	45,753,385.34
1,848,584.36	6,427,608.80
-	54,424.80
163.19	364,558.53
<u>1,848,747.55</u>	<u>6,846,592.13</u>
<u>3,533,003.45</u>	<u>56,115,537.82</u>
1,163,947.26	14,955,387.45
146,972.46	1,186,021.51
-	82,758.39
139,333.93	611,815.85
113,111.30	132,859.28
9,000.00	246,583.38
-	765,395.90
7,327.46	488,483.00
-	1,323,775.64
449,690.96	480,434.86
-	387,015.88
-	1,579,729.70
-	273,873.84
-	689,362.10
-	2,062,246.93
-	466,182.69
-	150,713.85
<u>593,013.77</u>	<u>25,566,747.82</u>
<u>2,622,397.14</u>	<u>51,449,388.07</u>
<u>910,606.31</u>	<u>4,666,149.75</u>
-	784,257.00
<u>(600,000.00)</u>	<u>(784,257.00)</u>
<u>(600,000.00)</u>	<u>-</u>
<u>310,606.31</u>	<u>4,666,149.75</u>
<u>(505,734.43)</u>	<u>(142,893.31)</u>
<u>512,743.87</u>	<u>-</u>
<u>7,009.44</u>	<u>(142,893.31)</u>
<u>\$ 317,615.75</u>	<u>\$ 4,523,256.44</u>

**Glades County District School Board  
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
 and Changes in Fund Balances to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2025**

**Net Change in Fund Balances - Governmental Funds** \$ 4,666,149.75

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current fiscal year. 24,304,899.02

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (277.29)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current fiscal year. 312,837.00

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

Decrease in Total OPEB Liability	\$ 99,097.00	
Decrease in Deferred Outflows of Resources - OPEB	(12,442.00)	
Increase in Deferred Inflows of Resources - OPEB	<u>(108,347.00)</u>	(21,692.00)

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

FRS Pension Contribution	\$ 1,084,048.00	
HIS Pension Contribution	241,328.00	
FRS Pension Expense	(953,645.00)	
HIS Pension Expense	<u>(159,523.00)</u>	212,208.00

Governmental funds recognize revenues when they are measurable and available to pay liabilities in the current period. However, in the statement of activities, revenue is recognized as soon as it is earned regardless of availability. This is the effect of the timing difference between the two methods of revenue recognition. (1,811,627.88)

**Change in Net Position - Governmental Activities** \$ 27,662,496.60

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

**Glades County District School Board  
Statement of Fiduciary Net Position – Fiduciary Funds  
June 30, 2025**

	<b>Private-Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 306,689.43</u>	<u>\$ 214,055.00</u>
<b>NET POSITION</b>		
Held in Trust in Scholarships and Other Purposes	306,689.43	-
Restricted for Student Groups	<u>-</u>	<u>214,055.00</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 306,689.43</u></u>	<u><u>\$ 214,055.00</u></u>

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

**Glades County District School Board  
Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
For the Fiscal Year Ended June 30, 2025**

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Student Group Collections	\$ -	\$ 740,292.00
<b>Investment Earnings:</b>		
Interest, Dividends, Other	1,225.90	-
<b>Total Additions</b>	<u>1,225.90</u>	<u>740,292.00</u>
<b>DEDUCTIONS</b>		
Student Group Disbursements	-	772,809.00
Scholarship Payments	4,000.00	-
<b>Total Deductions</b>	<u>4,000.00</u>	<u>772,809.00</u>
<b>Change in Net Position</b>	(2,774.10)	(32,517.00)
Net Position - Beginning	<u>309,463.53</u>	<u>246,572.00</u>
<b>Net Position - Ending</b>	<u>\$ 306,689.43</u>	<u>\$ 214,055.00</u>

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

# **NOTES TO FINANCIAL STATEMENTS**

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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 unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from the legally separate component unit 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 Glades 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 not readily associated with a particular function and is reported as unallocated.

### **B. Reporting Entity**

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

**Discretely Presented Component Unit.** The component unit columns in the government-wide financial statements include the financial data of the District's component unit. A separate column is used to emphasize that it is legally separate from the District.

Pemayetv Emahakv, Inc. (Corporation), is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The Corporation operates Pemayetv Emahakv Charter "Our Way School" (a K-8 charter school) under a charter approved by its sponsor, the Glades County School Board, and is considered

a component unit of the District because the District is financially accountable for the charter school as the District established the charter school by approval of the charter, which is tantamount to the initial appointment of the charter school, and there is the potential for the charter school to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter school is a public school and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter school's audited financial statements for the fiscal year ended June 30, 2025. The audit reports are filed in the District's administrative offices at 400 10th Street, Moore Haven, Florida 33471.

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

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

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

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

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Food Service Fund – to account for the District's food service operation resources.
- Capital Projects – Public Education Capital Outlay Fund – to account for the Public Education Capital Outlay Special Facilities allocation to be used for the construction of the new Moore Haven Elementary School.

Additionally, the District reports the following fiduciary fund types:

- Private-Purpose Trust Funds – to account for resources of the Barbara H. Oehlbeck Scholarship Trust Fund and the Ralph Smith Scholarship Trust Fund.
- Custodial Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities.

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

of the government-wide financial statements. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, transfers between governmental funds are eliminated in the preparation of the government-wide financial statements.

## **E. Measurement Focus and Basis of Accounting**

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). 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 leases are reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

The charter school is accounted for as a governmental organization and follows 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 and demand deposits.

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

### **2. Inventories**

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

### **3. 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 \$5,000. 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.

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

<b><u>Description</u></b>	<b><u>Estimated Useful Lives</u></b>
Improvements Other Than Buildings	7 - 50 years
Buildings and Fixed Equipment	50 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	5 years

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

### **4. 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.

## **5. Long-Term Liabilities**

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

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

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

## **6. 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 two items that qualify for reporting in this category. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the statement of net position and the governmental funds 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 in the statement of net position and discussed in subsequent notes. The remaining item is reported on the governmental funds balance sheet as unavailable revenue related to State capital outlay funding and will be recognized as an inflow of resources in the period that it becomes available.

## **7. Net Position Flow Assumption**

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

## **8. 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.

## **9. 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, 2025.

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 resolution authorized the finance director 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. The District reported no assigned fund balances at June 30, 2025.

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

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

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

## **2. State Revenue Sources**

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

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

Pursuant to Section 1013.64, Florida Statutes, the District received a special allocation in the 2023-24 and 2024-25 fiscal years for specific construction needs through the Public Education Capital Outlay and Debt Service Trust Fund – Special Facility Construction Account. As a condition for receiving these funds, other construction funding must be pledged for the project, including the capital outlay millage levied pursuant to Section 1011.71(2), Florida Statutes, for the total amount of 3 fiscal years' maximum millage. The District is required to budget no more than the value of 1 mill per year to the project until the District's participation requirement is satisfied.

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

The Board adopted the 2024 tax levy on September 5, 2024. 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 Glades County Tax Collector at fiscal year end but not yet remitted to the District.

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

#### **4. Federal Revenue Sources**

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

#### **5. Compensated Absences**

A compensated absence is leave (e.g., employee vacation leave and sick leave) for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. In the government-wide financial statements, compensated absences are estimated and accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

## **II. ACCOUNTING CHANGES**

### **A. Changes to or within the Financial Reporting Entity**

**Change from Nonmajor to Major Fund.** The Special Revenue – Food Service Fund is presented as a major fund in the current fiscal year whereas it did not meet the quantitative requirements in the previous fiscal year. The effect of this change to or within the financial reporting entity is shown in the table below.

	<b>Reporting Units Affected by Restatements of Beginning Balances</b>	
	<b>Funds</b>	
	<b>Special Revenue - Food Service</b>	<b>Nonmajor Governmental</b>
Beginning Balances, as previously reported	\$ -	\$ (505,734.43)
Change from nonmajor to major fund	(512,743.87)	512,743.87
Beginning Balances, as restated	<u>\$ (512,743.87)</u>	<u>\$ 7,009.44</u>

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**Deficit Fund Balances in Major Funds.** At June 30, 2025, the District’s General Fund and Special Revenue – Food Service Fund had deficit fund balances of \$1,458,265.18 and \$644,164.13, respectively. These deficits are due to rising costs and insufficient financial monitoring controls of general and food service operations. The District will establish an effective financial reporting process whereby the District will examine all aspects of general and food service operations, including analyzing all costs, to restore each fund balance to a favorable position.

### 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 as required by Chapter 280, Florida Statutes.

## B. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 1,235,789.80	\$ -	\$ -	\$ 1,235,789.80
Land Improvements	1,753,615.99	-	-	1,753,615.99
Construction in Progress	1,561,191.24	24,973,734.05	-	26,534,925.29
Total Capital Assets Not Being Depreciated	4,550,597.03	24,973,734.05	-	29,524,331.08
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	2,612,536.81	-	-	2,612,536.81
Buildings and Fixed Equipment	53,731,625.99	482,169.18	-	54,213,795.17
Furniture, Fixtures, and Equipment	1,057,526.51	110,844.59	749.00	1,167,622.10
Motor Vehicles	2,473,007.04	-	-	2,473,007.04
Audio Visual Materials and Computer Software	876,308.48	-	-	876,308.48
Total Capital Assets Being Depreciated	60,751,004.83	593,013.77	749.00	61,343,269.60
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	1,321,134.49	57,275.75	-	1,378,410.24
Buildings and Fixed Equipment	18,025,860.46	1,057,816.11	-	19,083,676.57
Furniture, Fixtures, and Equipment	850,702.17	26,600.40	471.71	876,830.86
Motor Vehicles	1,865,054.77	120,156.54	-	1,985,211.31
Audio Visual Materials and Computer Software	876,308.48	-	-	876,308.48
Total Accumulated Depreciation	22,939,060.37	1,261,848.80	471.71	24,200,437.46
Total Capital Assets Being Depreciated, Net	37,811,944.46	(668,835.03)	277.29	37,142,832.14
Governmental Activities Capital Assets, Net	\$ 42,362,541.49	\$ 24,304,899.02	\$ 277.29	\$ 66,667,163.22

The District's capital assets serve multiple functions; accordingly, depreciation expense, which totaled \$1,261,848.80, is reported as unallocated on the statement of activities.

## C. Retirement Plans

### 1. FRS – Defined Benefit Pension Plans

#### General Information about the FRS

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and

122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. 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 \$1,113,168 for the fiscal year ended June 30, 2025.

### **FRS Pension Plan**

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

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

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

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

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

earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
<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>	<b>3.00</b>

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
DROP – Applicable to Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District's contributions to the Plan totaled \$1,084,048 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of \$6,908,978

for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.017859718 percent, which was a decrease of 0.003400733 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized a Plan pension expense of \$953,645. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 697,993	\$ -
Change of Assumptions	946,939	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	459,207
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	401,726	1,017,896
District FRS Contributions Subsequent to the Measurement Date	1,084,048	-
<b>Total</b>	<b>\$ 3,130,706</b>	<b>\$ 1,477,103</b>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$1,084,048, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. 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>
2026	\$ (205,242)
2027	1,029,721
2028	(76,248)
2029	(180,016)
2030	1,340
<b>Total</b>	<b>\$ 569,555</b>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Investment Rate of Return	6.70 percent, net of pension plan investment expense, including inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
<b>Total</b>	<b>100%</b>			
Assumed inflation - Mean			2.4%	1.5%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2024 valuation was unchanged from the previous valuation.

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

	1% Decrease (5.7%)	Current Discount Rate (6.7%)	1% Increase (7.7%)
District's Proportionate Share of the Net Pension Liability	\$ 12,152,652	\$ 6,908,978	\$ 2,516,291

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

**HIS Pension Plan**

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

*Benefits Provided.* For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2 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 \$241,328 for the fiscal year ended June 30, 2025.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the District reported a net pension liability of \$3,938,046 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year

contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.026251934 percent, which was a decrease of 0.003560267 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized the HIS Plan pension expense of \$159,523. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 38,025	\$ 7,562
Change of Assumptions	69,694	466,214
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	1,424
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	342,328	547,531
District HIS Contributions Subsequent to the Measurement Date	241,328	-
<b>Total</b>	<u>\$ 691,375</u>	<u>\$ 1,022,731</u>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$241,328, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. 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>
2026	\$ (67,615)
2027	(93,820)
2028	(143,893)
2029	(111,793)
2030	(115,958)
Thereafter	(39,605)
<b>Total</b>	<u>\$ (572,684)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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

**Discount Rate.** The discount rate used to measure the total pension liability was 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65 percent to 3.93 percent.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	<b>1% Decrease (2.93%)</b>	<b>Current Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
District's Proportionate Share of the Net Pension Liability	\$ 4,482,960	\$ 3,938,046	\$ 3,485,680

**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.

## **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 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 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Elected County Officers	16.34

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, 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 \$648,551 for the fiscal year ended June 30, 2025.

#### **D. Other Postemployment Benefit Obligations**

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical and prescription drug coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to

active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Benefits Provided.** The OPEB Plan provides healthcare prescription drug 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, 2025, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	1
Active Employees	<u>241</u>
Total	<u>242</u>

**Total OPEB Liability.** The District's total OPEB liability of \$388,671 was measured as of June 30, 2025, and was determined by an actuarial valuation as of January 1, 2025.

**Actuarial Assumptions and Other Inputs.** The total OPEB liability of \$388,671 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3 percent
Discount Rate	4.81 percent
Healthcare Cost Trend Rates	Medical costs were assumed to increase by 7.5 percent for the 2025 fiscal year decreasing linearly by 0.5 percent to an ultimate trend rate of 4.5 percent.
Aging Factors	Based on the actual ages of enrolled participants
Expenses	20 percent elect husband/wife coverage upon retirement with husbands assumed to be 3 years older than wives. For current retirees, actual spousal information and coverages was used.

The discount rate used to measure the total OPEB liability was 4.81 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The S&P Municipal Bond 20 Year Rate Index was used to approximate those yields as of June 30, 2025.

Mortality rates were based on the Pub-2010 Teachers Headcount-weighted Table with fully generational scale MP-2021. Healthcare cost trend rates were taken from an analysis of historical trends of various medical plans and a composite of the expected future increases as reported in national trend surveys.

Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2024	\$ 487,768
Changes for the year:	
Service Cost	65,305
Interest	20,535
Differences Between Expected and Actual Experience	(172,296)
Changes of Assumptions or Other Inputs	<u>(12,641)</u>
Net Changes	<u>(99,097)</u>
Balance at June 30, 2025	<u>\$ 388,671</u>

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

- The discount rate increased from 4.21 percent to 4.81 percent.
- The healthcare cost trend assumption was revised.

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 (3.81 percent) or 1 percentage point higher (5.81 percent) than the current rate:

	<u>1% Decrease (3.81%)</u>	<u>Current Discount Rate (4.81%)</u>	<u>1% Increase (5.81%)</u>
Total OPEB Liability	\$ 427,859	\$ 388,671	\$ 353,186

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 337,682	\$ 388,671	\$ 450,354

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$21,692. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 587	\$ 304,032
Changes of Assumptions or Other Inputs	<u>9,725</u>	<u>52,945</u>
<b>Total</b>	<u>\$ 10,312</u>	<u>\$ 356,977</u>

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (67,867)
2027	(75,144)
2028	(62,370)
2029	(46,046)
2030	(41,792)
Thereafter	(53,446)
<b>Total</b>	<b>\$ (346,665)</b>

## E. Construction and Other Significant Commitments

**Construction Contracts.** The following is a schedule of major construction contract commitments at June 30, 2025:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Moore Haven Elementary School	<u>\$ 48,156,376.00</u>	<u>\$ 27,096,539.38</u>	<u>\$ 21,059,836.62</u>

**Encumbrances.** Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next fiscal year's appropriations are likewise encumbered. At June 30, 2025, the Capital Projects – Public Education Capital Outlay Fund has encumbrances totaling \$21,059,836.62, that exceeds the fund balance by \$14,751,766.62. The encumbrances are expected to be honored using resources received in subsequent fiscal years from the Public Education Capital Outlay and Debt Service Trust Fund – Special Facility Construction Account.

## F. 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 District is a member of the South Central Educational Risk Management Program (SCERMP), a consortium under which several district school boards have established a public entity risk sharing-pool for property protection, general liability, automobile liability, workers' compensation, government crime, and other coverage deemed necessary by the members of the SCERMP. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The interlocal agreement and bylaws of the SCERMP provide that risk of loss is transferred to the consortium. The Consortium is self-sustaining through member assessments (premiums), and purchases insurance coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board.

The Board of Directors for SCERMP is composed of superintendents, finance directors, or an authorized representative of all participating districts. Relation Insurance Services serves as the third-party administrator, insurance broker, and fiscal agent for SCERMP.

Property damage coverage is managed by SCERMP by purchase of excess property coverage through commercial insurance carriers for property loss claims in excess of \$100,000 (except named windstorm and flood). The named windstorm and hurricane deductible is 5 percent of replacement cost value with a minimum of \$100,000 per occurrence and a maximum of \$100 million per occurrence. The deductible for all other windstorm and hail events is \$100,000. Special hazard flood area deductibles are \$500,000 per building and \$500,000 content, plus \$100,000 time element per occurrence. The flood deductible outside a special flood hazard area is \$100,000. The SCERMP's purchased excess property loss limit during the 2024-25 fiscal year was \$100 million.

Workers' compensation claims are limited based on a per claim self-insured retention. The self-insurance retention for the 2024-25 fiscal year was \$1 million. The SCERMP purchases excess liability coverage through a commercial insurance carrier, which covers workers' compensation losses in excess of the self-insured retention. Employers' liability is included subject to \$2 million per occurrence.

The District is protected by Section 768.28, Florida Statutes, under the Doctrine of Sovereign Immunity, as it is now written, as it may be amended by the Legislature in the future, which effectively limits the amount of the liability of governmental entities for State tort claims to \$200,000 per claim and \$300,000 per occurrence.

Health and hospitalization coverage is being provided by purchased commercial insurance on a guaranteed cost basis with rates established prior to renewal each year by the District's insurer based on the benefits and features selected by the District. Life insurance is purchased by the District for eligible employees.

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

## G. Long-Term Liabilities

### 1. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Compensated Absences Payable (1)	\$ 737,533	\$ -	\$ 312,837	\$ 424,696	\$ 71,019
Net Pension Liability	13,206,193	4,031,253	6,390,422	10,847,024	-
Total OPEB Liability	487,768	85,840	184,937	388,671	21,692
<b>Total Governmental Activities</b>	<b>\$14,431,494</b>	<b>\$ 4,117,093</b>	<b>\$6,888,196</b>	<b>\$11,660,391</b>	<b>\$ 92,711</b>

(1) The change in compensated absences payable is presented as a net change.

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

## H. Fund Balance Reporting

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

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

## I. Interfund Receivables and Payables

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Major:		
General	\$ 999,465.72	\$ 854,195.81
Special Revenue:		
Food Service	-	716,942.40
Capital Projects:		
Public Education Capital Outlay	797,516.45	-
Nonmajor Governmental	56,679.36	282,523.32
<b>Total</b>	<b>\$ 1,853,661.53</b>	<b>\$ 1,853,661.53</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.

**J. Revenues**

**1. Schedule of State Revenue Sources**

The following is a schedule of the District’s State revenue sources for the 2024-25 fiscal year:

<u>Source</u>	<u>Amount</u>
Special Facilities Construction Account (Public Education Capital Outlay)	\$ 31,281,804.05
Florida Education Finance Program	11,647,818.00
Categorical Educational Program - Class Size Reduction	1,735,343.00
Sales Tax Distributions	223,250.00
Charter School Capital Outlay	184,257.00
School Recognition	126,306.00
Workforce Development Program	91,176.00
Voluntary Prekindergarten Program	84,434.82
Miscellaneous	378,996.47
<b>Total</b>	<b>\$ 45,753,385.34</b>

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

**2. Property Taxes**

The following is a summary of millages and taxes levied on the 2024 tax roll for the 2024-25 fiscal year:

<u>General Fund</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	2.970	\$ 3,707,500.35
Basic Discretionary Local Effort	0.748	933,740.83
<b>Capital Projects - Local Capital Improvement Fund</b>		
Nonvoted Tax:		
Local Capital Improvements	1.500	1,872,474.92
<b>Total</b>	<b>5.218</b>	<b>\$ 6,513,716.10</b>

**K. 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	\$ 784,257	\$ -
Capital Projects:		
Public Education Capital Outlay	-	184,257
Nonmajor Governmental	-	600,000
<b>Total</b>	<b>\$ 784,257</b>	<b>\$ 784,257</b>

The purpose of the transfer was to reimburse the General Fund for allowable expenditures such as charter school capital outlay and maintenance and repair costs.

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# OTHER REQUIRED SUPPLEMENTARY INFORMATION

## Budgetary Comparison Schedule General and Major Special Revenue Funds For the Fiscal Year Ended June 30, 2025

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 700,000.00	\$ 700,000.00	\$ 654,814.59	\$ (45,185.41)
Federal Through State and Local	-	-	14.00	14.00
State	14,492,920.00	14,737,430.00	14,201,781.63	(535,648.37)
Local:				
Property Taxes	4,461,205.00	4,461,205.00	4,579,024.44	117,819.44
Charges for Services - Food Service	-	-	-	-
Miscellaneous	-	152,950.06	232,529.22	79,579.16
Total Local Revenues	4,461,205.00	4,614,155.06	4,811,553.66	197,398.60
<b>Total Revenues</b>	19,654,125.00	20,051,585.06	19,668,163.88	(383,421.18)
<b>Expenditures</b>				
Current - Education:				
Instruction	12,121,376.00	14,328,393.27	13,791,440.19	536,953.08
Student Support Services	883,000.00	1,198,021.03	1,039,049.05	158,971.98
Instructional Media Services	164,000.00	82,897.59	82,758.39	139.20
Instruction and Curriculum Development Services	414,000.00	498,146.39	472,481.92	25,664.47
Instructional Staff Training Services	30,000.00	183,316.39	19,747.98	163,568.41
Instruction-Related Technology	245,000.00	172,470.40	237,583.38	(65,112.98)
Board	795,585.00	776,004.68	765,395.90	10,608.78
General Administration	373,926.00	553,016.50	481,155.54	71,860.96
School Administration	1,225,400.00	1,273,311.77	1,323,775.64	(50,463.87)
Facilities Acquisitions and Construction	23,470.00	54,300.06	30,743.90	23,556.16
Fiscal Services	345,000.00	362,747.72	387,015.88	(24,268.16)
Food Services	-	22,444.78	-	22,444.78
Central Services	260,000.00	376,982.93	273,873.84	103,109.09
Student Transportation Services	725,000.00	557,534.29	689,362.10	(131,827.81)
Operation of Plant	1,700,050.00	2,195,148.33	2,062,246.93	132,901.40
Maintenance of Plant	519,788.00	408,191.61	466,182.69	(57,991.08)
Administrative Technology Services	350,000.00	147,454.00	150,713.85	(3,259.85)
Community Services	-	54,300.06	-	54,300.06
<b>Total Expenditures</b>	20,175,595.00	23,244,681.80	22,273,527.18	971,154.62
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(521,470.00)	(3,193,096.74)	(2,605,363.30)	587,733.44
<b>Other Financing Sources (Uses)</b>				
Transfers In	600,000.00	600,000.00	784,257.00	184,257.00
<b>Net Change in Fund Balances</b>	78,530.00	(2,593,096.74)	(1,821,106.30)	771,990.44
Fund Balances, Beginning	362,841.12	362,841.12	362,841.12	-
<b>Fund Balances, Ending</b>	\$ 441,371.12	\$ (2,230,255.62)	\$ (1,458,265.18)	\$ 771,990.44

**Special Revenue - Food Service Fund**

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -
1,333,500.00	1,333,500.00	1,245,940.57	(87,559.43)
17,000.00	17,000.00	16,077.95	(922.05)
-	-	-	-
50,000.00	106,895.00	54,424.80	(52,470.20)
-	-	131,866.12	131,866.12
<u>50,000.00</u>	<u>106,895.00</u>	<u>186,290.92</u>	<u>79,395.92</u>
<u>1,400,500.00</u>	<u>1,457,395.00</u>	<u>1,448,309.44</u>	<u>(9,085.56)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	16,500.00	-	16,500.00
-	-	-	-
1,400,500.00	1,440,895.00	1,579,729.70	(138,834.70)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,400,500.00</u>	<u>1,457,395.00</u>	<u>1,579,729.70</u>	<u>(122,334.70)</u>
<u>-</u>	<u>-</u>	<u>(131,420.26)</u>	<u>(131,420.26)</u>
-	-	-	-
-	-	(131,420.26)	(131,420.26)
<u>(512,743.87)</u>	<u>(512,743.87)</u>	<u>(512,743.87)</u>	<u>-</u>
<u>\$ (512,743.87)</u>	<u>\$ (512,743.87)</u>	<u>\$ (644,164.13)</u>	<u>\$ (131,420.26)</u>

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 65,305	\$ 64,279	\$ 46,371	\$ 54,593	\$ 66,492
Interest	20,535	16,999	17,671	10,920	13,484
Differences Between Expected and Actual Experience	(172,296)	-	(144,131)	-	(187,027)
Changes of Assumptions or Other Inputs	(12,641)	(5,117)	(7,479)	(71,874)	2,446
<b>Net Change in Total OPEB Liability</b>	<u>(99,097)</u>	<u>76,161</u>	<u>(87,568)</u>	<u>(6,361)</u>	<u>(104,605)</u>
Total OPEB Liability - Beginning	<u>487,768</u>	<u>411,607</u>	<u>499,175</u>	<u>505,536</u>	<u>610,141</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 388,671</u>	<u>\$ 487,768</u>	<u>\$ 411,607</u>	<u>\$ 499,175</u>	<u>\$ 505,536</u>
Covered-Employee Payroll	\$ 10,233,013	\$ 11,132,986	\$ 11,833,911	\$ 5,638,550	\$ 5,638,550
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	3.80%	4.38%	3.48%	8.85%	8.97%
	<u>2020</u>	<u>2019</u>	<u>2018</u>		
<b>Total OPEB Liability</b>					
Service Cost	\$ 53,651	\$ 33,208	\$ 31,971		
Interest	17,014	15,627	13,854		
Differences Between Expected and Actual Experience	-	21,181	-		
Changes of Assumptions or Other Inputs	53,358	12,300	-		
<b>Net Change in Total OPEB Liability</b>	<u>124,023</u>	<u>82,316</u>	<u>45,825</u>		
Total OPEB Liability - Beginning	<u>486,118</u>	<u>403,802</u>	<u>357,977</u>		
<b>Total OPEB Liability - Ending</b>	<u>\$ 610,141</u>	<u>\$ 486,118</u>	<u>\$ 403,802</u>		
Covered-Employee Payroll	\$ 6,236,853	\$ 6,055,197	\$ 5,713,983		
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	9.78%	8.03%	7.07%		

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

Fiscal Year Ending June 30	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.019841881%	\$ 2,562,845	\$ 6,995,309	36.64%	92.00%
2016	0.018889945%	4,769,726	7,418,439	64.30%	84.88%
2017	0.019123594%	5,656,631	7,772,196	72.78%	83.89%
2018	0.019304948%	5,814,751	8,133,933	71.49%	84.26%
2019	0.019684556%	6,779,087	8,637,335	78.49%	82.61%
2020	0.019061840%	8,261,682	8,991,718	91.88%	78.85%
2021	0.020915672%	1,579,941	9,608,717	16.44%	96.40%
2022	0.019993026%	7,439,012	9,618,516	77.34%	82.89%
2023	0.021260451%	8,471,618	11,833,911	71.59%	82.38%
2024	0.017859718%	6,908,978	11,132,986	62.06%	83.70%

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

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

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	\$ 460,661	\$ (460,661)	\$ -	\$ 7,418,439	6.21%
2017	497,834	(497,834)	-	7,772,196	6.41%
2018	550,176	(550,176)	-	8,133,933	6.76%
2019	610,363	(610,363)	-	8,637,335	7.07%
2020	633,340	(633,340)	-	8,991,718	7.04%
2021	796,797	(796,797)	-	9,608,717	8.29%
2022	853,139	(853,139)	-	9,618,516	8.87%
2023	1,022,764	(1,022,764)	-	11,833,911	8.64%
2024	1,011,330	(1,011,330)	-	11,132,986	9.08%
2025	1,084,048	(1,084,048)	-	12,082,549	8.97%

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

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

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>2015</b>	0.023030059%	\$ 2,348,707	\$ 6,995,309	33.58%	0.50%
<b>2016</b>	0.023970787%	2,793,696	7,418,439	37.66%	0.97%
<b>2017</b>	0.024335174%	2,602,029	7,772,196	33.48%	1.64%
<b>2018</b>	0.024882806%	2,633,624	8,133,933	32.38%	2.15%
<b>2019</b>	0.025812854%	2,888,200	8,637,335	33.44%	2.63%
<b>2020</b>	0.025888028%	3,160,886	8,991,718	35.15%	3.00%
<b>2021</b>	0.027127099%	3,327,547	9,608,717	34.63%	3.56%
<b>2022</b>	0.026313306%	2,786,999	9,618,516	28.98%	4.81%
<b>2023</b>	0.029812201%	4,734,575	11,833,911	40.01%	4.12%
<b>2024</b>	0.026251934%	3,938,046	11,132,986	35.37%	4.80%

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

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

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
<b>2016</b>	\$ 122,866	\$ (122,866)	\$ -	\$ 7,418,439	1.66%
<b>2017</b>	128,789	(128,789)	-	7,772,196	1.66%
<b>2018</b>	134,940	(134,940)	-	8,133,933	1.66%
<b>2019</b>	143,336	(143,336)	-	8,637,335	1.66%
<b>2020</b>	149,181	(149,181)	-	8,991,718	1.66%
<b>2021</b>	159,453	(159,453)	-	9,608,717	1.66%
<b>2022</b>	159,218	(159,218)	-	9,618,516	1.66%
<b>2023</b>	196,110	(196,110)	-	11,833,911	1.66%
<b>2024</b>	222,257	(222,257)	-	11,132,986	2.00%
<b>2025</b>	241,328	(241,328)	-	12,082,549	2.00%

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

## 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. Excess of Expenditures Over Appropriations in Individual Funds

For the fiscal year ended June 30, 2025, expenditures exceeded appropriations by function (the legal level of budgetary control) for the following individual funds:

Fund/Activity	Expenditures		
	Budget	Actual	Variance
General:			
Current - Education:			
Instruction-Related Technology	\$ 172,470.40	\$ 237,583.38	\$ (65,112.98)
School Administration	1,273,311.77	1,323,775.64	(50,463.87)
Fiscal Services	362,747.72	387,015.88	(24,268.16)
Student Transportation Services	557,534.29	689,362.10	(131,827.81)
Maintenance of Plant	408,191.61	466,182.69	(57,991.08)
Administrative Technology Services	147,454.00	150,713.85	(3,259.85)
Special Revenue - Food Service:			
Current - Education:			
Food Services	1,440,895.00	1,579,729.70	(138,834.70)

The District will enhance procedures, including a detailed monthly review of budget-to-actual expenditures, to detect and prevent budgetary over expenditures going forward.

## 3. 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 2025, the discount rate was changed from 4.21 percent to 4.81 percent and the healthcare cost trend assumption was revised.

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

*Changes of Assumptions.* In 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

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

*Changes of Assumptions.* In 2024, the municipal bond rate used to determine total pension liability was increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

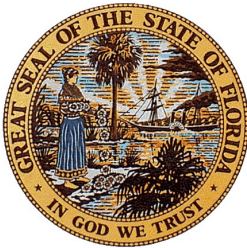
# **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

## **Glades County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	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	25002	\$ 258,289.48
National School Lunch Program	10.555	25001, 25003	926,308.58
Summer Food Service Program for Children	10.559	24006, 24007, 25006, 25007	61,342.51
<b>Total Child Nutrition Cluster</b>			<b>1,245,940.57</b>
<b>Special Education Cluster</b>			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	735,555.85
Special Education - Preschool Grants	84.173	267	14,069.79
<b>Total Special Education Cluster</b>			<b>749,625.64</b>
<b>Not Clustered</b>			
<b>United States Department of Education</b>			
Impact Aid	84.041	N/A	654,814.59
Florida Department of Education:			
Title I Grants to Local Educational Agencies	84.010	212, 226	468,244.29
Migrant Education - State Grant Program	84.011	217	76,782.40
Career and Technical Education - Basic Grants to States	84.048	161	70,977.36
Rural Education	84.358	110	70,570.96
English Language Acquisition State Grants	84.365	102	13,954.89
Supporting Effective Instruction State Grants	84.367	224	97,783.72
Student Support and Academic Enrichment Program	84.424	241	44,600.19
<b>Total United States Department of Education</b>			<b>1,497,728.40</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 3,493,294.61</b>

The notes below are an integral part of this Schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Glades County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance – National School Lunch Program. Includes \$119,573 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (5) Impact Aid. Expenditures include \$654,814.59 for award number S041B-20251246.



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Glades County District School Board as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 27, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the discretely presented component unit, as described in our report on the District's financial statements. This report does not include the results of the other 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Financial Statement Finding Nos. 2025-001 through 2025-004 that we consider to be significant deficiencies.

### **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, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We identified a certain additional matter which is described as Finding AM 2025-001 on page 70.

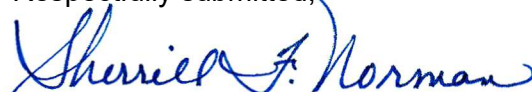
### **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to each finding identified in our audit and described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. The District is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The District's response to the additional matter identified in our audit is included as the District Response on page 71 in Finding AM 2025-001. The District's responses and **CORRECTIVE ACTION PLAN** were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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

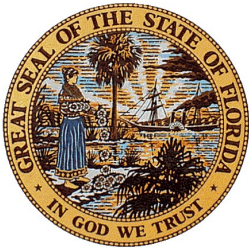
Respectfully submitted,



Sherrill F. Norman, CPA

Tallahassee, Florida

March 27, 2026



Sherrill F. Norman, CPA  
Auditor General

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

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

### Report on Compliance for the Major Federal Program

#### *Opinion on the Major Federal Program*

We have audited the Glades County District School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major Federal program for the fiscal year ended June 30, 2025. The District's major Federal program is identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major Federal program for the fiscal year ended June 30, 2025.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the major Federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

## ***Responsibilities 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 the 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 GAAS, *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 the major Federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the 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.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
March 27, 2026

# **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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## **SECTION I – SUMMARY OF AUDITOR’S RESULTS**

### **Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

### **Federal Awards**

Internal control over major Federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor’s report issued on compliance for major Federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major Federal program:

Assistance Listing Numbers: 10.553, 10.555, and 10.559 Name of Federal Program or Cluster: Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? Yes

## SECTION II – FINANCIAL STATEMENT FINDINGS

### SIGNIFICANT DEFICIENCIES

#### FINANCIAL RECORDING AND REPORTING

<b>Finding Number</b>	<b>2025-001</b>
<b>Opinion Unit</b>	Major Fund: General Fund
<b>Financial Statements Account Title</b>	Restricted and Unassigned Fund Balance
<b>Fund Name</b>	General Fund
<b>Adjustment Amount</b>	General Fund: Decreased Unassigned Fund Balance (Debit – \$848,460) and Increased Restricted Fund Balance (Credit – \$539,267) and Various Other Accounts (Net Credit \$309,193).
<b>Statistically Valid Sample</b>	Not Applicable
<b>Prior Year Finding</b>	Auditor General Report No. 2025-183, Finding No. 2024-001
<b>Finding</b>	District controls over financial recordkeeping and reporting continue to be deficient, reducing the Board’s ability to effectively monitor District financial activities. Without effective monitoring controls, available financial resources significantly declined in the General and Special Revenue – Food Service Funds with combined deficit unassigned fund balances of approximately \$2.6 million at June 30, 2025.
<b>Criteria</b>	<p>Section 1010.01, Florida Statutes, requires that State Board of Education (SBE) rules incorporate the requirements of law and accounting principles generally accepted in the United States (GAAP) and Board Policy 6235, <i>Fund Balance</i>, requires fund balances to be classified and reported in accordance with GAAP.</p> <p>In addition, SBE Rule 6A-1.008, Florida Administrative Code, requires the Superintendent to submit to the Board, at least monthly, financial statements (financial reports) for Board use and consideration in a form prescribed by the Board. These reports and other relevant financial information are necessary for the Board to effectively monitor the District financial condition.</p> <p>Section 1011.051, Florida Statutes, requires the District to maintain a General Fund ending balance that is sufficient to address normal contingencies. If at any time the portion of the General Fund total ending fund balance classified as assigned and unassigned fund balance in the District’s approved operating budget as a percentage of General Fund total revenue (financial condition ratio) is projected to fall below 2 percent, the Superintendent must provide written notification to the Board and the Florida Department of Education (FDOE). If the FDOE determines the District does not have a plan demonstrating reasonable anticipation to avoid a financial emergency, the FDOE shall appoint a financial emergency Board.</p> <p>Additionally, the District operates a food service program to provide meals to participating students and staff and accounts for the financial activities of the program in the Special Revenue – Food Service Fund. Effective controls over program financial activities are necessary to ensure that sufficient resources are maintained and available to address normal contingencies.</p>
<b>Condition</b>	At June 30, 2024, the District reported a General Fund total unassigned fund balance of negative \$101,258 and had financial condition ratio of negative

0.5 percent. During the 2024-25 fiscal year, the Board reviewed monthly summaries of the checks written in the prior month and received monthly financial reports that identified the General Fund revenues and expenditures. However, the reports did not identify fund balance amounts unassigned and available for spending and amounts restricted and unavailable for spending.

As a result of our recommendation in our report No. 2025-183, issued in March 2025, the Superintendent in June 2025 notified the Board and the FDOE of the negative financial condition ratio at June 30, 2024, and submitted a 2025-26 fiscal recovery plan to the FDOE. The plan included strategies to reduce staffing and optimize revenue opportunities and projected to restore the financial condition ratio to 3 percent by June 2026. Although the FDOE approved the 2025-26 fiscal recovery plan, the General Fund unassigned fund balance had declined to a District-reported deficit of \$1,149,073 at June 30, 2025, before audit adjustments.

Our audit procedures identified audit adjustments that were necessary to properly reflect the amounts initially reported and District management accepted the adjustments. The adjustments further decreased the General Fund unassigned fund balance by a total of \$848,460 to a deficit unassigned fund balance of \$1,997,533. As such, the audit adjustments dropped the District-determined financial condition ratio at June 30, 2025, from negative 5.8 percent, before audit adjustments, to negative 10.2 percent. The General Fund financial condition ratios for the past 3 fiscal years are shown in the following table.

**General Fund Financial Condition Ratios  
For the Fiscal Years Ended June 30, 2023, 2024, and 2025**

Fiscal Years Ended June 30	Total Unassigned Fund Balance (A)	Total Revenues (B)	Financial Condition Ratio (A)/(B)
2023	\$1,649,439	\$18,045,439	9.14%
2024	(101,258)	19,354,890	-0.5%
2025	(1,997,533)	19,668,164	-10.2%

Because the District had an initial negative financial condition ratio at June 30, 2025, the Superintendent in October 2025 submitted another financial condition notification to the Board and the FDOE and submitted another 2025-26 fiscal recovery plan to the FDOE. The plan focused on staffing reductions and projected that the District would have a General Fund financial condition ratio above 3 percent. However, subsequent District consultations with FDOE in November 2025 disclosed that the District was not on pace to meet the projected 3 percent financial condition ratio at June 30, 2026.

Additionally, the unassigned fund balance of the Special Revenue – Food Service Fund decreased \$131,420 from a deficit \$514,188 at July 1, 2024, to a deficit \$645,608 at June 30, 2025.

**Cause**

District personnel indicated that they misunderstood restrictions on certain State funds and did not have appropriate monitoring procedures to ensure the accuracy of the financial reported amounts and monthly financial reports, or effective implementation of the fiscal recovery plans. Additional control deficiencies negatively impacting the Board’s ability to effectively monitor the District’s financial position are discussed in Finding Nos. 2025-002 and 2025-003.

**Effect**

The decline in the unassigned fund balances of the General Fund and Special Revenue – Food Service Fund resulted in fewer resources for emergencies and unforeseen situations than other school districts of comparable size. Failure to

reverse the District financial condition declines could limit the District's ability to meet fiscal obligations.

**Recommendation**

The Board and Superintendent should take immediate action to ensure that financial information is accurately recorded and reported and adequate fund balances are maintained in the General Fund and Special Revenue – Food Service Fund. Such action should include appropriate staff training and documented implementation of effective strategies to restore the unassigned fund balances of the General Fund and Special Revenue – Food Service Fund to amounts that are sufficient to address normal contingencies.

**District Response**

The District created a much more extensive Fiscal Recovery Plan (FRP) in December of 2025 and adjusted again in March of 2026. The plan was built with cooperation with Ms. Li Liu, Bureau Chief, School Business at the Florida Department of Education Finance Division. Resulting from that work was a supplemental increase of \$1.875 million, pending legislative committee approval, to assist the District in its recovery. Included in the FRP, and prior to the pending supplement, were staff reduction costs of over \$1.4 million. That amount was achieved through the development of a sound allocation formula and staffing plan to now be used in budgeting for future years. Additional cost savings measures were also implemented. As of the February Board meeting, the Board was presented with an accurate Year to Date accounting of expenditures and revenues by FUNCTION and OBJECT. Those monthly reports will be presented at each initial monthly Board meeting moving forward.

## **ACCOUNTING ENTRIES**

<b>Finding Number</b>	<b>2025-002</b>
<b>Opinion Units</b>	Major Fund: Capital Projects – Public Education Capital Outlay (PECO) Fund
<b>Financial Statements Account Titles</b>	Various
<b>Fund Names</b>	Capital Projects – PECO Fund
<b>Adjustment Amounts</b>	For Example: Capital Projects – PECO Fund: Increased Cash and Cash Equivalents (Debit – \$2,202,711) and Construction Contracts Payable (Credit – Same Amount).
<b>Statistically Valid Sample</b>	Not Applicable
<b>Prior Year Findings</b>	Auditor General Report No. 2025-183, Finding No. 2024-002; Auditor General Report No. 2024-191, Finding No. AM 2023-002
<b>Finding</b>	District controls over the accounting entry process continue to need improvement.
<b>Criteria</b>	Accounting entries are used as necessary to revise asset, liability, revenue, and expenditure and expense accounts. Effective internal controls require that accounting entries be appropriately documented and independently reviewed and approved by individuals who possess the necessary expertise to provide reasonable assurance that transactions are appropriately recorded, and that errors of fraud, should they occur, are timely detected and resolved.
<b>Condition</b>	From the District's 60 accounting entries totaling \$55.4 million, we requested for examination District records supporting 30 selected accounting entries totaling \$33.6 million. However, District records were not provided to identify the purpose for, or independent verification of, 23 entries totaling \$33.5 million.

<b>Cause</b>	District personnel indicated that District records supporting the 23 accounting entries could not be located because of recordkeeping and filing mistakes. In addition, District staff responsible for reviewing the entries lacked expertise to ensure that the entries were appropriately documented and accurate.
<b>Effect</b>	Several account balances and transactions on the District financial statements were misstated because of inaccurate accounting entries and we extended our procedures to determine the adjustments necessary to ensure that the effects of the inaccurate entries were corrected on the financial statements as of June 30, 2025. While District management accepted our adjustments, our procedures cannot substitute for the District's responsibility to establish appropriate controls over accounting entries. Absent such controls, including documented, independent verification of accounting entries by personnel with appropriate expertise, there is an increased risk that any errors or fraud that may occur, will not be timely detection.
<b>Recommendation</b>	District procedures should be enhanced to document the purpose for and independent verification of accounting entries and ensure that individuals who prepare and verify the accounting entries are appropriately trained.
<b>District Response</b>	Upon the reassignment of the Director of Human Resources to Director of Business Operations for the purpose of supervising both human resources and finance in October of 2025, the Finance Office began accurate record keeping of all transactions within the District. The staff has received additional training and has been appropriately assigned duties and workload making these corrections feasible and readily attainable. Additionally, a qualified Chief Financial Officer has accepted that role of CFO for Glades County Schools and will begin work during April of 2026.

## **BANK ACCOUNT RECONCILIATIONS**

<b>Finding Number</b>	<b>2025-003</b>
<b>Opinion Unit</b>	Not Applicable
<b>Financial Statements Account Title</b>	Cash and Cash Equivalents
<b>Fund Name</b>	Not Applicable
<b>Adjustment Amounts</b>	Not Applicable
<b>Prior Year Finding</b>	Auditor General Report No. 2025-183, Finding No. AM 2024-001; Auditor General Report No. 2024-191, Finding No. AM 2023-001.
<b>Finding</b>	The District maintained five bank accounts during the 2024-25 fiscal year; however, as similarly noted in our report No. 2025-183, District personnel did not perform any bank account reconciliations. Without reconciliations, there is an increased risk that any cash transaction errors or fraud that occur will not be timely detected.
<b>Criteria</b>	Section 1010.01(5), Florida Statutes, requires each school district to establish and maintain internal controls designed to, among other things, detect fraud, ensure reliability of financial records and reports, and safeguard assets. Effective internal controls require that reconciliations of bank account balances to general ledger account balances be performed on a timely, routine basis.  Properly and timely prepared bank account reconciliations are necessary to provide reasonable assurance that cash assets agree with recorded amounts,

promptly detect and correct unrecorded and improperly recorded cash transactions or bank errors, and provide for the efficient and economic management of cash resources.

<b>Condition</b>	During the 2024-25 fiscal year, the District maintained five bank accounts for District governmental funds. However, for that fiscal year, the District did not complete any of the 60 monthly bank account reconciliations. As of June 30, 2025, the District's governmental fund adjusted general ledger cash account balances and financial statement cash account balances each totaled \$4,813,151, while the bank account cash balances totaled \$3,959,249. Additionally, as of March 2026, the District had not completed the 60 bank account reconciliations for the five accounts.
<b>Cause</b>	Effective procedures have not been established to require and ensure that bank account reconciliations are conducted timely and independently approved.
<b>Effect</b>	<p>We extended our audit procedures and determined that cash balances, after District acceptance of audit adjustments (discussed in Finding Nos. 2025-001 and 2025-002), were properly reported at June 30, 2025. Notwithstanding, our procedures do not substitute for the District's responsibility to employ effective controls over cash and cash equivalents.</p> <p>Without effective controls, there is an increased risk that any cash transaction errors or fraud that may occur will not be timely detected and the reliability of the general ledger financial information throughout the year and the Board's ability to effectively monitor the District's financial position is diminished.</p>
<b>Recommendation</b>	The District should establish procedures to require and ensure that reconciliations of bank account balances to the general ledger account balances are conducted timely with reconciling items promptly identified, investigated, documented, and resolved, and that the reconciliations are independently approved.
<b>District Response</b>	The District is currently working to reconcile all checking accounts. An outside expert is currently on temporary assignment in-house completing the reconciliation process.

## INFORMATION TECHNOLOGY ACCESS PRIVILEGES

<b>Finding Number</b>	<b>2025-004</b>
<b>Opinion Unit</b>	Not Applicable
<b>Financial Statements Account Title</b>	Not Applicable
<b>Fund Name</b>	Not Applicable
<b>Adjustment Amounts</b>	Not Applicable
<b>Prior Year Finding</b>	Not Applicable
<b>Finding</b>	Five District employees had access privileges to information technology (IT) applications or components that allowed them to perform incompatible District duties, increasing the risk of fraud or errors to occur without timely detection and resolution.
<b>Criteria</b>	Section 1010.01(5), Florida Statutes, requires each District to establish and maintain internal controls designed to, among other things, detect fraud, ensure reliability of financial records and reports, and safeguard assets. Effective IT access controls include granting IT users access to IT resources based on a

demonstrated need to view, add, modify, or delete District data and documented, periodic evaluations of IT user access privileges to ensure that individuals with those privileges have a demonstrated need for the privileges and do not have incompatible District duties.

The District accounting system is composed of finance and human resource (HR) applications, as well as a product setup component that allows for the technical configuration and system administration of both applications. The District finance application includes, for example, the ability to create and edit vendor information, create and post journal entries, and process payment transactions.

**Condition**

As part of our audit, we examined District records supporting the IT access privileges granted to the 10 IT users who in January 2026 had update access to critical finance and HR functions in the District applications. For 5 of the IT users, we found that:

- The Director of Business Operations and the Coordinator of Federal Programs and Grants had access that allowed incompatible duties to create vendors, post journal entries, process vendor payments, modify employee records, and adjust payroll.
- The Finance Clerk had access that allowed incompatible duties to create new vendors in the system, update vendor information, and create journal entries.
- The Purchasing Clerk and the HR Secretary had access that allowed incompatible duties to add new employees, modify employee records, process direct deposits, and adjust payroll in the HR application.

**Cause**

District personnel indicated that inappropriate IT access was granted as necessary to smooth operations during staffing changes and that they did not conduct periodic evaluations of IT access privileges.

**Effect**

The existence of inappropriate or unnecessary IT access privileges increases the risk that fraud or errors may occur and not be timely detected and resolved.

**Recommendation**

District management should enhance procedures to ensure that IT access privileges restrict employees from routinely performing functions incompatible or inconsistent with their assigned job functions. Such enhancements should include removal of the five employees' inappropriate access privileges and effective implementation of documented periodic evaluations of IT user access privileges to ensure that individuals with those privileges do not have incompatible District duties.

**District Response**

The District will remove IT access to privileges outside the scope of their responsibilities. The Director of Business Operations will have access to budget management with limited access to human resources information during the transition of new administrative staff. The new Director of Grants and Special Programs will have access to budget management for the purpose of monitoring all grant procurement, budgeting, acquisitions, and expenditures of grants. Upon the arrival, the new CFO will determine any future access privileges for staff.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

## **ADDITIONAL MATTER**

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### **BUDGETARY CONTROLS**

<b>Finding</b>	<b>AM 2025-001</b>
<b>Opinion Unit</b>	Major Funds: General Fund and Special Revenue – Food Service Fund
<b>Financial Statements Account Title</b>	Not Applicable
<b>Fund Name</b>	General Fund and Special Revenue – Food Service Fund
<b>Adjustment Amounts</b>	Not Applicable
<b>Prior Year Finding</b>	Not Applicable
<b>Finding</b>	District procedures did not always limit expenditures to budgeted amounts, contrary to State law and State Board of Education (SBE) rules.
<b>Criteria</b>	<p>Section 1011.05, Florida Statutes, provides that the official budget shall not be altered, amended, or exceeded except as authorized. In addition, SBE Rule 6A-1.007(2), Florida Administrative Code, provides that no expenditure shall be authorized or obligation incurred that is in excess of budgetary appropriation and requires that the Board approve amendments to the budget whenever the function amounts are changed from the original budget.</p> <p>An effective process for adopting and amending the budget provides the District with a mechanism to plan a level of expenditures to meet obligations and remain within available financial resources.</p>
<b>Condition</b>	<p>Contrary to established requirements, District expenditures were not always limited to budgeted amounts. As of June 30, 2025, expenditures exceeded the budgeted amounts in:</p> <ul style="list-style-type: none"><li>• Six functional categories of the General Fund by \$3,260 to \$131,828 or a total of \$332,924.</li><li>• The food services functional category of the Special Revenue – Food Service Fund by \$138,835.</li></ul> <p>Moreover, the Board did not amend the budget for the over-expended amounts by the next scheduled Board meeting.</p>
<b>Cause</b>	District personnel indicated that, due to oversights, certain budget amounts were not increased during the preparation of the budget schedule for the 2024-25 fiscal year annual financial report. In addition, budget amendments to authorize the over-expended amounts were not presented to the Board for approval.
<b>Effect</b>	Without properly monitoring and amending the budget to meet changing financial circumstances, the District's ability to meet future financial obligations could be further hindered.
<b>Recommendation</b>	District personnel should enhance budgetary procedures by closely monitoring financial activities to ensure that expenditures are limited to budgeted amounts as required by State law and SBE rules.

**District Response**

The segregation of duties has been defined and have been limited to appropriate personnel assigned to those duties. Any expenditures that would result in a negative budget line item are now reviewed, approved if appropriate, and budget revisions made by the Director of Business Operations. All revisions are now taken to the Board for approval. Any large revision requests are taken before the Superintendent and the Board for approval.

## ***ADDITIONAL MATTER PRIOR AUDIT FOLLOW-UP***

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As discussed in Financial Statement Finding No. 2025-003, the District had not taken corrective action for the additional matter finding in our report Nos. 2025-183 and 2024-191.

# SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



PO Box 459  
Moore Haven, FL 33471  
(863) 946-2083  
Fax: (863) 946-2709

Glades County School District

Building Academic Excellence

**Dr. Alice E. Barfield**  
Superintendent

**Brian Greseth**  
Director of  
Safety & Facilities

**Daniel Thomas**  
Director of  
Administrative Services

**John Radebaugh**  
Director of  
Business Operations

**Rhonda Boils**  
Director of  
Exceptional Student  
Education

**Tera Ming**  
Grants & Special Funding  
Coordinator

**Wendy Mullens**  
Director of  
Curriculum & Instruction

**School Board Members**

**Crystal Drake**  
District 1

**Larry Luckey II**  
District 2

**Jean Prowant**  
District 3

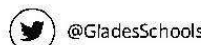
**Kimberly Clement**  
District 4

**Patricia Pearce**  
District 5

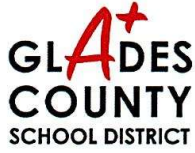
Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
2023-173 (2022-001)	Financial Reporting	The District's financial reporting procedures did not ensure all major funds were properly disclosed on the annual financial report (AFR), and that the AFR was timely submitted to the FDOE.	Fully Corrected.	Corrective action was taken.
2025-183 (2024-001)	Financial Condition Monitoring and Reporting	District controls were not effective to ensure the accuracy of District accounting information and prevent a significant decline in available financial resources.	Not Corrected.	The District utilized a consultant during the current year. A more experienced interim financial director is in place and working to correct data entry errors for a more effective and efficient record keeping process. The District is seeking a permanent replacement finance director.
2025-183 (2024-002)	Accounting Entries	District controls over the accounting entry process need improvement.	Not Corrected.	The District utilized a consultant during the current year. A more experienced interim financial director is in place and working to correct data entry errors for a more effective and efficient record keeping process. The District is seeking a permanent replacement finance director.

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www.gladesedu.org



# CORRECTIVE ACTION PLAN



PO Box 459  
Moore Haven, FL 33471  
(863) 946-2083  
Fax: (863) 946-2709

**Glades County School District**  
*John Radebaugh* \ Director of Human Resources

*Building Academic Excellence*

**Dr. Alice E. Barfield**  
Superintendent

March 27, 2026

**Brian Greseth**  
Director of  
Safety & Facilities

**Daniel Thomas**  
Director of  
Administrative Services

**John Radebaugh**  
Director of  
Business Management

**Rhonda Boils**  
Director of  
Exceptional Student  
Education

**Tera Ming**  
Grants & Special Funding  
Coordinator

**Wendy Mullens**  
Director of  
Curriculum & Instruction

## Glades County District School Board

### Management's Corrective Action Plans

#### For the Fiscal Year Ended June 30, 2025

Finding Number: 2025-001.

Planned Corrective Action: The District created a much more extensive Fiscal Recovery Plan (FRP) in December of 2025 and adjusted again in March of 2026. The plan was built with cooperation with Ms. Li Liu, Bureau Chief, School Business at the Florida Department of Education Finance Division. Resulting from that work was a supplemental increase of \$1.875 million, pending legislative committee approval, to assist the District in its recovery. Included in the FRP, and prior to the pending supplement, were staff reduction costs of over \$1.4 million. That amount was achieved through the development of a sound allocation formula and staffing plan to now be used in budgeting for future years. Additional cost savings measures were also implemented. As of the February Board meeting, the Board was presented with an accurate Year to Date accounting of expenditures and revenues by FUNCTION and OBJECT. Those monthly reports will be presented at each initial monthly Board meeting moving forward.

Anticipated Completion Date: This action has been completed and is currently in place.

Responsible Contact Person: John M. Radebaugh, Director of Business Operations

#### School Board Members

**Crystal Drake**  
District 1

**Larry Luckey II**  
District 2

**Jean Prowant**  
District 3

**Kimberly Clement**  
District 4

**Patricia Pearce**  
District 5

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www.gladesedu.org



**Dr. Alice E. Barfield**  
Superintendent

Finding Number: 2025-002.

**Brian Greseth**  
Director of  
Safety & Facilities

Planned Corrective Action: Upon the reassignment of the Director of Human Resources to Director of Business Operations for the purpose of supervising both human resources and finance in October of 2025, the Finance Office began accurate record keeping of all transactions within the District. The staff has received additional training and has been appropriately assigned duties and workload making these corrections feasible and readily attainable. Additionally, a qualified Chief Financial Officer has accepted that role of CFO for Glades County Schools and will begin work during April of 2026.

**Daniel Thomas**  
Director of  
Administrative Services

**John Radebaugh**  
Director of  
Business Management

**Rhonda Boils**  
Director of  
Exceptional Student  
Education

Anticipated Completion Date: This action has been completed and currently in place.

**Tera Ming**  
Grants & Special Funding  
Coordinator

Responsible Contact Person: Dr. Alice E. Barfield, Superintendent of Schools

**Wendy Mullens**  
Director of  
Curriculum & Instruction

Finding Number: 2025-003.

Planned Corrective Action: The District is currently working to reconcile all checking accounts. An outside expert is currently on temporary assignment in-house completing the reconciliation process.

**School Board Members**

**Crystal Drake**  
District 1

Anticipated Completion Date: May 1, 2026

**Larry Luckey II**  
District 2

Responsible Contact Person: Dr. Alice E. Barfield, Superintendent of Schools

**Jean Prowant**  
District 3

**Kimberly Clement**  
District 4

**Patricia Pearce**  
District 5

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**Dr. Alice E. Barfield**  
Superintendent

Finding Number: 2025-004.

**Brian Greseth**  
Director of  
Safety & Facilities

Planned Corrective Action:

The District will remove IT access to privileges outside the scope of their responsibilities. The Director of Business Operations will have access to budget management with limited access to human resources information during the transition of new administrative staff. The new Director of Grants and Special Programs will have access to budget management for the purpose of monitoring all grant procurement, budgeting, acquisitions, and expenditures of grants. Upon the arrival, the new CFO will determine any future access privileges for staff.

**Daniel Thomas**  
Director of  
Administrative Services

**John Radebaugh**  
Director of  
Business Management

**Rhonda Boils**  
Director of  
Exceptional Student  
Education

Anticipated Completion Date: March 31, 2026 with adjustments forthcoming upon the arrival of the new CFO.

**Tera Ming**  
Grants & Special Funding  
Coordinator

Responsible Contact Person:

John M. Radebaugh, Director of Business Operations

Dr. Alice E. Barfield, Superintendent of Schools

**Wendy Mullens**  
Director of  
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