

**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
2013	0.080556214%	\$ 13,867,310	\$ 31,251,766	44.37%	88.54%
2014	0.084507080%	5,156,175	32,132,634	16.05%	96.09%
2015	0.083061458%	10,728,505	32,356,720	33.16%	92.00%
2016	0.075921146%	19,170,149	32,447,725	59.08%	84.88%
2017	0.073015895%	21,597,612	32,702,457	66.04%	83.89%
2018	0.071904696%	21,658,067	33,028,010	65.57%	84.26%
2019	0.073882743%	25,444,188	35,414,488	71.85%	82.61%
2020	0.073258788%	31,752,822	36,686,231	86.55%	78.85%
2021	0.078394961%	5,921,848	36,727,592	16.12%	96.40%

(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
2014	\$ 1,851,064	\$ (1,851,064)	\$ -	\$ 32,132,634	5.76%
2015	2,025,109	(2,025,109)	-	32,356,720	6.26%
2016	1,851,458	(1,851,458)	-	32,447,725	5.71%
2017	1,900,784	(1,900,784)	-	32,702,457	5.81%
2018	2,056,160	(2,056,160)	-	33,028,010	6.23%
2019	2,322,599	(2,322,599)	-	35,414,488	6.56%
2020	2,242,371	(2,242,371)	-	36,686,231	6.11%
2021	3,012,580	(3,012,580)	-	36,727,592	8.20%
2022	3,503,365	(3,503,365)	-	39,145,020	8.95%

(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
2013	0.107590128%	\$ 9,367,135	\$ 31,251,766	29.97%	1.78%
2014	0.108148239%	10,112,124	32,132,634	31.47%	0.99%
2015	0.106536805%	10,865,078	32,356,720	33.58%	0.50%
2016	0.104995569%	12,236,799	32,447,725	37.71%	0.97%
2017	0.102554389%	10,965,588	32,702,457	33.53%	1.64%
2018	0.101074707%	10,697,860	33,028,010	32.39%	2.15%
2019	0.105854251%	11,844,031	35,414,488	33.44%	2.63%
2020	0.105696866%	12,905,419	36,686,231	35.18%	3.00%
2021	0.103701675%	12,720,570	36,727,592	34.63%	3.56%

(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
2014	\$ 370,479	\$ (370,479)	\$ -	\$ 32,132,634	1.15%
2015	407,250	(407,250)	-	32,356,720	1.26%
2016	538,169	(538,169)	-	32,447,725	1.66%
2017	542,747	(542,747)	-	32,702,457	1.66%
2018	548,265	(548,265)	-	33,028,010	1.66%
2019	587,881	(587,881)	-	35,414,488	1.66%
2020	608,991	(608,991)	-	36,686,231	1.66%
2021	609,678	(609,678)	-	36,727,592	1.66%
2022	649,807	(649,807)	-	39,145,020	1.66%

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

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. For the 2021-22 fiscal year, changes to assumptions are discussed below:

- The discount rate was changed from 2.21 percent to 2.16 percent in the current year.
- The healthcare cost trend rate assumptions were changed to reflect slightly higher trend assumptions as compared to the last roll forward valuation.
- The adjusted mortality rates were slightly changed from the prior valuation.

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

Changes of Assumptions. In 2021, the maximum amortization period was decreased to 20 years for all current and future amortization bases.

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

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

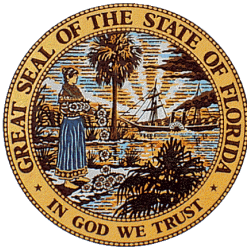
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Sumter County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	22002	\$ -	\$ 1,086,733.81
National School Lunch Program	10.555	22001, 22003	-	3,526,563.18
Summer Food Service Program for Children	10.559	22006, 22007	-	94,262.62
Total Child Nutrition Cluster			<u>-</u>	<u>4,707,559.61</u>
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	222,488.11	1,771,170.53
COVID-19 Special Education - Grants to States	COVID-19, 84.027	263	-	59,770.45
Putnam County District School Board:				
Special Education - Grants to States	84.027	None	-	1,342.35
Orange County District School Board:				
Special Education - Grants to States	84.027	None	-	10,540.40
Total Special Education - Grants to States			<u>222,488.11</u>	<u>1,842,823.73</u>
Florida Department of Education:				
Special Education - Preschool Grants	84.173	267	-	39,032.42
Total Special Education Cluster			<u>222,488.11</u>	<u>1,881,856.15</u>
Child Care and Development Fund Cluster:				
United States Department of Health and Human Services:				
Early Learning Coalition of the Nature Coast, Inc.:				
Child Care and Development Block Grant	COVID-19, 93.575	None	-	46,916.07
Not Clustered				
United States Federal Communications Commission				
Emergency Connectivity Fund	32.009	N/A	-	652,400.00
United States Department of Education				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	185,956.64
Title I Grants to Local Educational Agencies	84.010	212	-	1,996,168.88
Twenty-First Century Community Learning Centers	84.287	244	-	270,303.35
English Language Acquisition State Grants	84.365	102	-	21,949.69
Supporting Effective Instruction State Grants	84.367	224	50,504.28	377,921.75
Student Support and Academic Enrichment Program	84.424	241	-	135,407.51
Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	COVID-19, 84.425C	123	561.61	10,639.76
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124	2,159,747.98	6,522,969.28
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	561,441.34	2,303,424.17
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	-	4,612.63
Total Education Stabilization Fund	84.425		<u>2,721,750.93</u>	<u>8,841,645.84</u>
Career and Technical Education - Basic Grants to States:				
Florida Department of Education	84.048	161	25,726.00	236,866.69
Lake-Sumter State College		None	-	1,489.00
Total Career and Technical Education - Basic Grants to States	84.048		<u>25,726.00</u>	<u>238,355.69</u>
Total United States Department of Education			<u>2,797,981.21</u>	<u>12,067,709.35</u>
Total Expenditures of Federal Awards			<u>\$ 3,020,469.32</u>	<u>\$ 19,356,441.18</u>

The accompanying notes 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 Sumter County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (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 \$233,723.18 of donated food used during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.



Sherrill F. Norman, CPA
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Sumter County District School Board as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 21, 2023, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

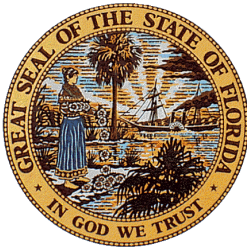
Purpose of this Report

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
February 21, 2023



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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Sumter 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 each of the District's major Federal programs for the fiscal year ended June 30, 2022. The District's major Federal programs are 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 each of its major Federal programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 each

major Federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The District's basic financial statements include the operations of The Villages Charter School, Inc. (Charter School) as a discretely presented component unit on the accompanying basic financial statements. The Charter School expended \$5,522,076 in Federal awards, which is not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2022. Our compliance audit, described in the ***Opinion on Each Major Federal Program*** section of our report, did not include the operations of this Charter School because, pursuant to Section 218.39(1)(e), Florida Statutes, the Charter School engaged other auditors to perform an audit in accordance with Uniform Guidance.

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 each 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
February 21, 2023

