



*Every Child,
Every Chance,
Every Day!*

The School
District of Osceola
County, Florida

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

SCHOOL BOARD MEMBERS

CLARENCE THACKER
BOARD CHAIR

KELVIN SOTO,
VICE CHAIR

TERRY CASTILLO

TIM WEISHEYER

RICKY BOOTH

DR. DEBRA P. PACE
SUPERINTENDENT

SARAH E. GRABER, CPA, CGFO
CHIEF FINANCE OFFICER

AN EQUAL OPPORTUNITY EMPLOYER

The School District of Osceola County, Florida
817 Bill Beck Boulevard
Kissimmee, Florida 34744
<http://www.osceola.k12.fl.us/>



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

Prepared By:
Business & Fiscal Services

Inspiring all learners to reach their highest potential as responsible, productive citizens.

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THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

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THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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INTRODUCTORY SECTION

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THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

817 Bill Beck Boulevard • Kissimmee • Florida 34744-4492
Phone: 407-870-4600 • Fax: 407-870-4010 • www.osceolaschools.net

SCHOOL BOARD MEMBERS

District 1 – Teresa “Terry” Castillo
407-577-5022
District 2 – Kelvin Soto – Chair
407-870-4009
District 3 – Tim Weisheyer – Vice-Chair
407-361-0235
District 4 – Clarence Thacker
407-870-4009
District 5 – Ricky Booth
407-870-4009

Superintendent of Schools

Dr. Debra P. Pace



December 11, 2019

District School Board of Osceola County
817 Bill Beck Boulevard
Kissimmee, FL 34744

Dear Chairman, School Board Members, and Citizens of Osceola County:

State law requires that all local governments publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America, and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of The School District of Osceola County, Florida (District) for the fiscal year ended June 30, 2019.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Office of the Florida Auditor General has audited the District’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the District’s basic financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP.

The independent auditors’ report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual single audit in conformity with 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”). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal

controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, summary of prior audit findings, and the independent auditors' reports on the system of internal control and on compliance with applicable requirements, are included in the single audit section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report.

PROFILE OF THE GOVERNMENT

The District and its governing board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of District public schools. The appointed Superintendent of Schools (Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

The geographic boundaries of the District are those of Osceola County. During fiscal year 2018-19, the District operated 74 schools. Of this number, 46 were traditional K-12 schools including 24 elementary schools, 8 middle schools, 10 high schools, and 4 multilevel schools. In addition, the District sponsored 24 charter schools, 2 alternative schools and 2 adult centers. The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school. In fiscal year 2018-19, the District provided general, special, vocational, and other educational programs to 67,724 unweighted full-time equivalent students. The initial projected enrollment for fiscal year 2019-20 was 69,948 unweighted full-time equivalent students. The average age of the schools within the District is approximately 29 years. The District opened one new school in fiscal year 2019-20.

The Board follows procedures established by Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. Appropriations are controlled at the fund-function level (e.g. salaries, benefits, and purchased services) within each function activity (e.g. instruction, student support services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

ECONOMIC CONDITION AND OUTLOOK

Osceola County is part of the Orlando Metropolitan Statistical Area (MSA) along with Orange, Seminole and Lake Counties. According to the Metro Orlando Economic Development Commission (the Commission), Metro Orlando is one of the fastest growing MSA in Florida with a population of 2.49 million people. The Commission promotes Osceola County's government and business leaders as visionaries who are paving the way for the diversification of the county's economy with cutting-edge commercial development and the next generation of advanced manufacturing technology.

According to the United States Census Bureau, the population of Osceola County increased 37.0 percent from 2010 to 2018, as compared to the state of Florida, which increased 13.3 percent. There were an estimated 367,990 people and 96,250 households residing in the County. The racial makeup of the County was 79.4 percent white, 13.9 percent black and 6.7 percent from other races. Hispanics make up 55.3 percent of the total population.

Of Osceola County's population, 24.4 percent are 17 and younger, and 13.2 percent are 65 and older. The average household size is 3. The median age in the County is 36 years. The median income for a household was \$47,343. The per capita income for the County was \$20,165. Of the 25 and older population, 86 percent are high school graduates.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District remains Osceola County's largest employer, employing 8,368 full and part-time employees, including 4,087 classroom teachers.

MAJOR INITIATIVES

Class Size Reduction Amendment

In November 2002, the voters of Florida amended the State Constitution to limit class size. By the beginning of fiscal year 2010-11, the amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: (1) Pre-kindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students.

The Florida Legislature enacted Senate Bill-30A implementing the reduction of the average number of students in each classroom by at least two students per year, beginning in fiscal year 2003-04 until the maximum number of students per classroom does not exceed the fiscal year 2010-11 maximum. If a district's class size does not meet the constitutional maximum, then the district must reduce the average number of students in each of the three grade groupings by two students until the constitutional maximums are reached. The District complied with this requirement for the 2017-18 fiscal year.

Capital Outlay Program

The District appropriated \$116.0 million for construction projects as part of its capital outlay program during the 2019 fiscal year. A few of the major construction projects in process included the construction of a new high school, middle school, and elementary school, a kitchen remodeling project at one middle school, two elementary schools, and one alternative school, as well as comprehensive renovations at one elementary and two middle schools.

Accomplishments

One of the ways to judge a school district is to compare the results of its students on national and statewide testing and the accomplishments of its staff. The District believes that its students and staff have performed well based on various tests and accomplishments as noted below.

School districts throughout Florida are held accountable and receive school grades based on the results of the Florida Standards Assessment (FSA). The fiscal year 2018-19 marks the 21st year of this accountability program and the District continued its tradition of achievement. For elementary, middle, K-8, and multi-level public schools, 6 received a grade of 'A', 14 received a grade of 'B', and 16 received a grade of 'C'. For high schools, 2 received a grade of 'A', 3 received a grade of 'B', and 4 received a grade of 'C'. The District received an overall letter grade of 'B'.

FINANCIAL INFORMATION

Internal Controls. Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all governmental fund types are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the fund-function level.

Budgetary information is integrated into the accounting system, and, to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end, and encumbrances outstanding are honored from the subsequent year's appropriations.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teacher positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

Long-Term Financial Planning. Over the last few years, revenues from non-recurring sources, such as the American Recovery and Reinvestment Act of 2009 (ARRA), the Education Jobs Fund, and funds from an optional critical needs ad valorem tax levy, have expired. However, during that same period, the District was able to accumulate a suitable fund balance reserve to offset future operating deficits. As a result, the District ended the 2018-19 fiscal year with another increase to its operating fund balance.

ACKNOWLEDGEMENTS

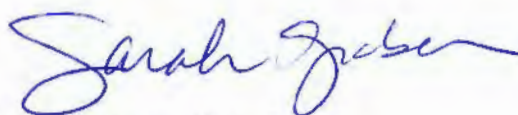
The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, we would like to thank each member of the Board for their leadership and support in planning and conducting the financial operations of the District.

Respectfully submitted,



Dr. Debra P. Pace
Superintendent



Sarah E. Graber, CPA, CGFO
Chief Business and Finance Officer

OSCEOLA SCHOOL DISTRICT OFFICIALS
JUNE 30, 2019

SCHOOL BOARD MEMBERS

Clarence Thacker, Chair
District 4

Kevin Soto, Vice Chair
District 2

Ricky Booth
District 5

Teresa “Terry” Castillo
District 1

Tim Weisheyer
District 3

SUPERINTENDENT
Dr. Debra P. Pace

CHIEF OF STAFF FOR TEACHING, LEADING & LEARNING
Dr. Ronald S. Fritz

DEPUTY SUPERINTENDENT FOR HUMAN SERVICES
Thomas A. Phelps

ASSISTANT SUPERINTENDENTS

ELEMENTARY CURRICULUM & INSTRUCTION
Dr. Jane Respass

MIDDLE SCHOOL CURRICULUM & INSTRUCTION
Michael Allen

HIGH SCHOOL CURRICULUM & INSTRUCTION
Dr. Laura Rhinehart

SCHOOL SUPPORT SERVICES
Randolph Shuttera

CHIEFS

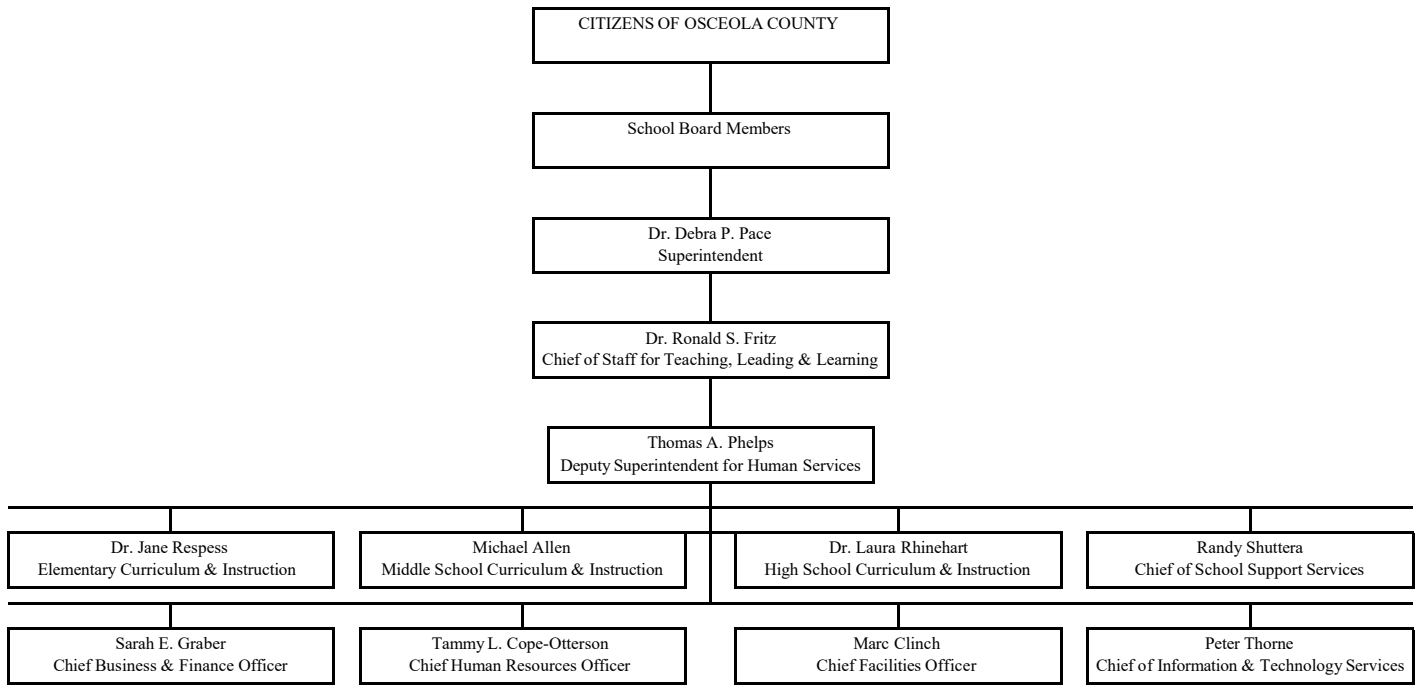
BUSINESS & FINANCE OFFICER
Sarah E. Graber

FACILITIES OFFICER
Marc Clinch

INFORMATION & TECHNOLOGY OFFICER
Peter Thorne

HUMAN RESOURCES OFFICER
Tammy L. Cope-Otterson

The School District of Osceola County, Florida
DISTRICT ADMINISTRATIVE ORGANIZATIONAL
CHART 2018-19





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**School District of Osceola County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

The School District of Osceola County, FL

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



FINANCIAL SECTION

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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Tallahassee, Florida 32399-1450



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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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Osceola County District School Board, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 11 percent and 49 percent, respectively, of the assets and liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Osceola County District School Board, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis**; the **Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget & Actual: General Fund and Special Revenue Fund – Other Federal Programs**; **Schedule of Changes in the Total Other Postemployment Benefits Liability and Related Ratios**; **Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System**; **Schedule of Contributions – Florida Retirement System**; **Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy**; **Schedule of Contributions – Health Insurance Subsidy**; and **Notes to Required Supplementary Information**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and

schedules and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, 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.

The combining and individual fund statements and schedules and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, 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
December 11, 2019
Audit Report No. 2020-077

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Osceola County District School Board, Florida (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the District's basic financial statements found on page 20 - 66 of this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-19 fiscal year are as follows:

- Total assets and deferred outflows of resources of the District exceed total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$672,592,943.
- At June 30, 2019, the District's combined governmental fund balances totaled \$330,040,911, an increase of \$25,109,421, or 8.23 percent, in comparison with the prior fiscal year.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$44,243,507 at June 30, 2019, or 8.43 percent of total General Fund expenditures.
- The District's total bonded debt (Bonds Payable and Certificates of Participation, excluding premiums and discounts) decreased by \$20,980,000, or 7.34 percent during the current fiscal year. The key factor in this was the payment of principal.
- The District's net capital assets increased by \$68,833,532, or 8.68 percent from the 2017-18 fiscal year.

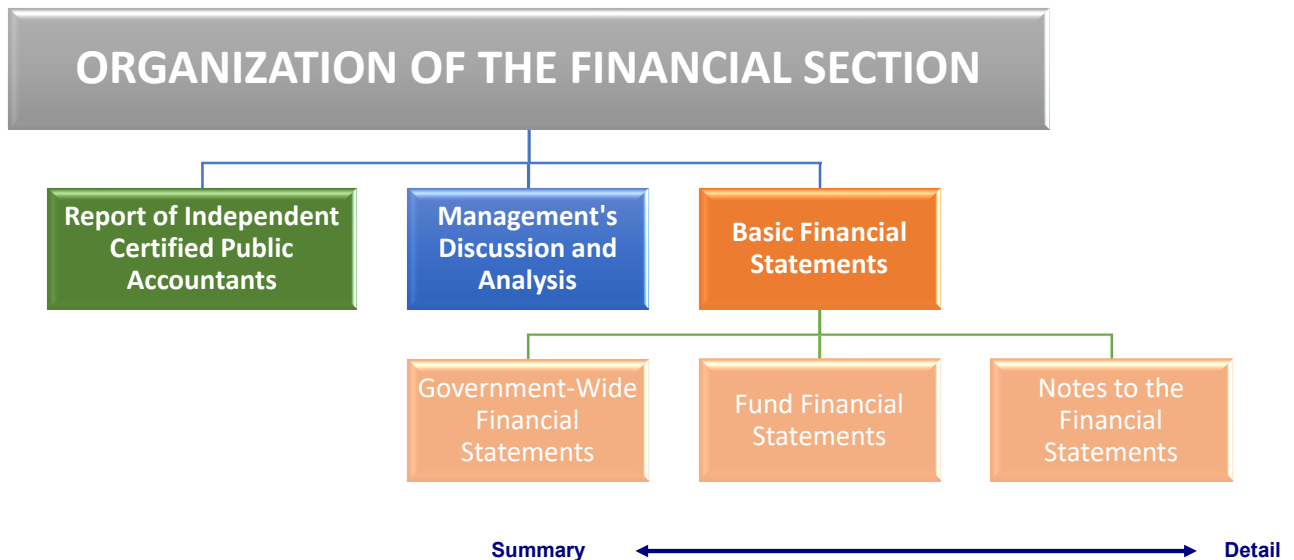
OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The District's basic financial statements are comprised of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to financial statements.

The illustration below shows how the various parts of the financial section are arranged and relate to one another.



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 primary government presented on the accrual basis of accounting. The statement of net position provides information about the government'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, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

- **Governmental activities** – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.

Component units – The District presents twenty-three separate legal entities in this report, including Avant Garde Academy of Osceola, Avant Garde Academy K8 of Osceola, Bellalago Educational Facilities Benefit District, BridgePrep Academy of Osceola, Flora Ridge Educational Facilities Benefit District, Florida Aviation Academy, Florida Cyber Charter Academy at Osceola, The Foundation for Osceola Education, Inc., Four Corners Charter School, Inc., Four Corners Upper School, Lincoln-Marti

Charter Schools, Inc., Main Street High School, Mater Brighton Lakes Academy, Mater Palms Academy, Mater Academy St. Cloud, New Dimensions High School, Inc., Osceola Science Charter School, Renaissance Charter School at Boggy Creek, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, Sports Leadership Arts Management, St. Cloud Preparatory Academy, Inc., and UCP Osceola Charter School. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and

changes in fund balances for the major funds. The District's major funds are the: (1) General Fund, (2) Special Revenue – Other Federal Programs Fund, (3) Capital Projects – Nonvoted Capital Improvement Fund and (4) Capital Projects – Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its General Fund and Special Revenue – Other Federal Programs Fund. Budgetary comparison schedules have been provided on pages 68-69 of this report to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary Funds. Proprietary funds may be established to account for activities in which a fee is charged for services. One type of proprietary fund is maintained.

The internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for the Health and Life Insurance Trust Fund and Casualty Insurance Loss Fund. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Conversely, the internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held in a trustee or fiduciary capacity for the benefit of parties outside the government. The District only has agency funds that are classified as fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses agency funds to account for (1) resources held for student activities and groups and (2) for the activities of Bellalago Charter Academy.

The Statement of Assets and Liabilities – Fiduciary Funds can be found on page 29.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-66 of this report.

Other Supplemental Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 80-112 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows by \$672,592,943 at June 30, 2019. The following is a summary of the District's net position as of June 30, 2019, compared to net position as of June 30, 2018:

Net Position, End of Year		
	Governmental Activities	
	6/30/2019	6/30/2018
Current and Other Non-Capital Assets	\$ 376,031,450	\$ 343,583,120
Capital Assets	861,934,333	793,100,800
Total Assets	1,237,965,783	1,136,683,920
Deferred Outflow of Resources	108,015,388	108,594,254
Total Deferred Outflow of Resources	108,015,388	108,594,254
Current Liabilities	36,379,789	28,768,846
Long-Term Liabilities	604,250,618	622,359,534
Total Liabilities	640,630,407	651,128,380
Deferred Inflow of Resources	32,757,821	23,415,268
Total Deferred Inflow of Resources	32,757,821	23,415,268
Net Position:		
Net Investment in Capital Assets	594,521,122	556,200,796
Restricted	240,578,560	170,937,433
Unrestricted	(162,506,739)	(156,403,703)
Total Net Position	\$ 672,592,943	\$ 570,734,526

By far, the largest portion of the District's net position, \$594,521,122 or 88.39 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to educate the students of Osceola County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$240,578,560 or 35.77 percent, represents resources that are subject to external restrictions on how they may be used. There was an increase of \$69,641,127 in restricted net position reported in connection with the District's governmental activities. This increase is primarily due to the increase in the District's reserve for capital projects primarily resulting from the comprehensive renovation at two middle schools and one elementary school. The remaining net position represents resources that are not subject to external restrictions on how they may be used. The balance of unrestricted net position of (\$162,506,739) is primarily the result of the implementation of *Governmental Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting for Pensions* beginning with the 2014-2015 fiscal year. More information on the adoption of this standard and its effect on the financial statements can be found in Note 11 to the financial statements.

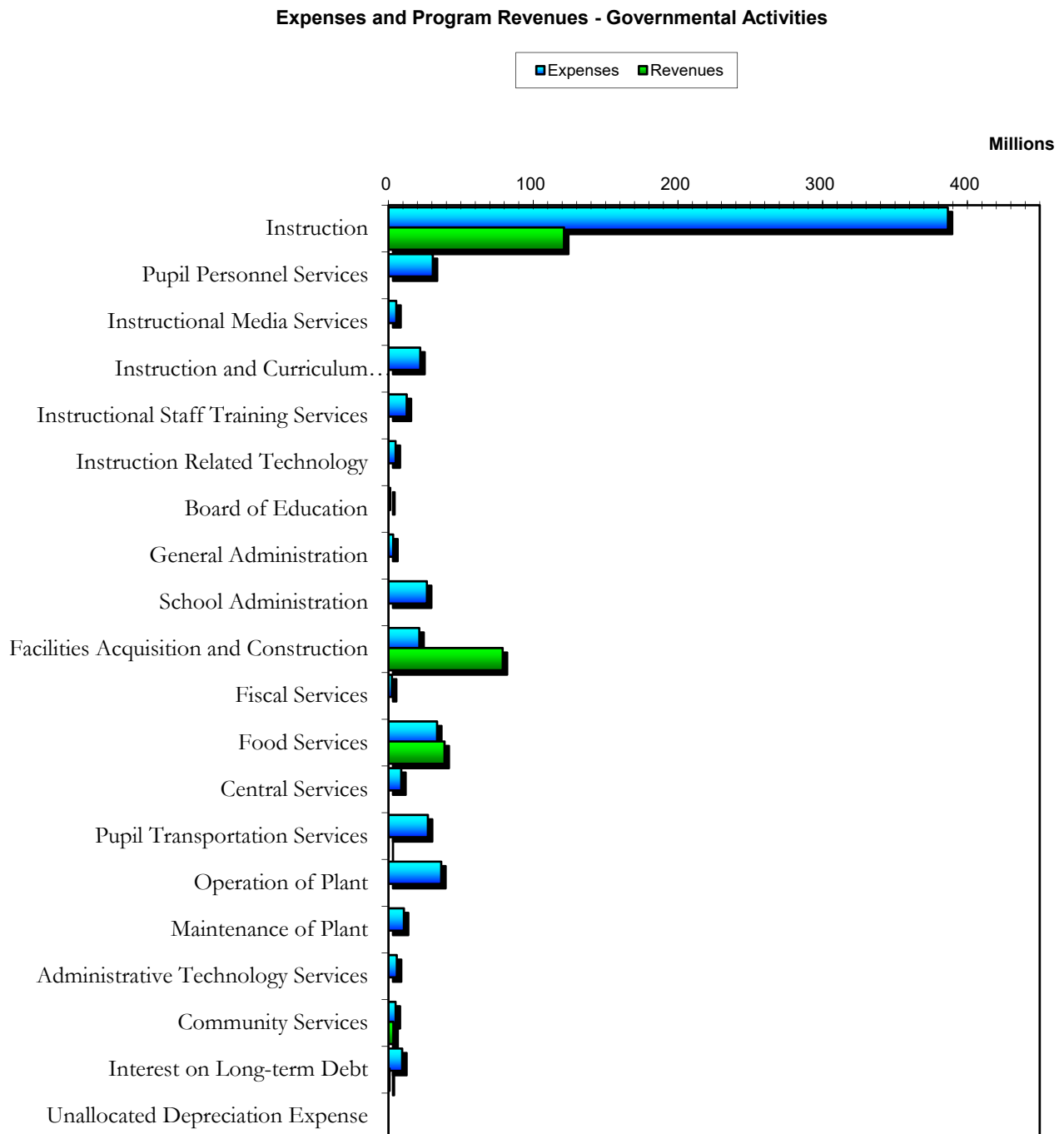
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The key elements of the changes in the District's net position for the fiscal years ended June 30, 2019, and June 30, 2018, are as follows:

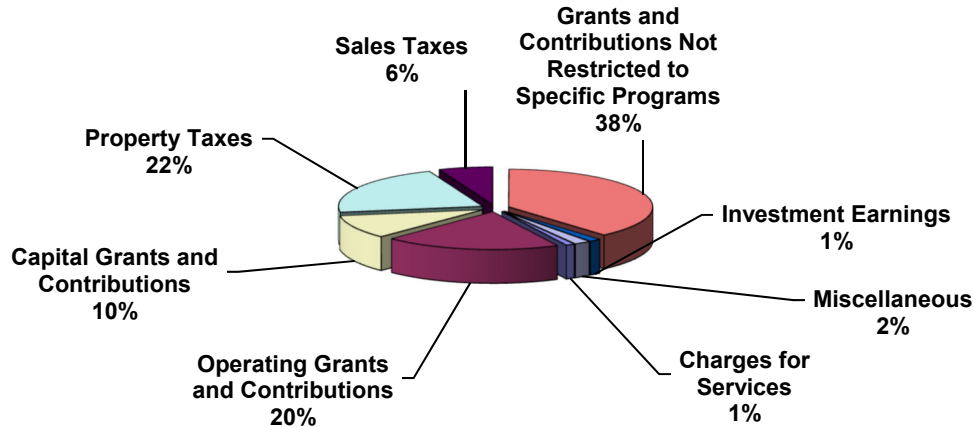
Operating Results for the Year		
	Governmental	
	Activities	
	6/30/2019	6/30/2018
Revenues:		
Program Revenues:		
Charges for Services	\$ 7,743,649	\$ 8,597,114
Operating Grants and Contributions	155,817,226	148,409,368
Capital Grants and Contributions	79,675,583	44,860,175
General Revenues:		
Property Taxes	170,247,090	160,019,131
Local Sales Taxes	47,849,163	45,404,305
Grants and Contributions not Restricted to Specific Programs	304,090,750	277,817,616
Investment Earnings	10,499,198	2,339,176
Miscellaneous	14,410,036	10,200,372
Total Revenues	<u>790,332,695</u>	<u>697,647,257</u>
Functions/Program Expenses:		
Instruction	386,512,557	352,078,958
Pupil Personnel Services	30,655,797	27,161,815
Instructional Media Services	5,370,748	5,076,970
Instruction and Curriculum Development Services	21,941,930	19,201,920
Instructional Staff Training Services	12,595,631	9,928,182
Instruction Related Technology	4,924,091	4,828,689
Board of Education	1,211,308	1,255,886
General Administration	3,260,521	3,089,842
School Administration	26,538,432	25,768,790
Facilities Acquisition and Construction	21,289,873	17,348,888
Fiscal Services	2,391,647	2,310,798
Food Services	33,576,252	32,571,028
Central Services	8,836,176	8,220,245
Pupil Transportation Services	27,235,730	25,326,208
Operation of Plant	36,421,063	34,662,229
Maintenance of Plant	10,641,145	9,405,015
Administrative Technology Services	5,755,107	5,007,879
Community Services	4,924,520	4,838,607
Interest on Long-Term Debt	9,495,189	9,051,396
Unallocated Depreciation Expense	34,896,561	34,635,528
Total Expenses	<u>688,474,278</u>	<u>631,768,873</u>
Increase in Net Position	101,858,417	65,878,384
Net Position, Beginning	570,734,526	468,844,456
Adjustment to Beginning Net Position(1)	<u>-</u>	<u>36,011,686</u>
Net Position, Ending	<u>\$ 672,592,943</u>	<u>\$ 570,734,526</u>

(1) Adjustment to beginning net position is due to the implementation of GASB Statement No.75, which is a change in accounting principle that addresses accounting and financial reporting for the postemployment benefits.

The government-wide net position increased by \$101,858,417 during the current fiscal year. The increase represents the excess of revenues over expenses in the current year.



Revenues by Source - Governmental Activities



Governmental Activities.

Governmental activities increased the District's net position by \$101,858,417, accounting for the total increase in the net position of the District. This increase is primarily due to program revenues held in reserve for future construction projects.

The largest revenue sources are the State of Florida and local sources. Combined, these two revenue sources account for 88.29 percent of total revenues. Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP 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. Total state sources increased by \$19,646,968 or 5.59 percent primarily due to the increase in FEFP funding. Revenues from local sources consist primarily of ad valorem taxes and impact fees. Property tax revenues increased by \$10,227,959 or 6.39 percent, primarily due to the increase in the local property tax base.

Instructional expenses represent 56.14 percent of total governmental expenses in the 2018-19 fiscal year. Instructional expenses increased by \$34,433,599 or 9.78 percent, from the previous fiscal year as a result of the need for additional instructional staff and materials to accommodate the growth in unweighted full-time equivalent students and to continue to meet the district-wide class size requirements.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, assigned plus unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds report combined ending fund balances of \$330,040,911, an increase of \$25,109,421, in comparison with the 2017-18 fiscal year. Unassigned fund balance of \$44,243,507 represents 13.41 percent of the ending fund balances and is available to meet the District's short-term spending needs. Remaining fund balances are non-spendable, restricted, or assigned, to indicate that they are not available for new spending. Inventory balances of \$3,189,511 are considered non-spendable. Fund balances totaling \$275,754,021 are restricted for state required carryover programs, debt service, capital projects, grants and programs, and food service. Fund balances totaling \$6,853,872 are assigned to cover contract commitments and carryover appropriations.

Major Governmental Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the assigned plus unassigned fund balance of the General Fund was \$51,097,379, while total fund balance reached \$68,951,189. As a measure of the General Fund's liquidity, it may be useful to compare both assigned plus unassigned fund balance and total fund balance to total expenditures. Assigned plus unassigned fund balance represents 9.74 percent of total General Fund expenditures, while total fund balance represents 13.14 percent of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$499,597. This increase was the result of controlled expenditures to balance the operating budget and allow the District to begin to rebuild its reserves to meet future needs.

There were no changes to the fund balance for the Special Revenue – Other Federal Programs Fund since revenues are recognized once expenditures are incurred for these programs.

The fund balances for the Capital Projects – Nonvoted Capital Improvement Fund increased by \$4,383,420. This was also a planned increase to provide for future construction projects.

The fund balances for the Capital Projects – Other Fund increased by \$11,337,812. This was a planned increase to provide for future construction projects.

The fund balance for non-major funds – reported as Other Governmental Funds – increased by \$8,888,592 to \$47,376,404. This is primarily due to the increased debt service reserve requirement for the outstanding Certifications of Participation, Series 2010.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements. The District's proprietary fund includes two internal service funds that are used to account for its self-insurance programs. Net position decreased by \$461,844 due to insurance claims and other expenses exceeding premiums.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2018-19 fiscal year, the District amended its General Fund budget, which resulted in a decrease in total budgeted revenues of approximately \$11,041,858, or 2.09 percent. At the same time, final appropriations were less than the original budgeted amounts by approximately \$15,509,747, or 2.77 percent. Budget revisions occurred primarily from changes in estimated State funding levels along with a significant decrease to the District's unweighted full-time equivalent students as a result of relocations after Hurricane Irma. Planned expenditures were adjusted to meet the District's needs while maintaining an adequate fund balance.

Actual revenues are \$3,568,147 greater than final budget amounts while actual expenditures are \$19,969,486, or 3.67 percent, less than final budget amounts. The positive variance was primarily due to continued cost containment measures implemented by the District.

During the current fiscal year, assigned plus unassigned fund balance in the General Fund increased by \$1,055,676 from the prior year (\$50,041,703 to \$51,097,379). This is a result of controlled expenditures to balance the operating budget and allow the District to begin to rebuild its reserves to meet future needs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for the governmental activities as of June 30, 2019, amounts to \$861,934,333 (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; investments in the educational facilities benefit district; and audio visual materials and computer software. The total increase in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$63,833,532, or an 8.68 percent increase from the 2017-18 fiscal year.

Major capital asset events during the current fiscal year included the following:

- Construction in Progress for one new high school, one new middle school, and one new elementary school.
- Construction in Progress for kitchen remodeling projects at one middle school, two elementary schools, and one alternative school.
- Construction in Progress for comprehensive renovations at one elementary and two middle schools.

Following is a summary of the District's capital assets as of June 30, 2019, compared to June 30, 2018

Schedule of Capital Assets (net of accumulated depreciation)			
	Governmental Activities		
	June 30, 2019	June 30, 2018	
Land and Land Improvements	\$ 51,192,846	\$ 50,821,495	
Construction in Progress	100,782,799	95,563,434	
Improvements Other Than Buildings	9,979,968	10,335,569	
Buildings and Fixed Equipment	656,062,673	599,153,616	
Furniture, Fixtures, and Equipment	16,616,869	14,945,564	
Motor Vehicles	16,347,763	10,996,378	
Investment In EFBD	10,781,206	11,048,404	
Audio Visual Materials and Computer Software	170,209	236,341	
Total	<u>\$ 861,934,333</u>	<u>\$ 793,100,801</u>	

Additional information on the District's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the District's long-term debt principal, excluding premiums and discounts, totals \$273,360,566. Of this amount, \$264,711,000 is outstanding bonded debt and \$8,649,566 is other long-term debt. Bonded debt constituted the largest portion of long-term debt at the end of the fiscal year and was comprised of \$2,924,000 of bonds issued on behalf of and by the State Board of Education (SBE) and backed by the full faith and credit of the State of Florida; \$118,817,000 outstanding in District Revenue Bonds; and \$142,970,000 in certificates of participation.

Following is a summary of the District's long-term debt as of June 30, 2019, compared to June 30, 2018.

Schedule of Outstanding Long-Term Debt
(excluding premiums and discounts)

	Governmental Activities	
	June 30, 2019	June 30, 2018
State School (SBE) Bonds	\$ 2,924,000	\$ 3,539,000
District Revenue Bonds	118,817,000	129,277,000
Certificates of Participation	142,970,000	152,875,000
Other Long-Term Debt	8,649,566	9,001,150
Total Outstanding Long-Term Debt	<u>\$ 273,360,566</u>	<u>\$ 294,692,150</u>

The District's total debt decreased by \$21,331,584 or 7.24 percent, during the current fiscal year.

Additional information on the District's long-term debt can be found in Notes 6 through 9 to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

As of May 2019, the Florida Department of Economic Opportunity reports the unemployment rate for Osceola County, Florida, at 3.1 percent. This is a decrease from the rate of 3.5 percent a year ago and is the same as the State's average unemployment rate of 3.1 percent. Generally, consumers who lose their jobs restrict spending in response to the loss of income, while others who remain employed may spend less in anticipation of future job losses.

Section 212.055(6), Florida Statutes, authorizes the imposition by school boards of a one-half cent sales surtax on all taxable transactions to fund capital outlay projects and technology implementation, including the payment of bond indebtedness, subject to approval by the electors of the county voting in a referendum. In November 2016, Osceola County voters approved by referendum the imposition of a one-half cent discretionary sales surtax to be effective beginning January 1, 2017 and ending December 31, 2036.

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Osceola County School District, 817 Bill Beck Boulevard, Kissimmee, Florida 34744.

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BASIC FINANCIAL STATEMENTS



DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 202,779,645	\$ 22,734,612
Investments	141,090,138	6,234,620
Accounts Receivable	1,678,367	7,029,763
Deposits	-	394,628
Due from Other Agencies	25,697,288	3,116,386
Inventories	3,189,511	-
Prepaid Items	1,596,501	513,326
Restricted Assets:		
Cash with Fiscal Agent	-	456,973
Beneficial Interest in Assets Held by Others	-	821,918
Capital Assets:		
Land	49,485,514	1,524,020
Land Improvements, Nondepreciable	1,707,332	9,828
Construction in Progress	100,782,799	6,359
Improvements Other Than Buildings, Net	9,979,968	2,202,775
Buildings and Fixed Equipment, Net	656,062,673	92,831,956
Furniture, Fixtures and Equipment, Net	16,616,869	5,788,156
Capital Lease Asset, Net	-	11,693,202
Motor Vehicles, Net	16,347,763	68,277
Investment in Educational Facilities Benefit District, Net	10,781,206	-
Audio Visual Materials and Computer Software, Net	170,209	431,924
Total Assets	1,237,965,783	155,858,723
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Debt Refunding	1,309,281	73,408
Pension	105,281,918	2,090,240
Other Postemployment Benefits	1,424,189	-
Total Deferred Outflows of Resources	108,015,388	2,163,648
LIABILITIES		
Salaries and Benefits Payable	1,745,720	2,585,843
Payroll Deductions and Withholdings	974,760	-
Accounts Payable	5,702,978	5,561,695
Accrued Expenses	-	505,878
Construction Contracts Payable	13,521,426	-
Construction Contracts Payable-Retainage	5,414,833	-
Due to Other Agencies	1,194,528	3,605,225
Sales Tax Payable	2,020	-
Unearned Revenue	135,150	266,654
Accrued Interest Payable	1,941,396	647,198
Other Liabilities	-	792,609
Estimated Insurance Claims Payable	5,746,978	-
Long-Term Liabilities:		
Portion Due Within One Year:		
Bonds Payable	11,349,279	1,887,974
Notes Payable	-	3,489,742
Obligations Under Capital Lease	-	1,026,735
Lease-Purchases Payable	10,662,937	-
Compensated Absences Payable	2,677,014	108,609
Other Postemployment Benefits Payable	1,424,189	-
Net Pension Liability	2,189,810	-
Educational Facilities Benefit District Agreement Payable	395,361	-
Portion Due After One Year:		
Bonds Payable	110,766,833	58,078,613
Notes Payable	-	16,526,557
Obligations Under Capital Lease	-	49,147,069
Lease-Purchases Payable	135,213,114	-
Compensated Absences Payable	41,688,512	36,206
Other Postemployment Benefits Payable	19,627,723	-
Net Pension Liability	258,328,973	6,349,415
Impact Fee Credit Vouchers	1,672,668	-
Educational Facilities Benefit District Agreement Payable	8,254,205	-
Total Liabilities	640,630,407	150,616,022
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Debt Refunding	2,889,804	873,296
Pension	29,070,431	664,383
Other Postemployment Benefits	797,586	-
Total Deferred Inflows of Resources	32,757,821	1,537,679
NET POSITION		
Net Investment in Capital Assets	594,521,122	(7,247,225)
Restricted For:		
State Required Carryover Programs	9,808,935	-
Food Service	23,894,474	-
Debt Service	18,011,041	4,879,773
Capital Projects	188,864,110	530,408
Other Purposes	-	1,278,174
Unrestricted	(162,506,739)	6,427,540
Total Net Position	\$ 672,592,943	\$ 5,868,670

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

FUNCTIONS	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Component Units
Governmental Activities:						
Instruction	\$ 386,512,557	\$ 2,424,452	\$ 118,869,038	\$ -	\$ (265,219,067)	\$ 54,260,124
Pupil Personnel Services	30,655,797	-	-	-	(30,655,797)	1,494,995
Instructional Media Services	5,370,748	-	-	-	(5,370,748)	56,868
Instruction and Curriculum Development Services	21,941,930	-	-	-	(21,941,930)	3,297,933
Instructional Staff Training Services	12,595,631	-	-	-	(12,595,631)	287,095
Instruction Related Technology	4,924,091	-	-	-	(4,924,091)	997,566
Board of Education	1,211,308	-	-	-	(1,211,308)	488,926
General Administration	3,260,521	-	-	-	(3,260,521)	2,461,131
School Administration	26,538,432	-	-	-	(26,538,432)	11,068,595
Facilities Services	21,289,873	-	-	78,912,194	57,622,321	3,284,731
Fiscal Services	2,391,647	-	-	-	(2,391,647)	3,525,575
Food Services	33,576,252	1,809,646	36,948,188	-	5,181,582	184,508
Central Services	8,836,176	-	-	-	(8,836,176)	921,287
Pupil Transportation Services	27,235,730	94,448	-	-	(27,141,282)	1,386,752
Operation of Plant	36,421,063	-	-	-	(36,421,063)	18,609,448
Maintenance of Plant	10,641,145	-	-	-	(10,641,145)	1,502,649
Administrative Technology Services	5,755,107	-	-	-	(5,755,107)	159,619
Community Services	4,924,520	3,415,103	-	-	(1,509,417)	3,325,095
Interest on Long-term Debt	9,495,189	-	-	763,389	(8,731,800)	6,085,688
Unallocated Depreciation Expense*	34,896,561	-	-	-	(34,896,561)	224,465
Total Primary Government	\$ 688,474,278	\$ 7,743,649	\$ 155,817,226	\$ 79,675,583	(445,237,820)	113,623,050
Component Units:						
Charter Schools, Foundation and Benefit Districts	\$ 113,623,050	\$ 1,236,614	\$ 7,580,180	\$ 6,030,038		\$ (98,776,218)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes					130,434,603	-
Property Taxes, Levied for Capital Projects					39,812,487	-
Local Sales Taxes					47,849,163	-
Grants and Contributions Not Restricted to Specific Programs					304,090,750	96,919,732
Unrestricted Investment Earnings					10,499,198	1,097,609
Miscellaneous					14,410,036	3,420,137
Total General Revenues					547,096,237	101,437,478
Change in Net Position					101,858,417	2,661,260
Net Position - Beginning					570,734,526	1,266,392
Adjustments to Beginning Net Position					-	1,941,018
Net Position - Ending					\$ 672,592,943	\$ 5,868,670

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

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	Special Revenue - Other Federal Programs Fund	Capital Projects - Nonvoted Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 44,862,151	\$ 583,327	\$ 32,320,148	\$ 94,916,412	\$ 13,463,596	\$ 186,145,634
Investments	16,955,408	-	11,385,764	79,862,829	32,577,763	140,781,764
Accounts Receivable	598,985	142	-	72,779	1,004,410	1,676,316
Due from Other Funds	4,927,920	-	-	-	-	4,927,920
Due from Other Agencies	4,284,327	4,586,268	5,706	15,013,676	1,807,311	25,697,288
Inventories	2,425,555	-	-	-	763,956	3,189,511
Total Assets	\$ 74,054,346	\$ 5,169,737	\$ 43,711,618	\$ 189,865,696	\$ 49,617,036	\$ 362,418,433
LIABILITIES AND FUND BALANCES						
Liabilities:						
Salaries and Benefits Payable	\$ 1,163,426	\$ 531,903	\$ -	\$ -	\$ 50,391	\$ 1,745,720
Payroll Deductions and Withholdings	844,116	123,449	-	-	7,195	974,760
Accounts Payable	2,014,304	801,657	376,110	1,059,532	209,562	4,461,165
Construction Contracts Payable	-	-	43,550	13,019,878	457,998	13,521,426
Construction Contracts Payable-Retainage	-	-	8,046	5,346,840	59,947	5,414,833
Due to Other Funds	-	3,619,429	-	-	1,308,491	4,927,920
Due to Other Agencies	1,055,362	93,299	10,040	-	35,827	1,194,528
Sales Tax Payable	1,817	-	-	-	203	2,020
Unearned Revenue	24,132	-	-	-	111,018	135,150
Total Liabilities	5,103,157	5,169,737	437,746	19,426,250	2,240,632	32,377,522
Fund Balances:						
Nonspendable	2,425,555	-	-	-	763,956	3,189,511
Restricted	15,428,255	-	43,273,872	170,439,446	46,612,448	275,754,021
Assigned	6,853,872	-	-	-	-	6,853,872
Unassigned	44,243,507	-	-	-	-	44,243,507
Total Fund Balances	68,951,189	-	43,273,872	170,439,446	47,376,404	330,040,911
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,054,346	\$ 5,169,737	\$ 43,711,618	\$ 189,865,696	\$ 49,617,036	\$ 362,418,433

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019

Total Fund Balances - Governmental Funds **\$ 330,040,911**

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. 861,934,333

Deferred amount on refunding (loss) are not recognized in the fund level statements but are included in the government-wide statements. 1,309,281

Deferred amount on refunding (gain) are not recognized in the fund level statements but are included in the government-wide statements. (2,889,804)

Deferred amount for pensions (contributions, assumptions, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements. 105,281,918

Deferred amount for OPEB benefits paid subsequent to the measurement date are not recognized in the fund level statements but are included in the government-wide statements. 1,424,189

Deferred amount for pensions (experience, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements. (29,070,431)

Deferred amount for OPEB assumptions are not recognized in the fund level statements but are included in the government-wide statements. (797,586)

Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due. (1,941,396)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position net of capital assets reported above.

Total Assets - Internal Service Funds	\$	21,910,452
Total Liabilities - Internal Service Funds		(6,988,791)
Less: Depreciable Assets Reported Above		<u>(3,369,515)</u>

11,552,146

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

Bonds Payable		122,116,112
Certificates of Participation Payable		145,876,051
Compensated Absences Payable		44,365,526
Other Postemployment Benefits Payable		21,051,912
Net Pension Liability		260,518,783
Impact Fee Credit Vouchers		1,672,668
Educational Facilities Benefit District Agreement Payable		<u>8,649,566</u>

(604,250,618)

Total Net Position - Governmental Activities **\$ 672,592,943**

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue - Other Federal Programs Fund	Capital Projects - Nonvoted Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Federal Direct	\$ 554,040	\$ 2,831,597	\$ -	\$ -	\$ 2,198,664	\$ 5,584,301
Federal Through State	9,207,442	40,898,064	-	-	36,460,311	86,565,817
State	360,715,598	-	-	6,594,670	3,888,186	371,198,454
Local:						
Property Taxes	130,434,603	-	39,812,487	-	-	170,247,090
Local Sales Taxes	-	-	-	47,849,163	-	47,849,163
Impact Fees	-	-	-	74,409,260	-	74,409,260
Charges for Services - Food Service	-	-	-	-	1,809,646	1,809,646
Other Local Revenues	18,709,052	53,503	993,104	6,813,643	3,053,654	29,622,956
Total Revenues	519,620,735	43,783,164	40,805,591	135,666,736	47,410,461	787,286,687
EXPENDITURES						
Current-Education:						
Instruction	346,964,780	24,130,434	-	-	-	371,095,214
Pupil Personnel Services	25,996,487	2,913,944	-	-	-	28,910,431
Instructional Media Services	4,869,526	219,411	-	-	-	5,088,937
Instruction and Curriculum Development Services	13,929,155	6,566,361	-	-	-	20,495,516
Instructional Staff Training Services	6,070,574	5,904,267	-	-	-	11,974,841
Instruction Related Technology	4,531,956	140,839	-	-	-	4,672,795
Board of Education	1,200,520	-	-	-	-	1,200,520
General Administration	1,722,794	1,402,991	-	-	-	3,125,785
School Administration	24,877,607	16,142	-	-	-	24,893,749
Facilities Acquisition and Construction	5,116,182	-	3,140,437	11,037,901	1,917,601	21,212,121
Fiscal Services	2,216,960	-	-	-	-	2,216,960
Food Services	202,667	12,248	-	-	32,533,968	32,748,883
Central Services	7,937,966	586,679	-	-	-	8,524,645
Pupil Transportation Services	23,792,113	325,710	-	-	-	24,117,823
Operation of Plant	35,369,536	2,262	-	-	-	35,371,798
Maintenance of Plant	10,052,952	35,935	-	-	-	10,088,887
Administrative Technology Services	5,515,364	29,575	-	-	-	5,544,939
Community Services	3,392,758	1,381,038	-	-	-	4,773,796
Fixed Capital Outlay:						
Facilities Acquisition and Construction	207,862	-	2,709,319	87,130,209	1,399,986	91,447,376
Other Capital Outlay	809,172	115,328	4,924,810	6,314,457	993,526	13,157,293
Debt Service:						
Principal	-	-	-	-	21,331,584	21,331,584
Interest and Fiscal Charges	-	-	-	-	10,007,210	10,007,210
Dues, Fees and Issuance Costs	-	-	-	-	44,953	44,953
Total Expenditures	524,776,931	43,783,164	10,774,566	104,482,567	68,228,828	752,046,056
Excess (Deficiency) of Revenues Over Expenditures	(5,156,196)	-	30,031,025	31,184,169	(20,818,367)	35,240,631
OTHER FINANCING SOURCES (USES)						
Transfers In	16,003,603	-	-	-	29,706,959	45,710,562
Proceeds from the Sale of Capital Assets	-	-	-	216,600	-	216,600
Insurance Loss Recoveries	152,190	-	-	-	-	152,190
Transfers Out	(10,500,000)	-	(25,647,605)	(20,062,957)	-	(56,210,562)
Total Other Financing Sources (Uses)	5,655,793	-	(25,647,605)	(19,846,357)	29,706,959	(10,131,210)
Net Change in Fund Balances	499,597	-	4,383,420	11,337,812	8,888,592	25,109,421
Fund Balances, July 1, 2018	68,451,592	-	38,890,452	159,101,634	38,487,812	304,931,490
Fund Balances, June 30, 2019	\$ 68,951,189	\$ -	\$ 43,273,872	\$ 170,439,446	\$ 47,376,404	\$ 330,040,911

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds **\$ 25,109,421**

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period.		
Capital Outlays net of amounts not capitalized	\$ 104,604,669	
Depreciation Expense	<u>(36,888,874)</u>	
		67,715,795
Capital assets donated to the District increase net position in the government-wide statements, but are not financial resources and, therefore, are not reported in the governmental funds. This is the value of capital assets donated during the current year.		894,471
Vouchers payable associated with impact fee credits are accrued in the government-wide statements, but are not recognized in the governmental funds.		1,499,591
The cost of capital assets disposed of during the current year is expensed in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balances by the undepreciated cost of the disposed assets.		135,885
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		21,888,560
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.		(2,770,548)
In the statement of activities, the cost of other postemployment benefits is measured by the increase in the net OPEB liability during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the OPEB costs. This is the amount of the increase in the OPEB liability in excess of the amount paid in the current period.		(417,057)
In the statement of activities, the cost of pension benefits is measured by the increase in the net pension liability during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for pension costs. This is the amount of the increase in the net pension liability in excess of the amount paid in the current period.		(11,842,189)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.		<u>(355,512)</u>

Change in Net Position of Governmental Activities **\$ 101,858,417**

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 16,634,011
Investments	308,374
Accounts Receivable	2,051
Prepaid Items	1,596,501
Total Current Assets	18,540,937
Noncurrent Assets:	
Capital Assets:	
Buildings and Fixed Equipment, Net	3,244,082
Furniture, Fixtures and Equipment, Net	124,846
Computer Software, Net	587
Total Noncurrent Assets	3,369,515
Total Assets	21,910,452
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,241,813
Estimated Insurance Claims Payable	5,746,978
Total Liabilities	6,988,791
NET POSITION	
Investment in Capital Assets	3,369,515
Unrestricted	11,552,146
Total Net Position	\$ 14,921,661

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenues	\$ 60,425,190
Total Operating Revenues	<u>60,425,190</u>
OPERATING EXPENSES	
Purchased Services	8,545,043
Materials and Supplies	482,574
Insurance Claims	62,377,862
Depreciation/Amortization Expense	106,332
Total Operating Expenses	<u>71,511,811</u>
Operating Loss	<u>(11,086,621)</u>
NONOPERATING REVENUES	
Interest	59,889
Miscellaneous Local Sources	64,888
Total NonOperating Revenues	<u>124,777</u>
Transfers In	10,500,000
Change In Net Position	<u>(461,844)</u>
Total Net Position - July 1, 2018	15,383,505
Total Net Position - June 30, 2019	<u><u>\$ 14,921,661</u></u>

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 60,082,429
Payments for Insurance Claims	(60,952,636)
Cash Payments to Vendors for Goods and Services	(8,699,630)
Net Cash Used by Operating Activities	(9,569,837)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	10,500,000
Net Cash Provided by Noncapital Financing Activities	10,500,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(29,405)
Net Cash Used by Capital and Related Financing Activities	(29,405)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	8,258,451
Interest	59,889
Net Cash Provided by Investing Activities	8,318,340
Net Increase in Cash and Cash Equivalents	9,219,098
Cash and Cash Equivalents, Beginning	7,414,913
Cash and Cash Equivalents, Ending	\$ 16,634,011
 Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (11,086,621)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	106,332
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(1,343)
Increase in Prepaid Items	(341,417)
Increase in Accounts Payable	327,987
Increase in Estimated Insurance Claims Payable	1,425,225
Total Adjustments	1,516,784
Net Cash Used by Operating Activities	\$ (9,569,837)

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2019

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 7,882,808
Investments	934,003
Accounts Receivable	98,469
Inventory	126,575
Total Assets	\$ 9,041,855
LIABILITIES	
Accounts Payable	\$ 96,242
Accrued Liabilities	9,668
Due to Other Agencies	4,472,303
Internal Accounts Payable	4,463,642
Total Liabilities	\$ 9,041,855

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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 certain legally separate component units for which the primary government is financially accountable. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Osceola 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 associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

➤ **Reporting Entity**

The Osceola County School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) Rules. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Osceola 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 entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading. Based on the application of these criteria, the following component units are included within the District's reporting entity:

- **Blended Component Units.** Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District.

The District's employee group health and life insurance program, described in a subsequent note, is administered through the Osceola County District School Board Group Health and Life Insurance Trust (Trust). Assets necessary to fund the program are transferred to the Trust; however, under the terms of the Trust agreement, the District retains control of the assets. Therefore, the financial activities of the Trust are reported in the District's financial statements. Separate financial statements for the Trust are not published.

The Osceola County School Board Leasing Corporation, Inc. (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment. The governing board of the Leasing Corporation is the Board. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

The Foundation for Osceola Education, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to provide charitable and educational aid to the Board, to promote education, and to encourage research, learning, and dissemination of information. Additionally, the Foundation entered into three separate charter agreements with the District to operate Bellalago Charter Academy, Canoe Creek Charter Academy, and PM Wells Charter Academy, which are considered divisions of the Foundation and are included in the Foundation's financial statements. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit. An annual audit of the organization's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

The Bellalago Educational Facilities Benefit District and the Flora Ridge Educational Facilities Benefit District (Benefit Districts) are separate districts organized pursuant to Chapter 125, Florida Statutes, and Section 1013.355, Florida Statutes, to provide for the timely construction and maintenance of school facilities. The Benefit Districts are an alternate mechanism that allows for the sharing of educational facilities costs that are necessary to accommodate new growth and development. The Benefit Districts have imposed a specific financial burden on the Osceola County School District and are considered fiscally dependent in accordance with the criteria described in Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. A staff member of the Osceola County School District has been appointed to the board of each Benefit District. Audits of the Benefit Districts' annual financial statements are conducted by an independent certified public accountant and are filed in the District's administrative office at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

Avant Garde Academy of Osceola, Avant Garde Academy K8 of Osceola, BridgePrep Academy of Osceola, Florida Cyber Charter Academy at Osceola, Four Corners Charter School, Inc., Four Corners Upper School, Lincoln-Marti Charter School, Inc., Main Street High School, Mater Academy St. Cloud, Mater Brighton Lakes Academy, Mater Palms Academy, New Dimensions High School, Inc., Osceola Science Charter School, Renaissance Charter School at Boggy Creek, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, Sports Leadership Arts Management, St. Cloud Preparatory Academy, Inc., Florida Aviation Academy, and UCP Osceola Charter School, are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act; and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the Osceola County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2019. The audit reports are filed in the District's administrative offices at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

➤ **Basis of Presentation: Government-wide Financial Statements**

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

➤ **Basis of Presentation: Fund Financial Statements**

The fund financial statements provide information about the District's funds, including the fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, 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 – Other Federal Programs Fund – to account for funds from the State or Federal Government which are restricted for Federal programs.
- Capital Projects – Nonvoted Capital Improvement Fund – to account for financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs.
- Capital Projects – Other Fund – to account for other miscellaneous funds from various sources which are restricted for capital outlay purposes.

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

- Internal Service Funds – to account for the District's individual self-insurance programs.
- Agency Funds – to account for resources of the school internal funds which are used to administer money collected at several schools in connection with school, student athletic, class, and club activities, and to account for the various resources of the Bellalago Charter Academy accounted for by the District.

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

➤ **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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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 when they become 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. 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). Sales taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences are recognized when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

➤ **Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, cash with fiscal agent, demand deposits, and short-term, highly liquid investments with original maturities of 3 months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME, the Florida Public Assets for Liquidity Management (Florida PALM), and Money Market.

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

➤ **Investments**

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

The District's investments in Florida PRIME and Florida PALM are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The SBA and the Florida PALM indicate that the District's investments in the Florida PRIME and Florida PALM are Securities and Exchange Commission Rule 2a7-like external investment pools. These investments are reported at fair value, which is amortized cost. The District's other investments consist of US Treasury Notes and Bonds, Municipal Bonds, Federal Agency Securities and Mortgages, Federal Agency Bonds, and corporate notes are reported at fair value.

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Types and amounts of investments held at fiscal year-end are described in Note 3.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories held at the maintenance department, transportation department, central warehouse and for the District's food service program are stated at cost valued on a weighted-average 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 District applies the consumption method to account for its inventories. As such, the expenditure for supplies inventory is recognized when the supplies are actually used.

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

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000 for tangible personal property and \$25,000 for real property. 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:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other Than Buildings	8 - 40 years
Buildings, Fixed Equipment, and Investment in Educational Facilities Benefit District	10 -50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	3 - 5 years

Current year information relative to changes in capital assets is described in Note 5.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports separate sections for deferred outflows of resources.

The deferred outflow of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position reports separate sections for deferred inflows of resources. The deferred inflow of resources represents an acquisition of net position 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 the deferred outflows of resources and deferred inflows of resources sections of the statement of net position. The deferred charges on refunding reported in the government-

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wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Changes in net pension liability are reported as deferred outflows of resources and deferred inflows of resources related to pensions. The deferred outflows of resources and deferred inflows of resources related to pensions are discussed in a subsequent note. Changes in Other Postemployment Benefits ("OPEB") liability are reported as deferred outflows of resources and deferred inflows of resources related to OPEB. The deferred outflows of resources and deferred inflows of resources related to OPEB are discussed in a subsequent note.

➤ **Pensions**

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For 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 Note 11.

➤ **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. Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

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

Changes in long-term liabilities for the current year are reported in Note 9.

➤ **Net Position Flow Assumption**

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

➤ **Fund Balance Flow 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.

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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.

➤ **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.

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 Chief Business and Finance Officer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

In addition, the District has adopted Board Rule 7.10 which establishes "contingency reserves" to help sustain the financial stability of the District during times of emergency spending for items such as disaster recovery and revenue shortfalls that could potentially occur after the current year's budget adoption. School Board Rule 7.10 requires an amount equal to 6 percent of the General Fund revenues and other financing sources to be reserved for contingency purposes. The Superintendent shall obtain approval from the School Board if at any time it is projected that this balance will not be maintained.

➤ **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.

➤ **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 for a specified time period following the date of the original reporting. Such amendments may impact funding allocations for subsequent fiscal years. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

A schedule of revenue from State sources for the current year is presented in Note 14.

➤ **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 Osceola County Property Appraiser, and property taxes are collected by the Osceola County Tax Collector.

The Board adopted the 2018 tax levy on September 11, 2018. 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 Osceola 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 Note 15.

➤ **Educational Impact Fees**

Osceola County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1992. This ordinance has been amended from time to time, most recently in March 2018, when Ordinance 2018-21 established the revised rates to be collected. The educational impact fee is collected for all new residential construction within the County. The fees are collected by the County and each municipality within the County, based on an interlocal agreement. The fees can only be used for capital expenditures directly affected by new residential growth. Educational impact fee credits granted in exchange for land are shown in the government-wide financial statements as unearned revenue until the credits are used, at which time the revenues are recognized.

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➤ **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.

➤ **Compensated Absences**

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

➤ **Proprietary Funds Operating and Non-Operating Revenues and Expenses**

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

2. ACCOUNTING CHANGES

The District implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective with the fiscal year beginning after June 15, 2018. The primary objective of this Statement is to improve the debt service information that is disclosed in the notes to the financial statements, including direct borrowings and direct placements. GASB 88 also clarifies which liabilities governments should include when disclosing information related to debt.

Debt Service disclosures are presented in Notes 6 through Note 9.

In January 2018, the GASB issued Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018. The objective of GASB 84 is to improve guidelines regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management is currently evaluating the impact of the adoption of GASB 84 on the District's financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Management is currently evaluating the impact of the adoption of GASB 87 on the District's financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019. The objective of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for interest cost incurred before the end of a construction period. Management is currently evaluating the impact of the adoption of GASB 89 on the District's financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statement No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2018. The primary objectives of GASB 90 are to

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improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Management is currently evaluating the impact of the adoption of GASB 90 on the District's financial statements.

3. INVESTMENTS

As of June 30, 2019, the District has the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
<i>Cash Equivalents</i>		
State Board of Administration (SBA):		
Florida PRIME	28 Day Average	\$ 90,552,610
Florida Public Assets for Liquidity Management	52 Day Average	61,788,502
Money Market:		
Goldman Sachs Financial Square Govt. Fund	54 Day Average	<u>5,345,270</u>
Total Cash Equivalents		\$ 157,686,382
<i>Investments</i>		
SBA Debt Service Accounts	6 Months	70,171
US Treasury Bonds	2/2027	18,903,609
US Treasury Notes	2/2020 - 7/2022	72,952,903
Municipal Bonds	7/2019 - 4/2021	3,172,717
Federal Agency Mortgage-Backed Securities	10/2026 - 3/2029	1,066,404
Federal Agency Collateralized Mortgages	9/2019 - 4/2041	3,096,551
Federal Agency Notes	7/2019 - 1/2022	15,078,580
Corporate Notes	7/2019 - 4/2023	<u>26,749,203</u>
Total Investments		<u>141,090,138</u>
Total Cash Equivalents and Investments		<u>\$ 298,776,520</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

- The District's investment policy limits investments to a maximum of 5½ years and the investment of current operating funds to no longer than 2 years.
- Florida PRIME had a weighted average days to maturity (WAM) of 28 days, Florida PALM had a WAM of 52 days and Money Market funds had a WAM of 54 days at June 30, 2019. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.
- The District has \$4,031,477 in nine obligations that include embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. The market value, call date and maturity dates for these obligations are as follows:

	<u>Market Value</u>	<u>Call Date</u>	<u>Maturity</u>
Bank of New York	\$ 800,022	8/11/2019	9/11/2019
Exxon Mobil	499,157	2/6/2020	3/6/2020
Bank of America	649,214	10/1/2020	10/1/2021
Visa Inc	260,408	11/14/2020	12/14/2020
Branch Banking & Trust	259,541	1/1/2021	2/1/2021
Exxon Mobil	534,402	1/6/2022	3/6/2022
3M Company Bonds	320,186	2/1/2022	3/1/2022
American Express	<u>708,548</u>	4/20/2022	5/20/2022
Total	<u>\$ 4,031,478</u>		

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- For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. As of June 30, 2019, no such disclosure was made and there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- The District’s investment policy allows for investments in certificates of deposit, time deposits, securities of the United States Government, other forms of authorized investments described in the Florida Statutes, and money market funds based on the highest rating by any one Nationally Recognized Statistical Ratings Organization (NRSRO).
- The District’s investments in SBA Debt Service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by SBA for managing interest rate risk and credit risk for this account.
- As of June 30, 2019, the District’s investments in Florida PRIME, the Florida PALM, and Money Market accounts are rated “AAAm” by Standard & Poor’s.
- As of June 30, 2019, U.S. Treasury and Federal Agency securities were rated AA+ by Standard & Poor’s. The District’s investments in municipal bond were rated AA to AA-, and corporate note securities were rated AAA to BBB+ by Standard & Poor’s.

Custodial credit risk is the risk of loss attributed to the failure of the depository bank or other counterparty.

- Section 218.415(18), Florida Statutes, requires the District to earmark all investments and (1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body’s interest in the security; (2) if in a book-entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or (3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District’s investments are held by a safekeeping agent, in the name of the District.

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Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

- The District's investment policy limits the amounts the District may invest in any one issuer, based on the type of instrument as follows:

<u>Investment Type</u>	<u>Percent</u>
United States Government Securities	100%
United States Government Agencies	75%
Corporates	25%
Municipals	25%
Agency Mortgage-Backed Securities	25%
Non-Negotiable Collateralized Bank Deposits/Savings Accounts	50%
Commercial Paper	25%
Bankers' Acceptances	10%
Repurchase Agreements	40%
Money Market Funds	50%

- Most of the District's investments are issued or explicitly guaranteed by the United States Government or are in external investment pools, which do not require disclosure for concentration of credit risk. Remaining investments are in compliance with investment policy limits.
- As of June 30, 2019, approximately 65 percent of the District's investments were in US Treasury Bonds and Notes, followed by Corporate Notes at 19 percent.

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

The District has the following recurring fair value measurements as of June 30, 2019:

<u>Investment</u>	<u>Fiscal Year Ending</u> <u>6/30/2019</u>	<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant Other</u> <u>Observable Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
SBA Debt Service Accounts	\$ 70,171	\$ 70,171	\$ -	\$ -
US Treasury Bonds	18,903,609	-	18,903,609	-
US Treasury Notes	72,952,903	-	72,952,903	-
Municipal Bonds	3,172,717	-	3,172,717	-
Federal Agency Mortgage-Backed Securities	1,066,404	-	1,066,404	-
Federal Agency Collateralized Mortgage Obligations	3,096,551	-	3,096,551	-
Federal Agency Notes	15,078,580	-	15,078,580	-
Corporate Notes	26,749,203	-	26,749,203	-
<u>Total</u>	<u>\$ 141,090,138</u>	<u>\$ 70,171</u>	<u>\$ 141,019,967</u>	<u>\$ -</u>

SBA Debt Service Accounts classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. US Treasury Bonds, US Treasury Notes, Municipal Bonds, Federal Agency Notes, Securities and Mortgage Obligations, and Corporate Notes classified in Level 2 of the fair value hierarchy are valued

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using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

4. RECEIVABLES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible accounts receivable is accrued.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 49,216,389	\$ 269,125	\$ -	\$ 49,485,514
Land Improvements, Nondepreciable	1,605,106	102,226	-	1,707,332
Construction in Progress	95,563,434	91,322,922	86,103,557	100,782,799
Total Capital Assets Not Being Depreciated	<u>146,384,929</u>	<u>91,694,273</u>	<u>86,103,557</u>	<u>151,975,645</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	38,824,408	952,114	-	39,776,522
Buildings and Fixed Equipment	1,009,366,234	85,048,535	-	1,094,414,769
Furniture, Fixtures, and Equipment	61,432,047	6,803,218	4,092,658	64,142,607
Investment in Educational Facilities Benefit				
District	14,158,434	-	-	14,158,434
Motor Vehicles	42,028,036	7,346,198	4,190,298	45,183,936
Audio Visual Materials and Computer Software	6,051,081	117,510	391,473	5,777,118
Total Capital Assets Being Depreciated	<u>1,171,860,240</u>	<u>100,267,575</u>	<u>8,674,429</u>	<u>1,263,453,386</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	28,488,839	1,307,715	-	29,796,554
Buildings and Fixed Equipment	410,212,618	28,139,478	-	438,352,096
Furniture, Fixtures, and Equipment	46,486,483	4,998,528	3,959,273	47,525,738
Investment in Educational Facilities Benefit				
District	3,110,030	267,198	-	3,377,228
Motor Vehicles	31,031,658	1,992,313	4,187,798	28,836,173
Audio-Visual Materials and Computer Software	5,814,740	183,642	391,473	5,606,909
Total Accumulated Depreciation	<u>525,144,368</u>	<u>36,888,874</u>	<u>8,538,544</u>	<u>553,494,698</u>
Total Capital Assets Being Depreciated, Net	<u>646,715,872</u>	<u>63,378,701</u>	<u>135,885</u>	<u>709,958,688</u>
Governmental Activities Capital Assets, Net	<u>\$ 793,100,801</u>	<u>\$ 155,072,974</u>	<u>\$ 86,239,442</u>	<u>\$ 861,934,333</u>

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 1,992,313
Unallocated	34,896,561
Total Depreciation Expense - Governmental Activities	<u>\$ 36,888,874</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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6. EDUCATIONAL FACILITIES BENEFIT DISTRICT AGREEMENT PAYABLE

Pursuant to Section 1013.355, Florida Statutes, the District entered into an interlocal agreement with Osceola County, Florida, dated September 15, 2003, authorizing the creation of the Bellalago Educational Facilities Benefit District (Benefit District). The purpose of the Benefit District is to finance the construction of school facilities using a combination of sources, including impact fees, non-ad valorem assessments from homeowners, charter capital, and payments from the District. The District also entered into a charter contract on April 6, 2004, with the Foundation for Osceola Education, Inc. (Foundation), creating Bellalago Charter Academy. The Foundation entered into an interlocal agreement with the Benefit District under which it agreed to pay to the Benefit District any charter capital received in exchange for use of the school facilities. On December 16, 2003, the District entered into an interlocal funding agreement with the Benefit District and Avatar Properties, Inc., to formalize the obligations of the parties. Under the terms of this agreement, the District is obligated to pay the portion of debt service on bonds issued by the Benefit District not otherwise funded by impact fees, non-ad valorem assessments, and charter capital. Phase I of the construction was funded through bonds issued by the Benefit District at a rate of 6.05 percent. Phase II of the construction was funded by issuing a second series of bonds by the Benefit District at a rate of 5.83 percent.

On May 28, 2014, the District issued \$23,150,000 in refunding Capital Improvement Refunding Bonds, Series 2014A, with an average interest rate of 3.48 percent, to refund and redeem \$23,535,000 of the District's outstanding Capital Improvement Revenue Bonds Series 2004A and 2004B. The 2014A Series were issued to reduce the total debt service payments from the 2004A and 2004B certificates, resulting in savings to the District of \$6,181,793 over the next 20 years.

Estimated amounts payable for the Benefit District agreement are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2020	\$ 930,540	\$ 395,361	\$ 535,179
2021	928,873	433,211	495,662
2022	926,669	470,453	456,216
2023	924,878	508,015	416,863
2024	923,835	546,248	377,587
2025-2029	4,511,180	3,205,951	1,305,229
2030-2034	3,456,368	3,090,327	366,041
Total	<u>\$ 12,602,343</u>	<u>\$ 8,649,566</u>	<u>\$ 3,952,777</u>

The amounts required from the District in the future are dependent on the amount of charter capital received, which is dependent on enrollment at the school and the level of funding appropriated annually by the Legislature.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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7. CERTIFICATES OF PARTICIPATION

Certificates of Participation at June 30, 2019, are as follows:

Series	Amount Outstanding	Interest Rate (percent)	Lease Term Maturity	Original Amount
2009 COPS Refunding	\$ 7,615,000	4.0 - 4.375	2024	\$ 35,165,000
2010 COPS, Series A (QSCB)	40,500,000	6.658 ⁽¹⁾	2027	40,500,000
2013 COPS Refunding	30,190,000	3.375 - 5.0	2028	41,880,000
2014 COPS Refunding	3,605,000	2.24	2028	12,005,000
2015 COPS Refunding	5,750,000	2.67	2025	8,310,000
2017 COPS Refunding	55,310,000	2.1	2027	58,170,000
Total	142,970,000			
Plus: Unamortized Premiums	2,906,051			
Total Certificates of Participation	<u>\$ 145,876,051</u>			

Note (1): The Series 2010A Lease is designated as a "Qualified School Construction Bond" (QSCB) as defined in Section 54F of the Internal Revenue Code, and pursuant to Section 6431 of the Code, the School Board has elected to receive federal subsidy payments on each interest payment date for the Series 2010A Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Series 2010A Certificates on such date or the amount of interest which would have been payable with respect to the Series 2010A Certificates if the interest were determined at the applicable tax credit rate for the Series 2010A Certificates pursuant to Section 54A(b)(3) of the Code.

The District entered into a master financing arrangement on April 1, 1992, which arrangement was characterized as a lease-purchase agreement, with the Osceola School Board Leasing Corporation, Inc., whereby the District secured financing of various educational facilities. The financings were accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given ground leases on District properties to the Osceola School Board Leasing Corporation, Inc., with a rental fee of \$1 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the various Ground Lease Agreements for the benefit of the securers of the Certificates for a period of time specified by the arrangement as follows:

<u>Certificates</u>	<u>Lease Term</u>
Series 2009, Refunding	Earlier of date paid in full or June 30, 2024
Series 2010	Earlier of date paid in full or April 30, 2027
Series 2013, Refunding	Earlier of date paid in full or June 30, 2028
Series 2014, Refunding	Earlier of date paid in full or June 30, 2028
Series 2015, Refunding	Earlier of date paid in full or August 30, 2024
Series 2017, Refunding	Earlier of date paid in full or June 30, 2027

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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The District properties included in the ground leases under this arrangement include the following:

Certificates	Description of Properties
Series 2009, Refunding	Poinciana High School (correct defects/deficiencies to original construction), Horizon Middle School, Osceola High School Classroom Addition and Labs, and Kissimmee Elementary
Series 2010	Osceola High School Renovations, Thacker Avenue Elementary School Renovations, and Highlands Elementary School Renovations
Series 2013, Refunding	Liberty High School and Chestnut Elementary School
Series 2014, Refunding	Poinciana High School (correct defects/deficiencies to original construction), Kissimmee Elementary School, Liberty High School, and Chestnut Elementary School
Series 2015, Refunding	Four Corners Charter School
Series 2017, Refunding	Celebration High School, Poinciana High School Auditorium, and the Osceola County School for the Arts

The lease payments are payable by the District, semiannually, on June 1 and December 1 for Series 2009, 2013, 2014 and 2017; February 1 and August 1 for Series 2015; and a bullet maturity due on April 1, 2027 for Series 2010. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30	COPs		COPs from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2020	\$ 3,890,000	\$ 4,404,828	\$ 6,435,000	\$ 1,383,839	\$ 16,113,667
2021	4,075,000	4,224,328	6,575,000	1,243,269	16,117,597
2022	4,235,000	4,059,503	6,725,000	1,099,616	16,119,119
2023	4,405,000	3,886,303	6,870,000	952,671	16,113,974
2024	4,615,000	3,677,940	7,020,000	802,538	16,115,478
2025-2028	57,085,000	10,444,195	31,040,000	1,476,887	100,046,082
Total Minimum Lease Payments	78,305,000	<u>\$ 30,697,097</u>	64,665,000	<u>\$ 6,958,820</u>	<u>\$ 180,625,917</u>
Plus: Unamortized Premiums	2,906,051		-		
Total Certificates of Participation	<u>\$ 81,211,051</u>		<u>\$ 64,665,000</u>		

➤ **Qualified School Construction Bonds**

The District issued Certificates of Participation (COPs) dated April 29, 2010, under the Qualified School Construction Bond (QSCB) Program pursuant to Section 54F of the United States Internal Revenue Code of 1986 as amended (the Code). The QSCB Program provides for an issuer interest rate subsidy on certain bonds or COPs. The School District of Osceola County received an approved allocation of funds from the Florida Department of Education sufficient for the designation of the Series 2010A COP as a QSCB under the Code. Pursuant to Section 6431 of the Code, the District has elected to receive Federal subsidy payments (the Issuer Subsidy) from the United States Treasury on each interest payment date for the Series 2010A Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Series 2010A Certificates if the interest were determined at the applicable tax credit rate pursuant to Section 54aA(b)(3) of the Code. The tax credit rate which would have been applicable to the Series 2010A Certificates is 5.8 percent.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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The Series 2010A Certificates were issued in the amount of \$40,500,000. Interest payments are to be made to the holders of the Certificates on April 1st and October 1st of each year at the stated coupon rate of 6.658 percent with the Issuer Subsidy received by the District on the same date. The principal amount of the Certificates is to be repaid in one lump sum on April 1, 2027. Currently, the District deposits \$2,311,849 into a Sinking Fund annually on April 1st. The accumulated amount in this fund plus interest at a projected 3 percent is to be used to repay the principal amount of these certificates upon maturity.

8. BONDS PAYABLE

Bonds payable at June 30, 2019, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
State School Bonds:				
Series 2010A, Refunding	\$ 365,000	5.0	2022	\$ 1,205,000
Series 2011A, Refunding	580,000	3.0 - 5.0	2023	1,135,000
Series 2014A, Refunding	1,123,000	3.0 - 5.0	2025	1,796,000
Series 2014B, Refunding	25,000	2.0	2020	1,811,000
Series 2017A, Refunding	831,000	5.0	2026	986,000
District Revenue Bonds:				
Sales Tax Revenue Series 2015	23,182,000	2.29	2025	30,087,000
Sales Tax Revenue Series 2017	14,105,000	1.72	2024	19,420,000
Capital Outlay Sales Tax Rev. Series 2017	81,530,000	2.76	2033	86,250,000
Total Bonds	121,741,000			
Plus: Unamortized Bond Premium	375,112			
Total Bonds Payable	<u>\$ 122,116,112</u>			

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

➤ **State School Bonds**

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

➤ **District Revenue Bonds**

The School Board issued Sales Tax Revenue Bonds, Series 2007A and 2007B on April 12, 2007, totaling \$47,580,000 and \$32,255,000, respectively. These bonds are authorized by Chapter 1001, Florida Statutes and Chapter 212, Part I, Florida Statutes. A resolution providing for the issuance of the bonds was adopted by the Board on March 20, 2007. Proceeds of the discretionary local government infrastructure sales tax surtax received by the District pursuant to an interlocal agreement between Osceola County, the cities of Kissimmee and St. Cloud, and the District are pledged for the payment of bonds. Proceeds of the 2007A bonds were used to finance the acquisition, construction, reconstruction, renovation, and equipping of certain capital improvements and educational facilities within the District. Proceeds of the 2007B bonds were used to advance-refund a portion of the District's outstanding Sales Tax Revenue Bonds, Series 2001.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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On July 17, 2015, the District issued Sales Tax Revenue Bonds, Series 2015. Proceeds of the 2015 bonds were used to advance-refund a portion of the Series, 2007A bonds. On September 21, 2016, the District reissued the Sales Tax Revenue Bonds, Series 2015 to modify the terms of bond and reduce the interest rate payable on the outstanding principal balance of the bonds. On June 16, 2017, the District issued Sales Tax Revenue Bonds, Series 2017, to refund a portion of the Series, 2007B.

The Sales Tax Revenue Bonds, Series 2015 contains a provision by which the purchaser can, upon the occurrence and continuation of an event of default, impose a default interest rate of 6 percent, in excess of the rate of interest on the bonds, until the default.

In November 2016, Osceola County voters approved by referendum the imposition of a one-half cent discretionary sales surtax to be effective beginning January 1, 2017, and ending December 31, 2036. A resolution providing for the issuance of the Capital Outlay Sales Tax Revenue Bonds, Series 2017, was adopted by the Board on May 2, 2017, and pledging the one-half cent discretionary sales surtax for the principal and interest payments of the bonds. On May 11, 2017, the District issued bonds in the amount of \$86,250,000. The proceeds of the bonds will be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses, land acquisition, land improvement, design and engineering costs, retrofitting and providing for technology implementation, including hardware and software, for the various sites within the District.

The Capital Outlay Sales Tax Revenue Bonds, Series 2017 contain provisions by which the purchaser can, upon the occurrence and continuation of an event of default, impose a default interest rate of Prime plus 8 percent, to the lesser of 18 percent or the maximum allowed rate by law.

The District has pledged a combined total of \$138,103,122 of discretionary and capital outlay surtax sales revenues (sales tax revenues) in connection with the 2015 and 2017 Sales Tax Revenue and 2017 Capital Outlay Sales Tax Bond issues described above. During the 2018-19 fiscal year, the District recognized sales tax revenues totaling \$47,849,163 and expended \$13,588,427 (28 percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt, or June 1, 2033. Assuming a nominal growth rate in the collection of sales tax revenues, which are levied through June 30, 2033, approximately 16 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

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DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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Fiscal Year Ending June 30	Bonds		Bonds from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
State School Bonds:					
2020	\$ 555,000	\$ 136,850	\$ -	\$ -	\$ 691,850
2021	581,000	109,850	-	-	690,850
2022	528,000	80,800	-	-	608,800
2023	497,000	57,400	-	-	554,400
2024	358,000	35,850	-	-	393,850
2025-2026	405,000	25,500	-	-	430,500
Total State School Bonds	<u>2,924,000</u>	<u>446,250</u>	<u>-</u>	<u>-</u>	<u>3,370,250</u>
District Revenue Bonds:					
2020	-	-	10,706,000	2,887,226	13,593,226
2021	-	-	10,957,000	2,642,326	13,599,326
2022	-	-	11,212,000	2,391,527	13,603,527
2023	-	-	11,477,000	2,134,666	13,611,666
2024	-	-	11,756,000	1,871,437	13,627,437
2025-2029	-	-	36,164,000	5,868,609	42,032,609
2030-2033	-	-	26,545,000	1,490,331	28,035,331
Total District Revenue Bonds	<u>-</u>	<u>-</u>	<u>118,817,000</u>	<u>19,286,122</u>	<u>138,103,122</u>
Total	<u>\$ 2,924,000</u>	<u>\$ 446,250</u>	<u>\$ 118,817,000</u>	<u>\$ 19,286,122</u>	<u>\$ 141,473,372</u>

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DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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9. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-2018	Additions	Deductions	Balance 6-30-2019	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 4,020,265	\$ -	\$ 721,153	\$ 3,299,112	\$ 643,279
Bonds from Direct Borrowings and Direct Placements	129,277,000	-	10,460,000	118,817,000	10,706,000
Certificates of Participation Payable COP from Direct Borrowings and Direct Placements	87,368,988	-	6,157,937	81,211,051	4,227,937
Educational Facilities Benefit District Agreement Payable	68,750,000	-	4,085,000	64,665,000	6,435,000
Impact Fee Credit Vouchers	9,001,150	-	351,584	8,649,566	395,361
Net Pension Liability	3,172,259	-	1,499,591	1,672,668	-
Other Postemployment Benefits Payable	258,939,059	136,483,947	134,904,223	260,518,783	2,189,810
Compensated Absences Payable	20,235,836	1,940,635	1,124,559	21,051,912	1,424,189
	41,594,978	7,634,769	4,864,221	44,365,526	2,677,014
Total Governmental Activities	<u>\$ 622,359,535</u>	<u>\$ 146,059,351</u>	<u>\$ 164,168,268</u>	<u>\$ 604,250,618</u>	<u>\$ 28,698,590</u>

The District's outstanding COPs from direct borrowings and direct placements totaled \$64,665,000, and \$118,817,000 for bonds. Information related to securities pledged as collateral and events of default provisions related to COPs and bonds are discussed in Note 7 and Note 8, respectively.

The District issues educational impact fee credits in exchange for land in connection with the construction of school facilities within the Bellalago Educational Facilities Benefit Districts (BEFBD) and Flora Ridge Educational Facilities Benefit District (FREBD). Impact fee credits issued to the BEFBD are related to the K-8 portion of the educational impact fees authorized, while the FREBD impact fee credits are related to the K-5 portion of the educational impact fees authorized. As of June 30, 2019, the balance of unused impact fee credits included \$236,172 for BEFBD; \$1,423,021 for FREBD; and \$13,475 for KOA-Fountains at San Remo.

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

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10. FUND BALANCE REPORTING

The following is a schedule of fund balances by category at June 30, 2019:

	Major Funds					
	General	Special Revenue - Other Federal Programs	Capital Projects - Nonvoted Capital Improvement	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances						
Nonspendable:						
Inventory	\$ 2,425,555	\$ -	\$ -	\$ -	\$ 763,956	\$ 3,189,511
Restricted:						
State Categorical Programs	9,808,935	-	-	-	-	9,808,935
Debt Service	-	-	-	-	19,952,436	19,952,436
Capital Projects	-	-	43,273,872	170,439,446	3,529,494	217,242,812
Grants and Programs	5,619,320	-	-	-	-	5,619,320
Food Services	-	-	-	-	23,130,518	23,130,518
Assigned:						
Contract Commitments	688,482	-	-	-	-	688,482
Carryover Appropriations	6,165,390	-	-	-	-	6,165,390
Unassigned	44,243,507	-	-	-	-	44,243,507
Total Fund Balances	\$ 68,951,189	\$ -	\$ 43,273,872	\$ 170,439,446	\$ 47,376,404	\$ 330,040,911

In addition to committed and assigned fund balance categories discussed in the Fund Balance Policies note disclosures, fund balance 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. The District has inventory of \$3,189,511 classified as nonspendable.

➤ **Restricted Fund Balance**

Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District has a total of \$275,754,021 in restricted fund balance as of June 30, 2019.

➤ **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. As discussed in the Fund Balance Policies note

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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disclosure, the District has set aside “contingency reserves” as per School Board Rule 7.10. The contingency funds of \$32,200,000 are included as part of the unassigned general fund balance of \$44,243,507.

11. RETIREMENT PLANS

➤ **FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLANS**

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 Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to 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 two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services web site (www.dms.myflorida.com).

The District’s FRS and HIS pension expense totaled \$34,759,897 for the fiscal year ended June 30, 2019.

➤ **FRS Pension Plan**

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of 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. Members of both Plans 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.

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

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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 chart shows the percentage value for each year of service credit earned:

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2018-19 fiscal year were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
FRS, Regular	3.00	8.26
FRS, Elected County Officers	3.00	48.70
FRS, Senior Management	3.00	24.06
DROP - Applicable to Members from All of the Above Classes or Plans	0.00	14.03
Florida Retirement System, Reemployed Retiree	(B)	(B)

- Notes: (A) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Program.
- (B) Contribution rates are dependent upon retirement class or plan in which reemployed.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
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The District's contributions to the Plan totaled \$18,056,535 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a liability of \$171,410,402 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was 0.570426911 percent, which was an increase of 0.000058511 from its proportionate share measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$28,350,654 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,555,359	\$ 528,291
Change of assumptions	56,140,964	-
Net difference between projected and actual earnings on FRS pension plan investments	-	13,274,845
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	3,396	3,841,885
District FRS contributions subsequent to the measurement date	18,056,535	-
Total	<u>\$ 88,756,254</u>	<u>\$ 17,645,021</u>

The deferred outflows of resources related to pensions, totaling \$18,056,535, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ 20,919,853
2021	13,955,248
2022	1,036,583
2023	9,517,585
2024	6,638,047
Thereafter	987,382
Total	<u>\$ 53,054,698</u>

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

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Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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:

Asset Class	Target Allocation (A)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	2.9%	2.9%	1.8%
Fixed Income	18%	4.4%	4.3%	4.0%
Global Equity	54%	7.6%	6.3%	17.0%
Real Estate	11%	6.6%	6.0%	11.3%
Private Equity	10%	10.7%	7.8%	26.5%
Strategic Investments	6%	6.0%	5.7%	8.6%
Total	100%			
Assumed inflation - Mean			2.6%	1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 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 2018 valuation was updated from 7.1 percent to 7 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 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 (6 percent) or 1 percentage point higher (8 percent) than the current rate:

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
District's proportionate share of the net pension liability	\$ 312,831,171	\$ 171,410,402	\$ 53,952,091

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 Comprehensive Annual Financial Report.

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Payables to the Pension Plan. At June 30, 2019, the District reported a payable of \$829,844 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2019.

➤ **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, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include 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, 2019, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$4,861,173 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the District reported a net pension liability of \$89,108,381 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportionate share was 0.845269481 percent, which was a decrease of 0.003726575 from its proportionate share measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$6,409,243. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,369,658	\$ 151,996
Change of assumptions	9,949,532	9,458,911
Net difference between projected and actual earnings on HIS pension plan investments	54,003	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	291,298	1,814,503
District contributions subsequent to the measurement date	4,861,173	-
Total	<u>\$ 16,525,664</u>	<u>\$ 11,425,410</u>

The deferred outflows of resources, totaling \$4,861,173, was related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ 884,497
2021	880,420
2022	458,739
2023	(115,449)
2024	(1,281,442)
Thereafter	(587,684)
Total	<u>\$ 239,081</u>

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

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.87 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. While an experience study had not been completed for the plan, the FRS Actuarial Assumptions Conference reviewed the actuarial assumptions for the plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.87 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 municipal bond rate used in the 2018 valuation was updated from 3.58 percent to 3.87 percent.

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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 3.87 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 (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
District's proportionate share of the net pension liability	\$ 101,489,224	\$ 89,108,381	\$ 78,788,230

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

Payables to the Pension Plan. At June 30, 2019, the District reported a payable of \$13,893 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2019.

Pension Plan Aggregates. The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense for the District's defined pension plans are summarized below:

	<u>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net pension liability	\$ 171,410,402	\$ 89,108,381	\$ 260,518,783
Deferred outflows of resources	88,756,254	16,525,664	105,281,918
Deferred inflows of resources	17,645,021	11,425,410	29,070,431
Pension expense	28,350,654	6,409,243	34,759,897

➤ **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 of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service 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 Class, 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. Allocations to the Investment Plan member's accounts during the 2018-19 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, 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; 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 \$3,862,628 for the fiscal year ended June 30, 2019.

Payables to the Pension Plan. At June 30, 2019, the District reported a payable of \$116,825 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2019.

12. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

➤ Plan Description

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District, and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical and prescriptions and life insurance coverage. Such provisions may be amended at any time by further action from the Florida Legislature. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan, on average, than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or another entity.

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➤ **Benefit Terms and Employees Covered**

Plan contribution requirements and benefit terms of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. As of the valuation date, June 30, 2017, there were 6,147 active plan members and 186 inactive plan members or beneficiaries receiving benefits. There are no inactive plan members entitled to benefits not yet receiving benefits, and 276 active participants that receive postemployment life insurance benefits.

➤ **Total OPEB Liability**

The District's total OPEB liability of \$21,051,912 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017, and update procedures were used to determine the total OPEB liability as of June 30, 2018.

➤ **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumption and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal cost method
Inflation	2.50%
Discount Rate	3.62%
Salary Increases	FRS 7/1/2016 Actuarial Valuation 3.7% - 7.8%, including inflation
Retirement Age	Rates used in the 7/1/2016 FRS Actuarial Valuation based on a statewide experience study from 2008 to 2013
Mortality	RP-2000, Scale BB used on the 7/1/2016 FRS actuarial Valuation, based on the results of a statewide experience study from 2008 to 2013
Healthcare Cost Trend Rates	Getzen Model with trend starting at 7% for 2018, 6.75% for 2019 and gradually decreasing to an ultimate trend rate of 4.24% plus .46% increase for excise tax
Aging Factors	2013 SOA Study "Health Care Costs-From Birth to Death"
Administrative Expenses	Included in the per capita costs developed for the reporting year

The District selected the economic, demographic, and health care claim cost assumption used in the June 30, 2017 valuation. The current actuary provided guidance with respect to the economic assumptions demographic assumptions, the health care participation rate assumption, and the spouse coverage election rate assumption. The demographic assumptions were based on those employed in the July 1, 2016, Defined Benefit Pension Plan

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Actuarial Valuation of the FRS, which were developed by the FRS from an Actuarial Experience Study. These include assumed rates of future termination, mortality, disability and retirement. In addition, salary increase assumptions for development of the pattern of the normal cost increases were the same as those used by the FRS.

➤ **Changes to the Total OPEB Liability**

Below are the details regarding the total OPEB liability for the period from June 30, 2018, to June 30, 2019.

	Total OPEB Liability
Balance Recognized at 6/30/2018	<u>\$ 20,235,836</u>
Changes for the Fiscal Year:	
Service Cost	1,195,877
Interest on the Total OPEB Liability	744,758
Changes in Assumptions and Other Inputs	(83,594)
Benefit Payments	(1,023,065)
Adjustment - error correction	<u>(17,900)</u>
Net Changes	<u>816,076</u>
Balance as of 6/30/2019	<u><u>\$ 21,051,912</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.56 percent as of the beginning of the measurement period, to 3.62 as of June 30, 2018. In addition, the healthcare trend rates were revised as of June 30, 2018, based on Getzen Model latest trend survey, with adjustments based on the provisions of the benefits sponsored by the District.

➤ **Discount Rate**

The District has no plan assets held in trust to finance the OPEB plan liability. Therefore, the discount rate in the calculation of the total OPEB liability is equal to the tax-exempt municipal bond rate based on a 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of the OPEB plan valuation, the municipal bond rate was 3.62 percent (based on the daily rate closest to, but no later than the measurement date of the "Fidelity's 20-Year Municipal GO AA Index"). The discount rate was 3.56 percent as of the beginning of the measurement period.

➤ **Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62 percent) or 1 percentage point higher (4.62 percent) than the current discount rate:

	Decrease 2.62%	Discount Rate 3.62%	Increase 4.62%
Total OPEB Liability	\$ 22,433,746	\$ 21,051,912	\$ 19,692,625

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➤ **Sensitivity to the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent point lower and 1 percent point higher than the current healthcare cost trend rates:

	Health Care Cost		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 18,721,340	\$ 21,051,912	\$ 23,831,155

➤ **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,859,146. At June 30, 2019 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of assumptions of other inputs	\$ -	\$ 797,586
Benefits paid subsequent to the measurement date	<u>1,424,189</u>	<u>-</u>
Total	<u>\$ 1,424,189</u>	<u>\$ 797,586</u>

The deferred outflows of resources related to OPEB, totaling \$1,424,189, resulting from District benefits paid subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2020. 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>
2020	\$ (81,490)
2021	(81,490)
2022	(81,490)
2023	(81,490)
2024	(81,490)
Thereafter	<u>(390,136)</u>
Total	<u>\$ (797,586)</u>

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13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 4,927,920	\$ -
Special Revenue:		
Other Federal Programs	-	3,619,429
Nonmajor Governmental	-	1,308,491
Total	<u>\$ 4,927,920</u>	<u>\$ 4,927,920</u>

The interfund amounts represent temporary loans to cover expenditures incurred prior to reimbursement from outside sources. These amounts are expected to be repaid within one year. The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 16,003,603	\$ 10,500,000
Capital Projects:		
Nonvoted Capital Improvement	-	25,647,605
Other	-	20,062,957
Nonmajor Governmental	29,706,959	-
	<u>45,710,562</u>	<u>56,210,562</u>
Internal Service Funds	10,500,000	-
Total	<u>\$ 56,210,562</u>	<u>\$ 56,210,562</u>

The major transfers out of the Capital Projects funds were to provide debt service principal and interest payments and to assist in funding maintenance operations of the District. The transfer out of General Fund into Internal Service Funds was for additional funding for the Health Insurance Trust Fund. The remaining transfers between funds were operational in nature.

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14. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2018-19 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 273,368,538
Categorical Educational Program - Class Size Reduction	72,849,850
Charter School Capital Outlay	6,474,530
Workforce Development Program	6,263,959
Voluntary Prekindergarten Program	2,262,031
CO&DS (Capital Outlay & Debt Service) Distributed	1,883,722
School Recognition	1,352,819
CO&DS Withheld for SBE Bonds	761,748
Public Education Capital Outlay	703,422
School Lunch Supplement	270,070
District Discretionary Lottery	231,708
School Breakfast Supplement	217,807
State License Tax	174,289
Performance Based Incentives	135,356
Miscellaneous State Revenue	4,248,605
Total	<u><u>\$ 371,198,454</u></u>

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

15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2018 tax roll for the 2018-19 fiscal year; taxes levied are stated at 96 percent of the actual tax roll levy to allow for early payment discounts and uncollectable amounts:

	Millages	Taxes Levied
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort (RLE)	4.161	\$ 109,526,186
RLE Prior Period Adjustment	0.002	52,645
Basic Discretionary Local Effort	0.748	19,688,918
<u>CAPITAL PROJECTS - LOCAL CAPITAL IMPROVEMENT FUND</u>		
Nonvoted Tax:	1.500	39,483,124
Local Capital Improvements	<u>6.411</u>	<u>\$ 168,750,873</u>

16. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

➤ Encumbrances

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

The following is a schedule of encumbrances at June 30, 2019:

Major Funds					
General	Special Revenue - Other Federal Programs	Capital Projects - Nonvoted Capital Improvement	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,231,562	\$ 801,707	\$ 1,590,401	\$ 51,953,719	\$ 7,650,853	\$ 66,228,242

Encumbrances for the Special Revenue – Other Federal Programs fund totaling \$801,707 represent commitments that will be expensed in the subsequent period.

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➤ **Construction Contracts**

The following is a summary of major construction contract commitments remaining at fiscal year-end:

Description	Contract Amount	Total Completed	Balance Committed
Celebration Island Village			
Contractor-pre construction services	\$ 79,316	\$ 34,180	\$ 45,136
Engineering and Technical Services	869,967	674,469	195,498
Cypress Elementary Kitchen and Serving Line			
Contractor	1,212,532	216,751	995,781
Engineering and Technical Services	112,121	100,990	11,131
Denn John Middle School Comprehensive Renovations			
Contractor	26,881,096	14,901,607	11,979,489
Engineering and Technical Services	1,952,605	1,640,966	311,639
Harmony Middle School AA			
Contractor	25,750,445	22,803,356	2,947,089
Engineering and Technical Services	1,460,239	1,362,162	98,077
Maintenance Building Renovation			
Contractor	605,652	605,652	-
Engineering and Technical Services	52,831	52,831	-
Michigan Avenue Elementary Comprehensive Renovations			
Contractor	20,556,529	15,826,058	4,730,471
Engineering and Technical Services	2,006,344	1,787,531	218,813
Narcoossee Middle School Kitchen and Serving Line			
Contractor	846,919	200,933	645,986
Engineering and Technical Services	7,440	783	6,657
NeoCity Academy			
Contractor	11,332,842	9,062,833	2,270,009
Engineering and Technical Services	1,391,398	1,022,472	368,926
Parkway Middle School-Locker Room			
Contractor	278,849	235,532	43,317
Engineering and Technical Services	18,300	18,300	-
St. Cloud Middle School Comprehensive Renovations			
Contractor	29,519,139	516,333	29,002,806
Engineering and Technical Services	2,067,340	1,639,154	428,186
Ventura Elementary Kitchen and Serving Line			
Contractor	1,184,281	144,666	1,039,615
Engineering and Technical Services	102,699	100,473	2,226
Zenith Kitchen & Serving Line			
Contractor	1,346,979	199,854	1,147,125
Engineering and Technical Services	159,316	110,928	48,388
Total	\$ 129,795,179	\$ 73,258,814	\$ 56,536,365

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June 30, 2019

17. 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. Effective May 1, 2010, for property insurance and effective July 1, 2010 for all other casualty and workers' compensation coverage, the School Board implemented a stand-alone program of self-insurance and excess insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

The Board established the Osceola County School Board Group Health and Life Insurance Trust to provide for a health, hospitalization, and life insurance program. These programs are accounted for in the District's internal service funds. The program is on a self-insured basis up to specified limits. The District did not elect to purchase the aggregate stop-loss coverage due to the rising premium cost and the high attachment point. The District elected to continue coverage for a specific stop-loss for any one claim of \$850,000. The Board has contracted with a professional administrator to administer the self-insurance program, including the processing, investigating, and payment of claims. A liability in the amount of \$5,272,000 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable for the group health program at June 30, 2019.

Effective July 1, 2003, the District's general liability and auto liability programs were established on a self-insured basis. These programs are administered by the Trust and are accounted for in the District's internal service funds. A liability of \$474,978 was established based on reserves for outstanding claims at June 30, 2019, as reported by the program administrator.

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

Fiscal Year	Beginning-of-Fiscal-Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2017-18	\$ 4,324,901	\$ 58,168,381	\$ (58,171,529)	\$ 4,321,753
2018-19	4,321,753	62,377,862	(60,952,637)	5,746,978

18. BOND RATINGS

As of June 30, 2019, the District's Certificates of Participation, Series 2009, is insured by Assured Guaranty Corporation, with bond ratings of Aa3 by Moody's and AA by Standard & Poor's. The Districts Certificates of Participation, Series 2010, Series 2013, Series 2014, Series 2015 and Series 2017 are uninsured.

19. LITIGATION

The District is involved in several threatened and pending legal actions. In the opinion of the District's legal counsel and management, it is not probable that a material loss will occur from these actions.

REQUIRED SUPPLEMENTARY INFORMATION



DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
Federal Direct	\$ 560,000	\$ 562,327	\$ 554,040	\$ (8,287)
Federal Through State	7,492,094	9,829,231	9,207,442	(621,789)
State	378,045,697	363,047,355	360,715,598	(2,331,757)
Local:				
Property Taxes	129,387,748	129,387,748	130,434,603	1,046,855
Local Sales Taxes	11,608,907	13,225,927	18,709,052	5,483,125
Total Revenues	527,094,446	516,052,588	519,620,735	3,568,147
EXPENDITURES				
Current - Education:				
Instruction	370,887,755	357,409,622	346,964,780	10,444,842
Pupil Personnel Services	26,905,760	26,350,016	25,996,487	353,529
Instructional Media Services	5,168,072	5,034,431	4,869,526	164,905
Instruction and Curriculum Development Services	14,633,683	14,032,146	13,929,155	102,991
Instructional Staff Training Services	6,391,177	6,694,475	6,070,574	623,901
Instruction Related Technology	4,877,967	4,571,142	4,531,956	39,186
Board of Education	1,466,654	1,547,862	1,200,520	347,342
General Administration	1,730,501	1,780,216	1,722,794	57,422
School Administration	27,145,517	24,886,904	24,877,607	9,297
Facilities Services	5,682,934	5,169,399	5,116,182	53,217
Fiscal Services	2,480,585	2,274,908	2,216,960	57,948
Food Services	213,944	202,667	202,667	-
Central Services	8,295,757	8,863,435	7,937,966	925,469
Pupil Transportation Services	24,361,183	24,033,754	23,792,113	241,641
Operation of Plant	37,485,026	38,557,599	35,369,536	3,188,063
Maintenance of Plant	10,231,505	10,159,089	10,052,952	106,137
Administrative Technology Services	6,111,454	5,875,406	5,515,364	360,042
Community Services	5,619,224	6,155,873	3,392,758	2,763,115
Fixed Capital Outlay:				
Facilities Acquisition and Construction	19,525	265,606	207,862	57,744
Other Capital Outlay	304,366	881,867	809,172	72,695
Debt Service:				
Principal	228,584	-	-	-
Interest and Fiscal Charges	14,991	-	-	-
Total Expenditures	560,256,164	544,746,417	524,776,931	19,969,486
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,161,718)	(28,693,829)	(5,156,196)	23,537,633
OTHER FINANCING SOURCES				
Transfers In	11,697,065	17,635,748	16,003,603	(1,632,145)
Insurance Loss Recoveries	100,000	193,428	152,190	(41,238)
Transfers Out	-	(10,500,000)	(10,500,000)	-
Total Other Financing Sources	11,797,065	7,329,176	5,655,793	(1,673,383)
Net Change in Fund Balances	(21,364,653)	(21,364,653)	499,597	21,864,250
Fund Balances, July 1, 2018	68,451,592	68,451,592	68,451,592	-
Fund Balances, June 30, 2019	\$ 47,086,939	\$ 47,086,939	\$ 68,951,189	\$ 21,864,250

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
Federal Direct	\$ 4,391,806	\$ 5,036,866	\$ 2,831,597	\$ (2,205,269)
Federal Through State	52,153,601	59,949,464	40,898,064	(19,051,400)
Local:				
Miscellaneous	-	53,503	53,503	-
Total Revenues	56,545,407	65,039,833	43,783,164	(21,256,669)
EXPENDITURES				
Current - Education:				
Instruction	33,839,057	36,350,752	24,130,434	12,220,318
Pupil Personnel Services	4,353,504	4,824,399	2,913,944	1,910,455
Instructional Media Services	237,617	269,858	219,411	50,447
Instruction and Curriculum Development Services	7,711,331	9,324,243	6,566,361	2,757,882
Instructional Staff Training Services	6,509,052	8,939,943	5,904,267	3,035,676
Instruction Related Technology	136,553	147,772	140,839	6,933
General Administration	890,408	1,659,087	1,402,991	256,096
School Administration	6,504	70,097	16,142	53,955
Food Services	-	12,248	12,248	-
Central Services	485,484	979,045	586,679	392,366
Pupil Transportation Services	548,051	735,053	325,710	409,343
Operation of Plant	637	3,786	2,262	1,524
Maintenance of Plant	34,529	36,156	35,935	221
Administrative Technology Services	29,644	29,636	29,575	61
Community Services	1,400,000	1,400,000	1,381,038	18,962
Fixed Capital Outlay:				
Other Capital Outlay	119,460	257,758	115,328	142,430
Total Expenditures	56,301,831	65,039,833	43,783,164	21,256,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	243,576	-	-	-
OTHER FINANCING USES				
Transfers Out	(243,576)	-	-	-
Total Other Financing Sources	(243,576)	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2018	-	-	-	-
Fund Balances, June 30, 2019	\$ -	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF CHANGES IN THE TOTAL
OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS *

	<u>2018</u>	<u>2017</u>	**
Total OPEB Liability:			
Service Cost	\$ 1,195,877	\$ 1,254,867	
Interest on the Total OPEB Liability	744,758	613,015	
Changes of assumptions	(83,594)	(869,829)	
Benefit payments	(1,023,065)	(1,002,025)	
Adjustment - error correction	(17,900)	-	
Net Change in total OPEB Liability	\$ 816,076	\$ (3,972)	
Total Beginning OPEB Liability	<u>20,235,836</u>	<u>20,239,808</u>	
Total Ending OPEB Liability	<u><u>21,051,912</u></u>	<u><u>20,235,836</u></u>	
 Covered-Employee Payroll	 \$ 274,164,824	 \$ 240,100,401	
 Total OPEB Liability as a percentage of covered payroll	 7.68%	 8.43%	

Notes: * The amounts presented for each fiscal year were determined as of June 30.

** Data was unavailable prior to 2017.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS *

	2018	2017	2016	2015	2014	2013 **
District's proportion of the FRS net pension liability	0.570426911%	0.570368400%	0.572630955%	0.616946585%	0.616274953%	0.617635316%
District's proportionate share of the net pension liability	\$ 171,410,402	\$ 168,421,603	\$ 144,541,817	\$ 79,606,150	\$ 37,601,835	\$ 106,322,527
District's covered-employee payroll	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865	\$ 252,711,788
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	62.06%	62.25%	52.87%	29.92%	14.22%	42.07%
FRS plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%

Notes: * The amounts presented for each fiscal year were determined as of June 30.

** Data was unavailable prior to 2013.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	**
Contractually required contribution	\$ 18,056,535	\$ 16,256,709	\$ 14,848,093	\$ 13,964,519	\$ 15,026,754	\$ 13,499,037	
FRS contributions in relation to the contractually required contribution	<u>(18,056,535)</u>	<u>(16,256,709)</u>	<u>(14,848,093)</u>	<u>(13,964,519)</u>	<u>(15,026,754)</u>	<u>(13,499,037)</u>	
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered-employee payroll	\$ 293,344,775	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865	
FRS contributions as a percentage of covered-employee payroll	6.16%	5.89%	5.49%	5.11%	5.65%	5.10%	

Notes: * The amounts presented for each fiscal year were determined as of June 30.

** Data was unavailable prior to 2014.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS *

	2018	2017	2016	2015	2014	2013	**
District's proportion of the HIS net pension liability	0.845269481%	0.848996056%	0.857952516%	0.865679313%	0.870195724%	0.858869196%	
District's proportionate share of the net pension liability	\$ 89,108,381	\$ 90,517,456	\$ 99,947,559	\$ 88,211,874	\$ 81,345,641	\$ 74,794,277	
Covered-employee payroll	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865	\$ 252,711,788	
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	32%	33%	37%	33%	31%	30%	
HIS plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%	

Notes: * The amounts presented for each fiscal year were determined as of June 30.

** Data was unavailable prior to 2013.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	**
Contractually required contribution	\$ 4,861,173	\$ 4,583,917	\$ 4,493,132	\$ 4,397,554	\$ 3,305,881	\$ 2,983,497	
HIS contributions in relation to the contractually required contribution	<u>(4,861,173)</u>	<u>(4,583,917)</u>	<u>(4,493,132)</u>	<u>(4,397,554)</u>	<u>(3,305,881)</u>	<u>(2,983,497)</u>	
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered-employee payroll	\$ 293,344,775	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865	
HIS contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.61%	1.24%	1.13%	

Notes: * The amounts presented for each fiscal year were determined as of June 30.

** Data was unavailable prior to 2014.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2019

1. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel 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.
- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund-function level. The Board made several supplemental budgetary appropriations throughout the year. Supplemental budgetary appropriations are presented in budget and actual comparison statements by original budget and final budget amounts and discussed in the Management's Discussion and Analysis (MD&A).

2. SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS PLAN 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.

The discount rate was changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of June 30, 2018 to reflect changes in Fidelity's 20-Year Municipal GO AA Index.

3. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT PENSION PLAN

Changes in Assumption: The long-term expected rate of return was decreased from 7.1 percent to 7 percent, and the active member mortality assumption was updated.

4. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes in Assumption: The municipal bond rate used to determine total pension liability was increased from 3.58 percent to 3.87 percent.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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NONMAJOR GOVERNMENTAL FUNDS



Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Food Service Funds—To account for the activities of the District's food services function. These activities are primarily funded through local charges and Federal awards.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

State Board of Education (SBE) and Capital Outlay Bond Issue (COBI) Fund—To account for the payment of principal, interest and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the state-assessed motor vehicle license tax.

Other Debt Service—To account for the payment of principal, interest and related costs for Certificates of Participation.

ARRA Economic Stimulus Debt Service Fund—To account for the payment of principal, interest and related costs for the Qualified School Construction Bonds.

Capital Projects Fund

Capital project funds are used to account for the financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.

Public Education Capital Outlay (PECO) Fund — To account for capital project activity funded through the State's Public Education Capital Outlay program.

Capital Outlay and Debt Service (CO&DS) Fund — To account for capital project activity funded by the District's portion of the state Capital Outlay and Debt Service program.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 11,618,994	\$ 2,811	\$ 1,841,791	\$ 13,463,596
Investments	11,963,367	18,973,780	1,640,616	32,577,763
Accounts Receivable	27,315	977,095	-	1,004,410
Due from Other Agencies	451,620	-	1,355,691	1,807,311
Inventories	763,956	-	-	763,956
Total Assets	<u>\$ 24,825,252</u>	<u>\$ 19,953,686</u>	<u>\$ 4,838,098</u>	<u>\$ 49,617,036</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Salaries and Benefits Payable	\$ 50,391	\$ -	\$ -	\$ 50,391
Payroll Deductions and Withholdings	7,195	-	-	7,195
Accounts Payable	208,199	1,250	113	209,562
Construction Contracts Payable	457,998	-	-	457,998
Construction Contracts Payable-Retainage	59,947	-	-	59,947
Due to Other Funds	-	-	1,308,491	1,308,491
Due to Other Agencies	35,827	-	-	35,827
Sales Tax Payable	203	-	-	203
Unearned Revenue	111,018	-	-	111,018
Total Liabilities	<u>930,778</u>	<u>1,250</u>	<u>1,308,604</u>	<u>2,240,632</u>
FUND BALANCES				
Nonspendable	763,956	-	-	763,956
Restricted	23,130,518	19,952,436	3,529,494	46,612,448
Total Fund Balances	<u>23,894,474</u>	<u>19,952,436</u>	<u>3,529,494</u>	<u>47,376,404</u>
Total Liabilities and Fund Balances	<u>\$ 24,825,252</u>	<u>\$ 19,953,686</u>	<u>\$ 4,838,098</u>	<u>\$ 49,617,036</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental:				
Federal Direct	\$ -	\$ 2,198,664	\$ -	\$ 2,198,664
Federal Through State	36,460,311	-	-	36,460,311
State	487,877	763,389	2,636,920	3,888,186
Local:				
Charges for Services - Food Service	1,809,646	-	-	1,809,646
Miscellaneous	324,155	2,708,946	20,553	3,053,654
Total Revenues	39,081,989	5,670,999	2,657,473	47,410,461
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	-	-	1,917,601	1,917,601
Food Services	32,533,968	-	-	32,533,968
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,283,081	-	116,905	1,399,986
Other Capital Outlay	993,526	-	-	993,526
Debt Service:				
Principal	-	21,331,584	-	21,331,584
Interest and Fiscal Charges	-	10,007,210	-	10,007,210
Dues, Fees and Issuance Costs	-	42,376	2,577	44,953
Total Expenditures	34,810,575	31,381,170	2,037,083	68,228,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,271,414	(25,710,171)	620,390	(20,818,367)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	29,706,959	-	29,706,959
Total Other Financing Sources (Uses)	-	29,706,959	-	29,706,959
Net Change in Fund Balances	4,271,414	3,996,788	620,390	8,888,592
Fund Balances, July 1, 2018	19,623,060	15,955,648	2,909,104	38,487,812
Fund Balances, June 30, 2019	\$ 23,894,474	\$ 19,952,436	\$ 3,529,494	\$ 47,376,404

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2019

	Food Service Funds	Total Nonmajor Special Revenue Funds
ASSETS		
Cash and Cash Equivalents	\$ 11,618,994	\$ 11,618,994
Investments	11,963,367	11,963,367
Accounts Receivable	27,315	27,315
Due from Other Agencies	451,620	451,620
Inventory	763,956	763,956
Total Assets	<u>\$ 24,825,252</u>	<u>\$ 24,825,252</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Salaries and Benefits Payable	\$ 50,391	\$ 50,391
Payroll Deductions and Withholdings	7,195	7,195
Accounts Payable	208,199	208,199
Construction Contracts Payable	457,998	457,998
Construction Contracts Payable-Retainage	59,947	59,947
Due to Other Agencies	35,827	35,827
Sales Tax Payable	203	203
Unearned Revenue	111,018	111,018
Total Liabilities	<u>930,778</u>	<u>930,778</u>
FUND BALANCES		
Nonspendable	763,956	763,956
Restricted	23,130,518	23,130,518
Total Fund Balances	<u>23,894,474</u>	<u>23,894,474</u>
Total Liabilities and Fund Balances	<u>\$ 24,825,252</u>	<u>\$ 24,825,252</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2019

	Food Service Funds	Total Nonmajor Special Revenue Funds
REVENUES		
Intergovernmental:		
Federal Through State	\$ 36,460,311	\$ 36,460,311
State	487,877	487,877
Local:		
Charges for Services - Food Service	1,809,646	1,809,646
Miscellaneous	324,155	324,155
Total Revenues	<u>39,081,989</u>	<u>39,081,989</u>
EXPENDITURES		
Current - Education:		
Food Services	32,533,968	32,533,968
Fixed Capital Outlay:		
Facilities Acquisition and Construction	1,283,081	1,283,081
Other Capital Outlay	993,526	993,526
Total Expenditures	<u>34,810,575</u>	<u>34,810,575</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,271,414</u>	<u>4,271,414</u>
Net Change in Fund Balances	4,271,414	4,271,414
Fund Balances, July 1, 2018	19,623,060	19,623,060
Fund Balances, June 30, 2019	<u><u>\$ 23,894,474</u></u>	<u><u>\$ 23,894,474</u></u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
June 30, 2019

	Debt Service Funds			
	SBE/COBI Bonds	Other Debt Service	ARRA Economic Stimulus Debt Service	Total Nonmajor Debt Service Funds
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 1,170	\$ 1,641	\$ 2,811
Investments	70,171	-	18,903,609	18,973,780
Accounts Receivable	-	977,095	-	977,095
Total Assets	<u>\$ 70,171</u>	<u>\$ 978,265</u>	<u>\$ 18,905,250</u>	<u>\$ 19,953,686</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,250	\$ 1,250
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>
FUND BALANCES				
Restricted	70,171	978,265	18,904,000	19,952,436
Total Fund Balances	<u>70,171</u>	<u>978,265</u>	<u>18,904,000</u>	<u>19,952,436</u>
Total Liabilities and Fund Balances	<u>\$ 70,171</u>	<u>\$ 978,265</u>	<u>\$ 18,905,250</u>	<u>\$ 19,953,686</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019

	Debt Service Funds			
	SBE/COBI Bonds	Other Debt Service	ARRA Economic Stimulus Debt Service	Total Nonmajor Debt Service Funds
REVENUES				
Intergovernmental:				
Federal Direct	\$ -	\$ -	\$ 2,198,664	\$ 2,198,664
State	763,389	-	-	763,389
Local:				
Miscellaneous	-	1,064,502	1,644,444	2,708,946
Total Revenues	763,389	1,064,502	3,843,108	5,670,999
EXPENDITURES				
Debt Service:				
Principal	615,000	20,716,584	-	21,331,584
Interest and Fiscal Charges	166,350	7,144,370	2,696,490	10,007,210
Dues, Fees and Issuance Costs	345	28,316	13,715	42,376
Total Expenditures	781,695	27,889,270	2,710,205	31,381,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,306)	(26,824,768)	1,132,903	(25,710,171)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	26,821,560	2,885,399	29,706,959
Total Other Financing Sources (Uses)	-	26,821,560	2,885,399	29,706,959
Net Change in Fund Balances	(18,306)	(3,208)	4,018,302	3,996,788
Fund Balances, July 1, 2018	88,477	981,473	14,885,698	15,955,648
Fund Balances, June 30, 2019	\$ 70,171	\$ 978,265	\$ 18,904,000	\$ 19,952,436

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2019

	Capital Projects Funds		
	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service Funds (CO & DS)	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 1,841,791	\$ 1,841,791
Investments	-	1,640,616	1,640,616
Due from Other Agencies	1,308,491	47,200	1,355,691
Total Assets	<u>\$ 1,308,491</u>	<u>\$ 3,529,607</u>	<u>\$ 4,838,098</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 113	\$ 113
Due to Other Funds	1,308,491	-	1,308,491
Total Liabilities	<u>1,308,491</u>	<u>113</u>	<u>1,308,604</u>
FUND BALANCES			
Restricted	-	3,529,494	3,529,494
Total Fund Balances	-	3,529,494	3,529,494
Total Liabilities and Fund Balances	<u>\$ 1,308,491</u>	<u>\$ 3,529,607</u>	<u>\$ 4,838,098</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2019

	Capital Projects Funds		
	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service Funds (CO & DS)	Total Nonmajor Capital Projects Funds
REVENUES			
Intergovernmental:			
State	\$ 703,422	\$ 1,933,498	\$ 2,636,920
Local:			
Miscellaneous	-	20,553	20,553
Total Revenues	703,422	1,954,051	2,657,473
EXPENDITURES			
Current - Education:			
Facilities Acquisition and Construction	1,498,561	419,040	1,917,601
Fixed Capital Outlay:			
Facilities Acquisition and Construction	112,552	4,353	116,905
Debt Service:			
Dues, Fees and Issuance Costs	-	2,577	2,577
Total Expenditures	1,611,113	425,970	2,037,083
Excess of Revenues Over Expenditures	(907,691)	1,528,081	620,390
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(907,691)	1,528,081	620,390
Fund Balances, July 1, 2018	907,691	2,001,413	2,909,104
Fund Balances, June 30, 2019	\$ -	\$ 3,529,494	\$ 3,529,494

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INDIVIDUAL BUDGETARY COMPARISON SCHEDULES



These include budgetary comparison schedules for all governmental funds.

For nonmajor special revenue funds, all debt service funds, and all capital projects funds, budgetary comparison statements were not presented as part of the basic financial statements. Budgetary comparison schedules are presented as other supplementary schedules for each of these funds to demonstrate the District's compliance with its budget in each fund.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
Federal Through State	\$ 36,787,022	\$ 36,787,022	\$ 36,460,311	\$ (326,711)
State	485,741	485,741	487,877	2,136
Local:				
Charges for Service - Food Service	1,557,500	1,557,500	1,809,646	252,146
Miscellaneous	157,000	157,000	324,155	167,155
Total Revenues	<u>38,987,263</u>	<u>38,987,263</u>	<u>39,081,989</u>	<u>(94,726)</u>
EXPENDITURES				
Current - Education:				
Food Services	37,253,991	42,803,991	32,533,968	10,270,023
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,283,081	1,283,081	1,283,081	-
Other Capital Outlay	993,526	993,526	993,526	-
Total Expenditures	<u>39,530,598</u>	<u>45,080,598</u>	<u>34,810,575</u>	<u>10,270,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(543,335)</u>	<u>(6,093,335)</u>	<u>4,271,414</u>	<u>10,364,749</u>
Net Change in Fund Balances	<u>(543,335)</u>	<u>(6,093,335)</u>	<u>4,271,414</u>	<u>10,364,749</u>
Fund Balances, July 1, 2018	<u>19,623,060</u>	<u>19,623,060</u>	<u>19,623,060</u>	<u>-</u>
Fund Balances, June 30, 2019	<u>\$ 19,079,725</u>	<u>\$ 13,529,725</u>	<u>\$ 23,894,474</u>	<u>\$ 10,364,749</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUNDS - SBE/COBI BONDS
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
State	\$ 761,298	\$ 761,298	\$ 763,389	\$ 2,091
Total Revenues	761,298	761,298	763,389	2,091
EXPENDITURES				
Current - Education:				
Debt Service:				
Principal	615,000	615,000	615,000	-
Interest and Fiscal Charges	166,350	166,350	166,350	-
Dues, Fees and Issuance Costs	-	345	345	-
Total Expenditures	781,350	781,695	781,695	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,052)	(20,397)	(18,306)	2,091
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(20,052)	(20,397)	(18,306)	2,091
Fund Balances, July 1, 2018	88,477	88,477	88,477	-
Fund Balances, June 30, 2019	\$ 68,425	\$ 68,080	\$ 70,171	\$ 2,091

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUNDS - OTHER DEBT SERVICE
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local:				
Miscellaneous	\$ 1,056,765	\$ 1,062,844	\$ 1,064,502	\$ 1,658
Total Revenues	1,056,765	1,062,844	1,064,502	1,658
EXPENDITURES				
Current - Education:				
Debt Service:				
Principal	20,716,584	20,716,584	20,716,584	-
Interest and Fiscal Charges	7,144,370	7,144,370	7,144,370	-
Dues, Fees and Issuance Costs	36,025	42,104	28,316	13,788
Total Expenditures	27,896,979	27,903,058	27,889,270	13,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,840,214)	(26,840,214)	(26,824,768)	15,446
OTHER FINANCING SOURCES (USES)				
Transfers In	26,830,503	26,830,503	26,821,560	(8,943)
Total Other Financing Sources (Uses)	26,830,503	26,830,503	26,821,560	(8,943)
Net Change in Fund Balances	(9,711)	(9,711)	(3,208)	6,503
Fund Balances, July 1, 2018	981,473	981,473	981,473	-
Fund Balances, June 30, 2019	\$ 971,762	\$ 971,762	\$ 978,265	\$ 6,503

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE - ARRA ECONOMIC STIMULUS DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
Federal Direct	\$ 2,193,966	\$ 2,198,664	\$ 2,198,664	\$ -
Local:				
Miscellaneous	-	-	1,644,444	1,644,444
Total Revenues	2,193,966	2,198,664	3,843,108	1,644,444
EXPENDITURES				
Current - Education:				
Debt Service:				
Interest and Fiscal Charges	2,696,490	2,696,490	2,696,490	-
Dues, Fees and Issuance Costs	12,515	17,213	13,715	3,498
Total Expenditures	2,709,005	2,713,703	2,710,205	3,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	(515,039)	(515,039)	1,132,903	1,647,942
OTHER FINANCING SOURCES (USES)				
Transfers In	2,889,798	2,889,798	2,885,399	(4,399)
Total Other Financing Sources (Uses)	2,889,798	2,889,798	2,885,399	(4,399)
Net Change in Fund Balances	2,374,759	2,374,759	4,018,302	1,643,543
Fund Balances, July 1, 2018	14,885,698	14,885,698	14,885,698	-
Fund Balances, June 30, 2019	\$ 17,260,457	\$ 17,260,457	\$ 18,904,000	\$ 1,643,543

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)**

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
State	\$ 703,425	\$ 703,425	\$ 703,422	\$ (3)
Total Revenues	703,425	703,425	703,422	(3)
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	1,498,564	1,498,561	1,498,561	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	112,552	112,552	112,552	-
Total Expenditures	1,611,116	1,611,113	1,611,113	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(907,691)	(907,688)	(907,691)	(3)
Fund Balances, July 1, 2018	907,691	907,691	907,691	-
Fund Balances, June 30, 2019	\$ -	\$ 3	\$ -	\$ (3)

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS - CAPITAL OUTLAY & DEBT SERVICE (CO&DS)
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
State	\$ 950,000	\$ 950,000	\$ 1,933,498	\$ 983,498
Local:				
Miscellaneous	-	-	20,553	20,553
Total Revenues	950,000	950,000	1,954,051	1,004,051
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	1,669,369	1,666,160	419,040	1,247,120
Fixed Capital Outlay:				
Facilities Acquisition and Construction	4,353	4,353	4,353	-
Debt Service:				
Dues, Fees and Issuance Costs	-	2,577	2,577	-
Total Expenditures	1,673,722	1,673,090	425,970	1,247,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(723,722)	(723,090)	1,528,081	2,251,171
Fund Balances, July 1, 2018	2,001,413	2,001,413	2,001,413	-
Fund Balances, June 30, 2019	\$ 1,277,691	\$ 1,278,323	\$ 3,529,494	\$ 2,251,171

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - NONVOTED CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local:				
Property Taxes	\$ 39,483,124	\$ 39,483,124	\$ 39,812,487	\$ 329,363
Miscellaneous	394,831	394,831	993,104	598,273
Total Revenues	39,877,955	39,877,955	40,805,591	927,636
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	23,117,875	13,627,217	3,140,437	10,486,780
Fixed Capital Outlay:				
Facilities Acquisition and Construction	2,709,319	2,709,319	2,709,319	-
Other Capital Outlay	4,924,810	4,924,810	4,924,810	-
Total Expenditures	30,752,004	21,261,346	10,774,566	10,486,780
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,125,951	18,616,609	30,031,025	11,414,416
OTHER FINANCING (USES)				
Transfers Out	(25,217,642)	(27,285,093)	(25,647,605)	1,637,488
Total Other Financing Sources (Uses)	(25,217,642)	(27,285,093)	(25,647,605)	1,637,488
Net Change in Fund Balances	(16,091,691)	(8,668,484)	4,383,420	13,051,904
Fund Balances, July 1, 2018	38,890,452	38,890,452	38,890,452	-
Fund Balances, June 30, 2019	\$ 22,798,761	\$ 30,221,968	\$ 43,273,872	\$ 13,051,904

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - OTHER FUND
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
State	\$ 2,359,721	\$ 6,474,530	\$ 6,594,670	\$ 120,140
Local:				
Local Sales Tax	47,263,524	47,263,524	47,849,163	585,639
Impact Fees	41,923,654	65,000,000	74,409,260	9,409,260
Miscellaneous	4,136,237	4,136,237	6,813,643	2,677,406
Total Revenues	95,683,136	122,874,291	135,666,736	12,792,445
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	104,598,120	114,923,120	11,037,901	103,885,219
Fixed Capital Outlay:				
Facilities Acquisition and Construction	87,130,209	87,130,209	87,130,209	-
Other Capital Outlay	6,314,457	6,314,457	6,314,457	-
Total Expenditures	198,042,786	208,367,786	104,482,567	103,885,219
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,359,650)	(85,493,495)	31,184,169	116,677,664
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	-	-	216,600	216,600
Transfers Out	(15,956,148)	(20,070,957)	(20,062,957)	8,000
Total Other Financing Sources (Uses)	(15,956,148)	(20,070,957)	(19,846,357)	224,600
Net Change in Fund Balances	(118,315,798)	(105,564,452)	11,337,812	116,902,264
Fund Balances, July 1, 2018	159,101,634	159,101,634	159,101,634	-
Fund Balances, June 30, 2019	\$ 40,785,836	\$ 53,537,182	\$ 170,439,446	\$ 116,902,264

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INTERNAL SERVICE FUNDS



Internal service funds are used to account for the District's individual self-insurance programs.

Self-Insurance Trust Fund — To account for the financial activities of the District's self-insured employee health and life insurance programs.

Casualty Insurance Loss Fund — To account for the financial activities of the District's self-insured property, casualty, liability, and workers' compensation programs.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2019

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 13,190,805	\$ 3,443,206	\$ 16,634,011
Investments	308,374	-	308,374
Accounts Receivable	2,051	-	2,051
Prepaid Items	-	1,596,501	1,596,501
Total Current Assets	13,501,230	5,039,707	18,540,937
Noncurrent Assets:			
Capital Assets:			
Buildings and Fixed Equipment, Net	3,244,082	-	3,244,082
Furniture, Fixtures and Equipment, Net	124,846	-	124,846
Computer Software, Net	587	-	587
Total Noncurrent Assets	3,369,515	-	3,369,515
Total Assets	16,870,745	5,039,707	21,910,452
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,241,763	50	1,241,813
Estimated Insurance Claims Payable	5,272,000	474,978	5,746,978
Total Liabilities	6,513,763	475,028	6,988,791
NET POSITION			
Investment in Capital Assets	3,369,515	-	3,369,515
Unrestricted	6,987,467	4,564,679	11,552,146
Total Net Position	\$ 10,356,982	\$ 4,564,679	\$ 14,921,661

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
OPERATING REVENUES			
Premium Revenues	\$ 55,594,219	\$ 4,830,971	\$ 60,425,190
Total Operating Revenues	55,594,219	4,830,971	60,425,190
OPERATING EXPENSES			
Purchased Services	6,058,863	2,486,180	8,545,043
Materials and Supplies	482,574	-	482,574
Insurance Claims	59,696,755	2,681,107	62,377,862
Depreciation/Amortization Expense	106,332	-	106,332
Total Operating Expenses	66,344,524	5,167,287	71,511,811
Operating Income (loss)	(10,750,305)	(336,316)	(11,086,621)
NONOPERATING REVENUES			
Interest Revenue	28,707	31,182	59,889
Miscellaneous Local Sources	57,559	7,329	64,888
Total Nonoperating Revenues	86,266	38,511	124,777
Transfers In	10,500,000	-	10,500,000
Change In Net Position	(164,039)	(297,805)	(461,844)
Net Position - July 1, 2018	10,521,021	4,862,484	15,383,505
Net Position - June 30, 2019	\$ 10,356,982	\$ 4,564,679	\$ 14,921,661

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Board Funds and Participants	\$ 55,592,875	\$ 4,489,554	\$ 60,082,429
Payments for Insurance Claims	(58,313,755)	(2,638,881)	(60,952,636)
Cash Payments to Vendors for Goods and Services	(6,162,040)	(2,537,590)	(8,699,630)
Net Cash Used by Operating Activities	(8,882,920)	(686,917)	(9,569,837)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	10,500,000	-	10,500,000
Net Cash Provided by Noncapital Financing Activities	10,500,000	-	10,500,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(29,405)	-	(29,405)
Net Cash Used by Capital and Related Financing Activities	(29,405)	-	(29,405)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Investments	8,251,122	7,329	8,258,451
Interest	28,707	31,182	59,889
Net Cash Provided by Investing Activities	8,279,829	38,511	8,318,340
Net Increase(Decrease) in Cash and Cash Equivalents	9,867,504	(648,406)	9,219,098
Cash and Cash Equivalents - Beginning	3,323,301	4,091,612	7,414,913
Cash and Cash Equivalents - Ending	\$ 13,190,805	\$ 3,443,206	\$ 16,634,011
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating Loss	\$ (10,750,305)	\$ (336,316)	\$ (11,086,621)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Depreciation	106,332	-	106,332
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(1,343)	-	(1,343)
(Increase)/Decrease in Prepaid Items	-	(341,417)	(341,417)
Increase/(Decrease) in Accounts Payable	379,396	(51,409)	327,987
Increase/(Decrease) in Estimated Insurance Claims Payable	1,383,000	42,225	1,425,225
Total Adjustments	1,867,385	(350,601)	1,516,784
Net Cash Used by Operating Activities	\$ (8,882,920)	\$ (686,917)	\$ (9,569,837)

FIDUCIARY FUNDS - AGENCY FUNDS



Agency Funds are Fiduciary Funds and are used to account for resources held by the District in a trustee capacity or as an agent for individuals or private organizations. These resources include student and club activities funds that are held in trust for student, athletic, class, club activities, etc.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
SCHOOL INTERNAL FUNDS AGENCY FUND
For the Fiscal Year Ended June 30, 2019

	Balances July 1, 2018	Additions	Deductions	Balances June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 4,225,188	\$ 11,339,325	\$ 11,246,530	\$ 4,317,983
Accounts Receivable	269,004	98,469	269,004	98,469
Inventory	168,421	126,575	168,421	126,575
Total Assets	<u>\$ 4,662,613</u>	<u>\$ 11,564,369</u>	<u>\$ 11,683,955</u>	<u>\$ 4,543,027</u>
LIABILITIES				
Accounts Payable	\$ 106,391	\$ 79,385	\$ 106,391	\$ 79,385
Internal Accounts Payable	4,556,222	11,484,984	11,577,564	4,463,642
Total Liabilities	<u>\$ 4,662,613</u>	<u>\$ 11,564,369</u>	<u>\$ 11,683,955</u>	<u>\$ 4,543,027</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
BELLALAGO CHARTER ACADEMY AGENCY FUND
For the Fiscal Year Ended June 30, 2019

	Balances July 1, 2018	Additions	Deductions	Balances June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 3,208,309	\$ 16,442,500	\$ 16,085,984	\$ 3,564,825
Investments	-	934,003	-	934,003
Accounts Receivable	38,441	-	38,441	-
Total Assets	<u>\$ 3,246,750</u>	<u>\$ 17,376,503</u>	<u>\$ 16,124,425</u>	<u>\$ 4,498,828</u>
LIABILITIES				
Accounts Payable	\$ 2,119,918	\$ 6,227,065	\$ 8,330,126	\$ 16,857
Accrued Liabilities	22,572	7,781,395	7,794,299	9,668
Due to Other Agencies	1,104,260	3,368,043	-	4,472,303
Total Liabilities	<u>\$ 3,246,750</u>	<u>\$ 17,376,503</u>	<u>\$ 16,124,425</u>	<u>\$ 4,498,828</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2019

	Balances July 1, 2018	Additions	Deductions	Balances June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 7,433,497	\$ 27,781,825	\$ 27,332,514	\$ 7,882,808
Investments	-	934,003	-	934,003
Accounts Receivable	307,445	98,469	307,445	98,469
Inventory	168,421	126,575	168,421	126,575
Total Assets	<u>\$ 7,909,363</u>	<u>\$ 28,940,872</u>	<u>\$ 27,808,380</u>	<u>\$ 9,041,855</u>
LIABILITIES				
Accounts Payable	\$ 2,226,309	\$ 6,306,450	\$ 8,436,517	\$ 96,242
Accrued Liabilities	22,572	7,781,395	7,794,299	9,668
Due to Other Agencies	1,104,260	3,368,043	-	4,472,303
Internal Accounts Payable	4,556,222	11,484,984	11,577,564	4,463,642
Total Liabilities	<u>\$ 7,909,363</u>	<u>\$ 28,940,872</u>	<u>\$ 27,808,380</u>	<u>\$ 9,041,855</u>

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS



The component units columns in the basic financial statements include the financial data of the District's nonmajor discretely presented component units.

The Foundation for Osceola Education, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to provide charitable and educational aid to the Board, to promote education, and to encourage research, learning, and dissemination of information. Additionally, the Foundation entered into three separate charter agreements with the District to operate Bellalago Charter Academy, Canoe Creek Charter Academy, and PM Wells Charter Academy, which are considered divisions of the Foundation and are included in the Foundation's financial statements. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The Bellalago Educational Facilities Benefit District and the Flora Ridge Educational Facilities Benefit District (Benefit Districts) are separate districts organized pursuant to Chapter 125, Florida Statutes, and Section 1013.355, Florida Statutes, to provide for the timely construction and maintenance of school facilities. The Benefit Districts are an alternate mechanism that allows for the sharing of educational facilities costs that are necessary to accommodate new growth and development. The Benefit Districts have imposed a specific financial burden on the Osceola County School District and are considered fiscally dependent in accordance with the criteria described in Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600

Avant Garde Academy of Osceola, Avant Garde Academy K8 of Osceola, Bellalago Educational Facilities Benefit District, BridgePrep Academy of Osceola, Flora Ridge Educational Facilities Benefit District, Florida Aviation Academy, Florida Cyber Charter Academy at Osceola, The Foundation for Osceola Education, Inc., Four Corners Charter School, Inc., Four Corners Upper School, Lincoln-Marti Charter Schools, Inc., Main Street High School, Mater Brighton Lakes Academy, Mater Palms Academy, Mater Academy St. Cloud, New Dimensions High School, Inc., Osceola Science Charter School, Renaissance Charter School at Boggy Creek, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, Sports Leadership Arts Management, St. Cloud Preparatory Academy, Inc., and UCP Osceola Charter School, are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act; and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the Osceola County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF NET POSITION
COMBINING STATEMENT OF COMPONENT UNITS
June 30, 2019

	Avant Garde Academy of Osceola	Avant Garde Academy K8 of Osceola	Bellalago Educational Facilities Benefit District	BridgePrep Academy of Osceola	Flora Ridge Educational Facilities Benefit District	Florida Aviation Academy	Florida Cyber Charter Academy at Osceola	The Foundation for Osceola Education, Inc.	Four Corners Charter School, Inc.	Four Corners Upper School	Lincoln-Marti Charter Schools, Inc.
ASSETS											
Cash and Cash Equivalents	\$ 110,035	\$ 16,394	\$ 1,389,355	\$ 1,420,703	\$ -	\$ 75,545	\$ 483,393	\$ 8,538,318	\$ 4,392,759	\$ 532,096	\$ 620,460
Investments	-	-	-	-	-	-	-	2,111,697	-	-	-
Accounts Receivable	165,639	61,346	80,936	565	4,730	-	522	23,345	675,898	726,787	-
Deposits	14,635	20,833	-	67,833	-	-	-	60,947	5,398	2,947	-
Due from Other Agencies	-	-	760,746	57,854	-	-	672,598	952,121	-	65,246	5,989
Prepaid Items	-	-	-	137,752	-	-	6,187	47,394	7,508	47,175	-
Other Assets:											
Restricted Assets:											
Beneficial Interest in Assets Held by Others	-	-	-	-	-	-	-	821,918	-	-	-
Cash with Fiscal Agent	-	-	-	-	456,973	-	-	-	-	-	-
Capital Assets:											
Land	-	-	1,010,800	-	-	-	-	238,220	-	-	-
Construction in Progress	-	-	-	-	-	-	-	6,359	-	-	-
Land Improvements, Nondepreciable	-	-	9,828	-	-	-	-	-	-	-	-
Improvements Other Than Buildings, Net	-	-	185,316	-	-	-	-	445,670	1,192,371	-	-
Buildings and Fixed Equipment, Net	-	-	16,840,829	-	-	-	-	9,020,891	-	15,994,555	-
Furniture, Fixtures and Equipment, Net	241,562	57,866	2,360	297,958	-	-	-	217,065	415,857	375,838	11,834
Capital Lease Asset, Net	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles, Net	-	-	-	-	-	-	-	-	13,950	-	-
Audio Visual Materials and Computer Software, Net	-	12,982	-	8,334	-	-	-	154,440	32,938	-	-
Total Assets	531,871	169,421	20,280,170	1,990,999	461,703	75,545	1,162,700	22,638,385	6,736,679	17,745,244	638,283
DEFERRED OUTFLOWS OF RESOURCES											
Net Carrying Amount of Debt Refunding	-	-	-	-	73,408	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	1,602,448	-	-	-
LIABILITIES											
Salaries and Benefits Payable	\$ 182,221	\$ 100,273	\$ -	\$ 163,133	\$ -	\$ -	\$ -	\$ -	\$ 352,770	\$ 327,263	\$ -
Accounts Payable	90,667	564,720	96,864	25,178	23,335	12,815	1,162,700	80,099	351,294	671,368	44,115
Accrued Expenses	-	-	-	-	-	-	-	505,878	-	-	-
Due to Other Agencies	-	142,861	-	1,642,929	-	-	-	1,819,004	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	266,654	-	-	-
Accrued Interest Payable	-	-	331,435	-	107,042	-	-	181,761	-	1,250	-
Other Liabilities	-	-	-	-	-	-	-	792,609	-	-	-
Long-Term Liabilities:											
Portion Due Within One Year:											
Notes Payable	-	100,000	-	27,274	-	-	-	-	-	68,750	-
Obligations Under Capital Leases	-	-	-	35,122	-	-	-	-	-	295,000	-
Bonds Payable	-	-	945,000	-	180,000	-	-	762,974	-	-	-
Compensated Absences	-	-	-	-	-	-	-	26,355	-	22,680	-
Portion Due After One Year:											
Notes Payable	-	-	-	99,196	-	-	-	-	-	306,250	-
Obligations Under Capital Leases	-	-	-	129,363	-	-	-	-	-	18,053,873	-
Bonds Payable	-	-	18,213,028	-	6,542,525	-	-	11,520,501	-	-	-
Compensated Absences	-	-	-	-	-	-	-	8,788	-	7,560	-
Pension Liability	-	-	-	-	-	-	-	5,074,654	-	-	-
Total Liabilities	272,888	907,854	19,586,327	2,122,195	6,852,902	12,815	1,162,700	21,039,277	704,064	19,753,994	44,115
DEFERRED INFLOWS OF RESOURCES											
Deferred Amount on Debt Refunding	-	-	460,469	-	-	-	-	412,827	-	-	-
Pension	-	-	-	-	-	-	-	452,264	-	-	-
Total Deferred Inflows of Resources	-	-	460,469	-	-	-	-	865,091	-	-	-
NET POSITION											
Net Investment in Capital Assets	241,562	70,848	(1,569,364)	15,337	-	-	-	(2,200,830)	1,655,116	(1,978,480)	11,834
Restricted For:											
Debt Service	-	-	1,235,236	-	-	-	-	2,287,556	-	-	-
Capital Projects	-	-	-	-	-	-	-	530,408	-	-	-
Other Purposes	-	-	-	-	-	-	-	1,278,174	-	-	-
Unrestricted	17,421	(809,281)	567,502	(146,533)	(6,317,791)	62,730	-	441,157	4,377,499	(30,270)	582,334
Total Net Position	\$ 258,983	\$ (738,433)	\$ 233,374	\$ (131,196)	\$ (6,317,791)	\$ 62,730	\$ -	\$ 2,336,465	\$ 6,032,615	\$ (2,008,750)	\$ 594,168

Main Street High School	Mater Brighton Lakes Academy	Mater Palms Academy	Mater Academy St. Cloud	New Dimensions High School, Inc.	Osceola Science Charter School	Renaissance Charter School at Boggy Creek	Renaissance Charter School at Poinciana	Renaissance Charter School at Tapestry	Sports Leadership Arts Management	St Cloud Preparatory Academy, Inc.	UCP Osceola Charter School	Total Component Units
\$ 285,853	\$ 56,560	\$ 19,462	\$ 124,286	\$ 864,295	\$ 419,166	\$ 389,100	\$ 771,850	\$ 2,092,455	\$ 17,231	\$ 114,696	\$ -	\$ 22,734,612
1,028,232	533,000	552,000	430,000	-	-	1,382,691	-	-	197,000	-	-	6,234,620
9,197	-	-	-	17,843	-	11,746	278,889	421,222	-	2,022,413	2,528,685	7,029,763
31,817	44,404	13,900	14,100	58,870	-	27,725	15,648	27,725	-	6,800	-	394,628
7,079	55,275	108,676	16,686	-	31,921	115,541	189,235	52,583	24,836	-	-	3,116,386
1,200	-	109,626	26,561	-	15,000	41,947	30,474	35,705	6,797	-	-	513,326
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	821,918
-	-	-	-	-	-	-	-	-	-	-	-	456,973
-	-	-	-	275,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	1,524,020
-	-	-	-	-	-	-	-	-	-	-	-	6,359
-	17,103	-	-	153,536	-	-	200,643	8,136	-	-	-	9,828
-	-	30,032	-	5,517,750	-	18,748,843	10,556,274	16,122,782	-	-	-	2,202,775
150,201	758,437	750,412	561,788	16,046	149,495	576,050	326,981	493,500	302,449	77,958	4,499	92,831,956
-	-	-	-	-	-	-	-	-	-	11,693,202	-	5,788,156
-	-	-	-	54,327	-	-	-	-	-	-	-	11,693,202
-	39,243	30,583	24,501	-	-	-	-	-	-	-	-	68,277
1,513,579	1,504,022	1,614,691	1,197,922	6,907,568	615,582	21,324,788	12,369,994	19,254,108	677,215	13,915,070	2,533,184	431,924
-	-	-	-	487,792	-	-	-	-	-	-	-	155,858,723
-	-	-	-	-	-	-	-	-	-	-	-	73,408
-	-	-	-	-	-	-	-	-	-	-	-	2,090,240
\$ -	\$ 181,109	\$ 86,466	\$ 30,851	\$ 151,812	\$ 124,848	\$ 144,365	\$ 282,062	\$ 412,217	\$ 16,219	\$ 30,234	\$ -	\$ 2,585,843
236,163	82,683	1,045,936	67,471	-	28,279	371,246	213,623	161,683	36,649	111,126	83,681	5,561,695
-	-	-	-	-	-	-	-	-	-	-	-	505,878
-	-	-	-	-	-	-	-	431	-	-	-	3,605,225
-	-	-	-	-	-	-	-	-	-	-	-	266,654
-	-	-	-	-	-	25,710	-	-	-	-	-	647,198
-	-	-	-	-	-	-	-	-	-	-	-	792,609
-	1,082,992	400,000	1,096,360	100,023	-	-	-	-	500,000	114,343	-	3,489,742
-	-	-	-	-	-	139,946	256,667	300,000	-	-	-	1,026,735
-	-	-	-	-	-	-	-	-	-	-	-	1,887,974
-	-	-	-	-	-	8,273	20,064	31,237	-	-	-	108,609
-	86,433	-	-	3,521,528	-	-	-	-	-	12,513,150	-	16,526,557
-	-	-	-	-	-	232,074	12,331,151	18,400,608	-	-	-	49,147,069
-	-	-	-	-	-	21,802,559	-	-	-	-	-	58,078,613
-	-	-	-	-	-	2,758	6,688	10,412	-	-	-	36,206
-	-	-	-	1,274,761	-	-	-	-	-	-	-	6,349,415
236,163	1,433,217	1,532,402	1,194,682	5,048,124	153,127	22,726,931	13,110,255	19,316,588	552,868	12,768,853	83,681	150,616,022
-	-	-	-	-	-	-	-	-	-	-	-	873,296
-	-	-	-	212,119	-	-	-	-	-	-	-	664,383
-	-	-	-	212,119	-	-	-	-	-	-	-	1,537,679
150,201	217,786	337,460	187,557	2,395,108	149,495	(2,849,686)	(1,503,920)	(2,076,190)	240,930	(741,989)	-	(7,247,225)
-	-	-	-	-	-	1,356,981	-	-	-	-	-	4,879,773
-	-	-	-	-	-	-	-	-	-	-	-	530,408
-	-	-	-	-	-	-	-	-	-	-	-	1,278,174
1,127,215	(146,981)	(255,171)	(184,317)	(259,991)	312,960	90,562	763,659	2,013,710	(116,583)	1,888,206	2,449,503	6,427,540
\$ 1,277,416	\$ 70,805	\$ 82,289	\$ 3,240	\$ 2,135,117	\$ 462,455	\$ (1,402,143)	\$ (740,261)	\$ (62,480)	\$ 124,347	\$ 1,146,217	\$ 2,449,503	\$ 5,868,670

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF ACTIVITIES
COMBINING STATEMENT OF COMPONENT UNITS
For the Fiscal Year Ended June 30, 2019

	Avant Garde Academy of Osceola	Avant Garde Academy K8 of Osceola	Bellalago Educational Facilities Benefit District	BridgePrep Academy of Osceola	Flora Ridge Educational Facilities Benefit District	Florida Aviation Academy	Florida Cyber Charter Academy at Osceola	The Foundation for Osceola Education, Inc.	Four Corners Charter School, Inc.	Four Corners Upper School	Lincoln-Marti Charter Schools, Inc.
Component Unit Activities:											
Instruction	\$ 1,990,690	\$ 1,035,308	\$ -	\$ 1,752,420	\$ -	\$ 235,423	\$ 1,815,585	\$ 12,046,696	\$ 4,693,900	\$ 4,023,861	\$ 130,346
Pupil Personnel Services	47,959	-	-	-	-	-	289,238	-	-	195,157	-
Instructional Media Services	-	-	-	-	-	-	-	-	-	-	-
Instruction and Curriculum Development	-	-	-	10,725	-	-	3,024,283	-	-	298	2,532
Instructional Staff Training Services	-	-	-	1,000	-	-	70,809	-	-	10,851	-
Instruction Related Technology	-	-	-	-	-	-	536,913	-	-	131,157	-
Board	98,763	12,613	50,256	-	40,574	4,665	20,668	-	5,561	33,493	22,006
General Administration	143,782	87,154	20,000	367,794	7,334	23,498	46,055	-	615,044	-	-
School Administration	554,144	211,836	-	416,598	-	107,280	875,687	3,218,379	-	424,338	11,219
Facilities Acquisition and Construction	-	-	565,911	-	-	-	-	1,131,972	1,359,746	-	-
Fiscal Services	-	25,657	-	805	317,601	11,139	-	-	20,000	161,725	10,500
Food Services	-	-	-	9,114	-	-	-	-	-	-	46,066
Central Services	-	-	-	-	-	253	-	-	-	91,589	1,275
Pupil Transportation Services	185,680	206,212	-	-	-	500	-	-	3,563	105,412	-
Operation of Plant	1,544,820	955,247	-	745,964	-	51,172	119,704	2,907,291	-	1,271,903	132,778
Maintenance of Plant	28,170	8,405	-	30,215	-	9,281	1,295	-	61,757	229,516	10,126
Administrative Technology Services	-	-	-	-	-	900	-	-	-	-	-
Community Services	-	-	-	4,966	-	2,379	-	2,460,279	-	11,134	-
Interest on Long Term Debt	-	-	789,818	30,048	580,163	-	-	431,839	-	1,294,420	-
Unallocated Depreciation/Amortization	63,234	43,041	-	70,232	3,151	-	-	-	-	-	-
Total Expenses	<u>4,657,242</u>	<u>2,585,473</u>	<u>1,425,985</u>	<u>3,439,881</u>	<u>948,823</u>	<u>446,490</u>	<u>6,800,237</u>	<u>22,196,456</u>	<u>6,759,571</u>	<u>7,984,854</u>	<u>366,848</u>
Program Revenues											
Charges for Services	-	-	-	5,238	-	-	-	252,211	-	34,396	-
Operating Grants and Contributions	358,644	122,484	-	100,191	-	-	-	3,115,642	476,045	191,416	46,066
Capital Grants and Contributions	130,998	61,057	-	269,833	-	-	-	1,418,850	-	527,086	36,819
Net (Expenses) Revenue	<u>(4,167,600)</u>	<u>(2,401,932)</u>	<u>(1,425,985)</u>	<u>(3,064,619)</u>	<u>(948,823)</u>	<u>(446,490)</u>	<u>(6,800,237)</u>	<u>(17,409,753)</u>	<u>(6,283,526)</u>	<u>(7,231,956)</u>	<u>(283,963)</u>
General Revenues											
Grants and Contributions											
not restricted to specific programs	3,734,014	1,858,788	2,111,823	2,981,541	570,666	506,315	6,800,237	17,610,267	6,899,749	6,796,222	551,948
Investment Earnings	-	-	16,480	-	6,219	-	-	36,052	7,429	46,245	-
Miscellaneous	802,227	14,155	-	13,770	-	-	-	1,042,474	-	3,737	-
Total General Revenues	<u>4,536,241</u>	<u>1,872,943</u>	<u>2,128,303</u>	<u>2,995,311</u>	<u>576,885</u>	<u>506,315</u>	<u>6,800,237</u>	<u>18,688,793</u>	<u>6,907,178</u>	<u>6,846,204</u>	<u>551,948</u>
Change in Net Position	<u>368,641</u>	<u>(528,989)</u>	<u>702,318</u>	<u>(69,308)</u>	<u>(371,938)</u>	<u>59,825</u>	<u>-</u>	<u>1,279,040</u>	<u>623,652</u>	<u>(385,752)</u>	<u>267,985</u>
Net Position - beginning	(109,658)	(209,444)	(468,944)	-	(5,945,853)	-	-	1,057,425	5,408,963	(1,622,998)	326,183
Adjustments to Beginning Net Position	-	-	-	(61,888)	-	2,905	-	-	-	-	-
Net Position - beginning	(109,658)	(209,444)	(468,944)	(61,888)	(5,945,853)	2,905	-	1,057,425	5,408,963	(1,622,998)	326,183
Net Position - ending	<u>\$ 258,983</u>	<u>\$ (738,433)</u>	<u>\$ 233,374</u>	<u>\$ (131,196)</u>	<u>\$ (6,317,791)</u>	<u>\$ 62,730</u>	<u>\$ -</u>	<u>\$ 2,336,465</u>	<u>\$ 6,032,615</u>	<u>\$ (2,008,750)</u>	<u>\$ 594,168</u>

Main Street High School	Mater Brighton Lakes Academy	Mater Palms Academy	Mater Academy St. Cloud	New Dimensions High School, Inc.	Osceola Science Charter School	Renaissance Charter School at Bogg Creek	Renaissance Charter School at Poinciana	Renaissance Charter School at Tapestry	Sports Leadership Arts Management	St Cloud Preparatory Academy, Inc.	UCP Osceola Charter School	Total Component Units
\$ 1,137,274	\$ 3,827,670	\$ 2,086,299	\$ 472,265	\$ 2,086,837	\$ 1,717,413	\$ 1,893,857	3,463,872	\$ 4,933,212	\$ 553,715	\$ 2,179,956	\$ 2,183,525	\$ 54,260,124
-	59,584	37,877	5,464	-	41,798	73,694	345,183	393,197	5,844	-	-	1,494,995
-	-	-	-	-	56,399	469	-	-	-	-	-	56,868
173,525	-	-	-	-	75,836	232	3,356	7,146	-	-	-	3,297,933
-	62,825	14,012	5,082	-	3,024	17,224	21,443	78,741	2,084	-	-	287,095
-	-	-	-	-	-	85,862	99,026	144,608	-	-	-	997,566
-	48,436	33,732	20,478	-	9,381	22,574	34,372	27,396	3,263	695	-	488,926
316,682	-	-	260	32,184	30,554	-	-	-	-	184,630	586,160	2,461,131
-	942,159	565,018	251,217	484,065	442,592	414,539	563,179	622,008	250,642	713,695	-	11,068,595
-	290	-	-	226,812	-	-	-	-	-	-	-	3,284,731
490,841	142,110	82,245	16,819	-	63,420	5,864	383,720	1,743,841	14,250	35,038	-	3,525,575
-	1,846	5,224	21,947	-	-	-	538	179	-	99,594	-	184,508
-	176,592	113,162	116,787	-	25,497	88,922	101,121	97,394	-	282	-	921,287
68,096	184,615	79,670	64,245	260,557	-	104,594	53,863	-	55,703	14,042	-	1,386,752
818,614	2,284,675	1,322,608	626,922	111,029	740,001	1,061,003	1,079,011	1,312,323	297,727	1,226,656	-	18,609,448
-	142,815	74,475	63,702	165,406	23,054	140,350	233,097	226,232	23,470	31,283	-	1,502,649
-	47,839	46,615	-	-	64,265	-	-	-	-	-	-	159,619
-	156,917	125,700	2,228	-	98,871	63,879	56,680	123,112	2,432	216,518	-	3,325,095
-	19,201	4,356	-	169,629	-	534,743	889,142	1,342,329	-	-	-	6,085,688
-	-	-	-	-	44,807	-	-	-	-	-	-	224,465
3,005,032	8,097,574	4,590,993	1,667,416	3,536,519	3,436,912	4,507,806	7,327,603	11,051,718	1,317,543	4,702,389	2,769,685	113,623,050
-	267,840	127,987	6,531	50,942	-	134,229	119,220	234,202	3,818	-	-	1,236,614
70,986	362,208	289,030	226,557	-	-	266,250	768,053	563,783	304,706	-	318,119	7,580,180
162,604	803,843	431,001	45,839	294,453	222,796	219,338	415,230	681,975	52,441	255,875	-	6,030,038
(2,771,442)	(6,663,683)	(3,742,975)	(1,388,489)	(3,191,124)	(3,214,116)	(3,887,989)	(6,025,100)	(9,571,758)	(956,578)	(4,446,514)	(2,451,566)	(98,776,218)
2,158,170	6,210,853	3,648,575	656,187	3,021,884	3,311,434	4,412,174	5,796,143	9,771,309	565,543	3,472,156	3,473,734	96,919,732
-	220,289	85,950	-	957	-	754	75,874	85,978	515,382	-	-	1,097,609
49,380	-	-	735,542	-	-	280	3,337	6,414	-	748,821	-	3,420,137
2,207,550	6,431,142	3,734,525	1,391,729	3,022,841	3,311,434	4,413,208	5,875,354	9,863,701	1,080,925	4,220,977	3,473,734	101,437,478
(563,892)	(232,541)	(8,450)	3,240	(168,283)	97,318	525,219	(149,746)	291,943	124,347	(225,537)	1,022,168	2,661,260
1,841,308	303,346	90,739	-	2,303,400	365,137	(1,927,362)	(590,515)	(354,423)	-	(628,247)	1,427,335	1,266,392
-	-	-	-	-	-	-	-	-	-	2,000,001	-	1,941,018
1,841,308	303,346	90,739	-	2,303,400	365,137	(1,927,362)	(590,515)	(354,423)	-	1,371,754	1,427,335	3,207,410
\$ 1,277,416	\$ 70,805	\$ 82,289	\$ 3,240	\$ 2,135,117	\$ 462,455	\$ (1,402,143)	\$ (740,261)	\$ (62,480)	\$ 124,347	\$ 1,146,217	\$ 2,449,503	\$ 5,868,670

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STATISTICAL SECTION



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Introduction to the Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Schedule 1	Net Position by Component-Primary Government
Schedule 2	Changes in Net Position-Primary Government
Schedule 3	General Revenues and Total Changes in Net Position
Schedule 4	Fund Balances, Governmental Funds
Schedule 5	Governmental Funds Revenues
Schedule 6	Governmental Funds Expenditures and Debt Service Ratio
Schedule 7	Other Financing Sources and Uses and Net Change in Fund Balances-Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Schedule 8	Assessed Value and Estimated Actual Value of Taxable Property
Schedule 9	Direct and Overlapping Property Tax Rates
Schedule 10	Principal Osceola County Property Tax Payers
Schedule 11	Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Schedule 12	Outstanding Debt by Type
Schedule 13	Direct and Overlapping Governmental Activities Debt
Schedule 14	Legal Debt Margin Information
Schedule 15	Pledged-Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Schedule 16	Demographic and Economic Statistics
Schedule 17	Osceola County Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Schedule 18	Full-time-Equivalent District Employees by Type
Schedule 19	Operating Statistics
Schedule 20	Teacher Salaries
Schedule 21	School Building Information & Unweighted Full Time Equivalent Enrollment Data

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

Schedule 1
District School Board of Osceola County
Net Position by Component - Primary Government
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	For the Fiscal Year ending June 30			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities				
Net investment in Capital Assets	\$ 471,185,896	\$ 492,955,678	\$ 488,096,469	\$ 477,532,359
Restricted	116,539,697	81,462,943	75,558,613	91,902,083
Unrestricted	<u>28,633,813</u>	<u>50,433,333</u>	<u>40,835,214</u>	<u>16,937,578</u>
Total governmental activities net position	<u>\$ 616,359,406</u>	<u>\$ 624,851,954</u>	<u>\$ 604,490,296</u>	<u>\$ 586,372,020</u>

Source:
District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 494,470,617	\$ 487,069,988	\$ 484,808,699	\$ 508,196,302	\$ 556,200,796	\$ 594,521,122
75,247,973	83,317,955	119,173,058	148,132,173	170,937,433	240,578,560
(10,626,220)	(171,469,553)	(173,075,853)	(187,484,019)	(156,403,703)	(162,506,739)
<u>\$ 559,092,370</u>	<u>\$ 398,918,390</u>	<u>\$ 430,905,904</u>	<u>\$ 468,844,456</u>	<u>\$ 570,734,526</u>	<u>\$ 672,592,943</u>

Schedule 2
District School Board of Osceola County
Changes in Net Position - Primary Government
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	For the Fiscal Year ending June 30			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Primary Government:				
Expenses				
Governmental activities:				
Instruction	\$ 255,220,829	\$ 268,395,640	\$ 256,106,769	\$ 268,705,463
Pupil Personnel Services	21,883,642	21,854,182	21,838,137	21,225,019
Instructional Media Services	4,562,986	4,517,888	4,213,693	4,590,168
Instruction and Curriculum Development Services	15,244,383	15,053,689	12,918,163	13,955,272
Instructional Staff Training Services	8,854,691	10,019,346	8,893,254	8,683,127
Instruction-Related Technology	3,624,384	3,371,658	3,506,394	3,400,004
Board of Education	1,678,822	1,365,918	1,735,224	1,449,083
General Administration	2,906,023	3,776,911	2,778,064	2,223,978
School Administration	23,215,807	22,598,190	21,712,072	22,187,638
Facilities Services	14,397,625	11,792,702	7,231,837	7,301,809
Fiscal Services	1,807,456	1,861,512	1,795,816	2,068,151
Food Services	21,173,003	22,286,139	23,211,603	26,792,335
Central Services	6,711,505	6,467,196	6,866,451	6,854,756
Student Transportation Services	20,792,056	22,121,651	21,866,622	22,887,687
Operation of Plant	31,691,252	28,932,290	26,379,530	30,799,393
Maintenance of Plant	8,075,524	8,425,120	12,068,670	7,116,029
Administrative Technology Services	3,590,304	3,334,012	3,159,953	3,920,100
Community Services	3,690,087	4,194,564	4,427,474	4,607,250
Interest on Long-term Debt	16,245,397	15,944,978	14,542,638	15,195,406
Loss on Disposal of Capital Assets	-	-	-	-
Unallocated Depreciation Expense	29,437,348	31,169,680	32,061,585	34,621,488
Total expenses - Primary Government	<u>\$ 494,803,124</u>	<u>\$ 507,483,266</u>	<u>\$ 487,313,949</u>	<u>\$ 508,584,156</u>
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	\$ 1,828,659	\$ 2,220,174	\$ 2,126,462	\$ 2,303,121
Food Services	6,136,837	5,881,978	5,718,630	4,791,692
Student Transportation Services	370,221	543,684	613,100	589,816
Community Services	2,527,935	2,774,330	2,598,249	2,750,258
Operating Grants and Contributions				
Instruction	-	-	-	-
Food Services	17,894,469	19,400,609	21,165,198	23,618,227
Student Transportation Services	9,436,136	8,978,796	9,626,629	-
Capital Grants and Contributions				
Facilities Acquisition and Construction	11,544,613	11,019,085	11,851,852	584,483
Community Services	-	-	-	-
Interest on Long-term Debt	23,037	23,505	21,870	1,654,690
Total Program Revenues - Primary Government	<u>\$ 49,761,907</u>	<u>\$ 50,842,161</u>	<u>\$ 53,721,990</u>	<u>\$ 36,292,287</u>
Net (Expense) - Primary Government	<u>\$ (445,041,217)</u>	<u>\$ (456,641,105)</u>	<u>\$ (433,591,959)</u>	<u>\$ (472,291,869)</u>

Source:
District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 290,738,409	\$ 287,060,332	\$ 311,639,361	\$ 333,153,721	\$ 352,078,958	\$ 386,512,557
22,892,264	22,519,240	23,533,909	25,245,474	27,161,815	30,655,797
4,954,439	4,493,306	4,638,080	4,767,568	5,076,970	5,370,748
16,291,806	15,765,392	16,950,455	18,401,374	19,201,920	21,941,930
9,304,247	8,908,032	8,895,901	9,279,268	9,928,182	12,595,631
4,070,147	4,327,747	4,268,253	4,540,916	4,828,689	4,924,091
1,478,064	1,862,188	1,748,662	1,578,395	1,255,886	1,211,308
2,494,349	2,255,012	2,760,587	2,851,014	3,089,842	3,260,521
23,645,915	22,432,816	23,324,361	24,531,728	25,768,790	26,538,432
11,431,928	12,186,629	14,914,658	12,483,779	17,348,888	21,289,873
2,073,286	1,998,168	1,971,065	2,068,355	2,310,798	2,391,647
31,642,638	28,841,287	29,309,705	30,676,116	32,571,028	33,576,252
6,828,128	6,771,155	7,564,360	7,777,920	8,220,245	8,836,176
24,340,819	23,123,277	22,452,171	22,826,052	25,326,208	27,235,730
32,314,289	34,174,683	31,647,174	33,552,679	34,662,229	36,421,063
8,587,830	7,520,421	8,295,989	8,808,276	9,405,015	10,641,145
4,012,196	3,889,429	4,071,518	4,442,744	5,007,879	5,755,107
4,978,829	5,082,800	5,444,934	5,294,861	4,838,607	4,924,520
11,420,473	14,635,622	12,049,157	15,788,423	9,051,396	9,495,189
-	-	-	681,916	-	-
35,275,678	35,257,897	35,316,748	35,026,910	34,635,528	34,896,561
<u>\$ 548,775,734</u>	<u>\$ 543,105,433</u>	<u>\$ 570,797,048</u>	<u>\$ 603,777,489</u>	<u>\$ 631,768,873</u>	<u>\$ 688,474,278</u>
\$ 2,076,715	\$ 2,339,173	\$ 2,642,876	\$ 2,454,403	\$ 2,181,514	\$ 2,424,452
4,291,076	3,678,965	3,390,984	2,519,613	2,214,598	1,809,646
392,314	497,908	646,279	663,527	904,007	94,448
2,874,860	2,805,201	2,829,867	2,803,086	3,296,995	3,415,103
97,871,733	95,237,159	108,562,019	110,127,867	113,634,808	118,869,038
26,203,051	27,460,542	31,689,599	33,985,232	34,774,560	36,948,188
-	-	-	-	-	-
16,532,017	27,067,210	36,043,720	42,941,325	43,917,297	78,912,194
-	-	-	1,264,597	-	-
1,630,218	1,611,974	1,832,828	-	942,878	763,389
<u>\$ 151,871,984</u>	<u>\$ 160,698,132</u>	<u>\$ 187,638,172</u>	<u>\$ 196,759,650</u>	<u>\$ 201,866,657</u>	<u>\$ 243,236,458</u>
<u>\$ (396,903,750)</u>	<u>\$ (382,407,301)</u>	<u>\$ (383,158,876)</u>	<u>\$ (407,017,839)</u>	<u>\$ (429,902,216)</u>	<u>\$ (445,237,820)</u>

Schedule 3
District School Board of Osceola County
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	For the Fiscal Year ending June 30			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net (Expense)/Revenue - Primary Government	<u>\$ (445,041,217)</u>	<u>\$ (456,641,105)</u>	<u>\$ (433,591,959)</u>	<u>\$ (472,291,869)</u>
General Revenues and Changes in Net Position				
Taxes:				
Property taxes, levied for operational purposes	\$ 135,881,016	\$ 115,231,090	\$ 104,108,613	\$ 98,493,989
Property taxes, levied for capital projects	33,142,748	27,606,863	25,707,956	25,367,760
Local sales taxes	9,035,938	9,511,482	9,925,207	10,416,923
Impact Fees	-	-	-	12,286,659
Grants and contributions not restricted to specific programs	253,310,535	294,754,205	262,026,194	299,164,318
Investment earnings	2,345,647	2,099,168	1,801,749	483,975
Miscellaneous	10,464,800	15,930,845	9,660,582	7,959,969
Total General Revenues - Primary Government	<u>\$ 444,180,684</u>	<u>\$ 465,133,653</u>	<u>\$ 413,230,301</u>	<u>\$ 454,173,593</u>
Changes in Net Position - Primary Government	<u>\$ (860,533)</u>	<u>\$ 8,492,548</u>	<u>\$ (20,361,658)</u>	<u>\$ (18,118,276)</u>

Source:
District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>\$ (396,903,750)</u>	<u>\$ (382,407,301)</u>	<u>\$ (383,158,876)</u>	<u>\$ (407,017,839)</u>	<u>\$ (429,902,216)</u>	<u>\$ (445,237,820)</u>
\$ 105,900,393	\$ 111,668,108	\$ 117,462,480	\$ 117,411,122	\$ 125,285,264	\$ 130,434,603
26,438,255	28,370,255	30,186,687	32,537,685	34,733,867	39,812,487
10,600,770	12,129,743	12,771,275	25,010,568	45,404,305	47,849,163
-	-	-	-	-	-
215,374,466	223,592,024	242,260,027	259,580,554	277,817,616	304,090,750
1,199,839	1,389,318	3,176,842	1,060,614	2,339,176	10,499,198
10,110,377	11,503,406	9,289,079	9,355,848	10,200,372	14,410,036
<u>\$ 369,624,100</u>	<u>\$ 388,652,854</u>	<u>\$ 415,146,390</u>	<u>\$ 444,956,391</u>	<u>\$ 495,780,600</u>	<u>\$ 547,096,237</u>
<u>\$ (27,279,650)</u>	<u>\$ 6,245,553</u>	<u>\$ 31,987,514</u>	<u>\$ 37,938,552</u>	<u>\$ 65,878,384</u>	<u>\$ 101,858,417</u>

Schedule 4
District School Board of Osceola County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	For the Fiscal Year Ending June 30			
	Restated (a)			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Nonspendable	\$ -	\$ 1,805,173	\$ 1,838,068	\$ 1,931,315
Restricted	18,790,895	15,432,710	16,184,090	21,044,012
Assigned	-	21,373,716	13,663,265	8,688,530
Unassigned	51,822,880	52,989,981	52,631,593	44,389,869
Total General Fund	<u>\$ 70,613,775</u>	<u>\$ 91,601,580</u>	<u>\$ 84,317,016</u>	<u>\$ 76,053,726</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 535,522	\$ 416,365	\$ 724,170
Restricted	72,871,696	107,041,853	73,935,852	73,637,841
Assigned	-	684,791	774,561	1,081,812
Unassigned	101,538,230	-	-	-
Total All Other Governmental Funds	<u>\$ 174,409,926</u>	<u>\$ 108,262,166</u>	<u>\$ 75,126,778</u>	<u>\$ 75,443,823</u>
Total Governmental Funds	<u>\$ 245,023,701</u>	<u>\$ 199,863,746</u>	<u>\$ 159,443,794</u>	<u>\$ 151,497,549</u>

Note:

(a) The District implemented GASB 54 for the fiscal year ended June 30, 2011. The fund balances from the prior fiscal years were restated for comparison purposes.

Source:

District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 2,077,677	\$ 2,303,278	\$ 2,504,747	\$ 2,714,482	\$ 2,504,820	\$ 2,425,555
21,082,476	19,487,714	18,156,321	18,400,024	15,905,069	15,428,255
13,375,810	3,303,083	4,844,727	4,681,885	5,962,073	6,853,872
33,702,182	41,368,678	41,010,743	41,618,791	44,079,630	44,243,507
<u>\$ 70,238,145</u>	<u>\$ 66,462,753</u>	<u>\$ 66,516,538</u>	<u>\$ 67,415,182</u>	<u>\$ 68,451,592</u>	<u>\$ 68,951,189</u>
\$ -	\$ 974,141	\$ 1,162,356	\$ 1,205,400	\$ 1,077,716	\$ 763,956
58,179,268	69,347,218	106,161,674	222,501,059	235,402,182	260,325,766
1,393,760	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 59,573,028</u>	<u>\$ 70,321,359</u>	<u>\$ 107,324,030</u>	<u>\$ 223,706,459</u>	<u>\$ 236,479,898</u>	<u>\$ 261,089,722</u>
<u>\$ 129,811,173</u>	<u>\$ 136,784,112</u>	<u>\$ 173,840,568</u>	<u>\$ 291,121,641</u>	<u>\$ 304,931,490</u>	<u>\$ 330,040,911</u>

Schedule 5

District School Board of Osceola County

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	For the Fiscal Year Ending June 30			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues				
Federal direct	\$ 4,346,224	\$ 6,773,076	\$ 6,333,326	\$ 4,390,418
Federal through State	74,445,447	86,017,868	53,248,874	59,529,883
State sources	205,192,571	236,185,377	235,804,919	259,006,088
Local sources	<u>209,624,727</u>	<u>182,822,924</u>	<u>171,187,869</u>	<u>167,952,654</u>
 Total revenues	<u><u>\$ 493,608,969</u></u>	<u><u>\$ 511,799,245</u></u>	<u><u>\$ 466,574,988</u></u>	<u><u>\$ 490,879,043</u></u>

Source:

District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 3,882,342	\$ 4,020,887	\$ 4,245,607	\$ 4,275,783	\$ 3,842,771	\$ 5,584,301
58,990,124	56,918,921	71,723,722	73,692,342	74,144,738	86,565,817
278,832,947	288,489,943	309,665,209	329,266,843	351,551,486	371,198,454
185,384,897	195,797,333	215,536,470	231,140,276	265,935,801	323,938,115
<u>\$ 527,090,310</u>	<u>\$ 545,227,084</u>	<u>\$ 601,171,008</u>	<u>\$ 638,375,244</u>	<u>\$ 695,474,796</u>	<u>\$ 787,286,687</u>

Schedule 6

District School Board of Osceola County

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	For the Fiscal Year Ending June 30			
	2010	2011	2012	2013
Expenditures				
Instruction	\$ 252,269,672	\$ 266,865,399	\$ 253,767,483	\$ 264,220,967
Pupil Personnel Services	21,596,468	21,710,031	21,600,574	20,837,078
Instructional Media Services	4,528,355	4,500,290	4,171,544	4,516,147
Instruction and Curriculum Development Services	15,096,682	14,940,593	12,852,001	13,670,171
Instructional Staff Training Services	8,768,979	10,034,314	8,831,137	8,545,858
Instruction Related Technology	3,552,968	3,274,513	3,445,793	3,319,737
Board of Education	1,680,070	1,363,448	1,737,280	1,445,253
General Administration	2,847,678	3,742,052	2,737,481	2,210,250
School Administration	22,478,323	22,458,336	21,548,515	21,860,841
Facilities Acquisition and Construction	14,275,962	11,790,607	7,495,265	8,908,965
Fiscal Services	1,784,591	1,818,535	1,763,306	2,020,295
Food Services	20,976,967	22,195,655	23,043,598	26,592,821
Central Services	6,597,053	6,368,452	6,849,484	6,780,716
Student Transportation Services	17,280,750	18,853,529	18,599,266	19,696,499
Operation of Plant	34,035,187	29,305,887	27,341,814	30,585,170
Maintenance of Plant	7,919,591	8,351,687	12,011,268	7,023,537
Administrative Technology Services	3,527,874	3,396,158	3,194,658	3,844,461
	3,643,310	4,174,899	4,409,058	1,840,018
Capital outlay:				
Facilities Acquisition and Construction	68,920,961	66,602,017	36,644,633	16,040,556
Charter School Local Capital Improvement	-	-	-	-
Other Capital Outlay	4,238,945	5,859,310	4,111,070	4,009,251
Debt service:				
Principal	14,817,845	14,034,285	15,564,668	16,079,567
Interest and Fiscal Charges	14,933,194	15,475,625	15,520,709	15,353,689
Total Expenditures	<u>\$ 545,771,425</u>	<u>\$ 557,115,622</u>	<u>\$ 507,240,605</u>	<u>\$ 499,401,847</u>
 Debt Service as a Percentage of Noncapital Expenditures	 6.30%	 6.09%	 6.66%	 6.56%

Source:

District records

<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>	
\$	280,329,535	\$	287,013,856	\$	310,555,110	\$	321,579,744	\$	339,632,764	\$	371,095,214
	21,786,239		22,697,456		23,290,424		24,058,648		25,392,616		28,910,431
	4,771,047		4,525,806		4,627,227		4,612,307		4,811,090		5,088,937
	15,683,860		15,819,513		16,710,413		17,412,544		17,953,151		20,495,516
	9,098,166		9,002,894		8,882,840		8,843,586		9,367,984		11,974,841
	3,917,886		4,286,444		4,238,816		4,302,167		4,518,485		4,672,795
	1,466,041		1,872,534		1,745,998		1,565,672		1,236,867		1,200,520
	2,415,274		2,299,003		2,819,209		2,793,008		2,984,967		3,125,785
	22,476,668		22,518,181		23,086,838		23,459,783		24,197,009		24,893,749
	11,181,228		9,881,355		11,243,631		12,346,580		16,533,565		21,212,121
	1,936,268		2,014,809		2,021,992		1,925,667		2,140,615		2,216,960
	31,050,012		28,667,778		29,143,693		29,988,376		31,701,034		32,748,883
	6,541,885		6,770,403		7,466,404		7,534,680		7,790,493		8,524,645
	20,842,262		20,532,244		19,832,017		19,772,543		22,217,613		24,117,823
	31,742,175		32,777,540		31,140,563		32,664,336		33,315,337		35,371,798
	8,280,498		7,697,959		8,194,955		8,594,886		8,949,660		10,088,887
	3,815,336		3,902,468		4,099,622		4,255,025		4,766,512		5,544,939
	4,876,281		5,081,934		5,408,882		5,131,035		4,650,056		4,773,796
	28,540,227		15,343,982		6,817,643		40,287,143		70,625,077		91,447,376
	-		-		-		-		624,570		-
	8,600,402		6,176,371		9,798,576		3,663,657		13,010,289		13,157,293
	16,704,179		17,013,917		18,690,550		19,066,296		16,501,060		21,331,584
	13,924,407		12,862,021		11,797,768		12,177,869		10,350,671		10,052,163
<u>\$</u>	<u>549,979,876</u>	<u>\$</u>	<u>538,758,468</u>	<u>\$</u>	<u>561,613,171</u>	<u>\$</u>	<u>606,035,552</u>	<u>\$</u>	<u>673,271,485</u>	<u>\$</u>	<u>752,046,056</u>
	5.97%		5.78%		5.59%		5.56%		4.55%		4.85%

Schedule 7
District School Board of Osceola County
Other Financing Sources and Uses and Net Change in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	For the Fiscal Year Ending June 30			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Excess of revenues over (under) expenditures	<u>\$ (52,162,456)</u>	<u>\$ (45,316,377)</u>	<u>\$ (40,665,617)</u>	<u>\$ (8,522,804)</u>
Other Financing Sources	112,616,204	34,699,272	37,188,470	76,326,708
Other Financing Uses	<u>71,232,428</u>	<u>34,542,850</u>	<u>36,942,805</u>	<u>75,750,149</u>
Net change in fund balances	<u><u>\$ (10,778,680)</u></u>	<u><u>\$ (45,159,955)</u></u>	<u><u>\$ (40,419,952)</u></u>	<u><u>\$ (7,946,245)</u></u>

District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>\$ (22,889,566)</u>	<u>\$ 6,468,616</u>	<u>\$ 39,557,837</u>	<u>\$ 32,339,692</u>	<u>\$ 22,203,311</u>	<u>\$ 35,240,631</u>
40,663,038	51,703,245	71,455,987	199,528,943	28,222,915	46,079,352
<u>39,459,848</u>	<u>51,198,924</u>	<u>73,957,368</u>	<u>114,587,563</u>	<u>36,616,377</u>	<u>56,210,562</u>
<u><u>\$ (21,686,376)</u></u>	<u><u>\$ 6,972,937</u></u>	<u><u>\$ 37,056,456</u></u>	<u><u>\$ 117,281,072</u></u>	<u><u>\$ 13,809,849</u></u>	<u><u>\$ 25,109,421</u></u>

Schedule 8
District School Board of Osceola County
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (In thousands)
Unaudited

Fiscal Year	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2009	\$ 24,464,364	\$ 24,562,614	\$ 1,510,465	\$ 1,516,531
2010	19,971,753	19,832,923	1,531,250	1,520,606
2011	16,573,745	16,673,788	1,473,806	1,482,702
2012	15,288,985	15,942,633	1,356,605	1,414,604
2013	15,075,763	15,970,088	1,387,049	1,469,332
2014	15,668,183	16,739,512	1,403,246	1,499,194
2015	18,141,220	19,035,908	1,371,038	1,438,655
2016	19,637,295	21,579,445	1,362,727	1,497,502
2017	21,532,969	23,228,661	1,423,844	1,535,970
2018	23,825,533	25,813,145	1,542,600	1,671,289

Notes: Centrally assessed property consists of railroads and other systems which are assessed by the State of Florida.

2019 information not available.

⁽¹⁾ Per \$1,000 of assessed value

Source: Osceola County Comprehensive Annual Financial Report, FYE 9/30/18, Schedule 5

Centrally Assessed Property				Total				Total
Estimated				Estimated				Direct
Assessed Value		Actual Value		Assessed Value		Actual Value		Rate ⁽¹⁾
\$	3,785	\$	3,800	\$	25,978,614	\$	26,082,945	7.513
	4,129		4,100		21,507,132		21,357,629	7.699
	3,677		3,699		18,051,228		18,160,189	7.715
	4,083		4,258		16,649,673		17,361,495	7.577
	4,184		4,432		16,466,996		17,443,852	7.323
	4,365		4,663		17,075,794		18,243,369	7.509
	4,493		4,715		19,516,751		20,479,278	7.375
	4,767		5,238		21,004,789		23,082,185	7.261
	4,630		4,995		22,961,443		24,769,626	6.905
	4,821		5,223		25,372,954		27,489,657	6.749

Schedule 9

District School Board of Osceola County
Direct and Overlapping Property Tax Rates
Last Ten Levy Years

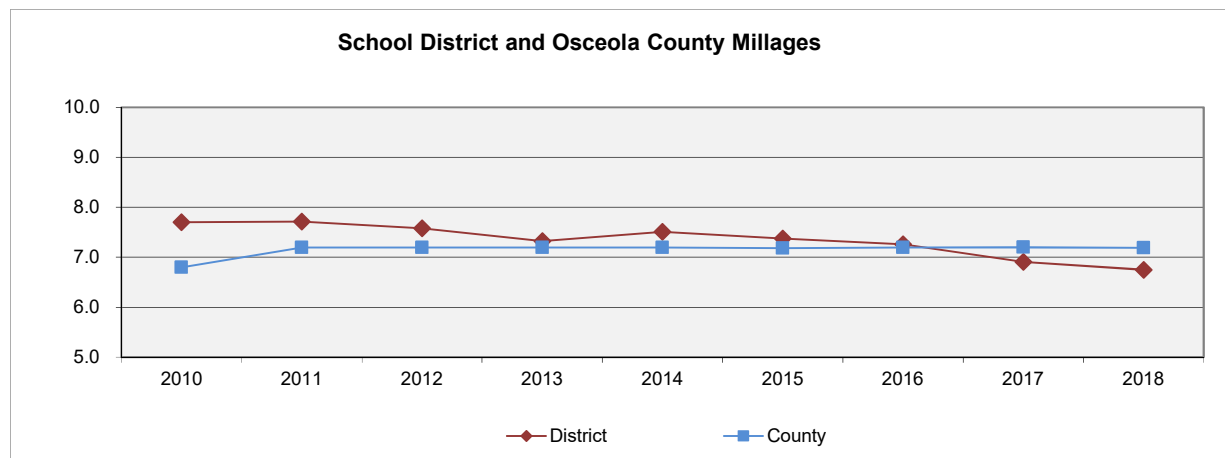
(rate per \$1,000 of assessed value)

Unaudited

Levy Year	District Direct Rates					Total Direct	Overlapping Rates
	Required Local Effort	Capital Outlay	Basic Discretionary	Prior Period Funding Adjustment	Supplemental Discretionary		Osceola County
2010	5.201	1.500	0.748	-	0.250	7.699	6.797
2011	5.217	1.500	0.748	-	0.250	7.715	7.196
2012	5.329	1.500	0.748	-	-	7.577	7.195
2013	5.075	1.500	0.748	-	-	7.323	7.197
2014	5.261	1.500	0.748	-	-	7.509	7.196
2015	5.127	1.500	0.748	-	-	7.375	7.184
2016	5.009	1.500	0.748	0.004	-	7.261	7.193
2017	4.643	1.500	0.748	0.014	-	6.905	7.199
2018	4.501	1.500	0.748	-	-	6.749	7.186
2019	4.161	1.500	0.748	0.002	-	6.411	N/A

Note: Osceola County 2019 information not available

Sources: District records, District Summary Budget, Section I. Assessment and Millage Levies
Osceola County Comprehensive Annual Financial Report, FYE 9/30/18, Schedule 6



Schedule 10
District School Board of Osceola County
Principal Osceola County Property Tax Payers
September 30, 2018 and Nine Years Earlier
(In thousands)
Unaudited

Taxpayer	September 30, 2018			September 30, 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westgate Properties/Resorts/Towers	\$ 1,010,628	1	3.98%	\$ -	-	-
Walt Disney Parks and Resorts US Inc.	716,185	2	2.82%	598,861	2	2.31%
Lando Resorts Corporation	581,554	3	2.29%	306,208	3	1.18%
G.P. Limited Partnership	339,865	4	1.34%	274,931	5	1.06%
Duke Energy Florida LLC	288,767	5	1.14%	-	-	-
Tempus Palms International	277,225	6	1.09%	276,527	4	1.06%
Star Island/Vacation Break/Wyndham	241,273	7	0.95%	-	-	-
Osceola Regional Hospital Inc.	139,575	8	0.55%	87,078	17	0.34%
Omni-Championsgate Resort Hotel LLC	136,936	9	0.54%	121,939	10	0.47%
Silver Lake Resort	104,026	10	0.41%	128,534	9	0.49%
Walmart Stores/WalSam Dev Co.	93,302	11	0.37%	88,543	16	0.34%
Sabal Tire Transmission	87,751	12	0.35%	-	-	-
Orlando Resort Development Group, Inc.	77,440	13	0.31%	67,307	19	0.26%
Florida Southeast Connection LLC	77,305	14	0.30%	-	-	-
Lowes Home Centers Inc.	64,890	15	0.26%	93,868	15	0.36%
Florida Gas Transmission Co.	62,050	16	0.24%	-	-	-
HUH DI-OCF Crosslands LLC/Cinque Terre LLC	60,722	17	0.24%	-	-	-
Timescape Resorts LLC	58,670	18	0.23%	-	-	-
IH1 & IH2 Borrower LP/IH2-IH6 Property Trust	53,261	19	0.21%	-	-	-
Embarq Florida Inc/Sprint/SprintCom	52,561	20	0.21%	102,074	12	0.39%
Central Florida Investment	-	-	-	795,275	1	3.06%
Fairfield Communities Inc.	-	-	-	274,719	6	1.06%
Progress Energy	-	-	-	220,253	7	0.85%
Reliant Energy Osceola, LLC	-	-	-	150,552	8	0.58%
Ginn-LA/Reunion	-	-	-	100,682	13	0.39%
Adventist Health System	-	-	-	115,362	11	0.44%
First Continental Corp	-	-	-	95,210	14	0.37%
Deerfield Land Corp	-	-	-	69,978	18	0.27%
Inland 200/220 Celeb Place	-	-	-	62,911	20	0.24%
Total taxable assessed value ten largest taxpayers	4,523,986		17.83%	4,030,812		15.52%
Total taxable assessed value all other taxpayers	20,848,968		82.17%	21,947,802		84.48%
Total taxable assessed value all taxpayers	\$ 25,372,954		100.00%	\$ 25,978,614		100.00%

Source:

Osceola County Comprehensive Annual Financial Report, FYE 9/30/18, Schedule 7

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Schedule 11
District School Board of Osceola County
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 174,578,023	\$ 168,042,178	96.26%	\$ 845,047	\$ 168,887,225	96.74%
2011	148,427,619	141,992,906	95.66%	914,896	142,907,802	96.28%
2012	134,835,605	128,901,673	95.60%	555,818	129,457,491	96.01%
2013	128,129,837	123,305,931	96.24%	462,603	123,768,534	96.60%
2014	137,619,241	131,876,045	95.83%	550,115	132,426,160	96.23%
2015	144,752,427	139,488,248	96.36%	206,607	139,694,855	96.51%
2016	153,424,444	147,442,560	96.10%	164,884	147,607,444	96.21%
2017	155,326,218	149,783,923	96.43%	121,820	149,905,743	96.51%
2018	166,007,030	159,897,312	96.32%	237,430	160,134,742	96.46%
2019	175,782,158	170,009,659	96.72%	-	170,009,659	96.72%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter.
Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year.

Source: District records

Schedule 12
District School Board of Osceola County
Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year	Capital Leases and Installment Purchases	Notes	Bonds	Certificates Of Participation
2010	\$ 1,454,074	\$ 21,374,409	\$ 91,284,157	\$ 211,997,778
2011	669,702	18,779,496	86,957,159	206,341,984
2012	343,646	16,044,967	82,639,229	199,375,637
2013	93,280	13,163,292	76,149,609	193,328,587
2014	-	10,126,547	68,906,000	186,625,000
2015	-	6,926,368	66,112,180	182,465,005
2016	-	3,553,948	60,315,556	174,013,756
2017	-	-	139,784,038	166,041,925
2018	-	-	133,297,264	156,118,988
2019	-	-	122,116,112	145,876,051

Notes:

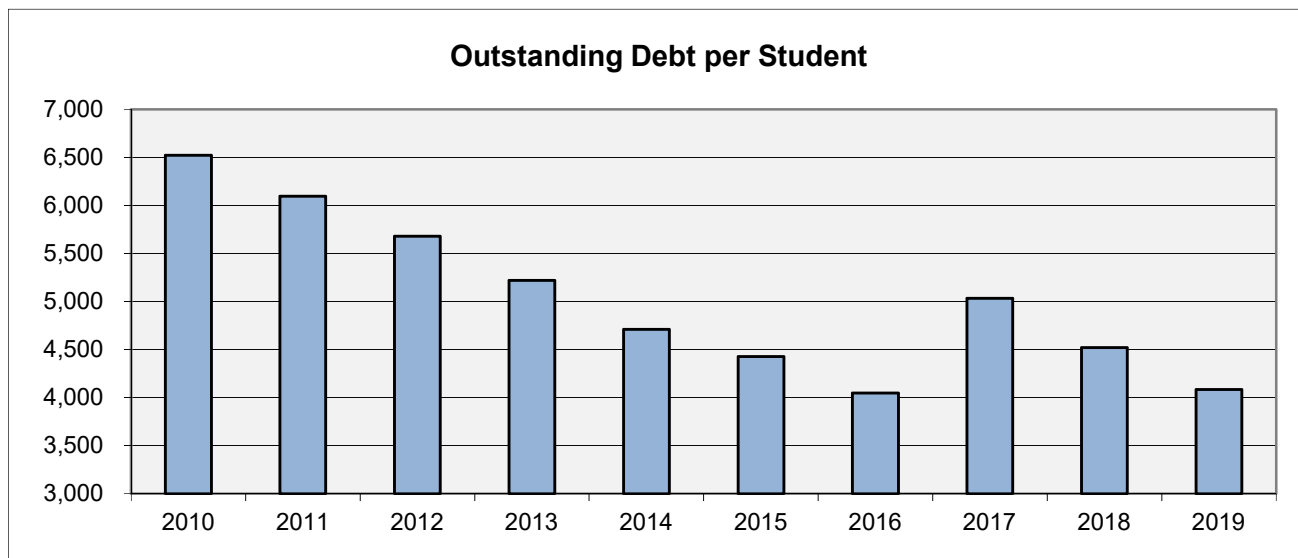
⁽¹⁾ Schedule 16 Personal Income (thousands) divided by Total Debt.

⁽²⁾ Total Debt divided by Schedule 19 Student Enrollment.

n/a = data not available

Source:

District records



EFBD Agreement Payable		Total		Percentage of Personal Income (1)	Outstanding Debt Per Student (2)
\$	9,519,989	\$	335,630,407	2.03%	\$ 6,522
	9,715,198		322,463,539	2.18%	6,096
	9,346,115		307,749,594	2.44%	5,680
	8,973,589		291,708,357	2.69%	5,219
	4,020,439		269,677,986	2.99%	4,710
	3,863,449		259,367,002	3.36%	4,428
	9,583,179		247,466,439	3.92%	4,047
	9,312,626		315,138,626	3.27%	5,035
	9,001,150		298,417,402	3.79%	4,521
	8,649,566		276,641,729	n/a	4,085

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Schedule 13
District School Board of Osceola County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Osceola County			
Limited General Obligation Bonds	\$ 23,278,000	100.00%	\$ 23,278,000
Revenue Bonds	455,414,000	100.00%	455,414,000
Special Assessment Bonds	1,595,000	100.00%	<u>1,595,000</u>
Subtotal, overlapping debt			<u>480,287,000</u>
District direct debt			<u>276,641,730</u>
Total direct and overlapping debt			<u><u>\$ 756,928,730</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Osceola County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

Sources:

District records
Osceola County Comprehensive Annual Financial Report, FYE 9/30/18, Schedule 9

Schedule 14
District School Board of Osceola County
Legal Debt Margin Information
Last Ten Fiscal Years (In thousands)
Unaudited

	Fiscal Year			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed value ⁽¹⁾	\$ 25,978,614	\$ 21,507,132	\$ 18,051,228	\$ 16,649,673
Debt limit (10% of assessed value)	2,597,861	2,150,713	1,805,123	1,664,967
Debt applicable to limit:				
Bonds payable	<u>95,972</u>	<u>91,284</u>	<u>86,957</u>	<u>82,639</u>
Total net debt applicable to limit	<u>95,972</u>	<u>91,284</u>	<u>86,957</u>	<u>82,639</u>
Legal debt margin	<u>\$ 2,501,889</u>	<u>\$ 2,059,429</u>	<u>\$ 1,718,166</u>	<u>\$ 1,582,328</u>
Total net debt applicable to the limit as a percentage of debt limit	3.69%	4.24%	4.82%	4.96%

Notes:

This schedule was previously presented as a requirement of Rule 6A-1.037(2) State Board of Education, Florida Administration Code, which established a legal debt limit of 10 percent of the assessed valuation of the District. Rule 6A-1.037 was repealed in March 2006; however, management believes this information may still be of value to users.

⁽¹⁾ Schedule 8

Osceola County's information is not available for 2019

Sources:

District records
Osceola County Comprehensive Annual Financial Report, FYE 9/30/18, Schedule 5

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 16,466,996	\$ 17,075,794	\$ 19,516,751	\$ 21,004,789	\$ 22,961,443	\$ 25,372,954
1,646,700	1,707,579	1,951,675	2,100,479	2,296,144	2,537,295
76,150	68,906	66,112	60,316	139,784	133,297
76,150	68,906	66,112	60,316	139,784	133,297
<u>\$ 1,570,550</u>	<u>\$ 1,638,673</u>	<u>\$ 1,885,563</u>	<u>\$ 2,040,163</u>	<u>\$ 2,156,360</u>	<u>\$ 2,403,998</u>
4.62%	4.04%	3.39%	2.87%	6.09%	5.25%

Schedule 15
District School Board of Osceola County
Pledged-Revenue Coverage
Last Ten Fiscal Years
Unaudited

Sales Tax Revenue Bonds - Local Discretionary Surtax					
Fiscal Year	Local Sales Tax Revenue	Debt Service		Coverage	
		Principal	Interest		
2010	\$ 9,035,938	\$ 3,510,000	\$ 3,724,783	124.9%	
2011	9,511,482	3,645,000	3,587,442	131.5%	
2012	9,925,207	3,790,000	3,441,102	137.3%	
2013	10,416,923	3,950,000	3,279,877	144.1%	
2014	10,600,770	4,125,000	3,109,678	146.5%	
2015	12,129,743	4,300,000	2,929,688	167.8%	
2016	12,771,275	4,520,000	2,714,688	176.5%	
2017	13,860,037	5,174,000	1,784,652	199.2%	
2018	15,182,038	5,624,000	901,803	232.6%	
2019	15,972,508	5,740,000	810,918	243.8%	

Sales Tax Revenue Bonds - School Capital Outlay Surtax					
Fiscal Year	Local Sales Tax Revenue	Debt Service		Coverage	
		Principal	Interest		
2017	\$ 11,150,530	\$ -	\$ -	-	
2018	30,222,267	-	2,116,000	1428.3%	
2019	31,876,655	4,720,000	2,315,364	453.1%	

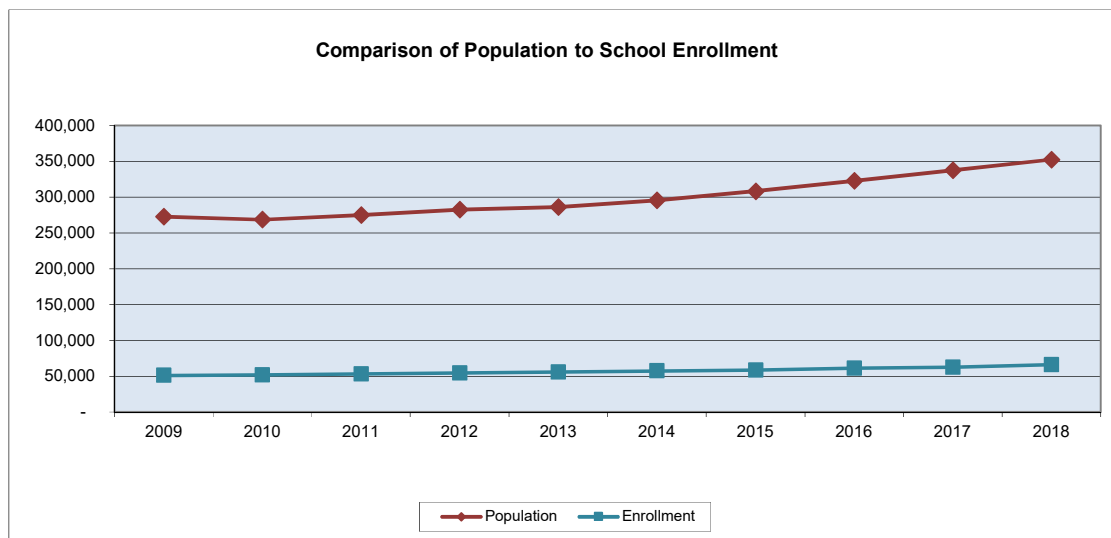
Source: District records

Schedule 16
District School Board of Osceola County
Demographic and Economic Statistics
Last Ten Calendar Years
Unaudited

Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009	272,788	\$ 6,086,173	\$ 22,311	34.6	51,118	11.3%
2010	268,685	6,814,171	25,361	35.6	51,458	12.4%
2011	275,010	7,022,084	25,534	35.5	52,900	11.6%
2012	282,676	7,503,530	26,545	36.0	54,197	9.4%
2013	286,001	7,851,188	27,452	35.9	55,892	7.2%
2014	295,553	8,065,185	27,288	35.9	57,252	6.7%
2015	308,327	8,713,098	28,259	36.4	58,569	5.7%
2016	322,862	9,691,044	30,016	36.5	61,141	5.0%
2017	337,614	10,300,608	30,655	36.5	62,590	4.2%
2018	352,496	11,303,408	32,067	36.6	66,010	3.6%

Note: Information not available for 2019

Sources: State of Florida Office of Economic and Demographic Research
District records



Schedule 17
District School Board of Osceola County
Osceola County Principal Employers
September 30, 2018 and Nine Years Earlier
Unaudited

Employer	September 30, 2018			September 30, 2009		
	Employees	Rank	Percentage of Total Labor Force Employed	Employees	Rank	Percentage of Total Labor Force Employed
Total Labor Force Employed ⁽¹⁾	171,518			122,993		
The School District of Osceola County ⁽²⁾	7,707	1	4.49%	6,749	1	5.49%
Orange Lake Resorts & Holiday Inn Club Vacation	4,500	2	2.62%	N/A		N/A
Walt Disney Company (Osceola County only)	3,700	3	2.16%	3,700	2	3.01%
Osceola Regional Medical Center	2,200	4	1.28%	1,357	7	1.10%
Florida Hospital Celebration Healthcare	1,648	5	0.96%	1,300	9	1.06%
Gaylord Palms Resort & Convention Center	1,594	6	0.93%	1,445	6	1.17%
Westgate Vacation Villas	1,500	7	0.87%	N/A		N/A
Osceola County Government	1,399	8	0.82%	2,506	4	2.04%
Valencia College	1,213	9	0.71%	506	14	0.41%
Wilson Resort Management	1,200	10	0.70%	N/A		N/A
Total principal employers	26,661		15.54%	17,563		14.28%

Notes:

⁽¹⁾ Total Labor Force Employed for Osceola County as reported by the Orlando Economic Development Commission.

⁽²⁾ School District employees are shown as of June 30, 2018, and 2009. (See Schedule 18)

Sources:

Osceola County Comprehensive Annual Financial Report, FYE 9/30/18, Schedule 17
Orlando Economic Development Commission
District records

Schedule 18
District School Board of Osceola County
Full-Time-Equivalent District Employees by Type
Last Ten Fiscal Years
Unaudited

	Full-time-Equivalent Employees as of June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Supervisory										
Officials, Administrators and Managers	44	43	43	51	69	61	61	61	69	75
Consultants/Supervisors of Instruction	11	11	11	11	10	7	7	8	7	6
Principals	55	55	55	58	61	60	62	64	68	70
Assistant Principals	66	69	64	69	71	81	88	92	93	99
Community Education Coordinators	-	-	-	-	-	-	-	17	25	29
Deans/Curriculum Coordinators	5	6	9	9	8	6	-	-	-	-
Total supervisory	181	184	182	198	219	215	218	242	262	279
Instruction										
Classroom Teachers, Elementary (PK-6)	1,291	1,401	1,438	1,447	1,463	1,509	1,529	1,544	1,547	1,608
Classroom Teachers, Secondary (7-12)	1,245	1,307	1,359	1,405	1,417	1,460	1,483	1,520	1,558	1,628
Exceptional Education Teachers	410	411	395	402	437	437	463	443	474	543
Other Teachers	102	118	127	130	135	156	157	225	151	308
Total instruction	3,048	3,237	3,319	3,384	3,452	3,562	3,632	3,732	3,730	4,087
Student Services										
Guidance Counselors	92	99	98	100	100	107	105	114	130	154
Social Workers	12	9	9	11	10	10	11	14	13	29
School Psychologists	33	31	31	30	32	33	31	36	36	36
Librarians/Audio-Visual Workers	47	48	47	45	46	45	46	47	48	49
Other Professional Staff, Instructional	267	261	262	277	304	321	321	386	402	458
Other Professional Staff, Non-Instructional	199	190	186	183	183	189	189	201	208	223
Aides	575	666	694	728	786	817	812	876	899	959
Technicians	110	65	124	119	124	127	126	134	134	135
Total student services	1,335	1,369	1,451	1,493	1,585	1,649	1,641	1,808	1,870	2,043
Support and Administration										
Clerical/Secretarial	537	536	494	519	518	538	510	552	560	586
Service Workers	1,101	1,108	1,101	1,147	1,150	1,162	1,141	1,186	1,193	1,253
Skilled Crafts Workers	67	66	66	67	66	70	66	66	63	72
Unskilled Laborers	22	21	20	24	19	21	26	27	29	48
Total support and administration	1,727	1,731	1,681	1,757	1,753	1,791	1,743	1,831	1,845	1,959
Total	<u>6,291</u>	<u>6,521</u>	<u>6,633</u>	<u>6,832</u>	<u>7,009</u>	<u>7,217</u>	<u>7,234</u>	<u>7,613</u>	<u>7,707</u>	<u>8,368</u>

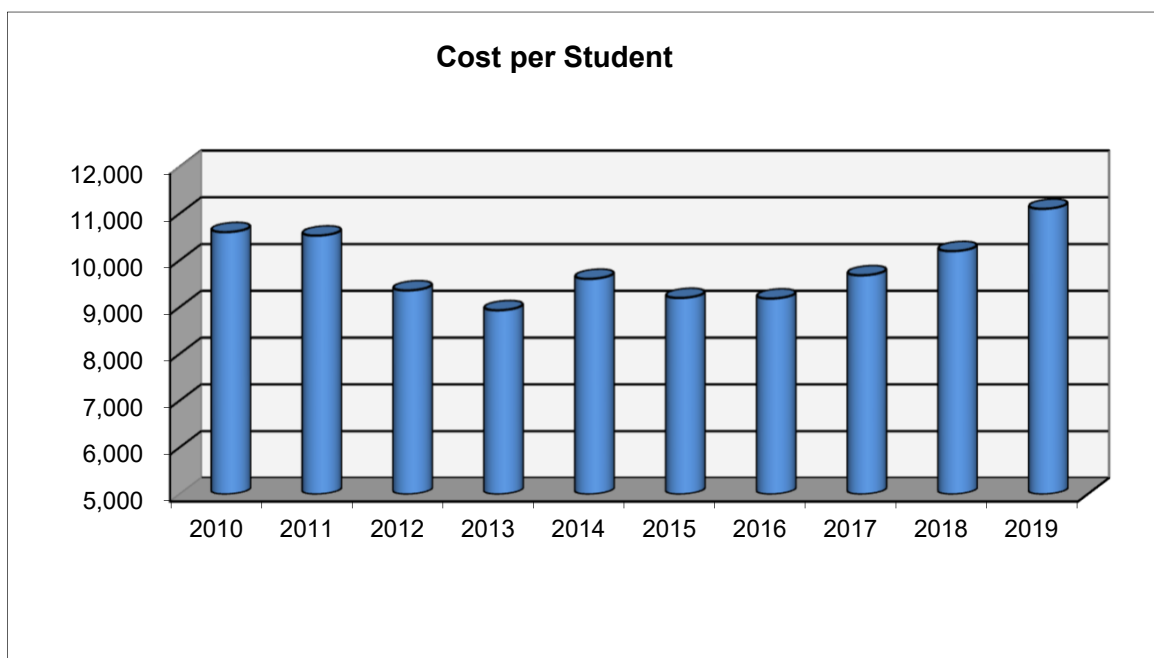
Source:
Florida Department of Education
Education Information and Accountability Services

Schedule 19
District School Board of Osceola County
Operating Statistics
Last Ten Fiscal Years
 Unaudited

Fiscal Year	Expenditures	Student Enrollment	Cost per Student	Number of Schools
2010	\$ 545,771,425	51,458	\$ 10,606	46
2011	557,115,622	52,900	10,531	47
2012	507,240,605	54,197	9,359	47
2013	499,401,847	55,892	8,935	47
2014	549,979,876	57,252	9,606	47
2015	538,758,468	58,569	9,199	47
2016	561,613,171	61,141	9,186	47
2017	606,035,552	62,590	9,683	47
2018	673,271,486	66,010	10,200	47
2019	752,046,056	67,724	11,105	46

Sources:

District records
 Florida Department of Education, Education Information and Accountability Services,
 PK - 12 Public School Data Publications and Reports, Students,
 Free/Reduced Price Lunch Eligibility



Number of Classroom Teachers	Pupil/Teacher Ratio	Percentage of Students Receiving Free/Reduced Meals	
		Osceola	Statewide
3,048	16.9	67.4%	53.5%
3,237	16.3	68.4%	56.0%
3,319	16.3	70.7%	57.6%
3,384	16.5	70.4%	57.5%
3,452	16.6	64.1%	54.2%
3,562	16.4	64.6%	51.3%
3,632	16.8	65.0%	58.1%
3,732	16.8	78.6%	61.2%
3,730	17.7	82.1%	69.4%
4,087	16.6	77.2%	66.0%

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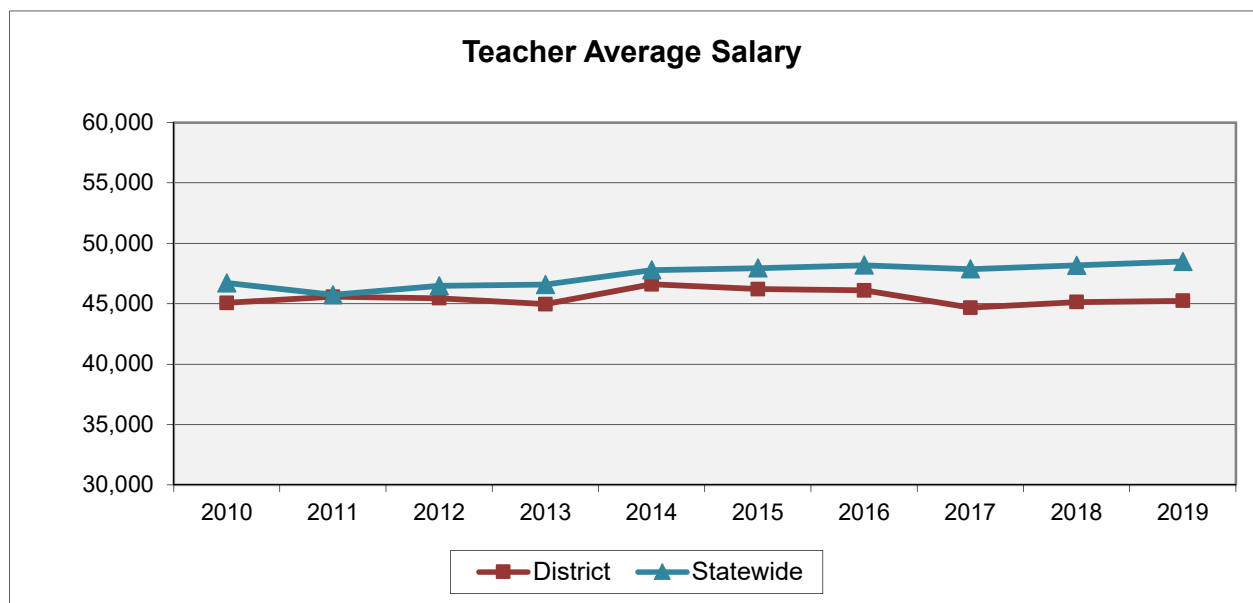
Schedule 20
District School Board of Osceola County
Teacher Salaries
Last Ten Fiscal Years
 Unaudited

Fiscal Year	Minimum Salary ⁽¹⁾	Maximum Salary ⁽¹⁾	Osceola Average Salary ⁽²⁾	Statewide Average Salary ⁽²⁾
2010	\$ 37,650	\$ 66,185	\$ 45,070	\$ 46,708
2011	37,800	66,485	45,574	45,732
2012	38,036	66,485	45,457	46,479
2013	38,036	66,485	44,965	46,583
2014	39,445	67,894	46,606	47,780
2015	39,500	67,935	46,211	47,950
2016	39,500	68,685	46,103	48,179
2017	40,100	69,285	44,679	47,858
2018	40,100	70,085	45,135	48,168
2019	41,000	71,285	45,236	48,486

Sources:

⁽¹⁾ District records

⁽²⁾ Florida Department of Education
 Education Information and Accountability Services



Schedule 21

District School Board of Osceola County

School Building Information & Unweighted Full-Time Equivalent Enrollment Data

Last Ten Fiscal Years

Unaudited

	Current		Unweighted Full-Time Equivalent Enrollment Data				
	Square Footage	Student Capacity	2018-19	2017-18	2016-17	2015-16	2014-15
Elementary Schools (Placed in Service)							
Boggy Creek (1982)	101,618	860	673	682	651	682	714
Central Avenue (1934)	131,504	1,016	645	706	635	653	712
Chestnut (2005)	124,829	1,088	687	670	677	689	752
Cypress (1991)	107,443	800	609	693	753	735	726
Deerwood (1990)	129,995	990	549	533	571	571	672
East Lake (2010)	115,349	1,092	928	930	1,046	1,001	974
Flora Ridge (2007)	119,436	1,150	1,086	976	864	839	921
Hickory Tree (1983)	128,328	1,152	966	917	807	720	716
Highlands (1959)	136,722	1,075	814	859	821	826	938
Kissimmee (2000)	130,485	1,118	985	996	937	873	996
Koa (2009)	107,654	898	622	663	684	708	759
Lakeview (1985)	111,571	808	686	704	689	654	649
Michigan Avenue (1971)	135,962	951	632	626	642	648	645
Mill Creek (1986)	140,975	1,120	882	955	989	998	975
Narcoossee (2009)	118,167	1,010	1,067	1,004	926	849	767
Neptune (2007)	118,621	1,154	1,000	994	973	975	984
Partin Settlement (2002)	127,138	983	838	887	799	832	791
Pleasant Hill (1986)	137,787	1,056	763	822	823	883	890
Poinciana Academy of Fine Arts (2001)	142,990	890	593	664	658	681	765
Reedy Creek (1980)	113,608	1,179	1,049	1,060	975	969	967
Saint Cloud (2005)	126,174	1,186	979	1,027	969	980	970
Sunrise (2005)	125,941	1,176	864	912	891	890	1,001
Thacker Avenue (1963)	144,994	928	812	827	846	874	891
Ventura (1987)	135,886	1,084	831	854	883	888	946
Total Elementary Schools			19,560	19,961	19,509	19,418	20,121
Middle Schools (Placed in Service)							
Denn John (1973)	142,125	1,429	963	881	827	948	1,022
Discovery (2000)	251,410	1,459	951	1,001	981	1,026	1,138
Horizon (1993)	175,819	1,733	1,331	1,299	1,273	1,239	1,220
Kissimmee (1995)	188,338	2,073	1,348	1,331	1,194	1,249	1,258
Narcoossee (2000)	184,390	1,586	1,302	1,205	1,177	1,178	1,090
Neptune (1987)	186,501	1,661	1,329	1,472	1,442	1,330	1,296
Parkway (1986)	153,050	1,268	956	948	860	858	938
Saint Cloud (1974)	140,938	1,725	1,451	1,378	1,258	1,191	1,172
Total Middle Schools			9,631	9,515	9,012	9,019	9,134
High Schools (Placed in Service)							
Celebration (2001)	345,570	2,890	2,528	2,515	2,407	2,309	2,155
Gateway (1981)	305,573	3,074	1,632	2,437	2,468	2,454	2,417
Harmony (2004)	331,691	2,457	1,857	2,346	2,145	1,926	1,822
Liberty (2007)	308,850	2,319	1,945	1,963	1,967	1,963	1,914
Osceola (1962)	327,629	3,076	2,356	2,744	2,678	2,676	2,543
PATHS Technical Education Center (1990)	163,079	1,479	501	537	555	593	460
Poinciana (1991)	403,327	2,509	2,022	1,859	1,718	1,685	1,548
Saint Cloud (1962)	281,490	2,431	2,064	2,367	2,261	2,304	2,214
Tohopekaliga (2018)	340,420	3,087	2,166	-	-	-	-
Zenith School (2017)	93,598	879	456	496	489	-	-
Total High Schools			17,527	17,264	16,688	15,910	15,073
Multilevel Schools (Placed in Service)							
Celebration School KG-8 (1995)	218,907	1,936	1,494	1,450	1,392	1,343	1,279
Harmony Community School K-8 (2007)	106,047	915	1,062	1,000	954	885	830
Osceola County School for the Arts (2002)	177,157	1,068	877	879	950	906	911
Westside School K-8 (2009)	191,643	1,912	1,638	1,653	1,497	1,518	1,487
Total Multilevel Schools			5,071	4,982	4,793	4,652	4,507
Total K-12 Schools			51,789	51,722	50,002	48,999	48,835

Note: The District's adult schools at oTECH are not included in this report.

Sources:

Florida Department of Education, Educational Facilities Summary Report
District records

2013-14	2012-13	2011-12	2010-11	2009-10
746	720	718	702	698
736	711	686	608	610
697	671	683	664	680
718	755	727	728	797
651	676	698	636	685
920	867	859	764	-
949	1,122	1,071	994	967
653	620	604	607	514
916	963	905	755	735
1,036	843	835	801	725
783	816	863	860	881
656	645	637	636	685
634	618	608	635	700
868	786	867	908	978
717	748	734	620	1,129
907	886	882	828	737
854	790	818	782	857
891	880	936	935	951
749	714	707	704	615
909	730	763	813	784
971	924	921	901	836
928	814	817	827	799
850	791	729	777	685
919	967	917	897	977
19,658	19,057	18,985	18,382	18,025
1,140	1,169	1,181	1,156	1,148
1,193	1,219	1,291	1,376	1,398
1,213	1,158	1,199	1,209	1,163
1,300	1,307	1,215	1,182	1,119
1,092	1,069	1,041	892	666
1,369	1,385	1,399	1,281	1,423
1,018	1,011	929	871	897
1,139	1,180	1,230	1,349	1,204
9,464	9,498	9,485	9,316	9,018
2,005	1,995	1,864	1,860	1,694
2,421	2,317	2,241	2,287	2,324
1,782	1,806	1,858	1,832	1,880
1,873	1,898	2,052	2,146	2,062
2,477	2,285	2,080	1,963	1,945
641	681	694	681	684
1,416	1,447	1,348	1,230	1,203
2,073	2,057	1,886	1,747	1,683
-	-	-	-	-
-	-	-	-	-
14,688	14,486	14,023	13,746	13,475
1,280	1,282	1,319	1,172	1,197
855	799	800	921	930
859	852	828	740	736
1,351	1,523	1,359	1,481	1,206
4,345	4,456	4,306	4,314	4,069
48,155	47,497	46,799	45,758	44,587

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SINGLE AUDIT SECTION



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DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Number	Amount Provided to Subrecipients	Amount of Expenditures
Clustered				
Child Nutrition Cluster:				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	19002	\$ -	\$ 7,885,091
National School Lunch Program	10.555	19001 19003 18006 18007	-	28,354,214
Summer Food Service Program for Children	10.559	19006 19007	-	651,977
Total Child Nutrition Cluster			-	36,891,282
Special Education Cluster:				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	292,510	12,818,373
Special Education - Preschool Grant	84.173	267	-	161,228
Total Special Education Cluster			292,510	12,979,601
Student Financial Assistance Cluster:				
United States Department of Education:				
Federal Pell Grant Program	84.063	N/A	-	1,381,037
Total Student Financial Assistance Cluster			-	1,381,037
Not Clustered				
United States Department of Defense				
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	183,341
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	216,017
Marines Junior Reserve Officers Training Corps	12.UNK	N/A	-	112,343
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	42,339
Total United States Department of Defense			-	554,040
United States Department of Education				
Teacher Incentive Fund	84.374A	N/A	-	1,113,640
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191 193 212 222 223	-	647,878
Title I Grants to Local Educational Agencies	84.010	226 228	3,262,547	17,296,430
Migrant Education - State Grant Program	84.011	217	-	47,672
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	214	-	105,541
Career and Technical Education - Basic Grants to States	84.048	161	-	819,185
Education for Homeless Children and Youth	84.196	127	-	112,501
Charter Schools	84.282	298	772,660	772,660
Twenty-First Century Community Learning Centers	84.287	244	452,247	1,669,355
English Language Acquisition State Grants	84.365	102	24,742	1,762,321
Supporting Effective Instruction State Grants	84.367	224	45,652	2,699,971
School Improvement Grants	84.377	126	-	904,492
Student Support and Academic Enrichment Program	84.424	241	137,095	984,071
Hurricane Education Recovery:				
Immediate Aid to Restart School Operations	84.938A	105	92,658	1,725,575
Assistance for Homeless Children and Youth	84.938B	107	-	524,789
Temporary Emergency Impact Aid for Displaced Students	84.938C	106	401,948	5,164,122
Total Hurricane Education Recovery:			494,606	7,414,486
Total United States Department of Education			5,189,549	36,350,203
United States Department of Health and Human Services				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	N/A	-	336,920
Total Expenditures of Federal Awards			\$ 5,482,059	\$ 88,493,083

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 Osceola County District School Board under programs of the Federal Government for the year ended June 30, 2019. 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 Account Policies. Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized as the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Hurricane Education Recovery. The District incurred \$5,164,122 in expenditures for the Hurricane Education Recovery grant in the 2017-18 fiscal year.
- (4) Indirect Cost Rate. The District has not elected to use the 10 percent de minimus cost rate allowed under the Uniform Guidance.
- (5) Noncash Assistance: National School Lunch Program - Includes \$2,590,440 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



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Fax: (850) 488-6975

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Osceola County District School Board as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2019, 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 aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 may exist that have not been identified.

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 determination of financial statement amounts. 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
December 11, 2019
Audit Report No. 2020-077



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
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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 EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited the Osceola County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2019. 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**.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Federal Awards Finding No. 2019-001. Our opinion on each major Federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** Federal Awards Finding No. 2019-001. The District is also responsible for preparing a corrective action plan to address this finding. The District's response and the **CORRECTIVE ACTION PLAN** were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying

SCHEDULE OF FINDINGS AND QUESTIONED COSTS as Federal Awards Finding No. 2019-001, that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** Federal Awards Finding No. 2019-001. The District is also responsible for preparing a corrective action plan to address this finding. The District's response and the **CORRECTIVE ACTION PLAN** were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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
December 11, 2019
Audit Report No. 2020-077

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major Federal programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
10.553, 10.555, and 10.559	Child Nutrition Cluster
84.938 (A, B, and C)	Hurricane Education Recovery
Dollar threshold used to distinguish between type A and type B programs:	\$2,654,792
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION

Finding Number	2019-001
CFDA Number	84.938C
Program Title	Hurricane Education Recovery – Temporary Emergency Impact Aid for Displaced Students (Emergency Impact Aid)
Compliance Requirement	Special Tests and Provisions – Documentation of Enrollment Status
Pass-Through Entity	Florida Department of Education (FDOE)
Federal Grant/Contract Number and Grant Year	S938C180014 – Funding period: 8/15/2018 – 12/31/2018
Statistically Valid Sample	No
Finding Type	Noncompliance and Significant Deficiency
Questioned Costs	\$10,977
Prior Year Finding	Not Applicable
Finding	The District misreported data for 1,694 displaced students to the FDOE, resulting in questioned costs totaling \$10,977 for the Emergency Impact Aid program.
Criteria	According to United States Department of Education frequently asked questions and related responses for the Emergency Impact Aid program, school districts are required to report to the FDOE the number of displaced students enrolled in District schools by category (e.g., students with disabilities, English learners without disabilities, and other displaced students) and funding is based on each student's respective category.
Condition	In the 2018-19 fiscal year, the District received Emergency Impact Aid program funds totaling \$5,164,122 for 6,451 students who were displaced as a result of Hurricanes Harvey, Irma, and Maria. As part of our audit, we examined District data, which listed the displaced students alphabetically, supporting the student counts reported to the FDOE. We found, and District personnel confirmed, that the District duplicated counts for 21 students, causing the District to be overfunded \$18,059 in Program funds. In addition, we compared the third quarter full-time equivalent student count survey report to the 2,030 displaced student classifications reported for the third quarter to the FDOE and found 555 students who were categorically misclassified. Subsequent to our comparison, the District determined, and we confirmed that, for the 2018-19 fiscal year, the total number of students categorically misclassified was 1,673, causing the District to be underfunded \$7,082 in program funds.
Cause	District personnel indicated that displaced student data was misreported because the calculation used to quantify the number of displaced students by category contained a formula error. Also, the District had not established documented, independent verifications of the accuracy of the student counts prior to reporting the counts to the FDOE.
Effect	District reporting errors caused \$10,977 in Emergency Impact Aid program questioned costs. Absent effective procedures to ensure displaced student counts are accurately reported, including documented, independent verifications of student count information, there is an increased risk of inaccurate program funding.
Recommendation	The District should enhance procedures to ensure that displaced student data is accurately reported to the FDOE. Such enhancements should include documented, independent verifications to ensure the accuracy of formulas and related calculations used to quantify the number of displaced students reported by category to the FDOE. In addition, the District should provide documentation

to the FDOE supporting the allowability of the questioned costs totaling \$10,977 or restore this amount to the Emergency Impact Aid program.

District Response

The District will enhance its procedures to ensure accurate reporting of student data to FDOE. The Business and Fiscal Services Department will work with the Information Services Department to verify student counts reported for Federal funding. To reduce the risk of inaccurate program funding, calculations and formulas utilized to identify student funding classifications or categories (e.g., students with disabilities, English language learners without disabilities, and other displaced students) will be reviewed and verified by the Director of Budget prior to data submission.

The District recognizes that duplicate student counts and categorical misclassifications resulted in a net overpayment of \$10,977 in Emergency Impact Aid program funds, and will contact the FDOE for guidance regarding any additional corrective action.

PRIOR AUDIT FOLLOW-UP

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

817 Bill Beck Boulevard • Kissimmee • Florida 34744-4492
Phone: 407-870-4600 • Fax: 407-870-4010 • www.osceolaschools.net

SCHOOL BOARD MEMBERS

District 1 – Teresa “Terry” Castillo
407-577-5022
District 2 – Kelvin Soto – Chair
407-870-4009
District 3 – Tim Weisheyer – Vice-Chair
407-361-0235
District 4 – Clarence Thacker
407-870-4009
District 5 – Ricky Booth
407-870-4009



Superintendent of Schools

Dr. Debra P. Pace

Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
2017-080 (2016-001)	Child Nutrition Cluster (CFDA Nos. 10.553 and 10.555)	Contrary to Federal regulations, the District maintained excess net cash resources for its food service program.	Not Corrected	The District has established a spending plan that anticipates utilizing the excess net cash resources within the next fiscal year.

CORRECTIVE ACTION PLAN

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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Superintendent of Schools

Dr. Debra P. Pace



December 4, 2019

Osceola County District School Board
Management’s Corrective Action Plan
For the Fiscal Year Ended June 30, 2019

Finding Number: 2019-001

Planned Corrective Action: The District will enhance its procedures to ensure accurate reporting of student data to FDOE. The Business and Fiscal Services Department will work with the Information Services Department to verify student counts reported for Federal funding. To reduce the risk of inaccurate program funding, calculations and formulas utilized to identify student funding classifications or categories (e.g., students with disabilities, English language learners without disabilities, and other displaced students) will be reviewed and verified by the Director of Budget prior to data submission.

The District recognizes that duplicate student counts and categorical misclassifications resulted in a net overpayment of \$10,977 in Emergency Impact Aid program funds, and will contact the FDOE for guidance regarding any additional corrective action.

Anticipated Completion Date: March 31, 2020

Responsible Contact Person: Sarah Graber, Chief Business and Finance Officer