



**POLK COUNTY  
PUBLIC SCHOOLS**  
STUDENTS FIRST

**20  
21**

SCHOOL BOARD OF POLK COUNTY, FL  
**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

Fiscal Year Ending June 30, 2021 • Frederick Heid, Superintendent



CHALLENGES



ENDURANCE



UNITY



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

of

The School District of  
Polk County, Florida

For the

Fiscal Year Ended June 30, 2021



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

Issued by:

Frederick Heid  
Superintendent of Schools

Prepared by:

Division of Business Services  
Heather Jenkins, Associate Superintendent, Chief Financial Officer  
Lisa Hester, Director, Accounting

The School District of Polk County, Florida  
1915 Floral Avenue  
Bartow, Florida 33830



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
SCHOOL DISTRICT OF POLK COUNTY  
For the Fiscal Year Ended June 30, 2021**

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# Introductory Section



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST



**BOARD MEMBERS**

**Sara Beth Wyatt**  
*Board Chairman*  
District 4

**Lisa Miller**  
*Board Vice-Chairman*  
District 7

**William Allen**  
District 1

**Lori Cunningham**  
District 2

**Sarah Fortney**  
District 3

**Kay Fields**  
District 5

**Lynn Wilson**  
District 6

**C. Wesley Bridges, II**  
*General Counsel*

**ADMINISTRATION**

**Frederick R. Heid**  
*Superintendent*

**December 16, 2021**

To the Members of the School Board of Polk County, Florida and Citizens of the Polk County District School Board:

The Annual Comprehensive Financial Report (“ACFR”) of the School District of Polk County, Florida (the “District”) for fiscal year ended June 30, 2021 is hereby submitted. These financial statements are presented in conformity with generally accepted accounting principles (“GAAP”) and are audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States by the Florida Auditor General.

Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the District’s management. 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. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The Florida Auditor General has audited the District’s financial statements. The objective of the independent audit is to provide reasonable assurance that the financial statements of the District for fiscal year ended June 30, 2021 are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; assessing significant estimates made by management; and evaluating the overall financial statement presentation. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the District’s financial statements, for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

STUDENTS FIRST



1915 S. Floral Ave.  
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Bartow, FL 33831



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polkschoolsfl.com

GAAP requires 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"), which should be read in conjunction with the financial statements. The District's MD&A can be found immediately following the report of the independent auditor.

### ***Profile of the District***

The District, established in the 1880's, is located in the central part of the State of Florida, along the "Interstate 4 Corridor". Geographically, the District covers a land area of 1,875 square miles, which is greater than the State of Rhode Island and comparable to the State of Delaware, and its boundaries are the same as those of Polk County, Florida. As a special-purpose local governmental entity, the District derives its existence from Section 4, Article IX, of the State Constitution. The Board is authorized by State law to levy property taxes for school operations, capital improvements, and debt service.

The State Board of Education ("SBE") is the chief implementing and coordinating body of public education in Florida. The SBE promulgates State Board Rules to further define and implement laws created by the Florida Legislature. The Commissioner of Education is the chief educational officer of the State and is responsible for assisting the SBE in enforcing compliance with the mission and goals of the education system. District School Boards are constitutionally and statutorily charged with the operation and control of public K-12 education. Policy-making and legislative authority are vested in a seven-member governing board, whose responsibilities include adopting the budget, appointing committees, and hiring the District's superintendent. Additionally, the District's attorney and internal auditor report directly to the governing board. Each Board member, although elected at large on a non-party basis, represents a distinct geographic area and is required to live within that area. The District's superintendent is responsible for carrying out the policies of the Board and for overseeing the day-to-day operations of the District.

The District provides a full range of educational services, including Pre-K, K-12, exceptional student education, career and vocational education, and adult education. During the fiscal year ending 2021, the District operated 170 sites throughout Polk County including 65 elementary schools; 5 elementary/middle schools; 9 elementary/middle/high schools; 20 middle schools; 4 middle/high schools; 16 high schools; 3 technical career centers; 2 adult schools; 11 alternative education/Department of Juvenile Justice sites; and 2 off-campus Head Start sites. The District is also financially accountable for a legally separate non-profit corporation organized as a foundation for the benefit of the District. This entity is reported separately within the District's financial statements. There are 30 charter schools as well. Additional information on these legally separate entities can be found in the notes to the financial statements.

Polk County is the seventh (7<sup>th</sup>) largest school district in Florida and is the twenty-eighth (28<sup>th</sup>) largest school district in the United States with approximately 105,730 K-12 students (as a perspective, there are over 14,000 independent school districts in the United States).

The District is required to adopt a final budget no later than the first Board meeting in September, after holding two public hearings on the proposed budget. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund, function (e.g., instruction, maintenance, etc.), school/department, and object (e.g., salary, supplies, etc.). School principals, department heads, and other officials may make transfers of appropriations within the same fund. A transfer of appropriations between funds requires approval of the Board. The District chooses to control appropriations at the object level within each functional activity and may be amended by

resolution at any School Board meeting prior to approval of the District's Annual Financial Report at the end of each fiscal year. This is more restrictive than the legal level of budgetary control which is at the function level.

### ***Local Economy***

Major industries with headquarters or divisions located within the District's boundaries include retail, healthcare, insurance, transportation, and phosphate processing. State and local governments also have a presence in the area that provides a large employment base. The majority of industries experienced a decrease in annual growth in their job base during 2020. In 2021 Polk had the third-fastest annual job growth rate of all areas in the state for mining, logging, and construction. This past year we also saw the growth of food and beverage industry manufacturers. Additionally, the e-commerce industry continues to grow in Polk as Amazon expands its footprint to nearly 3.5M SF county-wide and multiple Prime Air flights a day into LAL.

The unemployment rate for Polk County was at a 10-year high in November 2010 at 12.6%, followed by a steady decrease to a low of 3.1% in December 2019. As a result of COVID-19, the unemployment rate spiked to a high of 17.6% in May 2020. As of June 30, 2021, it was down to 6.60%. The civilian labor force is beginning to rebound with an increase of 104 workers from October 2020 to October 2021, as reported by the U.S. Bureau of Labor Statistics.

Local revenue for school support is derived almost entirely from ad-valorem property taxes, which are directly tied to property values. According to Realtor.com, the median listing home price in Polk County was \$259,000. The median sold home price was \$252,000. The median listing home showed an upward trend of 18.4% year-over-year, demonstrating a nationwide trend. As certified by the Polk County Property Appraiser, the 2021 tax roll increased from \$44.8 billion to \$48.7 billion, a 9% increase from last year's value.

The inflation rate has increased to a decade high of 5.4%, with core inflation jumping to 4.5%, as reported by Capital Economics, Bloomberg, Federal Reserve, Refinitiv, USTR, BLS, BEA, WSJ & CBO.

### ***Long-term Financial Planning***

The assigned/unassigned ending fund balance in the general fund for the 2020-2021 fiscal year is 8.1% of revenues in the general fund. This meets the policy guidelines set by the Board for budgetary and planning purposes, which states the contingency fund/unreserved/undesignated fund balance in the general should not be less than 5.0% of total general fund revenues. The 1.7% increase in fund balance over the prior fiscal year can be largely attributed to vacancies.

The population within the District's boundaries for calendar year 2021 is estimated by BEBR to be at 761,137, a growth rate of 2.45% over last year. During the 5-year period from 2017-2021, student enrollment grew by 3%, excluding enrollment at the adult schools and technical centers. For the upcoming fiscal year, enrollment is projected to increase by approximately 3,746 students, or 3.5%, and remain at a constant growth rate of approximately 1-2% over the next several years.

In November 2002, the voters of Florida amended the State Constitution to limit class-size. Reductions in class-size have been mandated since fiscal year 2003-04, although school districts had until fiscal year 2010-11 to fully comply. The amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: pre-kindergarten through grade three, 18 students; grades four through eight, 22 students; and grades nine through twelve, 25 students.

If the District's class-size is greater than the required maximum, the District must submit a class-size compliance plan, certified by the District School Board that describes the specific actions the District will take to fully comply with requirements by October of the following year, may be required to return funds to the State of Florida. It is anticipated that the District will continue to meet the constitutional maximums for the three grade groupings through staff allocation and facilities' planning.

The District has continued to rely on re-locatable buildings to provide additional classroom space at most school campuses throughout Polk County. In addition to meeting class-size reduction requirements, individual re-locatable classrooms are utilized to address immediate needs related to student enrollment, displaced students because of renovations or remodeling in process, or for use as administrative/office space. The District continues to rely on portable buildings to provide classroom, administrative, and resource (educational and parental) space at most schools to meet local, state, and federal mandates. These units afford flexibility to provide the instructional program which allows all students to learn and achieve academic success.

Individual portable classrooms are allocated and/or relocated to schools to address immediate needs related to changes in student enrollment, ability of school sites to meet class size requirements, students temporarily displaced due to renovations or remodeling in process, or for use as administrative/office space. Currently, there are 820 portables in the county. These portable buildings provide approximately 15,361 student stations.

Repairs and renovations to portables are subject to approval by Facilities and Operations. The division has set an informal threshold of \$10,000. This threshold is used to help identify when a relocatable must be reviewed for possible replacement versus renovation.

The District expects an increase of around 3,746 in student enrollment for 2021-22. PECO repair and maintenance funds for 2020-21 were \$0 and was \$0 in 2019-20. Polk will receive \$0 in PECO maintenance funds for 2021-22. Our local half-cent sales tax revenues have recovered, and the district expects to receive \$48.5 million, and impact fee collections are increasing as well. Impact Fees are projected to bring \$35 million in capital revenues for 2020-21. Another source of funds for maintenance projects is local capital improvement millage (1.5 mills), which will bring in over \$70.1 million this fiscal year.

To meet the District's student population growth and the demands placed on the District by the class-size amendment, the following new school capital projects are planned in the listed areas:

<b>NEW SCHOOLS SCHEDULE</b>				
<b>SCHOOL</b>	<b>OPEN/AVAIL</b>	<b>CONST START</b>	<b>DESIGN START</b>	<b>PROP ACQ</b>
Elementary (SW Lakeland)	TBD	TBD	TBD	Completed
Elementary 21* C* (SE Winter Haven)	8/22	11/21	1/21	Completed
Middle School (SW Lakeland)	TBD	TBD	TBD	Completed
High School 28 "BBB" (Poinciana)	TBD	TBD	TBD	TBD
Middle School (Davenport)	TBD	TBD	TBD	Completed
Elementary School (Davenport)	TBD	TBD	TBD	Completed

In projecting the District's student growth, charter schools provide an extra degree of uncertainty. Charter schools are public schools funded through Florida's program of public education and are intended to expand the capacity of the local school system, while offering unique opportunities for students. These schools are either new schools ("start-up charters") or schools that are converted from an existing public school ("conversion charters"). By the end of fiscal year 2021, there were 30 charter schools operating within the District (of which nine were conversion charter schools) reflecting approximately 17,237 students. For a site to become a charter school, a sponsor, which in the case of Polk

County is the District, must approve an application submitted by the charter school. In addition, for an existing District school to convert to charter status, at least 50% of the teachers and parents must support such conversion. The State funds each charter school based on the number of students it serves. Funds provided by the State are first distributed to the District, which then disburses the funds to each charter school.

Health insurance costs to the District have risen considerably in the past few years, primarily due to the number of high cost claims. To ensure continued financial solvency of the self-funded health insurance plan, the Board increased its monthly per member contribution by \$60, or approximately \$9 million, for the 2020 health plan. With this increase, the Board currently contributes \$714 per month per employee towards healthcare benefits. The Board is again increasing their contributions per member another \$60 per month, bringing the total contribution to \$774 per month per employee for the 2020-21 fiscal year. Unrestricted net position as of June 30, 2021 was \$6.8 million, an increase from \$3.9 million on June 30, 2020.

In May 2016, the School Board contracted with Tom D Freijo, Ph.D. to facilitate a new strategic planning process that would culminate in the identification of specific long-term and short-term Board goals. Following several pre-planning meetings, the School Board Strategic Planning Retreat was held and resulted in the identification of five (5) goal areas. These were approved by the Board at its meeting on July 26, 2016. This plan will be updated in the 2021-2022.

**Goal 1**

By 2020-21, Polk County will be designated an "A" district.

**Goal 2**

By 2020-21, Polk County will have a graduation rate at least as high as the average for the benchmark districts.

**Goal 3**

By 2020-21, Polk County will have a dropout rate at least as low as the average for the benchmark districts.

**Goal 4**

By 2020-21, Polk County will have a five-year Teacher Retention Rate at least five percentage points higher than the average for the benchmark districts.

**Goal 5**

By 2020-21, Polk County will improve public perception of the School District according to a target set of criteria after completion and analysis of a public opinion survey.


**Awards and Acknowledgements**

Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County Public Schools for its comprehensive financial report for the fiscal year ended June 30, 2020. This is the tenth consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the ACFR would not be possible without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to all members of the Department who assisted and contributed to the preparation of the ACFR.

Credit is also given to the District's governing board members for their interest and support in conducting the District's financial matters in a responsible and progressive manner.

Respectfully submitted,

  
\_\_\_\_\_  
Frederick Heid  
Superintendent of Schools

  
\_\_\_\_\_  
Heather L. Jenkins  
Associate Superintendent, CFO

**THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**

**Principal Officials - Elected**

**Board Members – Terms of Office  
As of July 1, 2021**

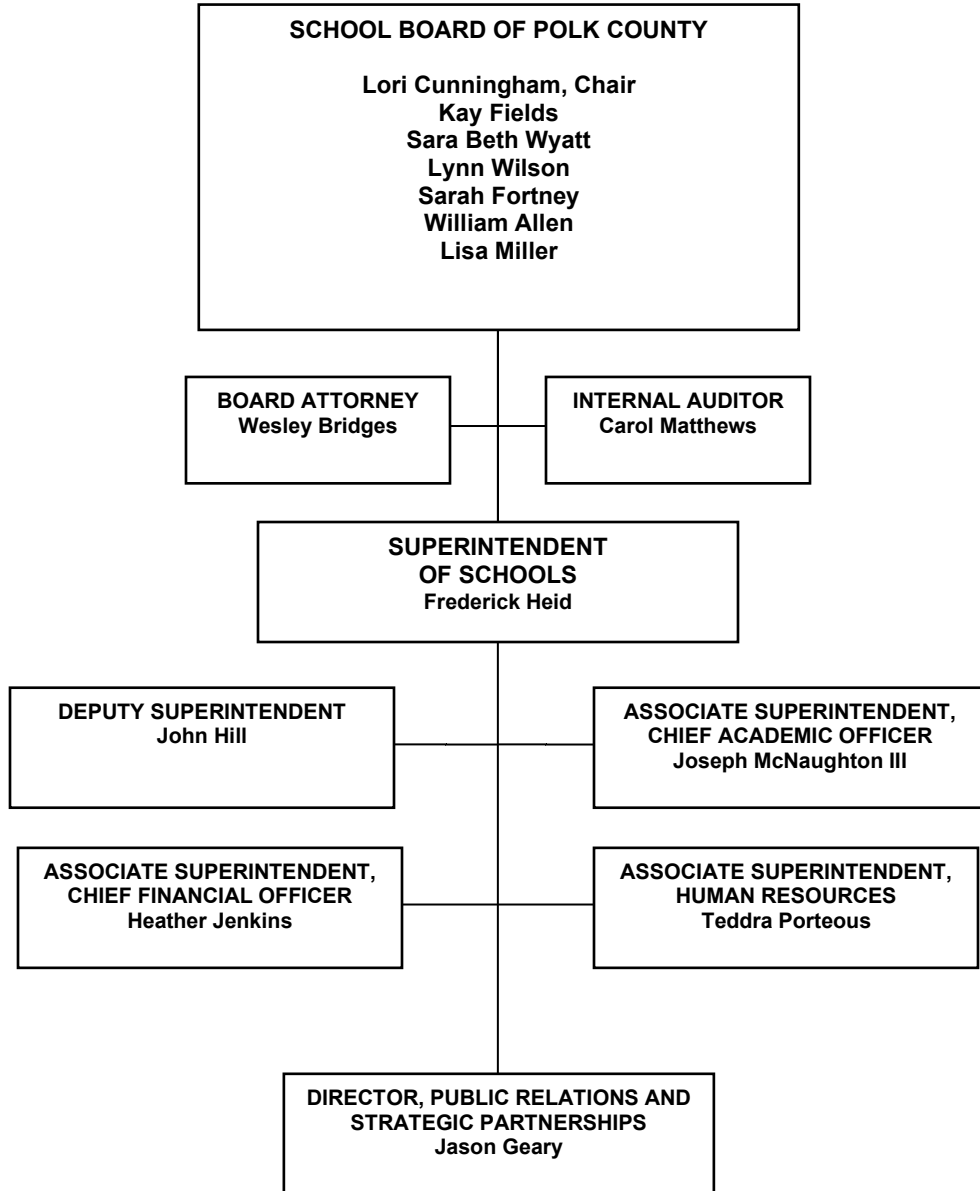
Mrs. Lori Cunningham, Chair Member from District 2 Present term began Present term expires Began as a Board member	November, 2020 November, 2024 November, 2004
Mr. William Allen Member from District 1 Present term began Present term expires Began as a Board member	November, 2020 November, 2024 November, 2020
Ms. Sarah Fortney Member from District 3 Present term began Present term expires Began as a Board member	November, 2018 November, 2022 November, 2018
Ms. Sara Beth Wyatt Member from District 4 Present term began Present term expires Began as a Board member	November, 2020 November, 2024 November, 2016
Mrs. Kay Fields Member from District 5 Present term began Present term expires Began as a Board member	November, 2018 November, 2022 November, 2002
Mr. Lynn Wilson Member from District 6 Present term began Present term expires Began as a Board member	November, 2018 November, 2022 November, 2014
Mrs. Lisa Miller Member from District 7 Present term began Present term expires Began as a Board member	November, 2018 November, 2022 November, 2018

**THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**

**Other Principal Officials - Appointed  
As of July 1, 2021**

<b><u>Name</u></b>	<b><u>Title</u></b>
Frederick Heid	Superintendent of Schools
John Hill	Deputy Superintendent
Joseph McNaughton III	Associate Superintendent, Chief Academic Officer
Heather Jenkins	Associate Superintendent, Chief Financial Officer
Teddra Porteous	Associate Superintendent, Human Resource Services
Jason Geary	Director, Public Relations and Strategic Partnerships

**THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**ORGANIZATIONAL CHART**  
As of July 1, 2021





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**The School Board of Polk County  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

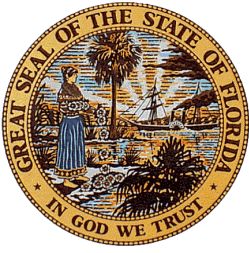
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# Financial Section



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST



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  
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

### 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 Polk County District School Board, as of and for the fiscal year ended June 30, 2021, 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 7.7 percent, 0.3 percent, 11 percent, 1.8 percent, and 1.9 percent, respectively, of the assets, liabilities, net position and fund balance, additions and revenues, and deductions and expenditures of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represents 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, 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 our 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 Polk County District School Board, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the general and major special revenue funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1.P. to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the 2020-21 fiscal year with amounts reported for the 2019-20 fiscal year. Our opinion is not modified with respect to this matter.

### ***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 Changes in the District's Total OPEB Liability and Related Ratios**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to the 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 GASB 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 16, 2021, 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 16, 2021  
Audit Report No. 2022-070

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

As management of the School District of Polk County, Florida (the "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, 2021.

**Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$716.7 million (net position).
- The District's total net position increased by \$3.2 million due to revenues exceeding expenditures.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$347.5 million, a decrease of \$113.2 million compared to the prior fiscal year. Approximately 19.6 percent of this total amount, \$68.0 million, is *available for spending* at the District's discretion (assigned and unassigned fund balance).
- At the end of the current fiscal year, assigned and unassigned fund balance for the general fund was \$68.0 million, or 7.8 percent of total general fund expenditures.
- The District's total long-term liabilities, net of premiums and discounts, increased by \$68.3 million, or 7.1 percent during the current fiscal year.
- The District's total capital assets, net of accumulated depreciation, increased by \$150.0 million.

**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 the financial statements

This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying obligation/event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, other postemployment benefits, and earned but unused vacation and sick leave).

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

All of the District's activities and services are reported in the government-wide financial statements. Property taxes and state assistance finance most of these activities. Additionally, all capital and debt financing activities are reported here. The District currently does not report any business-type activities, which would include functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements include not only the District itself (known as the *primary government*), but also a legally separate foundation and legally separate charter schools for which the District is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The Financing Corporation for the School Board of Polk County, Florida ("Financing Corporation"), which was formed to facilitate acquisition of facilities and equipment, although legally separate, is included as an integral part of the primary government due to the substantive economic relationship between the District and the Financing Corporation.

### **Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statements presentation to be more familiar. 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. Funds are established for various purposes and the fund financial statements allow for the demonstration of sources and uses and/or budgetary compliance associated therewith. All funds of the District can be divided into three categories:

- Governmental funds
- Proprietary funds
- Fiduciary (Custodial) fund

### **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 focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of spendable resources is a clear and appropriate focus of any analysis of a government. Because the focus is narrower than that of government-wide financial statements, it is useful to compare it to the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term financial 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.

Reconciliation between the government-wide and the governmental fund financial information is necessary because of the different measurement focus (current financial resources versus total economic resources); such reconciliation is reflected on the page following each statement. The flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bonds and others) into the governmental activities column in the government-wide statements.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

The District maintains 15 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 General Fund, Other Capital Projects Fund, and Federal Education Stabilization Fund, which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the general and major special revenue funds to demonstrate compliance with this budget.

***Proprietary Funds***

The District maintains one type of proprietary fund - internal services funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses four internal service funds to account for its self-insurance programs, including workers' compensation, general liability & fleet liability, error & omissions, and group health insurance. Because these services benefit the District's governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

The four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these internal service funds is provided in the form of *combining statements* elsewhere in this report.

***Fiduciary (Custodial) Fund***

*Fiduciary (Custodial) fund* is used to account for resources held for the benefit of parties outside the government. The District maintains one fiduciary fund to account for school internal funds related to co-curricular and extra-curricular activities. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* related to funding certain pension and postemployment retiree healthcare insurance benefits obligations.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

**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, net position was \$716.7 million at the close of the most recent fiscal year.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

**District's Net Position**  
**Governmental Activities**  
**June 30, 2020 and June 30, 2021**  
**(in thousands of dollars)**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 495,304	\$ 580,776
Noncurrent assets	-	-
Capital assets	1,224,237	1,074,650
Total assets	1,719,541	1,655,426
Deferred outflows of resources	195,152	174,205
Total assets and deferred outflows	\$ 1,914,693	\$ 1,829,631
Long-term liabilities outstanding	\$ 1,036,177	\$ 967,831
Other Liabilities	118,856	88,626
Total Liabilities	1,155,033	1,056,457
Deferred inflows of resources	42,935	59,620
Total liabilities and deferred inflows	\$ 1,197,968	\$ 1,116,077
Net position:		
Net Investment in capital assets	\$ 867,688	\$ 696,724
Restricted	264,977	389,446
Unrestricted	(415,940)	(372,616)
Total net position	\$ 716,725	\$ 713,554

By far, the largest of the District's net position (121.1 percent) reflects its \$867.7 million investment in capital assets (e.g., land, land improvements, buildings, furniture, equipment, motor vehicles, and software), less any related debt to acquire or construct those assets that remains outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its 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, \$265 million (37 percent), represent resources that are subject to external restrictions on how they may be used--primarily for the acquisition and construction of facilities. The remaining balance, unrestricted net position, of (\$415.9 million), is negative, due to long-term liabilities.

Compared to the prior fiscal year ending balances, net investment in capital assets increased by \$171.0 million and restricted net position decreased by \$124.4 million. Unrestricted net position decreased by \$43.3 million.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

Total net position increased \$3.2 million compared to the prior fiscal year-end, driven by the following:

- Operational property taxes, which were included in general revenues, increased by \$9.3 million (5.1 percent) during the fiscal year, while property taxes for capital improvements and debt service, which were also included in general revenues, increased by \$4.2 million (7.0 percent) during the fiscal year. Increases were generally derived from increases in taxable property value.
- General revenues through non-specific program grants, including the Florida Education Finance Program ("FEFP"), increased by \$42.1 million (5.8 percent) during the fiscal year. This increase was driven by an increase in the State portion of the FEFP and the Federal Education Stabilization funding.
- Discretionary sales tax revenue and impact fees, which were included in general revenues, increased \$8.2 million (16.1 percent) during the year, which reflects the continued turnaround in the state and local economy.
- Program revenues decreased by \$5.7 million (8.8 percent) during the fiscal year.
- Increases in expenses totaling \$40.0 million (3.6 percent) included an increases in instructional services (\$30.4 million). This increase is primarily due to salaries and related benefits.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

**District's Changes in Net Position**  
**Governmental Activities**  
**June 30, 2020 and June 30, 2021**  
(in thousands of dollars)

	<b>Governmental</b>	
	<b>Activities</b>	
	<u><b>2021</b></u>	<u><b>2020</b></u>
Revenues:		
Program Revenues:		
Charges for services	\$ 3,193	\$ 4,025
Operating grants and contributions	48,040	52,921
Capital grants and contributions	7,967	7,960
General Revenues:		
Property taxes-operational	191,141	181,854
Property taxes-capital	63,714	59,536
Local sales tax	59,124	50,907
Grants and contributions not restricted to specific programs	763,551	721,445
Other	25,422	70,990
Total revenues	<u>1,162,152</u>	<u>1,149,638</u>
Expenses:		
Instructional services	\$ 708,268	\$ 677,891
Instructional support services	123,828	116,799
Student transportation services	40,515	29,380
Operation and maintenance of plant	91,821	83,618
School administration	51,058	50,695
General administration	72,518	96,189
Food services	55,617	58,056
Community services and other	3,358	3,601
Unallocated interest on long-term debt	11,738	2,225
Unallocated depreciation expense	260	505
Total expenses	<u>1,158,981</u>	<u>1,118,959</u>
Change in net position	3,171	30,679
Net position - beginning	713,554	682,875
Net position - ending	<u>\$ 716,725</u>	<u>\$ 713,554</u>

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

### 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.

**Governmental Funds** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the District's financing requirements. In particular, 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 reported combined ending fund balances of \$347.4 million, an increase of \$113.2 million when compared to the prior fiscal year. Approximately 4.7 percent (\$16.4 million) of the ending fund balance represents inventories and prepaid items that are nonspendable. Approximately 75.7 percent (\$263.1 million) are amounts which are restricted for State categorical programs, Federal and State grants, food service, debt service and capital projects. Assigned fund balance amounts are approximately 0.3 percent (\$1.1 million) of the ending fund balance and reflect amounts that are set aside for school operations. The remaining 19.2 percent (\$66.8 million) is spendable and has not been restricted or assigned for other purposes. However, unassigned fund balance includes funds that will be re-appropriated in the next fiscal year for carryovers and encumbrances.

**General Fund** The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the General Fund had a fund balance of \$99.8 million. Of this, about 67 percent (\$66.8 million) was unassigned. The remaining 33.0 percent (\$33 million) of the overall fund balance in the General Fund was nonspendable, restricted, or assigned. As a measure of the General Fund's liquidity, it may be useful to compare its unassigned fund balance and its total fund balance to total General Fund expenditures. These figures were 7.7 percent and 11.5 percent, respectively.

The fund balance of the District's General Fund increased by \$18.6 million during the current fiscal year. Key factors affecting fund balance include the following:

- Total revenues of the General Fund increased by \$12.7 million. The largest contributor consisted of \$14.7 million increase in State source revenues, known as the Florida Education Finance Program.
- Expenditures in the General Fund increased by \$11.2 million – primarily a result of increased instructional services of (\$7.6 million).
- Although expenditures exceeded revenues by \$27.3 million, this was offset by \$45.9 million of other financing sources – primarily due to transfers in from the Capital Project Funds for maintenance related expenditures.

**Special Revenue Federal Education Stabilization Fund** The District received \$28.4 million from the Elementary and Secondary Emergency Relief (ESSER) grant, one of the three primary funds of the Federal Education Stabilization Fund. These funds were intended to assist Districts with COVID related response strategies. The District expended \$28.4 million from this grant on items such as personal protective equipment (PPE), sanitation supplies, technological devices, and much more to ensure continued excellent education and safety of our students and staff. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

**Other Capital Projects** Other Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and debt service. At the end of the current fiscal year, the total fund balance for Other Capital Projects Fund was \$181.2 million. The fund balance of the Other Capital Projects Fund decreased by \$130.9 million during the current fiscal year due to construction of new school facilities.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

**General Fund Budgetary Highlights**

Differences between the General Fund original budget and the final amended budget included:

- \$1.5 million decrease in revenue projections due to state revenue sources being lower than expected.
- \$43.4 million increase in expenditure allocations due to increases in various expenditures across the board, particularly in capital outlay, instruction, and student personnel services expenditure allocations. A portion of these increases were funded by transfers from capital outlay funds.

The final budget projected a net decrease in fund balance of (\$36.1 million). However, due to the following actual results, actual fund balance increased by \$18.6 million:

- Expenditures were \$109.6 million less than budgetary estimates, primarily due to the lapsing of appropriated expenditures.
- Other financing sources were less than budgetary estimates by \$47.4 million, which was primarily caused by the timing of general fund maintenance project costs--i.e., transfers to the General Fund take place when expenditures occur.

**Capital Asset and Debt Administration**

**Capital Assets** The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2021, amounted to \$1.2 billion. This investment in capital assets, net of accumulated depreciation, consists of 95.7 percent real property, such as land, building and fixed equipment, improvements other than buildings, and construction in progress. The remainder, which reflected 4.3 percent of the total, consisted of tangible property, such as furniture, fixtures, equipment, and vehicles. The District's investment in capital assets, net of accumulated depreciation, resulted in an increase of \$149.6 million compared to the prior year.

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

- Construction continued on a new high school as well as remodeling of an elementary school. In addition, renovations are underway on existing campuses. As a result of new projects, commitments remaining at fiscal year-end on existing construction contracts totaled \$70 million.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

**District's Schedule of Capital Assets,  
Net of Accumulated Depreciation  
(dollars in thousands)**

	<u>2021</u>	<u>2020</u>
Land	\$ 111,925	\$ 111,778
Construction in progress	191,704	59,089
Improvements other than buildings	17,184	16,327
Buildings and fixed equipment	851,343	842,704
Furniture, fixtures, and equipment	23,748	20,065
Motor vehicles	27,631	23,491
Audio visual materials and computer software	702	1,196
Total	<u>\$ 1,224,237</u>	<u>\$ 1,074,650</u>

Additional information on the District's capital assets can be found in the Notes to the Financial Statements, Note 6 – Changes in Capital Assets and Note 18 – Construction Contract Commitments.

**Long-term Debt** At the end of the current fiscal year, the District had total bonded debt outstanding of \$182.4 million. This included \$3.2 million of State school bonds issued on behalf of the District by the State Board of Education and backed by the full faith and credit of the State of Florida, as well as, \$151.9 million of sales tax bonds secured by a local option half cent sales tax. Additionally, the District had \$155 million in certificates of participation in which the annually appropriated lease payments on the part of the District are the pledged revenue stream.

**District's Long-Term Debt  
(in thousands of dollars)**

	<u>2021</u>	<u>2020</u>
Sales tax revenue bonds	\$ 151,860	\$ 160,025
Certificates of participation	154,997	169,838
Bonds payable-prem/discount	27,265	29,980
State school bonds	3,237	3,680
Revenue Anticipation Note	-	6,000
Total	<u>\$ 337,359</u>	<u>\$ 369,523</u>

State statutes limit the amount of debt service on the certificates of participation to 75 percent of the local capital improvement tax receipts on certificates of participation entered into after June 30, 2009. If the debt limitation was applied to the District, it would be \$47.8 million, which provides a debt service margin of \$30.4 million when compared to the District's \$17.4 million debt service on the certificates of participation during the 2020-21 fiscal year.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021

Sales tax proceeds that can be applied towards sales tax bonds are estimated to be \$57.2 million, which provides a debt service margin of \$41.2 million when compared to the District's \$16 million debt service on sales tax bonds during the 2020-21 fiscal year.

Additional information on the District's long-term debt can be found in the Notes to the Financial Statements, Notes 7 through 11.

**Economic Factors and Next Year's Budget**

- The current local unemployment rate for the District is 6.6 percent, which is a decrease from the 13.6 percent reported for calendar year 2020.
- The District's regional consumer price index increased 5.8 percent from June 2020 to June 2021.
- The State's consumer confidence index was 82.7 in June 2021.

Such factors, which reflect the continued turnaround in the local economy, were considered in preparing the District's budget for the 2021-22 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, the School Board of Polk County, Florida, P.O. Box 391, Bartow, Florida 33831.

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## **BASIC FINANCIAL STATEMENTS**



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

**THE SCHOOL DISTRICT OF POLK COUNTY**

**STATEMENT OF NET POSITION  
JUNE 30, 2021**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
<b>ASSETS</b>		
Cash	\$ 5,832,606	\$ 34,107,264
Investments	441,297,232	7,293,786
Accounts and interest receivable	1,629,800	5,424,788
Due from other governmental agencies	30,110,149	10,980,234
Inventories	13,719,157	-
Prepaid items	2,714,778	2,588,490
Other assets	-	6,834,112
Capital Assets (net of accumulated depreciation):		
Land	111,924,782	4,473,162
Land improvements	-	503,454
Construction in progress	191,704,050	10,167,026
Improvements other than buildings	17,184,413	1,108,128
Buildings and fixed equipment	851,343,531	40,201,978
Furniture, fixtures and equipment	23,747,935	4,328,919
Motor vehicles	27,631,031	4,342,566
Audio visual materials and computer software	701,842	97,570
Total assets	<u>1,719,541,306</u>	<u>132,451,477</u>
Deferred outflows of resources:		
Pensions	189,645,826	55,117,575
Other Postemployment Benefits	5,506,079	-
Total assets and deferred outflows of resources	<u>1,914,693,211</u>	<u>187,569,052</u>
<b>LIABILITIES</b>		
Accounts payable	25,603,809	3,510,915
Construction contracts and retainage payable	19,190,045	-
Salaries and wages payable	32,355,399	728,363
Payroll deductions and withholdings	4,644,367	-
Accrued interest payable	9,503,959	-
Due to other governmental agencies	27,365,980	953,088
Sales tax payable	583	-
Unearned revenue	192,320	118,039
Other liabilities	-	3,457,380
Noncurrent liabilities:		
Due within one year	43,123,515	8,245,462
Due in more than one year	993,053,143	152,131,026
Total liabilities	<u>1,155,033,120</u>	<u>169,144,273</u>
Deferred inflows of resources:		
Pension	30,365,189	3,345,592
Other Postemployment Benefits	12,570,221	-
Total liabilities and deferred inflows of resources	<u>1,197,968,530</u>	<u>172,489,865</u>
<b>NET POSITION</b>		
Net Investment in capital assets	867,688,215	15,697,114
Restricted for:		
State required carryover programs	14,433,216	-
Debt service	24,340,580	-
Capital Projects	215,245,281	-
Food service	8,100,183	-
Endowment - nonexpendable	-	4,524,316
Other purposes	2,857,307	8,701,404
Unrestricted	(415,940,101)	(13,843,647)
Total net position	<u>\$ 716,724,681</u>	<u>\$ 15,079,187</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
<b>Primary government:</b>						
Governmental activities:						
Instructional services	\$ 708,268,034	\$ 2,476,547	\$ -	\$ -	\$ (705,791,487)	\$ -
Instructional support services	123,827,826	-	-	-	(123,827,826)	-
Student transportation services	40,514,589	146,223	-	-	(40,368,366)	-
Operation and maintenance of plant	91,821,330	-	-	7,405,525	(84,415,805)	-
School administration	51,057,833	-	-	-	(51,057,833)	-
General administration	72,517,788	-	-	-	(72,517,788)	-
Food services	55,617,159	570,441	48,039,693	-	(7,007,025)	-
Community services and other	3,358,401	-	-	-	(3,358,401)	-
Unallocated interest on long-term debt	11,738,113	-	-	561,190	(11,176,923)	-
Unallocated depreciation expense *	260,104	-	-	-	(260,104)	-
Total governmental activities	<u>\$ 1,158,981,177</u>	<u>\$ 3,193,211</u>	<u>\$ 48,039,693</u>	<u>\$ 7,966,715</u>	<u>(1,099,781,558)</u>	<u>-</u>
<b>Component units:</b>						
Polk Education Foundation and Charter Schools	<u>\$ 148,409,213</u>	<u>\$ 4,754,419</u>	<u>\$ 12,268,478</u>	<u>\$ 2,336,924</u>	<u>-</u>	<u>(129,049,392)</u>
General Revenues:						
Property taxes, levied for operational purposes					191,141,133	-
Property taxes, levied for capital projects					63,713,564	-
Local sales taxes					59,123,828	-
Grants and contributions not restricted to specific programs					763,551,316	131,092,917
Investment earnings					4,373,495	690,350
Miscellaneous					11,013,552	2,173,706
Impact Fees					10,034,624	-
Total general revenues					<u>1,102,951,512</u>	<u>133,956,973</u>
Change in net position					3,169,954	4,907,581
Net position - beginning					713,554,727	10,100,734
Adjustments to beginning net position					-	70,872
Net position - beginning - restated					713,554,727	10,171,606
Net position - ending					<u>\$ 716,724,681</u>	<u>\$ 15,079,187</u>

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

The accompany notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund	Special Revenue Federal Education Stabilization Fund	Capital Projects- Other Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 1,237,522	\$ 360,706	\$ -	\$ 2,280,257	\$ 3,878,485
Investments	122,358,892	-	209,805,462	62,725,515	394,889,869
Accounts and interest receivable	1,452,393	-	1,544	79,189	1,533,126
Due from other governmental agencies	4,367,748	3,906,617	11,240,119	10,595,665	30,110,149
Due from other funds	26,615,169	-	-	-	26,615,169
Inventories	11,798,152	-	-	1,921,005	13,719,157
Prepaid Items	2,710,739	-	-	4,039	2,714,778
Total assets	<u>\$ 170,540,615</u>	<u>\$ 4,267,323</u>	<u>\$ 221,047,125</u>	<u>\$ 77,605,670</u>	<u>\$ 473,460,733</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 5,537,023	\$ 1	\$ 6,997,223	\$ 1,051,441	\$ 13,585,688
Construction contracts and retainage payable	947,765	-	18,242,280	-	19,190,045
Salaries and wages payable	32,330,336	-	-	25,063	32,355,399
Payroll deductions and withholdings	4,644,367	-	-	-	4,644,367
Due to other funds	-	4,267,322	14,649,150	7,698,697	26,615,169
Due to other governmental agencies	27,326,311	-	-	39,669	27,365,980
Sales tax payable	266	-	-	317	583
Unearned revenue	-	-	-	192,320	192,320
Matured interest payable	-	-	-	2,050,973	2,050,973
Total liabilities	<u>70,786,068</u>	<u>4,267,323</u>	<u>39,888,653</u>	<u>11,058,480</u>	<u>126,000,524</u>
Fund balances					
Nonspendable:					
Inventories	11,798,152	-	-	1,921,005	13,719,157
Prepaid amounts	2,710,739	-	-	4,039	2,714,778
Total Nonspendable Fund Balance	<u>14,508,891</u>	<u>-</u>	<u>-</u>	<u>1,925,044</u>	<u>16,433,935</u>
Restricted for:					
State Required Carryover Programs	14,417,637	-	-	-	14,417,637
State and Local Grants	2,857,307	-	-	-	2,857,307
Debt Service	-	-	-	24,340,580	24,340,580
Capital Projects	-	-	181,158,472	34,086,809	215,245,281
Food Service	-	-	-	6,179,178	6,179,178
Other	-	-	-	15,579	15,579
Total Restricted Fund Balance	<u>17,274,944</u>	<u>-</u>	<u>181,158,472</u>	<u>64,622,146</u>	<u>263,055,562</u>
Assigned for:					
Special Revenue	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital Projects	-	-	-	-	-
Purchases on Order	-	-	-	-	-
Other	1,130,016	-	-	-	1,130,016
Total Assigned Fund Balance	<u>1,130,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,130,016</u>
Unassigned Fund Balance	<u>66,840,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,840,696</u>
Total Fund Balances	<u>99,754,547</u>	<u>-</u>	<u>181,158,472</u>	<u>66,547,190</u>	<u>347,460,209</u>
Total liabilities and fund balances	<u>\$ 170,540,615</u>	<u>\$ 4,267,323</u>	<u>\$ 221,047,125</u>	<u>\$ 77,605,670</u>	<u>\$ 473,460,733</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

**Total Fund Balances - Governmental Funds** \$ 347,460,209

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. 1,224,237,584

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. This is the net position in internal service funds, net of investment in capital assets. 16,577,882

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

Deferred outflows related to pensions	\$	189,645,826	
Deferred outflows related to OPEB		5,506,079	
Deferred inflows related to pensions		(30,365,189)	
Deferred inflows related to OPEB		(12,570,221)	
		152,216,495	152,216,495

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

Bonds Payable	\$	(155,097,000)	
Certificates of Participation Payable		(144,180,000)	
Compensated Absences Payable		(59,402,221)	
Net Pension Liability		(584,171,515)	
Total OPEB Liability		(35,381,443)	
Premiums and Discounts on Debt		(38,082,324)	
		(1,016,314,503)	(1,016,314,503)

Accrued interest on long-term liabilities is not due and payable in the current period and, therefore, not reported as liabilities in the governmental funds. This is the amount of accrued interest in excess of the matured interest payable recorded in governmental funds. (7,452,986)

**Total Net Position - Governmental Activities** \$ 716,724,681

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Federal Education Stabilization Fund	Capital Projects- Other Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 191,141,133	\$ -	\$ -	\$ 63,713,564	\$ 254,854,697
Local sales tax	-	-	59,123,828	-	59,123,828
Impact fees	-	-	10,010,264	-	10,010,264
Food services	-	-	-	570,441	570,441
Other	16,495,916	-	759,568	754,332	18,009,816
Total local sources	<u>207,637,049</u>	<u>-</u>	<u>69,893,660</u>	<u>65,038,337</u>	<u>342,569,046</u>
State sources:					
Florida education finance program	497,719,966	-	-	-	497,719,966
Categorical programs	119,996,984	-	-	-	119,996,984
Workforce development	7,728,670	-	-	-	7,728,670
Food services	-	-	-	792,778	792,778
Charter school capital outlay	-	-	4,132,484	-	4,132,484
Other	1,503,588	-	-	3,777,657	5,281,245
Total state sources	<u>626,949,208</u>	<u>-</u>	<u>4,132,484</u>	<u>4,570,435</u>	<u>635,652,127</u>
Federal sources:					
Federal grants direct	1,194,173	-	-	12,614,035	13,808,208
Federal grants through state and local	3,715,038	32,836,911	-	47,246,915	83,798,864
Other	-	-	-	86,298,526	86,298,526
Total federal sources	<u>4,909,211</u>	<u>32,836,911</u>	<u>-</u>	<u>146,159,476</u>	<u>183,905,598</u>
Total revenues	<u>839,495,468</u>	<u>32,836,911</u>	<u>74,026,144</u>	<u>215,768,248</u>	<u>1,162,126,771</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	586,528,917	17,953,927	-	46,891,917	651,374,761
Student personnel services	40,668,993	1,244,955	-	8,184,875	50,098,823
Instructional media services	7,236,375	179,600	-	995,541	8,411,516
Instruction and curriculum development services	4,908,045	249,609	-	9,675,820	14,833,474
Instructional staff training services	2,870,352	115,682	-	18,472,215	21,458,249
Instructional related technology	8,811,074	8,059,995	-	2,219,709	19,090,778
Board	2,743,252	21,420	-	-	2,764,672
General administration	2,887,024	725,287	-	2,859,522	6,471,833
School administration	46,149,697	968,813	-	12,629	47,131,139
Non capitalizable facilities acquisition and construction	8,817,939	27,516	4,088,380	2,582,917	15,516,752
Fiscal services	3,066,595	43,534	-	71,932	3,182,061
Food services	39,801	812	-	50,885,899	50,926,512
Central services	11,370,412	222,338	-	1,047,982	12,640,732
Student transportation services	36,672,388	470,003	-	79,432	37,221,823
Operation of plant	60,820,767	1,155,162	-	811,875	62,787,804
Maintenance of plant	20,504,597	245,159	-	578,430	21,328,186
Administrative technology services	7,315,913	80,283	-	78,821	7,475,017
Community services and other	452,347	648,445	-	1,962,795	3,063,587
Debt service:					
Principal retirement	-	-	-	27,336,000	27,336,000
Interest	-	-	-	13,887,059	13,887,059
Dues, fees and other	-	-	-	30,484	30,484
Capital outlay:					
Facilities acquisition and construction	3,585,613	-	170,628,794	5,776,909	179,991,316
Other capital outlay	11,364,900	424,371	4,725,218	1,832,215	18,346,704
Total expenditures	<u>866,815,001</u>	<u>32,836,911</u>	<u>179,442,392</u>	<u>196,274,978</u>	<u>1,275,369,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,319,533)</u>	<u>-</u>	<u>(105,416,248)</u>	<u>19,493,270</u>	<u>(113,242,511)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	45,942,361	-	-	40,493,284	86,435,645
Transfers out	-	-	(25,515,334)	(60,920,311)	(86,435,645)
Total other financing sources and uses	<u>45,942,361</u>	<u>-</u>	<u>(25,515,334)</u>	<u>(20,427,027)</u>	<u>-</u>
Net change in fund balances	18,622,828	-	(130,931,582)	(933,757)	(113,242,511)
Fund balances - beginning	<u>81,131,719</u>	<u>-</u>	<u>312,090,054</u>	<u>67,480,947</u>	<u>460,702,720</u>
Fund balances - ending	<u>\$ 99,754,547</u>	<u>\$ -</u>	<u>\$ 181,158,472</u>	<u>\$ 66,547,190</u>	<u>\$ 347,460,209</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK 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, 2021

**Net Change in Fund Balances - Governmental Funds** \$ (113,242,511)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current fiscal year. 149,684,110

The loss on the disposal of capital assets during the current fiscal year is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net position differs from the change in fund balance by the undepreciated cost of the disposed assets. (24,359)

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. This is the amount of repayments in the current fiscal year. 27,386,000

Premiums and discounts on debt issued are reported in the governmental funds in the year debt is issued, but are deferred and amortized over the life of the debt in the statement of activities. This is the amount of amortization during the current period. 4,777,356

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (3,298,867)

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 compensated absences earned in excess of the amount paid in the current fiscal year. (17,278,846)

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

(Increase) in Total OPEB Liability	\$	(1,479,134)	
Increase in Deferred Outflows of Resources - OPEB		1,598,486	
Decrease in Deferred Inflows of Resources - OPEB		1,450,584	1,569,936

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

FRS Pension Contribution	\$	39,098,089	
HIS Pension Contribution		8,306,427	
FRS Pension Expense		(81,701,835)	
HIS Pension Expense		(13,447,424)	(47,744,743)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 1,341,878

**Change in Net Position of Governmental Activities** **\$ 3,169,954**

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Ad valorem taxes	\$ 190,701,112	\$ 190,701,112	\$ 191,141,133	\$ 440,021
Other	9,761,301	10,470,220	16,495,916	6,025,696
Total local sources	200,462,413	201,171,332	207,637,049	6,465,717
State sources:				
Florida education finance program	514,304,470	511,994,813	497,719,966	(14,274,847)
Categorical programs	121,099,108	121,099,108	119,996,984	(1,102,124)
Workforce development	7,514,426	7,652,426	7,728,670	76,244
Other	1,215,000	1,215,000	1,503,588	288,588
Total state sources	644,133,004	641,961,347	626,949,208	(15,012,139)
Federal sources:				
Federal direct	1,010,000	1,010,000	1,194,173	184,173
Federal through state and local	2,750,000	2,750,000	3,715,038	965,038
Total federal sources	3,760,000	3,760,000	4,909,211	1,149,211
Total revenues	848,355,417	846,892,679	839,495,468	(7,397,211)
<b>EXPENDITURES</b>				
Current:				
Instruction	622,295,054	644,617,007	586,528,917	58,088,090
Student personnel services	34,041,958	43,580,907	40,668,993	2,911,914
Instructional media services	8,724,863	7,482,235	7,236,375	245,860
Instruction and curriculum development services	5,483,551	5,394,346	4,908,045	486,301
Instruction staff training services	940,150	3,212,029	2,870,352	341,677
Instruction related technology	7,764,727	12,915,140	8,811,074	4,104,066
Board	2,100,070	2,982,004	2,743,252	238,752
General administration	3,121,945	2,956,521	2,887,024	69,497
School administration	55,003,002	46,802,004	46,149,697	652,307
Non capitalizable facilities acquisition and construction	14,295,145	24,217,622	8,817,939	15,399,683
Fiscal services	4,698,494	3,376,553	3,066,595	309,958
Food service	5,000	87,805	39,801	48,004
Central services	11,462,251	12,671,246	11,370,412	1,300,834
Student transportation	33,646,452	34,509,866	36,672,388	(2,162,522)
Operation of plant	64,631,511	65,060,495	60,820,767	4,239,728
Maintenance of plant	33,662,462	24,032,608	20,504,597	3,528,011
Administrative technology services	6,948,874	7,975,205	7,315,913	659,292
Community services	455,193	665,260	452,347	212,913
Capital outlay:				
Facilities acquisition and construction	6,063,582	12,213,712	3,585,613	8,628,099
Other capital outlay	17,665,383	21,619,052	11,364,900	10,254,152
Total expenditures	933,009,667	976,371,617	866,815,001	109,556,616
Excess (deficiency) of revenues over (under) expenditures	(84,654,250)	(129,478,938)	(27,319,533)	102,159,405
<b>OTHER FINANCING SOURCES (USES)</b>				
Loss Recoveries	-	-	-	-
Transfers in	75,380,845	93,375,833	45,942,361	(47,433,472)
Transfers out	-	-	-	-
Total other financing sources and uses	75,380,845	93,375,833	45,942,361	(47,433,472)
Net change in fund balances	(9,273,405)	(36,103,105)	18,622,828	54,725,933
Fund balances - beginning	81,131,719	81,131,719	81,131,719	-
Fund balances - ending	\$ 71,858,314	\$ 45,028,614	\$ 99,754,547	\$ 54,725,933

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**FEDERAL EDUCATION STABILIZATION FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Other	\$ -	\$ -	\$ -	\$ -
Total local sources	-	-	-	-
State sources:				
Other	-	-	-	-
Total state sources	-	-	-	-
Federal sources:				
Federal direct	-	-	-	-
Federal through state and local	34,672,176	37,781,678	32,836,911	(4,944,767)
Total federal sources	34,672,176	37,781,678	32,836,911	(4,944,767)
 Total revenues	 34,672,176	 37,781,678	 32,836,911	 (4,944,767)
<b>EXPENDITURES</b>				
Current:				
Instruction	31,699,542	19,122,760	17,953,927	1,168,833
Student personnel services	249,675	1,905,472	1,244,955	660,517
Instructional media services	-	306,834	179,600	127,234
Instruction and curriculum development services	203,993	354,687	249,609	105,078
Instruction staff training services	94,308	630,028	115,682	514,346
Instruction related technology	-	8,061,105	8,059,995	1,110
Board	-	21,420	21,420	-
General administration	354,036	725,287	725,287	-
School administration	-	969,263	968,813	450
Non capitalizable facilities acquisition and construction	-	27,516	27,516	-
Fiscal services	-	43,534	43,534	-
Food service	12,895	13,267	812	12,455
Central services	64,016	225,145	222,338	2,807
Student transportation	156,800	626,803	470,003	156,800
Operation of plant	537,600	3,023,307	1,155,162	1,868,145
Maintenance of plant	-	267,897	245,159	22,738
Administrative technology services	-	80,283	80,283	-
Community services	580,622	793,676	648,445	145,231
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	718,689	583,394	424,371	159,023
 Total expenditures	 34,672,176	 37,781,678	 32,836,911	 4,944,767
 Excess (deficiency) of revenues over (under) expenditures	 -	 -	 -	 -
 Net change in fund balances	 -	 -	 -	 -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**JUNE 30, 2021**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 1,954,121
Investments	46,407,363
Accounts receivable	96,674
Total current assets	<u>48,458,158</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	1,876,325
Total assets	<u>50,334,483</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	12,018,121
Estimated liability for claims	7,348,997
Total current liabilities	<u>19,367,118</u>
Noncurrent liabilities:	
Estimated liability for claims	12,513,158
Total liabilities	<u>31,880,276</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,876,325
Unrestricted	16,577,882
Total net position	<u>\$ 18,454,207</u>

The accompanying notes are an integral part of these statements.

***THE SCHOOL DISTRICT OF POLK COUNTY***

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES:</b>	
Premium revenue from other funds	\$ 124,700,363
Other revenue	1,176,419
Total operating revenues	<u>125,876,782</u>
<b>OPERATING EXPENSES:</b>	
Salaries	318,228
Benefits	135,367
Purchased services	7,528,076
Energy services	17,642
Materials and supplies	148,064
Depreciation	72,631
Claims	117,745,027
Total operating expenses	<u>125,965,035</u>
Operating loss	<u>(88,253)</u>
<b>NON-OPERATING REVENUE(EXPENSES):</b>	
Interest	89,920
Loss recoveries	1,341,411
Miscellaneous	(1,200)
Total non-operating revenue	<u>1,430,131</u>
Income before transfers	1,341,878
Transfers in	582,256
Transfers out	<u>(582,256)</u>
Change in net position	1,341,878
Total net position - beginning	<u>17,112,329</u>
Total net position - ending	<u>\$ 18,454,207</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from interfund services provided	\$ 125,014,500
Payments to suppliers	(7,816,347)
Payments to employees	(453,595)
Payments for interfund services used	(118,311,856)
Other receipts (payments)	1,176,419
Net cash used by operating activities	<u>(390,879)</u>
<b>CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Transfers from other funds	582,256
Transfers to other funds	<u>(583,456)</u>
Net cash used by noncapital and related financing activities	<u>(1,200)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Proceeds from disposition of capital assets	<u>1,341,411</u>
Net cash provided by capital and related financing activities	<u>1,341,411</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of investments	(3,232,598)
Interest and dividends earned on investments	<u>89,920</u>
Net cash used by investing activities	<u>(3,142,678)</u>
Net decrease in cash and cash equivalents	(2,193,346)
Cash and cash equivalents - beginning of year	<u>4,147,467</u>
Cash and cash equivalents - end of year	<u>\$ 1,954,121</u>
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>	
Operating loss	\$ (88,253)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	72,631
Change in assets and liabilities:	
Accounts receivable	272,530
Due from other funds	41,607
Accounts payable	(115,873)
Due to other agencies	(6,692)
Estimated liability for claims	<u>(566,829)</u>
Total adjustments	<u>(302,626)</u>
Net cash used by operating activities	<u>\$ (390,879)</u>

The accompanying notes are an integral part of these statements.

***THE SCHOOL DISTRICT OF POLK COUNTY***

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**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash	\$ 255,261
Investments	9,760,106
Accounts receivable	52,035
Inventory	589,034
<b>TOTAL ASSETS</b>	<b>10,656,436</b>
<b>LIABILITIES</b>	
Accounts payable	23,693
Sales tax payable	809
Due to other funds	103,118
<b>TOTAL LIABILITIES</b>	<b>127,620</b>
<b>NET POSITION</b>	
Restricted for individuals and organizations	<b>\$ 10,528,816</b>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FIDUCIARY FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Student group collections	\$ 6,304,153
Investment earnings	18,401
<b>Total Additions</b>	<u>6,322,554</u>
<b>DEDUCTIONS</b>	
Student group disbursements	<u>6,285,798</u>
<b>Total Deductions</b>	<u>6,285,798</u>
Change in net position	<u>36,756</u>
Net position - Beginning	-
Adjustment to Beginning Net Position	<u>10,492,060</u>
Net position, Beginning, as Restated	<u>10,492,060</u>
<b>Net position - Ending</b>	<u><u>\$ 10,528,816</u></u>

The accompanying notes are an integral part of these statements.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Polk County District School Board (“Board”) has direct responsibility for the operation, control, and supervision of District Schools and is considered a primary government for financial reporting. The School District of Polk County, Florida (“District”) is considered part of the Florida system of public education.

The governing body of the District is the Board, which is comprised of seven elected members. The appointed Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Polk County, Florida.

The accompanying basic financial statements present the District and its discretely presented component units, entities for which the District is considered financially accountable. The District’s discretely presented component units are combined into a single column in the government-wide financial statements to emphasize that they are legally separate from the District.

Criteria for determining if other entities are potential component units which should be reported within the District’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (the “GASB”) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600 and amended by Statement No. 61 – *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. 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 or incomplete.

Based on the application of these criteria, the following component units are included within the District School Board’s entity:

Blended Component Unit – The Financing Corporation for the School Board of Polk County, Florida (“Financing Corporation”) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in a subsequent note on certificates of participation. Since the Financing Corporation provides its services entirely for the benefit of the District and the Financing Corporation and the District have the same board of directors, the financial activities of the Financing Corporation are included in the accompanying basic financial statements as a blended component unit. Separate financial statements for the Financing Corporation are not published.

Discretely Presented Component Units – The Polk Education Foundation and Business Partnership, Inc. (“Foundation”) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, and administer property and to make expenditures for the benefit of students within the District as well as the District itself. The Foundation is a component unit of the District because it would be misleading to exclude the Foundation due to its operational and inter-relationships with the District. An audit of the Foundation’s financial statements is conducted by independent certified public accountants and is filed in the District’s administrative office.

Complete financial statements of the Foundation can be obtained from their administrative office at:

Polk Education Foundation  
1530 Shumate Drive  
Bartow, FL 33830

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**A. Reporting Entity (continued)**

Charter Schools – Charter Schools 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. Each Charter School operates under a charter approved by its sponsor, the Polk County District School Board. The District used guidance provided by the Florida Department of Education for inclusion of the charter schools in the District's reporting entity, in part due to exclusion being considered misleading. In addition, they create a financial burden on the District because the charter schools' full time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. An audit of each Charter School for the fiscal year ended June 30, 2021, is required and is filed at the District's administrative office.

Complete audited financial statements of the individual charter schools can be obtained from their administrative offices. These schools include:

Dale R. Fair Babson Park Elementary  
815 N. Scenic HWY  
Babson Park, FL 33827

Hillcrest Elementary  
1051 State Rd. 60 E  
Lake Wales, FL 33853

Berkley Elementary Charter School  
5240 Berkley Road  
Auburndale, FL 33823

Janie Howard Wilson Elementary  
306 Florida Avenue  
Lake Wales, FL 33853

Berkley Accelerated Middle  
5316 Berkley Road  
Auburndale, FL 33823

Lake Wales High School  
#1 Highlander Way  
Lake Wales, FL 33853

Compass Charter Middle School  
550 E. Clower Street  
Bartow, FL 33830

Lakeland Montessori Middle  
800 E. Palmetto  
Lakeland, FL 33801

Cypress Junction Montessori  
220 5<sup>th</sup> Street SW  
Winter Haven, FL 33880

Lakeland Montessori Schoolhouse  
1124 N. Parker Avenue  
Lakeland, FL 33805

Discovery Academy of Lake Alfred  
1000 Buena Vista Dr.  
Lake Alfred, FL 33850

Language and Literacy Academy  
for Learning  
330 Avenue C South East  
Winter Haven, FL 33880

Discovery High School  
1000 N Buena Vista Dr  
Lake Alfred, FL 33850

Magnolia Montessori Academy  
815 S. Central Ave.  
Lakeland, FL 33815

Edward W. Bok Academy  
13895 HWY 27  
Lake Wales, FL 33853

McKeel Charter System  
411 N. Florida Avenue  
Lakeland, FL 33801

Edward W. Bok Academy North  
338 E. Central Avenue  
Lake Wales, FL 33853

Hartridge Academy  
1400 HWY 92 W.  
Winter Haven, FL 33881

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**A. Reporting Entity (continued)**

Navigator Academy of Leadership  
495 Holly hill Rd  
Davenport, FL 33837

Polk Pre-Collegiate Academy  
5316 Berkley Road  
Auburndale, FL 33823

New Beginnings High School  
250 Magnolia Ave, Suite 200  
Winter Haven, FL 33880

Ridgeview Global Studies Academy  
1000 Dunson Rd  
Davenport, FL 33896

Polk Avenue Elementary  
110 E. Polk Avenue  
Lake Wales, FL 33853

Victory Ridge Academy  
501 Burns Ave  
Winter Haven, FL 33853

**B. Basis of Presentation**

Government-wide Financial Statements – Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units. The statements distinguish between governmental activities of the District and those that are considered business-type activities.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and are, thereby, clearly identifiable to a particular function or segment. 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 meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions.

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

Fund Financial Statements – Governmental fund financial statements are prepared using the current financial resources measurement focus, whereas, the proprietary and fiduciary fund financial statements are prepared using the economic resources measurement focus. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major governmental funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

General Fund – accounts for all financial resources not accounted for and reported in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

Special Revenue -Federal Education Stabilization Fund – to account for Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**B. Basis of Presentation (continued)**

Capital Projects-Other Fund – accounts for and reports on other miscellaneous funds from various sources used for capital outlay as follows: Proceeds from Certificates of Participation Bonds; Sales Tax Revenues; Sales Tax Bond Proceeds; Land Sale Proceeds; Impact Fee Revenue; State Class Size Reduction Funds; State Classroom First Lottery Bond Proceeds; State SIT Awards; and Charter School Capital Outlay.

Additionally, the District reports the following fund types:

Internal Service Funds – accounts for the self-insured programs for employee group health, casualty, liability, and workers' compensation coverage for the Board.

Custodial Funds – accounts for resources held by the schools, which are collected for and used by student and school athletic, class, and club activities.

**C. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the internal service and fiduciary fund financial statements. 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 as revenues in the year for which they 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.

Governmental fund financial statements are prepared using 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.

Property taxes, interest and certain general fund program grants associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditures are made, provided receipt of funds is considered available.

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized as expenditures when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**C. Basis of Accounting (continued)**

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 major operating revenues of the District's internal service funds are from charges for employee health insurance premiums

The major operating expenses for the internal service funds include administrative expenses, claims and insurance premiums for excess coverage. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

The Foundation and Charter schools, shown as discretely presented component units, are presented under the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

**D. Deposits and Investments**

Banks qualified as public depositories under State of Florida ("State") law hold cash deposits. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The Annual Comprehensive Financial Report ("ACFR") considers cash as those accounts used as demand deposit accounts. In addition, the statement of cash flows for proprietary funds considers as cash and cash equivalents those accounts used as demand deposit accounts, all highly liquid investments with an original maturity of three months or less, and cash held by fiscal agents.

The District invests in money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at amortized cost.

The District also has investment management agreements with Florida Fixed Income Trust, the Florida Public Assets for Liquidity Management (FL PALM) and the Florida Cooperative Liquid Assets Security Systems (FLCLASS), which are reported at net asset value. Investments made locally consist of debt securities, United States Treasury Securities, Federal Notes and Corporate notes which are reported at fair value.

The District categorizes its fair value measurements with the fair value hierarchy established in accordance with generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Types and amounts of investment held at fiscal year-end are described in a subsequent note.

**E. Interfund Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds" in the fund financial statements.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**F. Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. All inventories are stated on a moving-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 costs of inventories are recorded as expenditures when used (consumption method), rather than when purchased. Prepaid items consist of payment of items which will benefit future accounting periods and are recognized when incurred (Purchase method), such as property insurance.

**G. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of 1 year or more.

Such assets, except land acquired prior to 1977 and buildings and fixed equipment acquired prior to 1976, are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated acquisition value at the date of donation.

The value of land acquired prior to 1977 is reported at the assessed value recorded by the Polk County Property Appraiser as of March 10, 1977. Buildings and fixed equipment acquired prior to 1976 are reported at replacement cost at June 30, 1976, as determined for insurance purposes at that time.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during the construction phase of capital assets are not capitalized as part of the cost of construction.

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

<u>Description:</u>	<u>Estimated Useful Lives:</u>
Improvements Other Than Buildings	20 Years
Buildings and Fixed Equipment	50 Years
Furniture, Fixtures and Equipment	5-7 Years
Motor Vehicles	10 Years
Audio Visual Materials and Computer Software	3-5 Years

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

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

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

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. They are pensions and other postemployment benefits (“OPEB”), reported in the government-wide statement of net position and discussed in subsequent notes.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. They are accumulated increases in pensions and OPEB.

**I. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond 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, as well as bond issuance costs, during the period in which the debt is issued. 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.

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.

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

**J. State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (“Department”) 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 Department. The Department performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**J. State Revenue Sources (continued)**

The District is permitted to amend its original reporting during specified time periods following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department 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 year when the adjustments are made.

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these 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 year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the general fund. A portion of the fund balance of the general fund is reserved for the unexpended balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay ("PECO") 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 Department. A schedule of revenue from State sources for the current year is presented in a subsequent note.

**K. Property Taxes - Revenue Recognition**

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. The Polk County Property Appraiser determines property values and property taxes are collected by the Polk County Tax Collector.

The Board adopted the 2020 tax levy on September 8, 2020. Taxes become an enforceable lien on property as of January 1; 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 four percent for early payment.

Taxes become delinquent on April 1 of the year following the year of assessment and 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 the June 30 fiscal year-end.

Property tax revenue is recognized when the District receives taxes; however, revenue is accrued for taxes collected by the Polk County Tax Collector at fiscal year-end but not yet remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded.

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

**L. 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 grantor 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.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**M. Use of Estimates**

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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

**O. Other Postemployment Benefits**

The District administers and contributes to a single-employer defined-benefit healthcare plan. The postretirement benefits are funded on a pay-as-you-go basis (i.e. the District funds on a cash basis as benefits are paid). The District follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**P. Impact of Recently Issued Accounting Principles**

Recently Issued Accounting Pronouncements with Potential Future Impact

Effective July 1, 2020, the District adopted GASB 84, *Fiduciary Activities*. This guidance establishes criteria for identifying fiduciary activities for all state and local governments and how those activities should be reported. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund and should present a statement of fiduciary net position and a statement of net changes in fiduciary net position. The District considers the school internal funds to meet the criteria for reporting as fiduciary activities in the custodial funds. As such, the beginning net position of the custodial funds was increased by \$10,492,060.

**Q. Impact of Recently Issued Accounting Principles**

Recently Issued Accounting Pronouncements with Potential Future Impact – Not Yet Adopted

The GASB issued Statement No. 87, *Leases*, effective for periods beginning after December 15, 2021. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management is evaluating the effect of this standard on the District.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**2. DIFFERENCES BETWEEN GOVERNMENT-WIDE FINANCIAL STATEMENTS AND GOVERNMENTAL FUND STATEMENTS**

The governmental funds balance sheet includes a reconciliation between total fund balances-governmental funds and total net position-governmental activities reported on the statement of net position. One element of that reconciliation explains, "Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds". The details of this \$1,016,314,503 difference are as follows:

Bonds Payable, Including Premium	\$	182,361,875
Certificates of Participation, Net of Discount and Deferred Amount		154,997,449
Compensated Absences Payable		59,402,221
Net Pension Liability		584,171,515
Other Post-Employment Benefits		35,381,443
Net adjustment to reduce Total Fund Balances-Total		
Governmental Funds to Total Net Position-Governmental Activities	\$	1,016,314,503

**3. BUDGETARY COMPLIANCE ACCOUNTABILITY**

The School 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 function (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School 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 School 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.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**4. INVESTMENTS**

As of June 30, 2021, the district has the following investments and maturities:

Investment	Average Maturity	Fair Value	Valuation Measurement Method/Level
<b>Money Market Funds</b>			
Bank of Central Florida Insured Cash Sweep Purchases	No Maturity	\$ 6,181,579	Amortized Costs
JP Morgan Prime Money Market Portfolio Class I (Held by Wells Fargo)	57 Days	69,534,041	Amortized Costs
Federated Prime Cash Obligations Money Market Fund (Held by Fifth Third Bank)	28 Days	1,660,800	Amortized Costs
Synovus Money Markets	No Maturity	19,692,591	Amortized Costs
Total Money Market Funds		97,069,011	
<b>Other Investments</b>			
Florida Education Investment Trust Fund (FL Palm)	56 Days	632,951	Net Asset Value
FL Cooperative Liquid Assets Security Systems (FLCLASS)	47 Days	520,032	Net Asset Value
Florida Fixed Income Trust-CP Pool	97 Days	130,526,264	Net Asset Value
Florida Fixed Income -Enhanced Cash Pool	299 Days	84,311,703	Net Asset Value
Ultra-short Income Portfolio (Held by Morgan Stanley)	80 days	65,262,057	Net Asset Value
		281,253,007	
State Board of Administration - Debt Service Account	6 Months	79,606	Fair Value Level 1
Metropolitan Life Insurance Company Contract	5 Yrs 7 Months	12,816,455	Fair Value Level 2
Trust Fund Investment US Bank United States Treasury Notes	3 to 7 years	8,173,545	Fair Value Level 2
United States Treasury Notes	2 to 7 years	20,986,740	Fair Value Level 2
Trust Fund Investment US Bank United States Treasury Notes	6 months	11,381,623	Fair Value Level 2
Federal Agency Notes - Various	3 to 4 Years	7,561,451	Fair Value Level 2
Corporate Notes - Various	2 to 10 Years	11,735,900	Fair Value Level 2
		72,735,320	
		\$ 451,057,338	
Investments are reflected in the financial statements as follows			
Governmental Funds		\$ 394,889,869	
Internal Service Funds		46,407,363	
Governmental Activities		441,297,232	
Fiduciary Funds		9,760,106	
		\$ 451,057,338	

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**4. INVESTMENTS (continued)**

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified under the net asset value ("NAV") classification include the Intergovernmental investment pool funds, which are held with FL PALM, FLCLASS, and Florida Fixed Income Trust pools, which are valued using a NAV of \$1.00 per share. These funds have no unfunded commitments and allows unlimited daily redemptions and investments with a 1-day minimum holding period. These funds have investments in negotiable certificate of deposits, commercial paper, repurchase agreements, certificate of deposit – FHLB LOC, Federal Agencies, Municipal Bonds, Corporate Notes, and US Treasury Notes.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits investments to a maximum of five years, unless specifically matched with cash flow needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District has a formal investment policy as authorized by Section 218.415, Florida Statutes, that generally limits investments to a maximum of five years, but which allows investments to exceed five years when there is opportunity to achieve a greater return and /or the average life is expected to be less.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. 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 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, the investment must be immediately placed for safekeeping in a secured vault. The District does not have a formal investment policy that addresses custodial credit risk.

The District has \$11.7 million of underlying securities in corporate notes that are held by the investment's counterparty, not in the name of the District.

Credit Risk

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

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**4. INVESTMENTS (continued)**

The District's investment policy allows for investments in certificates of deposit, time deposits, United States Government Securities, United States Government Agency Securities, United States Government Enterprises and Instrumentalities Securities, money market funds that are rated "AAAm" or "AAAm-G" or better by Standard & Poor's ("S&P") or the equivalent by another rating agency, and other forms of authorized investments described in the Florida Statutes.

As of June 30, 2021, the District's investment in United States Treasury Notes and Federal Agency Notes are rated AA+ by S&P and Aaa by Moody's. The Trust Fund Investment US Bank United States Treasury notes was rated Aaa by Moody's.

As of June 30, 2021, the Ultra Short Income Portfolio Class I Bond Fund held by Morgan Stanley was rated AAAf/S1 by Fitch. JP Morgan Prime Money Market Portfolio Class I, held by Wells Fargo Securities, was rated AAAm by S&P. The Florida Cooperative Liquid Assets Security System ("FLCLASS") and the Florida Public Assets for Liquidity Management ("FL PALM"), which is an intergovernmental Investment Pool, was rated AAAm by S&P. The Federated Prime Cash Obligation Money Market, held by Fifth Third Bank, was rated AAAm by S&P and the Florida Fixed Income Trust, which is an inter-local governmental agreement in the Cash Pool and an Enhanced Cash Pool was rated AAAf/S1 by Fitch. Metropolitan Life Insurance Company contract was not rated.

As of June 30, 2021, the District's investment in various corporate notes was rated by S&P between AA and BBB+ and by Moody's between A1 and A3.

Concentration of Credit Risk

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

The District is not at risk for the corporate notes held by the District, which represent 2.6 percent of total investments. The remainder of the investments are issued or explicitly guaranteed by the United States Government or are in mutual funds, external investment pool, other pooled investments or are less than 5 percent of total investments, which do not require disclosure for concentration credit risk.

Foreign Currency Risk

The District's has no exposure to foreign currency.

The District's investment policy does not permit investment in foreign currency.

**5. ACCOUNTS RECEIVABLE**

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivables are considered to be fully collectible.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**6. CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 111,777,704	\$ 147,078	\$ -	\$ 111,924,782
Construction in Progress	59,089,353	171,642,053	39,027,356	191,704,050
Total capital assets, not being depreciated	<u>170,867,057</u>	<u>171,789,131</u>	<u>39,027,356</u>	<u>303,628,832</u>
Capital assets, being depreciated:				
Improvements Other Than Buildings	58,992,710	2,600,997	-	61,593,707
Buildings and Fixed Equipment	1,536,560,170	43,105,879	-	1,579,666,049
Furniture, Fixtures, and Equipment	88,990,298	9,379,170	3,559,044	94,810,424
Motor Vehicles	80,318,864	9,087,784	3,628,566	85,778,082
Audio Visual Materials and Computer Software	11,608,757	54,985	141,320	11,522,422
Total capital assets, being depreciated	<u>1,776,470,799</u>	<u>64,228,815</u>	<u>7,328,930</u>	<u>1,833,370,684</u>
Less accumulated depreciation for:				
Improvements Other Than Buildings	42,666,083	1,743,211	-	44,409,294
Buildings and Fixed Equipment	693,855,842	34,466,676	-	728,322,518
Furniture, Fixtures, and Equipment	68,925,417	5,671,757	3,534,685	71,062,489
Motor Vehicles	56,827,327	4,948,290	3,628,566	58,147,051
Audio Visual Materials and Computer Software	10,412,723	549,177	141,320	10,820,580
Total accumulated depreciation	<u>872,687,392</u>	<u>47,379,111</u>	<u>7,304,571</u>	<u>912,761,932</u>
Total capital assets, being depreciated, net	<u>903,783,407</u>	<u>16,849,704</u>	<u>24,359</u>	<u>920,608,752</u>
Governmental Activities Capital assets, net	<u>\$ 1,074,650,464</u>	<u>\$ 188,638,835</u>	<u>\$ 39,051,715</u>	<u>\$ 1,224,237,584</u>

Depreciation expense was charged to functions as follows:

Instructional	\$ 26,392,427
Student Personnel Services	2,029,190
Media Services	340,698
Curriculum Development	600,811
Instructional Training	869,139
Instructional Technology Support	773,248
Board	111,980
General Administration	262,133
School Administration	1,908,988
Facilities & Construction	695,727
Fiscal Services	128,885
Food Services	2,062,714
Central Services	5,594,021
Student Transportation	1,507,623
Operation of Plant	2,550,796
Maintenance of Plant	863,774
Administrative Technology Support	302,766
Community Services	124,087
Unallocated	260,104
Total Depreciation Expense	<u>\$ 47,379,111</u>

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CERTIFICATES OF PARTICIPATION**

The Certificates of Participation (“COPS” or “Certificates”) are instruments issued to finance lease purchase agreements in accordance with Section 235.056, Florida Statutes. US Bank, N.A. is the trustee for the certificates and makes all interest, principal, and fee payments, invests idle funds, and complies with the requirements of the issue documents. The certificates mature serially and the debt service is funded by transfers from Capital Improvement Fund (Section 236.25). The following is a description of the COPS:

**Series 2009C-QSCB/COPS**

The District entered into a financing arrangement on December 30, 2009, which was characterized as a lease-purchase agreement in the form of Qualified School Construction Bonds, with the Financing Corporation. The financing was accomplished through the issuance of COPS Series 2009C, totaling \$20,543,000, to be repaid from the proceeds of rents paid by the District.

As a condition of the 2009 financing arrangement, the District has given a ground lease on District property to the Financing Corporation for the School Board of Polk County, Florida, with a rental fee of \$10 per year. The initial term of the lease is for the period commencing on December 30, 2009, and ending on the earlier of: (a) the date on which the Series 2009C Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) December 15, 2024 (both dates inclusive). The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District.

If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to make accelerated payments or surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

The District properties included in the ground lease under this arrangement include lands on which the Series 2009C project is located. The Series 2009C project was for the reconstruction of Mulberry Middle School.

The lease payments are payable by the District into a sinking fund on an annual basis, and interest at a rate of 1.95 percent is paid quarterly. Sinking fund proceeds are invested and accumulate over the life of the bonds, ending in a lump sum repayment to the bondholders at bond maturity. The interest earnings of the sinking fund are estimated. Therefore, the final principal payment will be adjusted as required based upon final interest earned. Bondholders earn federal tax credits in lieu of interest.

The following is a schedule of required sinking fund deposits and estimated earnings to accumulate through maturity in the sinking fund:

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CERTIFICATES OF PARTICIPATION (continued)**

Payment Due Date (FY)	Principal	Interest Earned Sinking Fund	Estimated Sinking Fund Balance
2011	\$ 1,104,527	\$ -	\$ 1,104,527
2012	1,104,527	33,136	2,242,190
2013	1,104,527	67,266	3,413,983
2014	1,104,527	102,420	4,620,930
2015	1,104,527	138,628	5,864,085
2016	1,104,527	175,923	7,144,535
2017	1,104,527	214,336	8,463,398
2018	1,104,527	253,902	9,821,827
2019	1,104,527	294,655	11,221,009
2020	1,104,527	336,630	12,662,166
2021	1,104,527	379,865	14,146,558
2022	1,104,527	424,397	15,675,482
2023	1,104,527	470,264	17,250,273
2024	1,104,526	517,507	18,872,306
2025	1,104,526	566,168	20,543,000
	<u>\$ 16,567,903</u>	<u>\$ 3,975,097</u>	<u>\$ 20,543,000</u>

**Series 2010C-QSCB/COPS**

The District entered into a financing arrangement on November 22, 2010, which was characterized as a lease-purchase agreement in the form of Qualified School Construction Bonds, with the Financing Corporation for the School Board of Polk County, Florida. The financing was accomplished through the issuance of COPS, Series 2010C, totaling \$21,223,000, to be repaid from the proceeds of rents paid by the District.

The District has elected to receive a refundable credit from the United States Department of Treasury in accordance with Section 6431(f) of the Internal Revenue Code of 1986, as amended, equal to the lesser of the amount of interest payable with respect to the Certificates on such date or the amount of interest which would have been payable with respect to the Certificates on such date if such interest were determined at the tax credit rate otherwise applicable to such Certificates in accordance with the Code. Because the tax credit rate set by the Department of Treasury on November 18, 2010 (5.49 percent) exceeds the interest rate on the Certificates (5.38 percent), the interest rate applicable to the Certificates is the maximum allowable interest rate credit, which will be paid to the District with respect to the Certificates (the "Subsidy Payments").

As a condition of the 2010 financing arrangement, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. The initial term of the lease is for the period commencing on November 1, 2010 and ending on the earlier of: (a) the date on which the Series 2010C Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) November 1, 2029 (both dates inclusive). The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CERTIFICATES OF PARTICIPATION (continued)**

If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to make accelerated payments or surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

The District properties included in the ground lease under this arrangement include land on which the Series 2010C Project is located. The Series 2010C Project was for the construction of the Freshman Academy at Winter Haven High School; the Freshman Academy at Kathleen Senior High School; and reconstruction of the Winter Haven High School Master Plan Phase II.

The lease payments are payable by the District into a sinking fund on an annual basis, and interest at a rate of 2.75 percent is paid quarterly. Sinking fund proceeds are invested and accumulate over the life of the bonds, ending in a lump sum repayment to the bondholders at bond maturity. The interest earnings of the sinking fund are estimated. Therefore, the final principal payment will be adjusted as required based upon final interest earned. Bondholders earn federal tax credits in lieu of interest.

The following is a schedule of required sinking fund deposits and estimated earnings to accumulate through maturity in the sinking fund:

Payment Due Date (FY)	Principal	Interest Earned Sinking Fund	Estimated Sinking Fund Balance
2012	\$ 1,117,000	\$ 11,434	\$ 1,128,434
2013	1,093,040	37,323	2,258,797
2014	1,067,130	62,269	3,388,196
2015	1,041,777	87,071	4,517,044
2016	1,017,539	112,411	5,646,994
2017	992,673	136,725	6,776,392
2018	967,390	162,009	7,905,791
2019	942,455	186,944	9,035,190
2020	917,520	211,879	10,164,589
2021	891,958	238,130	11,294,677
2022	868,346	261,121	12,424,144
2023	842,715	285,926	13,552,785
2024	817,780	311,619	14,682,184
2025	792,845	336,554	15,811,583
2026	765,959	361,373	16,938,915
2027	744,019	388,548	18,071,482
2028	719,154	409,143	19,199,779
2029	693,104	436,294	20,329,177
2030	669,423	224,400	21,223,000
	<u>\$ 16,961,827</u>	<u>\$ 4,261,173</u>	<u>\$ 21,223,000</u>

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CERTIFICATES OF PARTICIPATION (continued)**

**Series 2019A**

The District entered into a refunding arrangement on February 3, 2020, to advance refund the COPS, Series 2015A (formerly Series 2012A, 2009A and 2003A). The refunding was accomplished through the issuance of COPS, Series 2019A, totaling \$45,845,547, to be repaid from the proceeds of rents paid by the District.

As a condition of the 2019A financing arrangement, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. The initial term of the lease is for the period commencing on February 3, 2020 and ending on the earlier of: (a) the date on which the Series 2019A Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) January 1, 2028 (both dates inclusive). The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District.

If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to make accelerated payments or surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

The District properties included in the ground lease under this arrangement include land on which the original Series 2003A Projects are located. The following five schools are in this arrangement: Chain of Lakes Elementary, Ridge Community High School, Sandhill Elementary Classroom Addition, Ridgeview Elementary Classroom Addition, and Haines City High School Administrative Suite/Media Center.

The net proceeds of the Series 2019A Certificates were used to currently refund the Series 2015A Certificates.

The Series 2019A Certificates include serial certificates maturing through 2028 and term certificates maturing in 2028. The lease payments on the Series 2019A Certificates are payable by the District, annually, on January 1. The lease payments are payable by the District, monthly, at an interest rate of 4.565 percent.

**Series 2019B**

The District entered into a refunding arrangement on February 3, 2020, to advance refund the COPS Series 2015B (formerly known as 2010D, and 2001A). The refunding was accomplished through the issuance of COPS, Series 2019B, totaling \$41,968,119, to be repaid by the proceeds of rents paid by the District.

As a condition of the 2019B financing arrangement, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. The initial term of the lease is for the period commencing on February 3, 2020 and ending on the earlier of: (a) the date on which the Series 2019B Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) January 1, 2026 (both dates inclusive). The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District.

If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to make accelerated payments or surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CERTIFICATES OF PARTICIPATION (continued)**

The District properties included in the ground lease under this arrangement include land on which the original Series 2001A projects are located. The following 10 schools are in this arrangement: Elementary Schools E & F (N.E. Roberts Elementary and R. Bruce Wagner Elementary), Auditorium Lake Gibson High School, Homer K. Addair Academy (formerly known as the Lake Alfred Career Development Academy), Classroom Wing Jewett Elementary, Agri Science Center/Gym Auburndale Senior High, New Cafeteria/Remodel Bartow Senior & Haines City High Schools, Administration Building, Kathleen Elementary, and Quad Classroom Lewis Elementary.

The net proceeds of the 2019B Certificates were used to currently refund the Series 2015B Certificates.

The lease payments are payable by the District, monthly, on the first (1st) day each month, at an interest rate of 5.49 percent.

**Series 2016A**

The District entered into a partial refunding arrangement on April 4, 2016, to current refund the COPS, Series 2012B (formerly Series 2009B, 2008A, and 1998). The refunding was accomplished through the issuance of COPS, Series 2016A, totaling \$33,725,000, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement associated with the Series 2016A Certificates, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. By a master lease-purchase agreement, the properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District.

The initial term of the lease is for the period commencing on April 4, 2016, and ending on the earlier of: (a) the date on which the Series 2016A Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) January 1, 2023 (both dates inclusive).

If the District fails to renew the master lease-purchase agreement and to provide for the rent payments through to term, the District may be required to make accelerated payments or surrender the site included under the Ground Lease Agreement, together with improvements thereon, to the Trustee for the benefit of the securers of the Certificates for a period of time specified by the arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

The District property included in the 2016A ground lease under this arrangement includes the land on which the Series 1998 Project is located. The Series 1998 Project was for the construction of Sleepy Hill Middle School and Dundee Ridge Middle School.

The net proceeds of the Series 2016A Certificates were used to partially refund the Series 2012B Certificates.

The Series 2016A Certificates include serial certificates maturing through 2023, and term certificates maturing in 2023. The lease payments on the Series 2016A Certificates are payable by the District annually on January 1 at interest rates 1.70 percent.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CERTIFICATES OF PARTICIPATION (continued)**

**Series 2017A**

The District entered into a refunding arrangement on June 30, 2017, to partially advance refund the Certificates of Participation, Series 2010A (formerly Series 1999A). The refunding was accomplished through the issuance of Certificates of Participation, Series 2017A, totaling \$26,331,000, to be repaid by the proceeds of rents paid by the District.

As a condition of the financing arrangement associated with the Series 2017A Certificates, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. By a master lease-purchase agreement, the properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. The initial term of the lease is for the period commencing on June 30, 2017, and ending on the earlier of: (a) the date on which the Series 2017A Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) January 1, 2024 (both dates inclusive).

If the District fails to renew the master lease-purchase agreement and to provide for the rent payments through to term, the District may be required to make accelerated payments or surrender the site included under the Ground Lease Agreement, together with improvements thereon, to the trustee for the benefit of the securers of the Certificates for a period of time specified by the arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

The District property included in the 2017A ground lease under this arrangement includes the land on which the Series 2010A (formerly 1999A) projects are located. The Series 2010A Project was for the construction of Sandhill Elementary, Pinewood Elementary, Berkley Elementary and Ridgeview Elementary Schools, and an addition to Lakeland Senior High School.

The lease payments are payable by the District, semiannually, on the fifteenth (15th) day proceeding January 1<sup>st</sup> and July 1<sup>st</sup>, at an interest rate of 1.95 percent.

The following is a summary of Certificates of Participation payable:

	<u>Balance at 6/30/21</u>
<b><u>COPS from Direct Borrowings of Debt:</u></b>	
Series 2009C QSCB, \$20,543,000, Issued 12/30/2009	\$ 20,543,000
Series 2010C QSCB, \$21,223,000, Issued 11/22/2010	21,223,000
Series 2019A (Refinances 2015A), \$42,360,000, Issued 02/01/2020	36,200,000
Series 2019B (Refinance 2015B), \$42,850,000, Issued 02/01/2020	33,795,000
Series 2016A (Partial Refinance 2012B), \$33,725,000, Issued 04/04/2016	11,990,000
Series 2017A (Partial Refinance 2010A), \$26,331,000, Issued 06/30/2017	20,429,000
	\$ 144,180,000

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CERTIFICATES OF PARTICIPATION (continued)**

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, 2021:

Fiscal Year Ended	Certificates of Participation from Direct Borrowings of Debt			
	<u>June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$	17,517,641	\$ 13,188,000	\$ 4,329,641
2023		17,545,719	13,543,000	4,002,719
2024		17,408,688	13,748,000	3,660,688
2025		37,956,756	35,028,000	2,928,756
2026		17,143,750	15,150,000	1,993,750
2027-2030		55,162,250	53,523,000	1,639,250
<b>Grand Totals</b>	<b>\$</b>	<b>162,734,804</b>	<b>\$ 144,180,000</b>	<b>\$ 18,554,804</b>

**8. BONDS AND NOTES PAYABLE**

The following is a description of debt issues, each of which was derived through public offerings:

State School Bonds

These bonds are issued by the State Board of Education (“SBE”) on behalf of the District. The bonds mature serially and are secured by a pledge of part of the District’s portion of State-assessed motor vehicle license tax. The State’s full faith and credit is also pledged as security for these issues. Principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements are administered by the SBE.

Sales Tax Bonds

These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1010, Florida Statutes, Chapter 212, Part I, Florida Statutes, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to a Local Option Half-Cent Sales Tax passed by Polk County voters which commenced January 1, 2019 for a period not to exceed fifteen (15) years. Sales tax received for the current year was \$59,123,828. For the fiscal year, the amount of interest on Sales Tax Bonds was \$7,797,125.

If the District fails to make timely payment of the principal or interest on these bonds, or the Board shall dissolve or file for bankruptcy, a trustee may be assigned by a vote of at least 25% of the principal holders to apply all pledged funds to the defaulted payment.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. BONDS AND NOTES PAYABLE (continued)**

The following is a summary of bonds payable at June 30, 2021:

	<u>Balance at 6/30/2021</u>
<u>State School Bonds:</u>	
Series 2011-A, \$440,000, Issued 01/05/12, Matures Serially to 01/01/23, Interest Rates Ranging from 2.0 to 5.0 Percent. Payable in Future Annual Installments Ranging from \$35,000 to \$35,000, Semiannual Interest Payments Range from \$525 to \$975.	\$ 65,000
Series 2014-A, \$900,000, Issued 05/22/14, Matures Serially to 01/01/25, Interest Rates Ranging from 2.0 to 5.0 Percent. Payable in Future Annual Installments Ranging from \$82,000 to \$110,000, Semiannual Interest Payments Range from \$1,230 to \$9,055.	395,000
Series 2017-A, \$1,035,000, Issued 04/29/17. This refunds 2006-A, Matures Serially to 01/01/26, Interest Rate of 3.0 to 5.0 Percent, Payable in Future Annual Installments Ranging from \$61,000 to \$86,000, Semi-Annual Interest Payments Range from \$2,150 to \$9,125.	365,000
Series 2019-A, \$2,752,000, Issued 01/27/19. This refunds 2009-A, Matures Serially to 01/01/29, Interest Rate of 5.0 Percent, Payable in Future Annual Installments Ranging from \$211,000 to \$412,000, Semi-Annual Interest Payments Range from \$10,300 to \$59,800.	2,392,000
Series 2020-A, \$47,000, Issued 01/14/20. This Matures Serially to 01/01/22, Interest Rate of 5.0 Percent, Payable in Future Annual Installments totaling \$20,000, Semi-Annual Interest Payments are \$500.	<u>20,000</u>
Total State School Bonds	<u><u>\$3,237,000</u></u>
 <u>Sales Tax Bonds:</u>	
	<u>Balance at 6/30/2021</u>
Series 2019, \$160,025,000, issued 6/06/19 matures serially to 10/01/33; interest rate is 5.0 percent; payable in a future annual installments ranging from \$8,575,000 to \$15,395,000, semiannual interest payments ranging from \$384,875 to \$3,796,500.	\$ 151,860,000
Total Sales Tax Bonds	<u>151,860,000</u>
Total Bonds Payable	<u><u>\$ 155,097,000</u></u>

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**8. BONDS AND NOTES PAYABLE (continued)**

The various bonds were issued to finance capital outlay projects of the District.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2021 are as follows:

State School Bonds

Fiscal Year  
 Ended  
June-30

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 568,710	\$ 420,000	\$ 148,710
2023	568,885	433,000	135,885
2024	545,810	431,000	114,810
2025	528,780	434,000	94,780
2026	462,950	387,000	75,950
2027-2029	<u>1,248,850</u>	<u>1,132,000</u>	<u>116,850</u>
Total	<u>\$ 3,923,985</u>	<u>\$ 3,237,000</u>	<u>\$ 686,985</u>

Sales Tax Bonds

Fiscal Year  
 Ended  
June-30

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 15,953,625	\$ 8,575,000	\$ 7,378,625
2023	15,944,125	9,005,000	6,939,125
2024	15,927,750	9,450,000	6,477,750
2025	15,918,375	9,925,000	5,993,375
2026	15,904,750	10,420,000	5,484,750
2027-2031	79,318,500	60,460,000	18,858,500
2032-2034	<u>47,398,375</u>	<u>44,025,000</u>	<u>3,373,375</u>
Total	<u>\$ 206,365,500</u>	<u>\$ 151,860,000</u>	<u>\$ 54,505,500</u>

State School Bonds	\$ 3,237,000
Sales Tax Bonds	<u>151,860,000</u>
Sub Total Bonds	\$ 155,097,000
Plus Unamortized Bond Premium/Discount	<u>27,264,875</u>
Total Bonds Payable	<u>\$ 182,361,875</u>

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**9. CHANGES IN LONG-TERM LIABILITIES**

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

Description	BALANCE			BALANCE 6/30/2021	DUE WITHIN ONE YEAR	DUE AFTER ONE YEAR
	7/1/2020	ADDITIONS	DEDUCTIONS			
Certificates of Participation (COP)	\$ 156,958,000	\$ -	\$ 12,778,000	\$ 144,180,000	\$ 13,188,000	\$ 130,992,000
COP-Prem/Discount	12,879,710	-	2,062,261	10,817,449	2,121,073	8,696,376
Bonds Payable	163,705,000	-	8,608,000	155,097,000	8,995,000	146,102,000
Bonds Payable-Prem/Discount	29,979,970	-	2,715,095	27,264,875	2,712,603	24,552,272
Revenue Anticipation Note	6,000,000	-	6,000,000	-	-	-
Compensated Absences Payable	42,123,376	22,288,415	5,009,570	59,402,221	3,821,582	55,580,639
Estimated Liability for Claims	20,428,984	189,171	756,000	19,862,155	7,348,997	12,513,158
Net Pension Liability	501,853,478	280,523,242	198,205,205	584,171,515	1,806,341	582,365,174
Other Postemployment Benefits	33,902,309	4,294,006	2,814,872	35,381,443	3,129,919	32,251,524
<b>Total</b>	<b>\$ 967,830,827</b>	<b>\$ 307,294,834</b>	<b>\$ 238,949,003</b>	<b>\$1,036,176,658</b>	<b>\$ 43,123,515</b>	<b>\$ 993,053,143</b>

For the governmental activities, compensated absences, pensions, and postemployment benefits are generally liquidated with resources of the general fund. Estimated insurance claims are generally liquidated with resources of the internal service funds.

**10. ESTIMATED ARBITRAGE REBATE**

The District is not aware of any arbitrage at June 30, 2021.

**11. DERIVATIVE INSTRUMENTS**

All derivative instruments have been terminated as of February 3, 2020.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**12. FUND BALANCE REPORTING**

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered nonspendable. The District does not have any nonspendable funds related to endowments.

In addition to the nonspendable fund balance, there is a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted** – fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed** – fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- **Assigned** – fund balances that contain self-imposed constraints of the government to be used for a particular purpose. Assignment may be made only by the governing body.
- **Unassigned** – fund balance of the general fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

**Nonspendable**

The District has inventories and prepaid items totaling \$16,433,935 that are classified as nonspendable.

**Spendable**

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. When an expenditure is incurred for purposes for which restricted, committed, assigned, and unassigned resources are available, the District's policy is that expenditures should be applied against restricted resources first, then committed, assigned, and unassigned, respectively. The District currently has no funds classified as committed.

- **Restricted for State Required Carryover Programs, Special Revenues, Food Service, Debt Service, and Capital Projects**

Federal Laws, Florida Statutes, and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, special revenues, debt service, and capital projects. The funds have been included in the restricted category of fund balance. The restricted fund balances total \$263.1 million and represents \$14.4 million in State required carryover programs (Advanced Placement - \$1.9 million, School Recognition - \$0.4 million, Career Academy Certification - \$2.8 million, Lottery - \$1.4 million, Digital Classrooms - \$0.4 million, International Baccalaureate - \$0.8 million, SAC - \$1.0 million, Reading allocation – \$0.7 million, AICE \$0.8 million, Mental Health – \$1.4 million, Turnaround \$2.5 million and Instructional Materials - \$0.3 million), \$2.9 million in State and Local grants (including Fin Aid - \$0.1 million, Drivers Education and Safety Trust - \$0.7 million, Fuel Tax - Paving – \$1.4 million, Donations - \$0.1 million, and Polk County Board of County Commissioners - \$0.4 million), \$15,579 in other Federal projects, \$6.2 million in food service, \$24.3 million in debt service, and \$215.2 million in capital projects.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**12. FUND BALANCE REPORTING (continued)**

- **Assigned for School Operations**

The District has set aside certain spendable fund balance for school operations. At year-end, the assigned fund balance is \$1,130,016 for school operations. The assigned fund balance for school operations includes other grants.

- **Unassigned**

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The unassigned fund balance for the General Fund is \$66,840,696.

Description	Major			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Federal Education Stabilization Fund	Other Capital Projects		
Fund Balances:					
Nonspendable:					
Inventories	\$ 11,798,152	\$ -	\$ -	\$ 1,921,005	\$ 13,719,157
Prepaid Amounts	2,710,739	-	-	4,039	2,714,778
Restricted:					
State Required Carryover	14,417,637	-	-	-	14,417,637
Federal Grants	-	-	-	15,579	15,579
Food Service	-	-	-	6,179,178	6,179,178
State & Local Grants	2,857,307	-	-	-	2,857,307
Debt Service	-	-	-	24,340,580	24,340,580
Capital Projects	-	-	181,158,472	34,086,809	215,245,281
Assigned:					
School Operations	1,130,016	-	-	-	1,130,016
Unassigned	66,840,696	-	-	-	66,840,696
Total Fund Balances	\$ 99,754,547	\$ -	\$ 181,158,472	\$ 66,547,190	\$ 347,460,209

On November 12, 2013, the Board established a fiscal planning policy (6210). The policy establishes a targeted operating fund balance of five percent (5%) of the District's projected general fund revenues. On June 26, 2012, the Board approved a resolution (2011/2012-20) that granted authority to and designated the Assistant Superintendent of Business Services (retitled to Associate Superintendent – Chief Financial Officer) to determine fund balance classifications and assignments of amounts to be used for specific purposes. This authority shall remain in effect until modified by Board action.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

Fund	Interfund	
	Receivables	Payables
Major:		
General Fund	\$ 26,615,169	\$ -
Special Revenue:		
Federal Education Stabilization	-	4,267,322
Capital Projects:		
Other Capital Projects	-	14,649,150
Non-major:		
Governmental	-	7,698,697
Total	\$ 26,615,169	\$ 26,615,169

The interfund amounts represent temporary loans to cover expenditures incurred prior to reimbursement from outside sources.

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General Fund	\$ 45,942,361	\$ -
Capital Projects:		
Other Capital Projects	-	25,515,334
Non-major:		
Governmental	40,493,284	60,920,311
Internal Service	582,256	582,256
Total	\$ 87,017,901	\$ 87,017,901

The transfers out of the capital projects funds were primarily to provide debt service principal and interest payments, to fund property casualty premiums, and assist in funding repairs and maintenance. The remaining transfers between funds were operational in nature.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**14. RESERVE FOR 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 Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the 2021-2022 fiscal year budget as a result of purchase orders outstanding at June 30, 2021.

The following is a schedule of encumbrances at June 30, 2021:

<b>Major Funds</b>				
<b>General</b>	<b>Special Revenue - Federal Education Stabilization</b>	<b>Capital Projects - Other</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 17,163,102	\$ 1,548,666	\$ 79,790,081	\$ 1,441,925	\$ 99,943,774

**15. PROPERTY TAXES**

The following is a summary of millages and taxes levied on the 2020 tax roll for fiscal year 2020-2021:

	<u>MILLAGES</u>		<u>TAXES</u>	
	<u>Maximum Authorized</u>	<u>Levied</u>	<u>Levied (100%)</u>	<u>Collected</u>
<b><u>GENERAL FUND</u></b>				
Non-voted School Tax:				
Required Local Effort	3.687	3.687	\$165,143,508	\$158,537,768
Discretionary Local Effort	0.748	0.748	33,503,484	32,163,344
Prior Years				440,021
<b><u>CAPITAL PROJECTS FUNDS</u></b>				
Non-voted Tax:				
Local Capital Improvements	1.50	1.50	67,186,130	63,580,763
Prior Years				132,801
Total	5.935	5.935	\$265,833,122	\$254,854,697

Actual current-year property taxes collected totaled 96 percent of taxes levied. The Polk County Tax Collector is not required by law to make an accounting to the Board of the differences between taxes levied and taxes collected. However, because discounts are allowed for early payment of taxes and because of other reasons for non-collection, the Board budget estimates less than a 1 percent shortfall between taxes levied and taxes collected.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS**

**Florida Retirement System (“FRS”) – Defined Benefit Pension Plans**

**General Information about the FRS** The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program 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 the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. 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](http://www.dms.myflorida.com)).

**A. FRS Pension Plan**

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

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

Employees enrolled in the Plan prior to July 1, 2011 vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011 vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to four years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

**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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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>% Value</u>
<b><i>Regular Class members initially enrolled before July 1, 2011</i></b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b><i>Regular Class members initially enrolled on or after July 1, 2011</i></b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<b><i>Elected County Officers</i></b>	<b>3.00</b>
<b><i>Senior Management Service Class</i></b>	<b>2.00</b>

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member 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.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

**Contributions** The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. Contribution rates during the 2020-21 fiscal year were as follows:

<b>Class</b>	<b>Percent of Gross Salary</b>	
	<b>Employee</b>	<b>Employer (1)</b>
FRS, Regular	3.00	10.00
FRS, Elected County Officers	3.00	49.18
FRS, Senior Management Service	3.00	27.29
DROP - Applicable to Members of the Above Classes	0.00	16.98
FRD, Reemployed Retiree	(2)	(2)

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

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

The District's contributions to the Plan totaled \$39,098,089 for fiscal year ended June 30, 2021.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the District reported a liability of \$410,901,832 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-2020 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 0.948056899 percent, which was a decrease of 0.036869351 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$81,701,835 related to the FRS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related pensions from the following sources:

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATE RETIREMENT PROGRAMS (continued)**

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,726,049	\$ -
Change of assumptions	74,386,305	-
Net difference between projected and actual earnings on FRS pension plan investments	24,465,490	-
Changes in proportion and difference between District FRS contributions and proportionate share of contributions	631,449	14,781,589
District FRS contributions subsequent to the measurement date	39,098,089	-
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 154,307,382</b>	<b>\$ 14,781,589</b>
	<hr/> <hr/>	<hr/> <hr/>

The deferred outflows of resources resulting from District contributions to the Plan subsequent to the measurement date, totaling \$39,098,089, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. 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>
2022	\$ 19,244,983
2023	33,352,226
2024	28,852,902
2025	16,449,299
2026	2,528,294
Thereafter	-
Total	<hr/> <b>\$ 100,427,704</b> <hr/>

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

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

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Discount Rate	6.80 percent

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total Fund	<u>100%</u>			
Assumed Inflation - Mean			2.4%	1.7%

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

**Discount Rate** The discount rate used to measure the total pension liability was 6.80 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2020 valuation was updated from 6.9 percent to 6.8 percent.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

**Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
District's proportionate share of the net pension liability	\$ 656,141,171	\$ 410,901,832	\$ 206,076,869

**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. That report may be obtained through the Florida Department of Management Services website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**Payable to the Pension Plan** On June 30, 2021, the District reported a payable of \$7,970,792 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2021.

**B. 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 Division of Retirement within the Florida Department of Management Services.

**Benefits Provided** For the fiscal year ended June 30, 2021, 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, 2021, 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 three 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 \$8,306,427 for the fiscal year ended June 30, 2021.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions** On June 30, 2021, the District reported a net pension liability of \$173,269,683 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-2020 fiscal year contributions relative to the total 2019-2020 fiscal year contributions of all participating members. On June 30, 2020 the District's proportionate share was 1.419099053 percent, which was a decrease of 0.034637658 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$13,447,424, related to the HIS Plan. In addition, the District reported as deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b><u>Description</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 7,087,780	\$ 133,667
Change of assumptions	18,631,425	10,074,956
Net difference between projected and actual earnings on FRS pension plan investments	138,340	-
Changes in proportion and difference between District FRS contributions and proportionate share of contributions	1,174,472	5,374,977
District FRS contributions subsequent to the measurement date	8,306,427	-
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 35,338,444</b>	<b>\$ 15,583,600</b>

The deferred outflows of resources resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$8,306,427, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 3,678,215
2023	2,516,052
2024	(42,803)
2025	1,401,802
2026	2,129,411
Thereafter	1,765,740
	<u>\$ 11,448,417</u>

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

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Discount Rate	2.21 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB Tables.

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

**Discount Rate** The discount rate used to measure the total pension liability was 2.21 percent, which is an decrease from 3.50 percent used in the preceding measurement date. 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.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.21 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>1.21%</u>	<u>Current</u> <u>Discount Rate</u> <u>2.21%</u>	<u>1%</u> <u>Increase</u> <u>3.21%</u>
District's proportionate share of the net pension liability	\$ 200,292,021	\$ 173,269,683	\$ 151,151,979

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

**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. That report may be obtained through the Florida Department of Management Services website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

**Payable to the Pension Plan** On June 30, 2021, the District reported a payable of \$132,315 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2021.

The aggregate amount of net pension liabilities, related deferred outflows of resources and deferred inflows of resources and pension expense for the District’s defined benefit pension plans are summarized below:

	Pension Plan	HIS Plan	Total
Net pension liabilities	\$ 410,901,832	\$ 173,269,683	\$ 584,171,515
Deferred outflows of resources related to defined benefit plans	154,307,382	35,338,444	189,645,826
Deferred inflows of resources related to defined benefit plans	14,781,589	15,583,600	30,365,189
Pension expense	81,701,835	13,447,424	95,149,259

**FRS – Defined Contribution Pension Plan**

The District contributes to the FRS Investment Plan (“Investment Plan”). The Investment Plan is administered by the SBA, and 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. 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. Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the investment member’s accounts during the 2020-2021 fiscal year were as follows:

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**16. STATE RETIREMENT PROGRAMS (continued)**

<u>Class</u>	<u>Percent of Gross Salary</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 one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, 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 \$9,383,149 for the fiscal year ended June 30, 2021.

The District's Investment Plan pension payable totaled \$2,503,199 for the fiscal year ended June 30, 2021.

The District's contributions to the Investment Plan totaled \$11,239,848 for the year ended June 30, 2021. Employee contributions to the Investment Plan totaled \$3,127,764 for the year ended June 30, 2021.

**17. DEFERRED COMPENSATION PLAN**

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. Effective January 1997, Internal Revenue Code, Section 457, was amended to (1) provide that assets in such plans be held for the exclusive benefit of the plan participants and (2) eliminate provisions that the plan assets were property of the District (employer). Under the amended provisions of the Internal Revenue Code, Section 457, the assets of the District's deferred compensation plan are not held in a fiduciary capacity by the District and, accordingly, are not reported in the District's basic financial statements.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**18. CONSTRUCTION CONTRACT COMMITMENTS**

The following is a schedule of construction contract commitments at June 30, 2021:

<b>LOCATION</b>	<b>Contracted Amount</b>	<b>Completed Amount</b>	<b>Committed Amount</b>
Alta Vista Elementary	\$ 228,630	\$ -	\$ 228,630
Bartow High School	11,601,632	10,270,235	1,331,397
Bartow High School - Phase 2	27,835,295	11,067,980	16,767,315
Bella Citta Elementary	22,560,914	18,417,486	4,143,428
Ben Hill Griffin Elementary	7,621,509	6,553,114	1,068,395
Davenport Elementary	21,281,358	21,092,052	189,306
Davenport High School	71,788,070	57,413,215	14,374,855
Denison Middle	193,000	125,875	67,125
District Wide	287,934	-	287,934
District Wide	975,722	913,758	61,964
Eastside Elementary	4,727,827	4,001,322	726,505
Garner Elementary	801,451	-	801,451
Kathleen Middle	596,467	510,100	86,367
Kathleen Middle	4,577,842	1,649,554	2,928,288
Kingsford Elementary	16,558,138	7,563,463	8,994,675
Mulberry High School	37,591,644	23,124,850	14,466,794
Oscar Pope Elementary	1,559,003	1,213,364	345,639
Southwest Middle	1,455,200	218,497	1,236,703
Traviss Technical College	1,573,969	469,816	1,104,153
Westwood Middle	3,818,359	3,351,714	466,645
<b>Total</b>	<b>\$ 237,633,964</b>	<b>\$ 167,956,395</b>	<b>\$ 69,677,569</b>

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**19. SCHEDULE OF STATE REVENUE SOURCES**

The District's principal source of revenues is the State, which provided approximately 55 percent of revenues in the 2020-21 fiscal year. The following is a schedule of State revenue sources and amounts:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 497,719,966
Class Size Reduction	116,718,951
Workforce Development	7,728,670
Other Categorical Programs	3,278,034
Capital & Debt Service	3,834,230
Charter School Capital Outlay	4,132,484
Florida State License Tax	954,528
Food Service Supplement	792,778
Miscellaneous	<u>492,486</u>
 Total	 <u>\$ 635,652,127</u>

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

**20. ALTERNATIVE RETIREMENT PLAN**

Effective August 1, 1995, the District established an Alternative to Social Security Plan for all part-time temporary employees. This plan is authorized under Internal Revenue Code ("IRC") Section 3121(b)(7)(f) as an alternative plan to Social Security for all employees not eligible for state retirement coverage under this plan, which is administered under IRC Section 457(b). Neither the Board nor the employees contribute the 6.2% FICA Tax to Social Security. Instead, the employees contribute 7.5%, on a pre-tax basis, into the alternative plan, where it is available to the employees at retirement or termination, in accordance with the provisions of IRC Section 457(b). The plan is coordinated and administered by MidAmerica Administrative & Retirement Solutions. The underlying investment provider is American United Life Insurance Company (AUL). Employee contributions to the plan during the 2020-2021 fiscal year totaled \$174,518 and the related 6.2% FICA tax savings to the Board was \$144,268.

**21. OPERATING LEASES**

Expenditures for operating leases during 2020-2021 totaled \$11,304,954. These leases are generally for a one-year period, but for the most part are automatically renewable unless notice is given to the contrary. The leases cover copy machines, computer software, land, data-processing equipment, facility rentals, and other miscellaneous items. While the cost of operating leases for 2021-2022 is budgeted as \$35,238,078, the amount for later years is indeterminate because of plans to replace rental portables with permanent facilities.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE**

The District follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain other postemployment benefits administered by the District and life insurance benefits through purchased commercial insurance.

**General Information about the OPEB Plan**

*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, former employees who retire from the District are eligible to participate in the District's health plan for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, 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. Active employees receive health insurance at no cost. Retiree's over the age of 65 transfer to Florida Schools Retiree Benefits Consortium (FSRBC), while retirees under the age of 65 will begin paying a monthly health plan premium based on their level of coverage. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare ("Medicare") program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended by action from the Board. The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefits (OPEB) or the net OPEB obligation. Contribution requirements of the District are established and may be amended through the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75.

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

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE (continued)**

*Employees Covered by Benefit Terms.* At June 30, 2020, the following employees were covered:

Inactive Employees or Beneficiaries Currently Receiving Benefits	404
Active Employees	11,435
<b>Total</b>	<b>11,839</b>

***Total OPEB Liability***

The District's total OPEB liability of \$35,381,443 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019, and update procedures were used to determine the total OPEB liability as of June, 30, 2020.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2020 roll-forward actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Salary increases	3.4-7.8 percent, average, including inflation
Discount rate	2.45 percent
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.50 percent and gradually decreasing to an ultimate trend rate of 3.99 percent
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death."

The discount rate was based on the daily rate of Fidelity's 20-year Municipal General Obligation AA Index closest to but not later than the measurement date.

Mortality rates are the same as used in the July 1, 2020 actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class Members, and non-K-12 Instructional Regular Class Members. These rates were taken from the adjusted Pub-2010 mortality tables published by the SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Retirement rates are the same as used in the July 1, 2020 actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class members and non-k-12 Instructional Regular Class members. They are based on the results of a statewide experience study covering the period 2013 to 2018.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE (continued)**

**Changes in the Total OPEB Liability**

<b>Balance at 6/30/20</b>		\$	33,902,309
<b>Changes for the year:</b>			
Service Cost			1,703,085
Interest			1,070,396
Differences Between Expected and Actual Experience			-
Changes in Assumptions or Other Inputs			1,520,525
Benefit Payments			(2,814,872)
<b>Net Changes</b>			<u>1,479,134</u>
<b>Balance at 6/30/21</b>		<b>\$</b>	<b><u>35,381,443</u></b>

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

- The interest rate for discounting of projected cash flows decreased from 3.13 to 2.45 percent.
- Change in the rates of salary increases to be based on revised inflation and individual member pay increases adopted by the 2020 FRS Actuarial Assumptions Conference and used in the July 1, 2020 Actuarial Valuation.
- Removal of a load modeling the excise (“Cadillac”) tax on healthcare plans to reflect the December 2019 repeal by law.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following table presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.45 percent) or 1 percentage point higher (3.45 percent) than the current rate:

	<b>1% Decrease (1.45%)</b>	<b>Current Discount Rate (2.45%)</b>	<b>1% Increase (3.45%)</b>
Total OPEB Liability	\$ 38,196,865	\$ 35,381,443	\$ 32,900,553

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following table presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5 percent decreasing to 2.99 percent) or 1 percentage point higher (7.5 percent decreasing to 4.99 percent) than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 30,891,607	\$ 35,381,443	\$ 40,939,915

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE (continued)**

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$1,559,983. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b><u>Description</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 982,345	\$ -
Change of assumptions or other inputs	1,393,815	12,570,221
Transactions subsequent to the measurement date	<u>3,129,919</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 5,506,079</u></b>	<b><u>\$ 12,570,221</u></b>

The amount reported as deferred outflows of resources related to OPEB, totaling \$3,129,919, resulting from transactions subsequent to the measurement date and before the end of the fiscal year, will be included as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b><u>Fiscal Year Ending June 30</u></b>	<b><u>Amount</u></b>
2022	\$ (1,213,498)
2023	(1,213,498)
2024	(1,213,498)
2025	(1,213,498)
2026	(1,213,498)
Thereafter	<u>(4,126,571)</u>
<b>Total</b>	<b><u>\$ (10,194,061)</u></b>

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**23. RISK MANAGEMENT PROGRAMS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has established an individual self-insurance program for various traditional liability coverage and group medical coverage. The Board established self-insurance programs for workers' compensation, comprehensive general liability, fleet liability, professional (errors and omissions) liability, boiler and machinery liability, and group health insurance coverage. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis for workers' compensation, general liability, fleet liability, and group health insurance. The District has contracted with third party insurance administrators to administer the self-insurance programs, including the processing, investigating, and payment of claims. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage for the past three years.

Premiums for the various coverages are calculated based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The total liabilities and unrestricted net position at June 30, 2021 were \$48,458,158, made up of net position of \$16,577,882 and the estimated liability for unpaid claims and other accounts payable. This estimated liability for unpaid claims (not covered by excess insurance) in the amount of \$19,862,155 at June 30, 2021 is based on estimates provided by actuaries. The workers compensation, general liability and fleet liability portion of the District's total estimated liability is reported at present value using a 2% interest rate assumption.

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

	Beginning-of-Fiscal-Year Claims Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End-of-Fiscal- Year Claims Liability
2019-2020	\$ 19,649,658	\$ 111,546,169	\$ (110,766,843)	\$ 20,428,984
2020-2021	\$ 20,428,984	\$ 117,745,027	\$ (118,311,856)	\$19,862,155

Additionally, the Board purchases \$20,000 of term life insurance for each employee and makes available supplemental life insurance on a non-contributory basis. As required by state statute, the Board purchased commercial insurance for building and contents coverage. Settled claims have not exceeded any insurance coverage in any of the past three fiscal years.

The District purchased property insurance coverage with a limit of \$50 million with key deductibles of \$100,000 for all perils excluding named windstorm or flood damages if the property is located in Special Flood Hazard Areas. In addition, the equipment breakdown (boiler & machinery) deductible is \$10,000. The named windstorm maximum deductible out-of-pocket is \$20 million for 2021. The flood deductible is \$100,000. For Special Flood Hazard Areas, the deductible is \$500,000 per building and \$500,000 contents per building.

The administrator for the general and fleet liability self-insurance program and the worker's compensation program is John Eastern from July 1, 2020 to June 30, 2021. Florida Blue administers the District's group medical plan portion, as well as the prescription plan portion of the self-insured group health program.

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**24. CONTINGENT LIABILITIES**

**GRANTS:**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Board expects such amounts, if any, to be immaterial.

**LAWSUITS:**

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

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2021**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 1,703,085	\$ 2,217,303	\$ 2,137,175	\$ 2,247,244
Interest	1,070,396	1,687,938	1,660,825	1,414,845
Difference Between Expected and Actual Experience	-	1,203,097	-	-
Changes of Assumptions or Other Inputs	1,520,525	(13,876,444)	(164,102)	(1,770,820)
Benefit Payments	<u>(2,814,872)</u>	<u>(3,480,822)</u>	<u>(3,995,770)</u>	<u>(3,169,008)</u>
<b>Net Change in Total OPEB Liability</b>	1,479,134	(12,248,928)	(361,872)	(1,277,739)
Total OPEB Liability - Beginning	<u>33,902,309</u>	<u>46,151,237</u>	<u>46,513,109</u>	<u>47,790,848</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$ 35,381,443</u></u>	<u><u>\$ 33,902,309</u></u>	<u><u>\$ 46,151,237</u></u>	<u><u>\$ 46,513,109</u></u>
Covered-Employee Payroll	\$ 453,867,432	\$ 442,797,495	\$ 443,267,378	\$ 430,356,678
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	7.80%	7.66%	10.41%	10.81%

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2021**

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

<b>Fiscal Year Ending June 30</b>	<b>District's Proportion of the FRS Net Pension Liability</b>	<b>District's Proportionate Share of the FRS Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2013	1.117915580%	\$ 192,443,026	\$ 428,706,063	44.89%	88.54%
2014	1.104389771%	67,384,017	397,471,489	16.95%	96.09%
2015	1.097838884%	141,800,616	445,311,752	31.84%	92.00%
2016	1.029955435%	260,064,556	459,070,936	56.65%	84.88%
2017	1.001097797%	296,118,011	464,416,622	63.76%	83.89%
2018	1.007763783%	303,543,675	478,426,152	63.45%	84.26%
2019	0.984926250%	339,194,888	492,457,337	68.88%	82.61%
2020	0.948056899%	410,901,832	492,693,497	83.40%	78.85%

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

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

<b>Fiscal Year Ending June 30</b>	<b>Contractually Required FRS contribution</b>	<b>FRS Contributions in Relation to the Contractually Required Contribution</b>	<b>FRS Contribution deficiency (excess)</b>	<b>District's Covered Payroll</b>	<b>FRS Contributions as a Percentage of Covered Payroll</b>
2014	\$ 15,043,772	\$ (15,043,772)	-	\$ 397,471,489	3.78%
2015	24,190,823	(24,190,823)	-	445,311,752	5.43%
2016	25,117,106	(25,117,106)	-	459,070,936	5.47%
2017	26,061,040	(26,061,040)	-	464,416,622	5.61%
2018	28,720,458	(28,720,458)	-	478,426,152	6.00%
2019	30,539,821	(30,539,821)	-	492,457,337	6.20%
2020	31,499,730	(31,499,730)	-	492,693,497	6.39%
2021	39,098,089	(39,098,089)	-	500,470,247	7.81%

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

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2021**

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

<b>Fiscal Year Ending June 30</b>	<b>District's Proportion of the HIS Net Pension Liability</b>	<b>District's Proportionate Share of the HIS Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2013	1.475547971%	\$ 128,465,852	\$ 428,706,063	29.97%	1.78%
2014	1.459028367%	136,422,713	397,471,489	34.32%	0.99%
2015	1.463739376%	149,651,081	445,311,752	33.61%	0.50%
2016	1.486864795%	173,287,932	459,070,936	37.75%	0.97%
2017	1.456262136%	155,710,266	464,416,622	33.53%	1.64%
2018	1.464556036%	155,010,255	478,426,152	32.40%	2.15%
2019	1.453736711%	162,658,590	492,457,337	33.03%	2.63%
2020	1.419099053%	173,269,683	492,693,497	35.17%	3.00%

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

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

<b>Fiscal Year Ending June 30</b>	<b>Contractually Required HIS contribution</b>	<b>HIS Contributions in Relation to the Contractually Required Contribution</b>	<b>HIS Contribution deficiency (excess)</b>	<b>District's Covered Payroll</b>	<b>HIS Contributions as a Percentage of Covered Payroll</b>
2014	\$ 4,833,522	\$ (4,833,522)	-	\$ 397,471,489	1.22%
2015	4,998,140	(4,998,140)	-	445,311,752	1.12%
2016	7,621,130	(7,621,130)	-	459,070,936	1.66%
2017	7,706,959	(7,706,959)	-	464,416,622	1.66%
2018	7,942,324	(7,942,324)	-	478,426,152	1.66%
2019	8,072,459	(8,072,459)	-	492,457,337	1.64%
2020	8,177,603	(8,177,603)	-	492,693,497	1.66%
2021	8,306,427	(8,306,427)	-	500,470,247	1.66%

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

**SCHOOL DISTRICT OF POLK COUNTY, FLORIDA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2021**

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

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2021, total OPEB liability increased from the prior fiscal year as a result of changes to assumptions as discussed below:

*Changes of Assumptions*

- The discount rate was changed from 3.13 percent as of the beginning of the measurement period to 2.45 percent as of June 30, 2020 (based on the Long-Term Municipal Bond rate).
- The salary increase rates were changed to be based on revised inflation and salary increase rates used in the July 1, 2020 FRS Actuarial Valuation.
- The load for modeling the excise ("Cadillac") tax on healthcare plans was removed, as the excise tax no longer applies.

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

*Changes of Assumptions*

The long-term expected rate of return decreased from 6.9 percent to 6.8 percent.

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

*Changes of Assumptions*

The municipal bond rate used to determine total pension liability decreased from 3.5 percent to 2.21 percent, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

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# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**POLK COUNTY**  
**PUBLIC SCHOOLS**  
STUDENTS FIRST

## 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 Services Fund** – Accounts for and reports on activities of the food service program.
- **Miscellaneous Special Revenue Fund** – Accounts for and reports on activities of programs received from sources other than the Federal and State government.

### Debt Service Funds

The Debt Service Funds account for the payment of interest and principal of the current portion of long-term debt, primarily from tax proceeds and earnings on temporary investments.

- **State Board of Education Bonds Fund** – Accounts for and reports on payments of principal, interest, and related costs on various bond issues serviced by the State.
- **Sections 1011.14 & 1011.15 F.S. Loan** – Accounts for and reports on payments of principal, interest, and related costs on notes issued pursuant to the Constitution and laws of the State of Florida.
- **Other Debt Service Fund** – Accounts for and reports on payments of principal and related costs on various bond issues.
- **ARRA Debt Service Fund** – Accounts for and reports on payments of principal and related costs on various bond issues serviced by the Federal government.

## Nonmajor Governmental Funds

### Capital Projects Funds

The Capital Projects Funds account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects.

- **Capital Outlay Bond Issue Fund** – Accounts for and reports on bond issue proceeds received from the State Board of Education and issued at the request of the District.
- **Sections 1011.14 & 1011.15 F.S. Loan** – Accounts for and reports on funds received from notes issued for capital projects.
- **Public Education Capital Outlay (PECO) Fund** – Accounts for and reports on funds received from the State for the construction and maintenance of schools.
- **Capital Outlay & Debt Service Fund** – Accounts for and reports on funds received from the State Board of Education Capital Outlay Bonds.
- **Local Capital Improvement** – Accounts for and reports on funds received through ad valorem taxes.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue				Debt Service			
	Food Services	Other Federal Programs	Miscellaneous Special Revenue	Total	State Board of Education Bonds	Other Debt Service	ARRA Debt Service	Total
<b>ASSETS</b>								
Cash	\$ 96,786	\$ (11,234)	\$ 91,874	\$ 177,426	\$ -	\$ 2,082,033	\$ 1,979	\$ 2,084,012
Investments	4,322,268	-	1,237	4,323,505	79,606	41,023	24,198,078	24,318,707
Accounts and interest receivable	16,684	65,852	-	82,536	-	-	-	-
Due from other governmental agencies	2,272,339	8,323,326	-	10,595,665	-	-	-	-
Inventories	1,921,005	-	-	1,921,005	-	-	-	-
Prepaid Items	-	4,039	-	4,039	-	-	-	-
Total assets	<u>\$ 8,629,082</u>	<u>\$ 8,381,983</u>	<u>\$ 93,111</u>	<u>\$ 17,104,176</u>	<u>\$ 79,606</u>	<u>\$ 2,123,056</u>	<u>\$ 24,200,057</u>	<u>\$ 26,402,719</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts and contracts payable	\$ 300,603	\$ 697,054	\$ 41,930	\$ 1,039,587	\$ -	\$ -	\$ -	\$ -
Salaries and wages payable	10,173	14,890	-	25,063	-	-	-	-
Due to other funds	-	7,636,238	51,181	7,687,419	-	11,166	-	11,166
Due to other governmental agencies	25,486	14,183	-	39,669	-	-	-	-
Sales tax payable	317	-	-	317	-	-	-	-
Unearned revenue	192,320	-	-	192,320	-	-	-	-
Matured interest payable	-	-	-	-	-	2,050,973	-	2,050,973
Total liabilities	<u>528,899</u>	<u>8,362,365</u>	<u>93,111</u>	<u>8,984,375</u>	<u>-</u>	<u>2,062,139</u>	<u>-</u>	<u>2,062,139</u>
Deferred inflows of resources:								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable:								
Inventories	1,921,005	-	-	1,921,005	-	-	-	-
Prepaid Amounts	-	4,039	-	4,039	-	-	-	-
Restricted:								
Debt service	-	-	-	-	79,606	60,917	24,200,057	24,340,580
Capital outlay	-	-	-	-	-	-	-	-
Food services	6,179,178	-	-	6,179,178	-	-	-	-
Special revenues	-	15,579	-	15,579	-	-	-	-
Total fund balances	<u>8,100,183</u>	<u>19,618</u>	<u>-</u>	<u>8,119,801</u>	<u>79,606</u>	<u>60,917</u>	<u>24,200,057</u>	<u>24,340,580</u>
Total liabilities and fund balances	<u>\$ 8,629,082</u>	<u>\$ 8,381,983</u>	<u>\$ 93,111</u>	<u>\$ 17,104,176</u>	<u>\$ 79,606</u>	<u>\$ 2,123,056</u>	<u>\$ 24,200,057</u>	<u>\$ 26,402,719</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Capital Projects				Total	Total Nonmajor Governmental Funds
	Capital Outlay Bond Issue	Public Education Capital Outlay	Capital Outlay and Debt Service	Local Capital Improvement		
<b>ASSETS</b>						
Cash	\$ 17,677	\$ -	\$ -	\$ 1,142	\$ 18,819	\$ 2,280,257
Investments	-	-	3,653,749	30,429,554	34,083,303	62,725,515
Accounts and interest receivable	-	-	-	(3,347)	(3,347)	79,189
Due from other governmental agencies	-	-	-	-	-	10,595,665
Inventories	-	-	-	-	-	1,921,005
Prepaid Items	-	-	-	-	-	4,039
Total assets	<u>\$ 17,677</u>	<u>\$ -</u>	<u>\$ 3,653,749</u>	<u>\$ 30,427,349</u>	<u>\$ 34,098,775</u>	<u>\$ 77,605,670</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts and contracts payable	\$ -	\$ -	\$ 1,027	\$ 10,827	\$ 11,854	\$ 1,051,441
Salaries and wages payable	-	-	-	-	-	25,063
Due to other funds	-	112	-	-	112	7,698,697
Due to other governmental agencies	-	-	-	-	-	39,669
Sales tax payable	-	-	-	-	-	317
Unearned revenue	-	-	-	-	-	192,320
Matured interest payable	-	-	-	-	-	2,050,973
Total liabilities	<u>-</u>	<u>112</u>	<u>1,027</u>	<u>10,827</u>	<u>11,966</u>	<u>11,058,480</u>
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable:						
Inventories	-	-	-	-	-	1,921,005
Prepaid Amounts	-	-	-	-	-	4,039
Restricted:						
Debt service	-	-	-	-	-	24,340,580
Capital outlay	17,677	(112)	3,652,722	30,416,522	34,086,809	34,086,809
Food services	-	-	-	-	-	6,179,178
Special revenues	-	-	-	-	-	15,579
Total fund balances	<u>17,677</u>	<u>(112)</u>	<u>3,652,722</u>	<u>30,416,522</u>	<u>34,086,809</u>	<u>66,547,190</u>
Total liabilities and fund balances	<u>\$ 17,677</u>	<u>\$ -</u>	<u>\$ 3,653,749</u>	<u>\$ 30,427,349</u>	<u>\$ 34,098,775</u>	<u>\$ 77,605,670</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue				Debt Service				
	Food Services	Other Federal Programs	Miscellaneous Special Revenue	Total	State Board of Education Bonds	Sections 1011.14 & 1011.15 F.S Loans	Other Debt Service	ARRA Debt Service	Total
<b>REVENUES</b>									
Local sources:									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food services	570,441	-	-	570,441	-	-	-	-	-
Other	4,442	79,924	-	84,366	-	-	304	621,526	621,830
Total local sources	574,883	79,924	-	654,807	-	-	304	621,526	621,830
State sources:									
Food services	792,778	-	-	792,778	-	-	-	-	-
Other	-	-	-	-	561,190	-	-	-	561,190
Total state sources	792,778	-	-	792,778	561,190	-	-	-	561,190
Federal sources:									
Federal direct	-	11,535,685	-	11,535,685	-	-	-	1,078,350	1,078,350
Federal Through State and Local:									
Food services	47,246,915	-	-	47,246,915	-	-	-	-	-
Miscellaneous	-	82,614,859	3,683,034	86,297,893	-	-	-	-	-
Total federal through state and local	47,246,915	82,614,859	3,683,034	133,544,808	-	-	-	-	-
Total federal sources	47,246,915	94,150,544	3,683,034	145,080,493	-	-	-	1,078,350	1,078,350
Total revenues	48,614,576	94,230,468	3,683,034	146,528,078	561,190	-	304	1,699,876	2,261,370
<b>EXPENDITURES</b>									
Current:									
Instruction	-	46,674,293	217,624	46,891,917	-	-	-	-	-
Student personnel services	-	8,184,875	-	8,184,875	-	-	-	-	-
Instructional media services	-	995,541	-	995,541	-	-	-	-	-
Instruction and curriculum development services	-	9,675,820	-	9,675,820	-	-	-	-	-
Instructional staff training services	-	18,154,108	318,107	18,472,215	-	-	-	-	-
Instructional related technology	-	2,219,709	-	2,219,709	-	-	-	-	-
General administration	-	2,859,522	-	2,859,522	-	-	-	-	-
School administration	-	12,629	-	12,629	-	-	-	-	-
Non capitalizable facilities acquisition and construction	-	-	1,328,002	1,328,002	-	-	-	-	-
Fiscal services	-	71,932	-	71,932	-	-	-	-	-
Food services	50,306,123	579,776	-	50,885,899	-	-	-	-	-
Central services	-	1,047,982	-	1,047,982	-	-	-	-	-
Student transportation services	-	79,432	-	79,432	-	-	-	-	-
Operation of plant	-	212,962	598,913	811,875	-	-	-	-	-
Maintenance of plant	-	578,430	-	578,430	-	-	-	-	-
Administrative technology services	-	78,821	-	78,821	-	-	-	-	-
Community services and other	-	1,962,795	-	1,962,795	-	-	-	-	-
Debt service:									
Principal retirement	-	-	-	-	393,000	6,000,000	20,943,000	-	27,336,000
Interest	-	-	-	-	178,475	126,273	12,052,251	1,530,060	13,887,059
Dues, fees and other	-	-	-	-	247	-	18,119	7,947	26,313
Capital outlay:									
Facilities acquisition and construction	-	20,571	762,884	783,455	-	-	-	-	-
Other capital outlay	191,165	873,939	457,504	1,522,608	-	-	-	-	-
Total expenditures	50,497,288	94,283,137	3,683,034	148,463,459	571,722	6,126,273	33,013,370	1,538,007	41,249,372
Excess (deficiency) of revenues over (under) expenditures	(1,882,712)	(52,669)	-	(1,935,381)	(10,532)	(6,126,273)	(33,013,066)	161,869	(38,988,002)
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	-	-	-	-	-	6,126,273	33,012,620	1,354,391	40,493,284
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	6,126,273	33,012,620	1,354,391	40,493,284
Net change in fund balances	(1,882,712)	(52,669)	-	(1,935,381)	(10,532)	-	(446)	1,516,260	1,505,282
Fund balances - beginning	9,982,895	72,287	-	10,055,182	90,138	-	61,363	22,683,797	22,835,298
Fund balances - ending	\$ 8,100,183	\$ 19,618	\$ -	\$ 8,119,801	\$ 79,606	\$ -	\$ 60,917	\$ 24,200,057	\$ 24,340,580

The accompanying notes are an integral part of these statements.

(Continued)

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Capital Projects					Total	Total Nonmajor Governmental Funds
	Capital Outlay Bond Issue	Sections 1011.14 & 1011.15 F.S Loans	Public Education Capital Outlay	Capital Outlay and Debt Service	Local Capital Improvement		
<b>REVENUES</b>							
Local sources:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 63,713,564	\$ 63,713,564	\$ 63,713,564
Food services	-	-	-	-	-	-	570,441
Other	-	-	-	11,130	37,006	48,136	754,332
Total local sources	-	-	-	11,130	63,750,570	63,761,700	65,038,337
State sources:							
Food services	-	-	-	-	-	-	792,778
Other	-	-	-	3,216,467	-	3,216,467	3,777,657
Total state sources	-	-	-	3,216,467	-	3,216,467	4,570,435
Federal sources:							
Federal direct	-	-	-	-	-	-	12,614,035
Federal through State and Local:							
Food services	-	-	-	-	-	-	47,246,915
Miscellaneous	-	-	-	-	633	633	86,298,526
Total federal through state and local	-	-	-	-	633	633	133,545,441
Total federal sources	-	-	-	-	633	633	146,159,476
Total revenues	-	-	-	3,227,597	63,751,203	66,978,800	215,768,248
<b>EXPENDITURES</b>							
Current:							
Instruction	-	-	-	-	-	-	46,891,917
Student personnel services	-	-	-	-	-	-	8,184,875
Instructional media services	-	-	-	-	-	-	995,541
Instruction and curriculum development services	-	-	-	-	-	-	9,675,820
Instructional staff training services	-	-	-	-	-	-	18,472,215
Instructional related technology	-	-	-	-	-	-	2,219,709
General administration	-	-	-	-	-	-	2,859,522
School administration	-	-	-	-	-	-	12,629
Non capitalizable facilities acquisition and construction	-	-	-	1,254,915	-	1,254,915	2,582,917
Fiscal services	-	-	-	-	-	-	71,932
Food services	-	-	-	-	-	-	50,885,899
Central services	-	-	-	-	-	-	1,047,982
Student transportation services	-	-	-	-	-	-	79,432
Operation of plant	-	-	-	-	-	-	811,875
Maintenance of plant	-	-	-	-	-	-	578,430
Administrative technology services	-	-	-	-	-	-	78,821
Community services and other	-	-	-	-	-	-	1,962,795
Debt service:							
Principal retirement	-	-	-	-	-	-	27,336,000
Interest	-	-	-	-	-	-	13,887,059
Dues, fees and other	-	-	-	4,171	-	4,171	30,484
Capital outlay:							
Facilities acquisition and construction	-	-	-	4,993,454	-	4,993,454	5,776,909
Other capital outlay	-	-	-	309,607	-	309,607	1,832,215
Total expenditures	-	-	-	6,562,147	-	6,562,147	196,274,978
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(3,334,550)	63,751,203	60,416,653	19,493,270
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	-	-	-	-	-	-	40,493,284
Transfers out	-	-	(1,392,894)	-	(59,527,417)	(60,920,311)	(60,920,311)
Total other financing sources and uses	-	-	(1,392,894)	-	(59,527,417)	(60,920,311)	(20,427,027)
Net change in fund balances	-	-	(1,392,894)	(3,334,550)	4,223,786	(503,658)	(933,757)
Fund balances - beginning	17,677	-	1,392,782	6,987,273	26,192,735	34,590,467	67,480,947
Fund balances - ending	\$ 17,677	\$ -	\$ (112)	\$ 3,652,723	\$ 30,416,521	\$ 34,086,809	\$ 66,547,190

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**NON MAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Food Services</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local sources:				
Food services	\$ 1,007,000	\$ 1,007,000	\$ 570,441	\$ (436,559)
Interest Income	-	-	-	-
Other	28,500	28,500	4,442	(24,058)
Total local sources	<u>1,035,500</u>	<u>1,035,500</u>	<u>574,883</u>	<u>(460,617)</u>
State sources:				
Food services	722,000	722,000	792,778	70,778
Other	-	-	-	-
Total state sources	<u>722,000</u>	<u>722,000</u>	<u>792,778</u>	<u>70,778</u>
Federal sources:				
Federal Direct	-	-	-	-
Federal through State/Local	-	-	-	-
Food services	58,410,849	58,631,382	47,246,915	(11,384,467)
Total federal sources	<u>58,410,849</u>	<u>58,631,382</u>	<u>47,246,915</u>	<u>(11,384,467)</u>
Total revenues	<u>60,168,349</u>	<u>60,388,882</u>	<u>48,614,576</u>	<u>(11,774,306)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-	-	-	-
Student personnel services	-	-	-	-
Instructional media services	-	-	-	-
Instruction and curriculum development	-	-	-	-
Instruction staff training	-	-	-	-
Instruction Related Technology	-	-	-	-
Board	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Non Capitalizable Facilities acquisition and construction	-	-	-	-
Fiscal Services	-	-	-	-
Food services	59,212,960	58,482,960	50,306,123	8,176,837
Central services	-	-	-	-
Student transportation services	-	-	-	-
Operation of plant	-	-	-	-
Maintenance of plant	-	-	-	-
Administrative Technology Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	-	730,000	191,165	538,835
Total expenditures	<u>59,212,960</u>	<u>59,212,960</u>	<u>50,497,288</u>	<u>8,715,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>955,389</u>	<u>1,175,922</u>	<u>(1,882,712)</u>	<u>(3,058,634)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	955,389	1,175,922	(1,882,712)	(3,058,634)
Fund balance - beginning	9,982,895	9,982,895	9,982,895	-
Fund balance - ending	<u>\$ 10,938,284</u>	<u>\$ 11,158,817</u>	<u>\$ 8,100,183</u>	<u>\$ (3,058,634)</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**NON MAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Miscellaneous Special Revenue			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Food services	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Food services	-	-	-	-
Other	-	-	-	-
Total state sources	-	-	-	-
Federal sources:				
Federal Direct	-	-	-	-
Federal through State/Local	4,717,591	5,083,002	3,683,034	(1,399,968)
Food services	-	-	-	-
Total federal sources	4,717,591	5,083,002	3,683,034	(1,399,968)
Total revenues	4,717,591	5,083,002	3,683,034	(1,399,968)
<b>EXPENDITURES:</b>				
Current:				
Instruction	292,400	546,236	217,624	328,612
Student personnel services	1,966	1,966	-	1,966
Instructional media services	-	-	-	-
Instruction and curriculum development	77,046	4,893	-	4,893
Instruction staff training	307,807	491,535	318,107	173,428
Instruction Related Technology	-	-	-	-
Board	-	-	-	-
General administration	-	-	-	-
School administration	8,115	8,115	-	8,115
Non Capitalizable Facilities acquisition and construction	-	1,328,002	1,328,002	-
Fiscal Services	-	-	-	-
Food services	-	-	-	-
Central services	15,202	15,202	-	15,202
Student transportation services	-	-	-	-
Operation of plant	1,518,277	1,227,950	598,913	629,037
Maintenance of plant	-	-	-	-
Administrative Technology Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay:				
Facilities acquisition and construction	1,865,714	831,391	762,884	68,507
Other capital outlay	631,064	627,712	457,504	170,208
Total expenditures	4,717,591	5,083,002	3,683,034	1,399,968
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**NON MAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Other Federal Programs			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Food services	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Other	-	-	79,924	79,924
Total local sources	-	-	79,924	79,924
State sources:				
Food services	-	-	-	-
Other	-	90,180	-	(90,180)
Total state sources	-	90,180	-	(90,180)
Federal sources:				
Federal Direct	7,082,175	18,805,102	11,535,685	(7,269,417)
Federal through State/Local	104,302,795	124,310,649	82,614,859	(41,695,790)
Food services	-	-	-	-
Total federal sources	111,384,970	143,115,751	94,150,544	(48,965,207)
Total revenues	111,384,970	143,205,931	94,230,468	(48,975,463)
<b>EXPENDITURES:</b>				
Current:				
Instruction	52,558,665	73,253,291	46,674,293	26,578,998
Student personnel services	10,726,542	12,957,437	8,184,875	4,772,562
Instructional media services	762,514	1,111,658	995,541	116,117
Instruction and curriculum development	12,446,491	14,059,239	9,675,820	4,383,419
Instruction staff training	22,760,974	24,830,075	18,154,108	6,675,967
Instruction Related Technology	6,629,459	5,024,162	2,219,709	2,804,453
Board	-	-	-	-
General administration	3,102,723	3,835,040	2,859,522	975,518
School administration	404	13,916	12,629	1,287
Non Capitalizable Facilities acquisition and construction	-	130,000	-	130,000
Fiscal Services	36,866	114,529	71,932	42,597
Food services	47,442	291,714	579,776	(288,062)
Central services	1,376,358	1,896,655	1,047,982	848,673
Student transportation services	453,870	383,630	79,432	304,198
Operation of plant	67,455	243,189	212,962	30,227
Maintenance of plant	94,773	634,300	578,430	55,870
Administrative Technology Services	-	78,821	78,821	-
Community Services	90,434	2,929,142	1,962,795	966,347
Capital outlay:				
Facilities acquisition and construction	130,000	24,229	20,571	3,658
Other capital outlay	-	1,394,904	873,939	520,965
Total expenditures	111,284,970	143,205,931	94,283,137	48,922,794
Excess (deficiency) of revenues over (under) expenditures	100,000.00	-	(52,669)	(52,669)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	100,000	-	(52,669)	(52,669)
Fund balance - beginning	72,287	72,287	72,287	-
Fund balance - ending	\$ 172,287	\$ 72,287	\$ 19,618	\$ (52,669)

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>State Board of Education Bonds</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local sources:				
Other	\$ -	\$ -	\$ -	\$ -
Total local sources	-	-	-	-
State sources:				
Other	615,035	615,035	561,190	(53,845)
Total state sources	615,035	615,035	561,190	(53,845)
Federal Sources:				
Federal direct	-	-	-	-
Total federal sources	-	-	-	-
Total revenues	615,035	615,035	561,190	(53,845)
<b>EXPENDITURES:</b>				
Principal retirement	449,000	436,312	393,000	43,312
Interest	166,035	178,475	178,475	-
Dues, fees and other	-	-	247	(247)
Miscellaneous	-	-	-	-
Total expenditures	615,035	614,787	571,722	43,065
Excess (deficiency) of revenues over (under) expenditures	-	248	(10,532)	(10,780)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loans	-	-	-	-
Premium on sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	-	248	(10,532)	(10,780)
Fund balances - beginning	90,138	90,138	90,138	-
Fund balances - ending	<u>\$ 90,138</u>	<u>\$ 90,386</u>	<u>\$ 79,606</u>	<u>\$ (10,780)</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Sections 1011.14 & 1011.15 F.S. Loans			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Other	\$ -	\$ -	\$ -	\$ -
Total local sources	-	-	-	-
State sources:				
Other	-	-	-	-
Total state sources	-	-	-	-
Federal Sources:				
Federal direct	-	-	-	-
Total federal sources	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Principal retirement	1,270,500	6,000,000	6,000,000	-
Interest	-	126,273	126,273	-
Dues, fees and other	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	1,270,500	6,126,273	6,126,273	-
Excess (deficiency) of revenues over (under) expenditures	(1,270,500)	(6,126,273)	(6,126,273)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Loans	-	-	-	-
Premium on sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	1,270,500	6,126,273	6,126,273	-
Total other financing sources and uses	1,270,500	6,126,273	6,126,273	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Other Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Other	\$ -	\$ -	\$ 304	\$ 304
Total local sources	-	-	304	304
State sources:				
Other	-	-	-	-
Total state sources	-	-	-	-
Federal Sources:				
Federal direct	-	-	-	-
Total federal sources	-	-	-	-
Total revenues	-	-	304	304
<b>EXPENDITURES:</b>				
Principal retirement	21,353,000	21,353,000	20,943,000	410,000
Interest	12,052,251	12,052,251	12,052,251	-
Dues, fees and other	7,435	18,122	18,119	3
Miscellaneous	-	-	-	-
Total expenditures	33,412,686	33,423,373	33,013,370	410,003
Excess (deficiency) of revenues over (under) expenditures	(33,412,686)	(33,423,373)	(33,013,066)	410,307
<b>OTHER FINANCING SOURCES (USES):</b>				
Loans	-	-	-	-
Premium on sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	33,412,686	33,423,373	33,012,620	(410,753)
Total other financing sources and uses	33,412,686	33,423,373	33,012,620	(410,753)
Net change in fund balances	-	-	(446)	(446)
Fund balances - beginning	61,363	61,363	61,363	-
Fund balances - ending	\$ 61,363	\$ 61,363	\$ 60,917	\$ (446)

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ARRA Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Local sources:				
Other	\$ -	\$ -	\$ 621,526	\$ 621,526
Total local sources	-	-	621,526	621,526
State sources:				
Other	-	-	-	-
Total state sources	-	-	-	-
Federal Sources:				
Federal direct	1,141,797	1,141,797	1,078,350	(63,447)
Total federal sources	1,141,797	1,141,797	1,078,350	(63,447)
Total revenues	1,141,797	1,141,797	1,699,876	558,079
<b>EXPENDITURES:</b>				
Principal retirement	-	-	-	-
Interest	1,530,060	1,530,060	1,530,060	-
Dues, fees and other	5,700	7,947	7,947	-
Miscellaneous	-	-	-	-
Total expenditures	1,535,760	1,538,007	1,538,007	-
Excess (deficiency) of revenues over (under) expenditures	(393,963)	(396,210)	161,869	558,079
<b>OTHER FINANCING SOURCES (USES):</b>				
Loans	-	-	-	-
Premium on sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	2,390,448	2,390,448	1,354,391	(1,036,057)
Total other financing sources and uses	2,390,448	2,390,448	1,354,391	(1,036,057)
Net change in fund balances	1,996,485	1,994,238	1,516,260	(477,978)
Fund balances - beginning	22,683,797	22,683,797	22,683,797	-
Fund balances - ending	\$ 24,680,282	\$ 24,678,035	\$ 24,200,057	\$ (477,978)

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Capital Outlay Bond Issue			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Federal Sources:				
Federal through State and Local	\$ -	\$ -	\$ -	\$ -
Total federal sources	-	-	-	-
Local sources:				
Ad valorem taxes	-	-	-	-
Local sales tax	-	-	-	-
Impact fees	-	-	-	-
Interest income	-	-	-	-
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Total state sources	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Non-capitalized facilities acquisition and construction	-	-	-	-
Debt service:				
Dues, fees and other	-	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	-	-
Transfers out	-	-	-	-
Loans incurred	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	17,677	17,677	17,677	-
Fund balances - ending	\$ 17,677	\$ 17,677	\$ 17,677	\$ -

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Public Education Capital Outlay			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Federal Sources:				
Federal through State and Local	\$ -	\$ -	\$ -	\$ -
Total federal sources	-	-	-	-
Local sources:				
Ad valorem taxes	-	-	-	-
Local sales tax	-	-	-	-
Impact fees	-	-	-	-
Interest income	-	-	-	-
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Total state sources	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Non-capitalized facilities acquisition and construction	-	-	-	-
Debt service:				
Dues, fees and other	-	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	-	-
Transfers out	(1,392,900)	(1,392,900)	(1,392,894)	6
Loans incurred	-	-	-	-
Total other financing sources and uses	(1,392,900)	(1,392,900)	(1,392,894)	6
Net change in fund balances	(1,392,900)	(1,392,900)	(1,392,894)	6
Fund balances - beginning	1,392,782	1,392,782	1,392,782	-
Fund balances - ending	\$ (118)	\$ (118)	\$ (112)	\$ 6

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Capital Outlay & Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Federal Sources:				
Federal through State and Local	\$ -	\$ -	\$ -	\$ -
Total federal sources	-	-	-	-
Local sources:				
Ad valorem taxes	-	-	-	-
Local sales tax	-	-	-	-
Impact fees	-	-	-	-
Interest income	-	-	-	-
Other	-	-	11,130	11,130
Total local sources	-	-	11,130	11,130
State sources:				
Capital outlay distributed to district	2,616,200	2,616,200	3,153,849	537,649
Interest on undistributed CO & DS	-	-	62,618	62,618
Total state sources	2,616,200	2,616,200	3,216,467	600,267
Total revenues	2,616,200	2,616,200	3,227,597	611,397
<b>EXPENDITURES:</b>				
Current:				
Non-capitalized facilities acquisition and construction	2,625,403	2,345,167	1,254,915	1,090,252
Debt service:				
Dues, fees and other	-	4,172	4,171	1
Capital outlay:				
Facilities acquisition and construction	-	6,514,392	4,993,454	1,520,938
Other capital outlay	-	320,200	309,607	10,593
Total expenditures	2,625,403	9,183,931	6,562,147	2,621,784
Excess (deficiency) of revenues over (under) expenditures	(9,203)	(6,567,731)	(3,334,550)	3,233,181
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	-	-
Transfers out	-	-	-	-
Loans incurred	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(9,203)	(6,567,731)	(3,334,550)	3,233,181
Fund balances - beginning	6,987,273	6,987,273	6,987,273	-
Fund balances - ending	<u>\$ 6,978,070</u>	<u>\$ 419,542</u>	<u>\$ 3,652,723</u>	<u>\$ 3,233,181</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Local Capital Improvement			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Federal Sources:				
Federal through State and Local	\$ -	\$ -	\$ 633	\$ 633
Total federal sources	-	-	633	633
Local sources:				
Ad valorem taxes	64,498,685	64,498,685	63,713,564	(785,121)
Local sales tax	-	-	-	-
Impact fees	-	-	-	-
Interest income	-	-	-	-
Other	-	-	37,006	37,006
Total local sources	64,498,685	64,498,685	63,750,570	(748,115)
State sources:				
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Total state sources	-	-	-	-
Total revenues	64,498,685	64,498,685	63,751,203	(747,482)
<b>EXPENDITURES:</b>				
Current:				
Non-capitalized facilities acquisition and construction	-	-	-	-
Debt service:				
Dues, fees and other	-	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	2,000,000	-	2,000,000
Other capital outlay	-	-	-	-
Total expenditures	-	2,000,000	-	2,000,000
Excess (deficiency) of revenues over (under) expenditures	64,498,685	62,498,685	63,751,203	1,252,518
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	-	-
Transfers out	(74,552,961)	(88,788,916)	(59,527,417)	29,261,499
Loans incurred	-	-	-	-
Total other financing sources and uses	(74,552,961)	(88,788,916)	(59,527,417)	29,261,499
Net change in fund balances	(10,054,276)	(26,290,231)	4,223,786	30,514,017
Fund balances - beginning	26,192,735	26,192,735	26,192,735	-
Fund balances - ending	\$ 16,138,459	\$ (97,496)	\$ 30,416,521	\$ 30,514,017

The accompanying notes are an integral part of these statements.

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**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES BUDGET  
AND ACTUAL – OTHER CAPITAL PROJECTS**



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

**THE SCHOOL DISTRICT OF POLK COUNTY**

**OTHER CAPITAL PROJECTS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Federal Sources:				
Federal Direct	\$ -	\$ -	\$ -	\$ -
Total federal sources	-	-	-	-
Local sources:				
Local sales tax	48,560,563	48,560,563	59,123,828	10,563,265
Impact fees	42,233,444	42,233,444	10,010,264	(32,223,180)
Interest income	-	-	759,568	759,568
Other	-	-	-	-
Total local sources	90,794,007	90,794,007	69,893,660	(20,900,347)
State sources:				
Charter school capital outlay funding	4,418,357	4,132,484	4,132,484	-
Total state sources	4,418,357	4,132,484	4,132,484	-
Total revenues	95,212,364	94,926,491	74,026,144	(20,900,347)
<b>EXPENDITURES:</b>				
Current:				
Instruction	-	-	-	-
School administration	-	-	-	-
Non-capitalized facilities acquisition and construction	16,514,646	15,942,361	4,088,380	11,853,981
Food service	-	-	-	-
Central Services	-	-	-	-
Operation of plant	-	-	-	-
Fiscal services	-	-	-	-
Debt service:	-	-	-	-
Dues, fees and other	-	-	-	-
Capital outlay:	-	-	-	-
Facilities acquisition and construction	273,690,461	282,772,306	170,628,794	112,143,512
Other capital outlay	9,793,676	16,303,415	4,725,218	11,578,197
Total expenditures	299,998,783	315,018,082	179,442,392	135,575,690
Excess (deficiency) of revenues over (under) expenditures	(204,786,419)	(220,091,591)	(105,416,248)	114,675,343
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(36,508,617)	(45,127,744)	(25,515,334)	19,612,410
Total other financing sources and uses	(36,508,617)	(45,127,744)	(25,515,334)	19,612,410
Net change in fund balances	(241,295,036)	(265,219,335)	(130,931,582)	134,287,753
Fund balances - beginning	312,090,054	312,090,054	312,090,054	-
Fund balances - ending	\$ 70,795,018	\$ 46,870,719	\$ 181,158,472	\$ 134,287,753

The accompanying notes are an integral part of these statements.

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## Internal Service Funds

The Internal Service Funds account for the cost of the District's Insurance Funds

- **Workers' Compensation Fund** - Accounts for and reports on the workers' compensation program.
- **General Liability / Fleet Liability Fund** - Accounts for and reports on the automobile and general liability programs.
- **Errors & Omissions / Boiler & Machinery Fund** – Accounts for and reports on the errors and omissions and boiler and machinery liability programs.
- **Group Health Insurance Fund** – Accounts for and reports on the health insurance program.

**THE SCHOOL DISTRICT OF POLK COUNTY****PROPRIETARY FUNDS****COMBINING STATEMENT OF NET POSITION****FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Governmental Activities</b>	
	<b>Workers' Compensation</b>	<b>General Liability/ Fleet Liability</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ -	\$ 1,520,018
Investments	11,886,226	4,527,836
Accounts receivable	101,420	-
Total current assets	<u>11,987,646</u>	<u>6,047,854</u>
Noncurrent Assets:		
Buildings	-	-
Improvements other than buildings	-	16,483
Furniture, fixtures, and equipment	687	-
Total noncurrent assets	<u>687</u>	<u>16,483</u>
Total assets	<u>11,988,333</u>	<u>6,064,337</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	6,288	352
Estimated liability for claims	2,231,840	1,557,330
Total current liabilities	<u>2,238,128</u>	<u>1,557,682</u>
Noncurrent liabilities:		
Estimated liability for claims	<u>3,800,160</u>	<u>2,651,670</u>
Total noncurrent liabilities	<u>3,800,160</u>	<u>2,651,670</u>
Total liabilities	<u>6,038,288</u>	<u>4,209,352</u>
<b>NET POSITION</b>		
Investment in capital assets	687	16,483
Unrestricted	5,949,358	1,838,502
Total net position	<u>\$ 5,950,045</u>	<u>\$ 1,854,985</u>

The accompanying notes are an integral part of these statements.

<b>Internal Service Funds</b>		
<b>Errors &amp; Omissions/ Boiler &amp; Machinery</b>	<b>Group Health Insurance</b>	<b>Total</b>
\$ 335,873	\$ 98,230	\$ 1,954,121
1,695,968	28,297,333	46,407,363
-	(4,746)	96,674
<u>2,031,841</u>	<u>28,390,817</u>	<u>48,458,158</u>
-	1,825,901	1,825,901
-	3,475	19,958
-	29,779	30,466
-	1,859,155	1,876,325
<u>2,031,841</u>	<u>30,249,972</u>	<u>50,334,483</u>
-	12,011,481	12,018,121
-	3,559,827	7,348,997
<u>-</u>	<u>15,571,308</u>	<u>19,367,118</u>
-	6,061,328	12,513,158
-	6,061,328	12,513,158
<u>-</u>	<u>21,632,636</u>	<u>31,880,276</u>
-	1,859,155	1,876,325
2,031,841	6,758,181	16,577,882
<u>\$ 2,031,841</u>	<u>\$ 8,617,336</u>	<u>\$ 18,454,207</u>

**THE SCHOOL DISTRICT OF POLK COUNTY****PROPRIETARY FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Governmental Activities</b>	
	<b>Workers' Compensation</b>	<b>General Liability/ Fleet Liability</b>
<b>OPERATING REVENUES:</b>		
Premium revenue from other funds	\$ 1,683,447	\$ 1,700,000
Other revenue	-	-
Total operating revenues	<u>1,683,447</u>	<u>1,700,000</u>
<b>OPERATING EXPENSES:</b>		
Salaries	77,600	53,657
Benefits	30,483	19,667
Purchased services	937,132	338,128
Energy services	-	-
Materials and supplies	143,777	-
Other	3,006,012	994,574
Depreciation	1,065	1,036
Total operating expenses	<u>4,196,069</u>	<u>1,407,062</u>
Operating income/(loss)	<u>(2,512,622)</u>	<u>292,938</u>
<b>NON-OPERATING REVENUE(EXPENSE):</b>		
Interest	34,566	12,459
Miscellaneous	-	-
Loss Recoveries	<u>1,293,627</u>	<u>47,784</u>
Total non-operating revenue	<u>1,328,193</u>	<u>60,243</u>
Income (loss) before transfers	<u>(1,184,429)</u>	<u>353,181</u>
<b>TRANSFERS IN</b>	-	-
<b>TRANSFERS OUT</b>	<u>(582,256)</u>	<u>-</u>
Change in net position	(1,766,685)	353,181
Total net position - beginning	<u>7,716,730</u>	<u>1,501,804</u>
Total net position - ending	<u>\$ 5,950,045</u>	<u>\$ 1,854,985</u>

The accompanying notes are an integral part of these statements.

<b>Internal Service Funds</b>		
<b>Errors &amp; Omissions/ Boiler &amp; Machinery</b>	<b>Group Health Insurance</b>	<b>Total</b>
\$ -	\$ 121,316,916	\$ 124,700,363
-	1,176,419	1,176,419
-	122,493,335	125,876,782
-	186,971	318,228
-	85,217	135,367
-	6,252,816	7,528,076
-	17,642	17,642
-	4,287	148,064
-	113,744,441	117,745,027
-	70,530	72,631
-	120,361,904	125,965,035
-	2,131,431	(88,253)
3,241	39,654	89,920
-	(1,200)	(1,200)
-	-	1,341,411
3,241	38,454	1,430,131
3,241	2,169,885	1,341,878
-	582,256	582,256
-	-	(582,256)
3,241	2,752,141	1,341,878
2,028,600	5,865,195	17,112,329
\$ 2,031,841	\$ 8,617,336	\$ 18,454,207

**THE SCHOOL DISTRICT OF POLK COUNTY**

**PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Governmental Activities	
	Workers' Compensation	General Liability/ Fleet Liability
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from interfund services provided	\$ 1,649,854	\$ 1,700,000
Payments to suppliers	(1,082,842)	(337,776)
Payments to employees	(108,083)	(73,324)
Payments for interfund services used	(3,405,012)	(1,351,574)
Other receipts (payments)	-	-
Net cash provided (used) by operating activities	<u>(2,946,083)</u>	<u>(62,674)</u>
<b>CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Transfers from other funds	-	-
Transfers to other funds	(582,256)	-
Net cash provided (used) by noncapital and related financing activities	<u>(582,256)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from Disposition of Capital Assets	1,293,627	47,784
Net cash provided (used) by capital and related financing activities	<u>1,293,627</u>	<u>47,784</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	2,200,146	1,211,405
Interest and dividends earned on investments	34,566	12,459
Net cash provided (used) by investing activities	<u>2,234,712</u>	<u>1,223,864</u>
Net increase (decrease) in cash and cash equivalents	-	1,208,974
Cash and cash equivalents - Beginning of year	-	311,044
Cash and cash equivalents - End of year	<u>\$ -</u>	<u>\$ 1,520,018</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (2,512,622)	\$ 292,938
Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities:		
Depreciation expense	1,065	1,036
Change in assets and liabilities:		
Accounts receivable	(75,200)	-
Due from other funds	41,607	-
Accounts payable	(1,933)	352
Due to other agencies	-	-
Estimated liability for claims adjust expense	(399,000)	(357,000)
Total adjustments	<u>(433,461)</u>	<u>(355,612)</u>
Net cash provided (used) by operating activities	<u>\$ (2,946,083)</u>	<u>\$ (62,674)</u>

The accompanying notes are an integral part of these statements.

<b>Internal Service Funds</b>		
<b>Errors &amp; Omissions/ Boiler &amp; Machinery</b>	<b>Group Health Insurance</b>	<b>Total</b>
\$ -	\$ 121,664,646	\$ 125,014,500
-	(6,395,729)	(7,816,347)
-	(272,188)	(453,595)
-	(113,555,270)	(118,311,856)
-	1,176,419	1,176,419
-	2,617,878	(390,879)
-	582,256	582,256
-	(1,200)	(583,456)
-	581,056	(1,200)
-	-	1,341,411
-	-	1,341,411
253,509	(6,897,658)	(3,232,598)
3,241	39,654	89,920
256,750	(6,858,004)	(3,142,678)
256,750	(3,659,070)	(2,193,346)
79,123	3,757,300	4,147,467
\$ 335,873	\$ 98,230	\$ 1,954,121
\$ -	\$ 2,131,431	\$ (88,253)
-	70,530	72,631
-	347,730	272,530
-	-	41,607
-	(114,292)	(115,873)
-	(6,692)	(6,692)
-	189,171	(566,829)
-	486,447	(302,626)
\$ -	\$ 2,617,878	\$ (390,879)

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## Component Units

- **Discretely Presented Component Units** - Accounts for and reports on the Polk Education Foundation and Business Partnership, Inc. (Foundation) and the various charter schools.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	Dale R. Fair Babson Park Elementary School	Berkley Accelerated Middle School	Berkley Elementary School	Edward W. Bok Academy
<b>ASSETS</b>				
Cash	\$ -	\$ 939,300	\$ 2,232,208	\$ -
Certificates of Deposit	-	-	-	-
Investments	-	-	947,000	-
Accounts Receivable	30,121	385	-	385,093
Due from Other Funds	1,155,089	545,024	121,639	368,025
Prepaid Items	-	48,607	-	-
Other Assets	-	-	133,043	8,400
Capital Assets:				
Land	-	215,000	-	-
Land Improvements	-	-	-	-
Construction in Progress	200,000	-	-	-
Improvements Other Than Buildings	77,059	-	-	11,524
Buildings and Systems	-	3,808,569	77,585	2,081,886
Furniture, Fixtures, and Equipment	21,693	28,913	30,272	210,898
Motor Vehicles	-	-	251,898	-
Computer Software	-	-	-	-
Total Assets	<u>1,483,962</u>	<u>5,585,798</u>	<u>3,793,645</u>	<u>3,065,826</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Deferred Outflows of Resources	927,815	680,574	1,441,967	924,883
Total Assets and Deferred Outflows of Resources	<u>\$ 2,411,777</u>	<u>\$ 6,266,372</u>	<u>\$ 5,235,612</u>	<u>\$ 3,990,709</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 62,954	\$ 314,364	\$ -
Due to Other Governmental Agencies	-	92,378	-	158,545
Salaries and Wages Payable	-	352,297	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	256,103	-
Noncurrent Liabilities:				
Due Within One Year	122,993	203,680	84,126	202,467
Due in More Than One Year	-	5,490,299	950,600	74,489
Net Pension Liability	2,668,061	2,010,980	4,351,481	2,563,275
Total Liabilities	<u>2,791,054</u>	<u>8,212,588</u>	<u>5,956,674</u>	<u>2,998,776</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows of resources	<u>114,154</u>	<u>83,882</u>	<u>188,213</u>	<u>135,269</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	298,752	(1,641,497)	359,755	2,158,607
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	(792,183)	(388,601)	(1,269,030)	(1,301,943)
Total Net Position	<u>(493,431)</u>	<u>(2,030,098)</u>	<u>(909,275)</u>	<u>856,664</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,411,777</u>	<u>\$ 6,266,372</u>	<u>\$ 5,235,612</u>	<u>\$ 3,990,709</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Edward W. Bok Academy North</b>	<b>Compass Charter Middle School</b>	<b>Cypress Junction Montessori</b>	<b>Discovery Academy of Lake Alfred</b>
<b>ASSETS</b>				
Cash	\$ -	\$ 786,189	\$ 566,817	\$ 1,914,463
Certificates of Deposit	-	-	7,953	-
Investments	158,545	-	-	1,042,555
Accounts Receivable	40,451	2,449	-	-
Due from Other Funds	-	56,631	-	199,184
Prepaid Items	-	2,431	8,151	-
Other Assets	1,250	-	12,355	6,391,606
Capital Assets:				
Land	62,000	-	-	1,870,537
Land Improvements	-	-	-	-
Construction in Progress	2,937,677	-	-	5,193,871
Improvements Other Than Buildings	-	-	16,706	-
Buildings and Systems	-	-	-	14,415,062
Furniture, Fixtures, and Equipment	187,028	7,898	130,333	431,079
Motor Vehicles	-	296,700	-	907,955
Computer Software	-	-	-	-
Total Assets	<u>3,386,951</u>	<u>1,152,298</u>	<u>742,315</u>	<u>32,366,312</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Deferred Outflows of Resources	1,404,682	331,831	-	2,938,002
Total Assets and Deferred Outflows of Resources	<u>\$ 4,791,633</u>	<u>\$ 1,484,129</u>	<u>\$ 742,315</u>	<u>\$ 35,304,314</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 14,069	\$ 23,735	\$ 581,441
Due to Other Governmental Agencies	441,369	24,165	-	-
Salaries and Wages Payable	-	45,211	82,624	-
Unearned Revenue	-	2,426	-	-
Other Liabilities	-	-	13,250	520,381
Noncurrent Liabilities:				
Due Within One Year	69,706	-	-	1,205,255
Due in More Than One Year	404,220	38,174	-	27,922,971
Net Pension Liability	1,597,339	801,642	-	6,929,589
Total Liabilities	<u>2,512,634</u>	<u>925,687</u>	<u>119,609</u>	<u>37,159,637</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows of resources	28,004	61,754	-	159,685
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,765,325	304,598	147,039	547,875
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	60,148	5,470,957
Unrestricted	(514,330)	192,090	415,519	(8,033,840)
Total Net Position	<u>2,250,995</u>	<u>496,688</u>	<u>622,706</u>	<u>(2,015,008)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 4,791,633</u>	<u>\$ 1,484,129</u>	<u>\$ 742,315</u>	<u>\$ 35,304,314</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	Discovery High School	Hartridge Academy	Hillcrest Elementary School	Janie Howard Wilson Elementary School
<b>ASSETS</b>				
Cash	\$ 1,141,829	\$ 1,333,066	\$ -	\$ -
Certificates of Deposit	-	13,260	-	-
Investments	-	-	-	-
Accounts Receivable	-	41,902	36,176	40,948
Due from Other Funds	84,208	-	2,656,360	2,238,439
Prepaid Items	8,664	111,134	-	-
Other Assets	2,000	-	-	-
Capital Assets:				
Land	-	-	-	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	-
Improvements Other Than Buildings	-	147,183	19,990	5,692
Buildings and Systems	-	-	-	-
Furniture, Fixtures, and Equipment	78,582	56,433	109,813	75,858
Motor Vehicles	-	81,458	-	-
Computer Software	-	-	-	-
Total Assets	<u>1,315,283</u>	<u>1,784,436</u>	<u>2,822,339</u>	<u>2,360,937</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Deferred Outflows of Resources	27,080,000	-	1,146,888	698,318
Total Assets and Deferred Outflows of Resources	<u>\$ 28,395,283</u>	<u>\$ 1,784,436</u>	<u>\$ 3,969,227</u>	<u>\$ 3,059,255</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 323,016	\$ 195,270	\$ -	\$ -
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	645,770	-	-	-
Noncurrent Liabilities:				
Due Within One Year	345,000	-	126,951	69,317
Due in More Than One Year	27,328,185	-	-	-
Net Pension Liability	-	-	3,462,022	1,978,879
Total Liabilities	<u>28,641,971</u>	<u>195,270</u>	<u>3,588,973</u>	<u>2,048,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows of resources	-	-	222,917	230,977
<b>NET POSITION</b>				
Net Investment in Capital Assets	(514,603)	285,074	129,803	81,550
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	267,915	1,304,092	27,534	698,532
Total Net Position	<u>(246,688)</u>	<u>1,589,166</u>	<u>157,337</u>	<u>780,082</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 28,395,283</u>	<u>\$ 1,784,436</u>	<u>\$ 3,969,227</u>	<u>\$ 3,059,255</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Lake Wales Senior High School</b>	<b>Lakeland Montessori Schoolhouse</b>	<b>Lakeland Montessori Middle</b>	<b>Language &amp; Literacy Academy for Learning</b>
<b>ASSETS</b>				
Cash	\$ -	\$ 2,313,550	\$ 678,849	\$ 341,818
Certificates of Deposit	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	72,288	7,459	5,133	-
Due from Other Funds	1,728,307	-	-	-
Prepaid Items	1,325	-	-	-
Other Assets	-	43,114	-	-
Capital Assets:				
Land	-	306,000	-	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	-
Improvements Other Than Buildings	401,291	-	-	392,293
Buildings and Systems	-	929,481	-	-
Furniture, Fixtures, and Equipment	456,864	25,011	21,376	94,069
Motor Vehicles	15,616	-	-	-
Computer Software	-	-	-	97,570
Total Assets	<u>2,675,691</u>	<u>3,624,615</u>	<u>705,358</u>	<u>925,750</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Deferred Outflows of Resources	2,056,772	-	-	2,079,079
Total Assets and Deferred Outflows of Resources	<u>\$ 4,732,463</u>	<u>\$ 3,624,615</u>	<u>\$ 705,358</u>	<u>\$ 3,004,829</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 154,194	\$ -	\$ 8,280
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	-	-	35,121
Unearned Revenue	-	-	-	-
Other Liabilities	-	48,448	41,473	-
Noncurrent Liabilities:				
Due Within One Year	289,539	26,662	-	1,014,831
Due in More Than One Year	53,136	746,425	-	-
Net Pension Liability	6,233,561	-	-	2,505,020
Total Liabilities	<u>6,576,236</u>	<u>975,729</u>	<u>41,473</u>	<u>3,563,252</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows of resources	285,214	-	-	50,659
<b>NET POSITION</b>				
Net Investment in Capital Assets	770,058	700,386	21,376	583,932
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	(2,899,045)	1,948,500	642,509	(1,193,014)
Total Net Position	<u>(2,128,987)</u>	<u>2,648,886</u>	<u>663,885</u>	<u>(609,082)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 4,732,463</u>	<u>\$ 3,624,615</u>	<u>\$ 705,358</u>	<u>\$ 3,004,829</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Magnolia Montessori Academy</b>	<b>McKeel Schools System</b>	<b>Navigator Academy of Leadership</b>	<b>New Beginnings High School</b>
<b>ASSETS</b>				
Cash	\$ 105,760	\$ 7,919,726	\$ 909,517	\$ 2,240,689
Certificates of Deposit	13,026	599,996	-	-
Investments	-	-	-	-
Accounts Receivable	11,346	251,583	-	221,346
Due from Other Funds	-	-	1,378	-
Prepaid Items	-	-	83,071	168,440
Other Assets	-	223,966	-	-
Capital Assets:				
Land	157,857	607,178	-	-
Land Improvements	-	503,454	-	-
Construction in Progress	930,609	-	-	-
Improvements Other Than Buildings	-	-	-	21,209
Buildings and Systems	563,814	9,038,522	-	-
Furniture, Fixtures, and Equipment	2,147	1,961,165	233,572	14,795
Motor Vehicles	-	2,064,949	-	53,815
Computer Software	-	-	-	-
Total Assets	<u>1,784,559</u>	<u>23,170,539</u>	<u>1,227,538</u>	<u>2,720,294</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Deferred Outflows of Resources	-	6,630,928	-	815,752
Total Assets and Deferred Outflows of Resources	<u>\$ 1,784,559</u>	<u>\$ 29,801,467</u>	<u>\$ 1,227,538</u>	<u>\$ 3,536,046</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 99,934	\$ 104,863	\$ 64,247	\$ 307,486
Due to Other Governmental Agencies	-	-	-	29,609
Salaries and Wages Payable	-	-	-	-
Unearned Revenue	44,500	-	-	-
Other Liabilities	126,199	1,745,951	-	-
Noncurrent Liabilities:				
Due Within One Year	278,553	1,560,052	51,999	377,792
Due in More Than One Year	780,608	4,768,312	-	-
Net Pension Liability	-	16,123,550	-	1,758,943
Total Liabilities	<u>1,329,794</u>	<u>24,302,728</u>	<u>116,246</u>	<u>2,473,830</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows of resources	-	1,043,108	-	314,506
<b>NET POSITION</b>				
Net Investment in Capital Assets	484,798	8,903,374	181,573	63,727
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	281,015	-	-
Unrestricted	(30,033)	(4,728,758)	929,719	683,983
Total Net Position	<u>454,765</u>	<u>4,455,631</u>	<u>1,111,292</u>	<u>747,710</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,784,559</u>	<u>\$ 29,801,467</u>	<u>\$ 1,227,538</u>	<u>\$ 3,536,046</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	Victory Ridge Academy	Polk Avenue Elementary School	Polk Pre-Collegiate Academy	Ridgeview Global Studies Academy
<b>ASSETS</b>				
Cash	\$ 2,649,823	\$ -	\$ 1,094,393	\$ 4,075,954
Certificates of Deposit	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	4,168,281	42,382	4,785	-
Due from Other Funds	296,961	1,319,876	26,687	181,926
Prepaid Items	-	-	2,045	-
Other Assets	12,410	-	-	5,968
Capital Assets:				
Land	-	-	-	1,254,590
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	904,869
Improvements Other Than Buildings	-	15,181	-	-
Buildings and Systems	403,884	-	-	8,883,175
Furniture, Fixtures, and Equipment	-	46,511	587	104,022
Motor Vehicles	374,006	-	-	296,169
Computer Software	-	-	-	-
Total Assets	<u>7,905,365</u>	<u>1,423,950</u>	<u>1,128,497</u>	<u>15,706,673</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Deferred Outflows of Resources	1,563,367	1,077,043	139,395	3,180,279
Total Assets and Deferred Outflows of Resources	<u>\$ 9,468,732</u>	<u>\$ 2,500,993</u>	<u>\$ 1,267,892</u>	<u>\$ 18,886,952</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 455,268	\$ -	\$ 33,012	\$ 741,406
Due to Other Governmental Agencies	-	-	207,022	-
Salaries and Wages Payable	-	-	213,110	-
Unearned Revenue	-	-	71,113	-
Other Liabilities	59,805	-	-	-
Noncurrent Liabilities:				
Due Within One Year	171,363	90,636	-	1,954,540
Due in More Than One Year	4,270,902	-	-	11,262,842
Net Pension Liability	3,736,316	2,976,418	411,887	7,930,900
Total Liabilities	<u>8,693,654</u>	<u>3,067,054</u>	<u>936,144</u>	<u>21,889,688</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related deferred inflows of resources	172,722	82,802	17,181	154,545
<b>NET POSITION</b>				
Net Investment in Capital Assets	777,890	61,692	587	(1,774,557)
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	131,041
Unrestricted	(175,534)	(710,555)	313,980	(1,513,765)
Total Net Position	<u>602,356</u>	<u>(648,863)</u>	<u>314,567</u>	<u>(3,157,281)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,468,732</u>	<u>\$ 2,500,993</u>	<u>\$ 1,267,892</u>	<u>\$ 18,886,952</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Polk Education Foundation and Business Partnership, Inc.</b>	<b>TOTALS Component Units</b>
<b>ASSETS</b>		
Cash	\$ 2,863,313	\$ 34,107,264
Certificates of Deposit	-	634,235
Investments	4,511,451	6,659,551
Accounts Receivable	62,660	5,424,788
Due from Other Funds	500	10,980,234
Prepaid Items	2,154,622	2,588,490
Other Assets	-	6,834,112
Capital Assets:		
Land	-	4,473,162
Land Improvements	-	503,454
Construction in Progress	-	10,167,026
Improvements Other Than Buildings	-	1,108,128
Buildings and Systems	-	40,201,978
Furniture, Fixtures, and Equipment	-	4,328,919
Motor Vehicles	-	4,342,566
Computer Software	-	97,570
Total Assets	<u>9,592,546</u>	<u>132,451,477</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Deferred Outflows of Resources	-	55,117,575
Total Assets and Deferred Outflows of Resources	<u>\$ 9,592,546</u>	<u>\$ 187,569,052</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 27,376	\$ 3,510,915
Due to Other Governmental Agencies	-	953,088
Salaries and Wages Payable	-	728,363
Unearned Revenue	-	118,039
Other Liabilities	-	3,457,380
Noncurrent Liabilities:		
Due Within One Year	-	8,245,462
Due in More Than One Year	-	84,091,163
Net Pension Liability	-	68,039,863
Total Liabilities	<u>27,376</u>	<u>169,144,273</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related deferred inflows of resources	-	<u>3,345,592</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	-	15,697,114
Restricted for:		
Endowment - Nonexpendable	4,524,316	4,524,316
Other Purposes	2,758,243	8,701,404
Unrestricted	2,282,611	(13,843,647)
Total Net Position	<u>9,565,170</u>	<u>15,079,187</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,592,546</u>	<u>187,569,052</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Dale R. Fair Babson Park Elementary School</b>	<b>Berkley Accelerated Middle School</b>	<b>Berkley Elementary School</b>	<b>Edward W. Bok Academy</b>
<b>EXPENSES</b>				
Instruction	\$ 2,783,901	\$ 2,404,193	\$ 4,874,118	\$ 2,776,565
Student Support Services	59,904	74,229	178,660	195,037
Instructional Media	75,999	-	38,460	623
Instruction and Curriculum Development	135,713	-	-	69,420
Instructional Staff Training	564	11,391	22,798	-
Instruction-Related Technology	15,208	-	-	78,053
Board	11,000	24,916	6,895	10,500
General Administration	16,161	-	37,111	21,116
School Administration	501,384	638,793	555,162	645,804
Facilities Acquisition and Construction	17,409	-	6,797	126,967
Fiscal Services	-	76,885	68,195	-
Food Services	-	30,148	403,077	-
Central Services	-	48,391	33,436	-
Pupil Transportation	113,972	125,352	290,576	397,462
Operation of Plant	226,402	287,892	636,021	663,140
Maintenance of Plant	-	-	-	-
Community Services	40,026	-	45,432	-
Interest	-	265,281	1,726	-
Other Operating Expenses	-	-	-	-
Total Expenses	<u>\$ 3,997,643</u>	<u>\$ 3,987,471</u>	<u>\$ 7,198,464</u>	<u>\$ 4,984,687</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	\$ 135,993	\$ -	\$ 387,323	\$ -
Operating Grants and Contributions	190,932	175,685	510,408	187,319
Capital Grants and Contributions	-	248,871	-	-
Net Program Expenses	<u>\$ (3,670,718)</u>	<u>\$ (3,562,915)</u>	<u>\$ (6,300,733)</u>	<u>\$ (4,797,368)</u>
<b>GENERAL REVENUES</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State and Local Sources	3,636,354	3,466,677	5,516,046	4,629,440
Grants and Contributions not restricted to specific programs	31,686	-	276,368	70,786
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total General Revenues	<u>\$ 3,668,040</u>	<u>\$ 3,466,677</u>	<u>\$ 5,792,414</u>	<u>\$ 4,700,226</u>
Change in Net Position	(2,678)	(96,238)	(508,319)	(97,142)
Net Position - Beginning, as Restated	(490,753)	(1,933,860)	(400,956)	953,806
Net Position - Ending	<u>\$ (493,431)</u>	<u>\$ (2,030,098)</u>	<u>\$ (909,275)</u>	<u>\$ 856,664</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Edward W. Bok Academy North</b>	<b>Compass Charter Middle School</b>	<b>Cypress Junction Montessori</b>	<b>Discovery Academy of Lake Alfred</b>
<b>EXPENSES</b>				
Instruction	\$ 2,666,143	\$ 817,404	\$ 914,994	\$ 5,023,843
Student Support Services	108,144	715	-	589,735
Instructional Media	-	-	-	94,931
Instruction and Curriculum Development	82,728	-	-	-
Instructional Staff Training	-	4,207	15,525	81,349
Instruction-Related Technology	44,928	-	-	-
Board	10,500	12,893	24,981	41,137
General Administration	20,082	-	1,452	85,854
School Administration	522,011	243,113	335,870	2,071,755
Facilities Acquisition and Construction	49,267	-	-	450,315
Fiscal Services	-	33,094	10,720	65,825
Food Services	-	-	3,754	664,993
Central Services	-	1,464	-	43,097
Pupil Transportation	311,371	297,766	55,000	1,270,555
Operation of Plant	539,335	35,830	265,734	301,620
Maintenance of Plant	-	-	-	-
Community Services	-	-	18,652	-
Interest	5,130	-	-	1,271,273
Other Operating Expenses	-	14,391	-	-
Total Expenses	<u>\$ 4,359,639</u>	<u>\$ 1,460,877</u>	<u>\$ 1,646,682</u>	<u>\$ 12,056,282</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 109,678	\$ 138,246
Operating Grants and Contributions	179,606	206,857	162,823	1,641,280
Capital Grants and Contributions	-	-	97,776	-
Net Program Expenses	<u>\$ (4,180,033)</u>	<u>\$ (1,254,020)</u>	<u>\$ (1,276,405)</u>	<u>\$ (10,276,756)</u>
<b>GENERAL REVENUES</b>				
Federal	\$ 64,030	\$ -	\$ -	\$ -
State and Local Sources	4,506,179	1,289,671	1,428,264	7,201,806
Grants and Contributions not restricted to specific programs	1,522,360	8,180	-	1,957,778
Investment Earnings	-	-	-	-
Miscellaneous	-	-	43,210	-
Total General Revenues	<u>\$ 6,092,569</u>	<u>\$ 1,297,851</u>	<u>\$ 1,471,474</u>	<u>\$ 9,159,584</u>
Change in Net Position	1,912,536	43,831	195,069	(1,117,172)
Net Position - Beginning, as Restated	338,459	452,857	427,637	(897,836)
Net Position - Ending	<u>\$ 2,250,995</u>	<u>\$ 496,688</u>	<u>\$ 622,706</u>	<u>\$ (2,015,008)</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	Discovery High School	Hartridge Academy	Hillcrest Elementary School	Janie Howard Wilson Elementary School
<b>EXPENSES</b>				
Instruction	\$ 3,999,426	\$ 1,059,815	\$ 4,146,679	\$ 1,957,110
Student Support Services	744,289	-	80,383	61,302
Instructional Media	1,141	-	75,494	1,053
Instruction and Curriculum Development	-	-	143,865	174,553
Instructional Staff Training	57,398	1,053	60,646	-
Instruction-Related Technology	-	-	5,023	8,423
Board	42,767	29,339	11,000	11,000
General Administration	86,331	-	23,433	13,868
School Administration	568,519	222,370	672,063	536,844
Facilities Acquisition and Construction	18,770	-	2,482	-
Fiscal Services	35,704	-	-	-
Food Services	1,767	-	-	-
Central Services	77,664	88,268	-	-
Pupil Transportation	250,800	52,382	119,044	178,016
Operation of Plant	1,950,173	292,526	302,937	217,980
Maintenance of Plant	-	17,208	-	1,587
Community Services	-	-	19,616	-
Interest	-	-	-	-
Other Operating Expenses	-	-	-	-
Total Expenses	<u>\$ 7,834,749</u>	<u>\$ 1,762,961</u>	<u>\$ 5,662,665</u>	<u>\$ 3,161,736</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	\$ 14,605	\$ -	\$ 138,228	\$ 50,665
Operating Grants and Contributions	681,189	233,174	284,778	347,995
Capital Grants and Contributions	466,360	-	-	-
Net Program Expenses	<u>\$ (6,672,595)</u>	<u>\$ (1,529,787)</u>	<u>\$ (5,239,659)</u>	<u>\$ (2,763,076)</u>
<b>GENERAL REVENUES</b>				
Federal	\$ -	\$ -	\$ -	\$ 43,412
State and Local Sources	6,388,121	1,723,256	5,349,235	3,296,579
Grants and Contributions not restricted to specific programs	237,257	-	6,534	5,612
Investment Earnings	-	173	-	-
Miscellaneous	-	6,684	-	-
Total General Revenues	<u>\$ 6,625,378</u>	<u>\$ 1,730,113</u>	<u>\$ 5,355,769</u>	<u>\$ 3,345,603</u>
Change in Net Position	(47,217)	200,326	116,110	582,527
Net Position - Beginning, as Restated	(199,471)	1,388,840	41,227	197,555
Net Position - Ending	<u>\$ (246,688)</u>	<u>\$ 1,589,166</u>	<u>\$ 157,337</u>	<u>\$ 780,082</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Lake Wales Senior High School</b>	<b>Lakeland Montessori Schoolhouse</b>	<b>Lakeland Montessori Middle</b>	<b>Language &amp; Literacy Academy for Learning</b>
<b>EXPENSES</b>				
Instruction	\$ 7,596,536	\$ 599,756	\$ 117,039	\$ 2,665,571
Student Support Services	641,265	5,507	2,371	10,369
Instructional Media	308	-	-	-
Instruction and Curriculum Development	174,293	-	-	-
Instructional Staff Training	1,966	6,701	5,996	-
Instruction-Related Technology	37,805	-	-	-
Board	15,500	10,460	14,173	11,250
General Administration	55,387	-	-	72,731
School Administration	1,517,061	355,912	59,921	617,788
Facilities Acquisition and Construction	85,909	-	-	190,463
Fiscal Services	-	-	-	2,750
Food Services	-	-	-	108,258
Central Services	-	17,387	5,141	-
Pupil Transportation	663,448	-	-	233,750
Operation of Plant	995,769	233,974	47,032	451,867
Maintenance of Plant	-	-	-	50,770
Community Services	356,623	-	-	-
Interest	-	40,701	-	81,361
Other Operating Expenses	6,650	-	-	25,514
Total Expenses	<u>\$ 12,148,520</u>	<u>\$ 1,270,398</u>	<u>\$ 251,673</u>	<u>\$ 4,522,442</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	\$ 263,273	\$ 646,082	\$ -	\$ 125,820
Operating Grants and Contributions	576,557	142,984	55,212	194,974
Capital Grants and Contributions	-	-	-	543,626
Net Program Expenses	<u>\$ (11,308,690)</u>	<u>\$ (481,332)</u>	<u>\$ (196,461)</u>	<u>\$ (3,658,022)</u>
<b>GENERAL REVENUES</b>				
Federal	\$ 1,200	\$ -	\$ -	\$ -
State and Local Sources	11,356,242	868,691	259,480	3,135,014
Grants and Contributions not restricted to specific programs	74,322	-	-	-
Investment Earnings	-	-	125	-
Miscellaneous	-	1,538	-	584,500
Total General Revenues	<u>\$ 11,431,764</u>	<u>\$ 870,229</u>	<u>\$ 259,605</u>	<u>\$ 3,719,514</u>
Change in Net Position	123,074	388,897	63,144	61,492
Net Position - Beginning, as Restated	(2,252,061)	2,259,989	600,741	(670,574)
Net Position - Ending	<u>\$ (2,128,987)</u>	<u>\$ 2,648,886</u>	<u>\$ 663,885</u>	<u>\$ (609,082)</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Magnolia Montessori Academy</b>	<b>McKeel Schools System</b>	<b>Navigator Academy of Leadership</b>	<b>New Beginnings High School</b>
<b>EXPENSES</b>				
Instruction	\$ 755,645	\$ 17,322,897	\$ 2,821,522	\$ 1,481,586
Student Support Services	8,699	728,246	40,047	675,368
Instructional Media	-	129,364	-	-
Instruction and Curriculum Development	-	-	-	82,059
Instructional Staff Training	-	77,533	26,837	89,706
Instruction-Related Technology	-	670,100	-	-
Board	7,700	45,922	34,076	36,978
General Administration	-	71,053	-	86,618
School Administration	183,566	2,018,325	882,866	2,621,642
Facilities Acquisition and Construction	-	-	-	77,779
Fiscal Services	-	822,860	630	56,510
Food Services	-	1,466,912	257,202	-
Central Services	16,576	-	-	8,238
Pupil Transportation	-	2,013,928	-	315,585
Operation of Plant	213,724	3,042,649	1,543,992	1,399,917
Maintenance of Plant	-	661,983	-	-
Community Services	14,217	279,903	94,292	-
Interest	17,343	199,841	8,775	7,549
Other Operating Expenses	-	-	97,092	-
Total Expenses	<u>\$ 1,217,470</u>	<u>\$ 29,551,516</u>	<u>\$ 5,807,331</u>	<u>\$ 6,939,535</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	\$ 254,171	\$ 2,256,326	\$ 70,666	\$ -
Operating Grants and Contributions	93,436	1,956,487	456,924	702,925
Capital Grants and Contributions	-	-	-	481,589
Net Program Expenses	<u>\$ (869,863)</u>	<u>\$ (25,338,703)</u>	<u>\$ (5,279,741)</u>	<u>\$ (5,755,021)</u>
<b>GENERAL REVENUES</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State and Local Sources	831,221	26,195,007	5,674,521	5,973,850
Grants and Contributions not restricted to specific programs	127,500	98,434	-	80,965
Investment Earnings	-	-	-	-
Miscellaneous	182,338	-	236,983	-
Total General Revenues	<u>\$ 1,141,059</u>	<u>\$ 26,293,441</u>	<u>\$ 5,911,504</u>	<u>\$ 6,054,815</u>
Change in Net Position	271,196	954,738	631,763	299,794
Net Position - Beginning, as Restated	183,569	3,500,893	479,529	447,916
Net Position - Ending	<u>\$ 454,765</u>	<u>\$ 4,455,631</u>	<u>\$ 1,111,292</u>	<u>\$ 747,710</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Victory Ridge Academy</b>	<b>Polk Avenue Elementary School</b>	<b>Polk Pre-Collegiate Academy</b>	<b>Ridgeview Global Studies Academy</b>
<b>EXPENSES</b>				
Instruction	\$ 3,284,275	\$ 3,320,904	\$ 596,298	\$ 9,149,296
Student Support Services	2,192,091	59,438	29,724	330,423
Instructional Media	-	28,570	-	145,049
Instruction and Curriculum Development	-	162,206	-	9,331
Instructional Staff Training	4,584	-	600	-
Instruction-Related Technology	-	26,675	-	-
Board	63,710	11,000	12,752	46,527
General Administration	84,187	18,224	-	37,366
School Administration	742,243	612,757	207,252	974,678
Facilities Acquisition and Construction	23,621	1,555	-	342,236
Fiscal Services	86,015	-	23,282	63,264
Food Services	29,083	-	9,170	555,623
Central Services	10,503	-	1,036	1,108
Pupil Transportation	664,643	115,939	29,968	485,816
Operation of Plant	931,438	270,917	195,637	733,570
Maintenance of Plant	37,753	589	-	-
Community Services	-	-	-	77,839
Interest	21,137	-	-	384,580
Other Operating Expenses	-	-	-	-
Total Expenses	<u>\$ 8,175,283</u>	<u>\$ 4,628,774</u>	<u>\$ 1,105,719</u>	<u>\$ 13,336,706</u>
<b>PROGRAM REVENUES</b>				
Charges for Services	\$ -	\$ 79,066	\$ -	\$ 84,277
Operating Grants and Contributions	459,159	328,482	37,004	1,314,569
Capital Grants and Contributions	215,371	-	76,502	206,829
Net Program Expenses	<u>\$ (7,500,753)</u>	<u>\$ (4,221,226)</u>	<u>\$ (992,213)</u>	<u>\$ (11,731,031)</u>
<b>GENERAL REVENUES</b>				
Federal	\$ -	\$ 17,865	\$ -	\$ -
State and Local Sources	7,310,062	4,137,223	1,084,031	10,847,571
Grants and Contributions not restricted to specific programs	222,632	30,157	-	111,298
Investment Earnings	-	-	-	-
Miscellaneous	863,460	-	-	-
Total General Revenues	<u>\$ 8,396,154</u>	<u>\$ 4,185,245</u>	<u>\$ 1,084,031</u>	<u>\$ 10,958,869</u>
Change in Net Position	895,401	(35,981)	91,818	(772,162)
Net Position - Beginning, as Restated	(293,045)	(612,882)	222,749	(2,385,119)
Net Position - Ending	<u>\$ 602,356</u>	<u>\$ (648,863)</u>	<u>\$ 314,567</u>	<u>\$ (3,157,281)</u>

The accompanying notes are an integral part of these statements.

**THE SCHOOL DISTRICT OF POLK COUNTY**

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ending June 30, 2021**

	<b>Polk Education Foundation and Business Partnership, Inc.</b>	<b>TOTALS Component Units</b>
<b>EXPENSES</b>		
Instruction	\$ -	\$ 83,135,516
Student Support Services	-	6,815,946
Instructional Media	-	590,992
Instruction and Curriculum Development	-	1,034,168
Instructional Staff Training	-	468,854
Instruction-Related Technology	-	886,215
Board	-	546,976
General Administration	-	730,974
School Administration	-	18,307,699
Facilities Acquisition and Construction	-	1,393,570
Fiscal Services	-	1,345,734
Food Services	-	3,529,987
Central Services	-	352,309
Pupil Transportation	-	7,985,373
Operation of Plant	-	15,780,076
Maintenance of Plant	-	769,890
Community Services	1,339,990	2,286,590
Interest	-	2,304,697
Other Operating Expenses	-	143,647
Total Expenses	<u>\$ 1,339,990</u>	<u>\$ 148,409,213</u>
<b>PROGRAM REVENUES</b>		
Charges for Services	\$ -	\$ 4,754,419
Operating Grants and Contributions	1,147,719	12,268,478
Capital Grants and Contributions	-	2,336,924
Net Program Expenses	<u>\$ (192,271)</u>	<u>\$ (129,049,392)</u>
<b>GENERAL REVENUES</b>		
Federal	\$ -	\$ 126,507
State and Local Sources	-	126,104,541
Grants and Contributions not restricted to specific programs	-	4,861,869
Investment Earnings	690,052	690,350
Miscellaneous	254,993	2,173,706
Total General Revenues	<u>\$ 945,045</u>	<u>\$ 133,956,973</u>
Change in Net Position	752,774	4,907,581
Net Position - Beginning, as Restated	8,812,396	10,171,606
Net Position - Ending	<u>\$ 9,565,170</u>	<u>\$ 15,079,187</u>

The accompanying notes are an integral part of these statements.



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

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# Statistical Section

(UNAUDITED)



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

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## District Statistics

This part of the Polk County School Board's annual comprehensive financial report presents detail information as a context for understanding what the information in the financial statements, notes 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.

### Revenue Capacity

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

### Debt Capacity

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

### 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.

### Operating Information

These schedules contain service 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.

**SCHOOL DISTRICT OF POLK COUNTY**  
**NET POSITION BY COMPONENT - GOVERNMENT-WIDE**  
**LAST TEN FISCAL YEARS**  
**TABLE 1**  
(accrual basis of accounting)  
(amounts in thousands)  
(unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
Government activities:					
Net investment in capital assets	\$ 867,688	\$ 696,724	\$ 669,794	\$ 849,717	\$ 822,501
Restricted	264,977	389,447	371,159	140,890	127,208
Unrestricted	<u>(415,940)</u>	<u>(372,616)</u>	<u>(358,078)</u>	<u>(347,043)</u>	<u>(296,766)</u>
Total governmental activities net position	<u>716,725</u>	<u>713,555</u>	<u>682,875</u>	<u>643,564</u>	<u>652,943</u>
Business-type activities:					
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>398</u>
Total primary government	<u>\$ 716,725</u>	<u>\$ 713,555</u>	<u>\$ 682,875</u>	<u>\$ 643,564</u>	<u>\$ 653,341</u>

Note: The District terminated business-type activities in December of 2017. The District had no business-type activities until the 2014-2015 fiscal year. Also in 2014-2015 fiscal year, GASB 68 was implemented for retirement reporting, resulting in a negative Unrestricted activity.

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Source: District Records

Fiscal Year				
2016	2015	2014	2013	2012
\$ 797,167	\$ 765,624	\$ 752,300	\$ 756,128	\$ 761,407
105,187	109,845	120,340	125,960	124,599
<u>(252,998)</u>	<u>(253,284)</u>	<u>11,509</u>	<u>2,777</u>	<u>10,170</u>
649,356	622,185	884,149	884,865	896,176
290	122	-	-	-
<u>\$ 649,646</u>	<u>\$ 622,307</u>	<u>\$ 884,149</u>	<u>\$ 884,865</u>	<u>\$ 896,176</u>

**SCHOOL DISTRICT OF POLK COUNTY  
CHANGES IN NET POSITION - GOVERNMENT WIDE  
LAST TEN FISCAL YEARS**

**TABLE 2**

(accrual basis of accounting)

(amounts in thousands)

(unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>EXPENSES</b>					
Instructional services	\$ 708,268	\$ 677,891	\$ 643,843	\$ 631,644	\$ 593,877
Instructional support services	123,828	116,799	102,525	100,814	93,061
Student transportation services	40,515	29,380	34,350	36,464	30,558
Operation and maintenance of plant	91,821	83,618	82,113	73,057	70,149
School administration	51,058	50,695	48,737	47,568	45,929
General administration	72,518	96,189	64,201	52,499	58,518
Food services	55,617	58,056	59,938	57,653	56,311
Community services and other	3,358	3,601	3,651	3,321	2,598
Interest on long term debt	11,738	2,225	6,723	8,599	12,995
Unallocated fiscal charges on long-term debt and depreciation expense	260	505	516	547	1,075
Total primary government expenses	<u>1,158,981</u>	<u>1,118,959</u>	<u>1,046,597</u>	<u>1,012,166</u>	<u>965,071</u>
<b>PROGRAM REVENUES</b>					
Charges for services:					
Instructional services	2,477	2,904	2,965	2,774	2,552
Student transportation services	146	364	552	560	586
Food services	570	757	1,142	1,907	2,157
Operating grants and contributions	48,040	52,921	57,600	52,075	51,939
Capital grants and contributions	7,967	7,960	10,802	5,888	6,882
Total primary government program revenues	<u>59,200</u>	<u>64,906</u>	<u>73,061</u>	<u>63,204</u>	<u>64,116</u>
Total primary government net (expenses) revenues	<u>(1,099,781)</u>	<u>(1,054,053)</u>	<u>(973,536)</u>	<u>(948,962)</u>	<u>(900,955)</u>
<b>GENERAL REVENUES</b>					
Property taxes levied for operational purposes	191,141	181,854	175,403	170,105	162,002
Property taxes levied for capital projects	63,714	59,536	55,363	50,873	45,862
Local sales taxes	59,124	50,907	50,197	45,161	43,048
Unrestricted grants and contributions	763,551	721,445	686,695	663,408	630,276
Investment earnings	4,373	9,523	6,220	2,467	1,290
Miscellaneous	11,013	22,344	8,306	12,473	22,064
Impact Fees	10,035	39,123	30,663		
Total primary government general revenues	<u>1,102,951</u>	<u>1,084,732</u>	<u>1,012,847</u>	<u>944,487</u>	<u>904,542</u>
<b>CHANGE IN NET POSITION</b>					
Total governmental activities	3,170	30,679	39,311	(4,475)	3,587
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>EXPENSES</b>	-	-	-	108	637
<b>PROGRAM REVENUES</b>					
Charges for services	-	-	-	234	744
<b>CHANGE IN NET POSITION</b>					
Total business-type activities	-	-	-	126	107
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 3,170</u>	<u>\$ 30,679</u>	<u>\$ 39,311</u>	<u>\$ (4,349)</u>	<u>\$ 3,694</u>

Note: The District terminated business-type activities in 2017-2018 fiscal year that began in 2014-2015 fiscal year.  
Impact fees are included in miscellaneous earnings.

Source: District Records

		Fiscal Year							
		2016	2015	2014	2013	2012			
\$	554,005	\$	536,529	\$	531,412	\$	514,670	\$	501,427
	90,111		83,923		84,267		82,988		83,720
	31,946		33,256		35,115		34,588		36,358
	66,475		66,575		66,916		65,724		92,047
	42,959		39,702		39,775		40,108		40,310
	50,970		53,496		43,475		32,606		33,190
	52,535		49,440		48,350		44,617		43,949
	2,335		2,821		2,836		2,857		3,194
	15,789		12,998		16,288		19,050		19,908
	241		642		578		246		186
	<u>907,366</u>		<u>879,382</u>		<u>869,012</u>		<u>837,454</u>		<u>854,289</u>
	3,662		2,807		2,227		2,145		2,346
	572		532		509		516		470
	2,820		4,740		6,427		6,990		7,304
	49,120		43,618		38,673		35,599		34,978
	<u>5,672</u>		<u>6,864</u>		<u>3,388</u>		<u>3,392</u>		<u>3,372</u>
	<u>61,846</u>		<u>58,561</u>		<u>51,224</u>		<u>48,642</u>		<u>48,470</u>
	<u>(845,520)</u>		<u>(820,821)</u>		<u>(817,788)</u>		<u>(788,812)</u>		<u>(805,819)</u>
	162,423		155,374		155,565		147,333		158,902
	42,918		40,529		38,597		36,886		38,651
	40,757		38,290		43,260		34,082		32,341
	607,096		598,347		572,735		544,989		524,209
	1,393		796		775		1,220		696
	18,104		17,241		9,880		14,255		18,013
	<u>872,691</u>		<u>850,577</u>		<u>820,812</u>		<u>778,765</u>		<u>772,812</u>
	27,171		29,756		3,024		(10,047)		(33,007)
	391		82		-		-		-
	<u>560</u>		<u>203</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>169</u>		<u>121</u>		<u>-</u>		<u>-</u>		<u>-</u>
\$	<u>27,340</u>	\$	<u>29,877</u>	\$	<u>3,024</u>	\$	<u>(10,047)</u>	\$	<u>(33,007)</u>

**SCHOOL DISTRICT OF POLK COUNTY  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS**

**TABLE 3**

(accrual basis of accounting)

(amounts in thousands)

(unaudited)

Fiscal Year Ending June 30,	Sales Tax Revenue Bonds				Coverage
	Sales Tax	Debt Service			
		Principal	Interest		
2021	\$ 59,124	\$ 8,165	\$ 7,797	27.0%	
2020	50,907	-	6,556	12.9%	
2019	50,197	25,530	402	51.7%	
2018	45,161	24,720	1,195	57.4%	
2017	43,048	23,940	1,964	60.2%	
2016	40,757	23,270	2,823	64.0%	
2015	38,290	21,220	4,541	67.3%	
2014	35,882	20,235	6,257	73.8%	
2013	34,082	19,340	7,151	77.7%	
2012	32,341	18,525	7,970	81.9%	

Source: District Records

**SCHOOL DISTRICT OF POLK COUNTY  
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

**TABLE 4**

(accrual basis of accounting)

(amounts in thousands)

(unaudited)

Fiscal Year Ending June 30,	Property Tax		Sales Tax	Total
	General Purposes	Capital Projects		
2021	\$ 191,141	\$ 63,714	\$ 59,124	\$ 313,979
2020	179,854	59,394	50,907	290,155
2019	175,403	55,363	50,197	280,963
2018	170,105	50,873	45,161	266,139
2017	162,001	45,862	43,048	250,911
2016	162,423	42,918	40,757	246,098
2015	155,374	40,529	38,290	234,193
2014	155,565	38,597	35,882	230,044
2013	147,333	36,886	34,082	218,301
2012	158,902	38,651	32,341	229,894

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Source: District Records

**SCHOOL DISTRICT OF POLK COUNTY  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

**TABLE 5**  
(modified accrual basis of accounting)  
(amounts in thousands)  
(unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>General Fund</b>					
Nonspendable	\$ 14,509	\$ 11,265	\$ 13,301	\$ 9,972	\$ 9,354
Restricted	17,275	17,205	12,997	10,257	14,838
Assigned	1,130	975	452	442	336
Unassigned	66,841	51,687	29,443	33,527	36,153
Total general fund	<u>\$ 99,755</u>	<u>\$ 81,132</u>	<u>\$ 56,193</u>	<u>\$ 54,198</u>	<u>\$ 60,681</u>
<b>All Other Governmental Funds</b>					
Nonspendable, reported in:					
Special revenue funds	\$ 1,925	\$ 3,458	\$ 2,554	\$ 2,452	\$ 2,198
Restricted, reported in:					
Special revenue funds	6,195	6,597	7,285	5,770	6,474
Capital projects funds	215,245	346,681	325,310	101,045	86,328
Debt service funds	24,341	22,835	24,821	20,160	17,882
Total all other governmental funds	<u>\$ 247,706</u>	<u>\$ 379,571</u>	<u>\$ 359,970</u>	<u>\$ 129,427</u>	<u>\$ 112,882</u>

Source: District Records

Fiscal Year				
2016	2015	2014	2013	2012
\$ 9,148	\$ 10,382	\$ 7,220	\$ 7,259	\$ 7,653
10,679	6,508	5,901	9,632	12,580
1,588	1,177	691	582	2,850
42,409	44,984	45,981	42,479	52,230
<u>\$ 63,824</u>	<u>\$ 63,051</u>	<u>\$ 59,793</u>	<u>\$ 59,952</u>	<u>\$ 75,313</u>
\$ 1,678	\$ 1,468	\$ 1,237	\$ 1,175	\$ 1,270
6,421	5,930	8,075	9,842	9,930
71,583	83,680	95,180	99,548	127,646
15,554	13,272	11,695	8,653	7,086
<u>\$ 95,236</u>	<u>\$ 104,350</u>	<u>\$ 116,187</u>	<u>\$ 119,218</u>	<u>\$ 145,932</u>

**SCHOOL DISTRICT OF POLK COUNTY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**TABLE 6**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
(unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 254,855	\$ 241,390	\$ 230,766	\$ 220,978	\$ 207,864
Local sales tax	59,124	50,907	50,197	45,161	43,048
Impact Fees	10,010	39,234	30,807	4,334	13,545
Food services	570	756	1,142	1,907	2,157
Interest income	4,284	8,625	5,115	2,133	1,043
Other	13,726	25,163	11,823	10,872	11,007
Total local sources	342,569	366,075	329,850	285,385	278,664
State sources:					
Florida education finance program	497,720	483,036	455,521	430,572	420,095
Public education capital outlay	-	66	3,377	2,163	3,271
Food services	793	752	737	752	720
Grants and other	137,139	137,739	143,470	131,127	131,369
Total state sources	635,652	621,593	603,105	564,614	555,455
Federal sources:					
Food services	-	-	56,863	51,324	51,219
Federal grants direct	13,808	15,937	17,266	18,634	16,840
Federal grants through state and local	170,098	144,800	77,863	86,799	65,583
Total federal sources	183,906	160,737	151,992	156,757	133,642
Total revenues	1,162,127	1,148,405	1,084,947	1,006,756	967,761
<b>EXPENDITURES</b>					
Current:					
Instructional services:	651,375	625,580	605,887	592,456	556,426
Instructional support services:					
Student personnel services	50,099	44,214	40,103	40,068	38,215
Instructional media services	8,412	8,422	8,275	8,873	8,077
Instruction and curriculum development services	14,833	14,564	13,719	13,229	12,461
Instructional staff training services	21,458	24,672	24,227	22,555	19,976
Instructional related technology	19,091	17,423	10,466	10,081	9,429
Total instructional support services	113,893	109,295	96,790	94,806	88,158
Student transportation services	37,222	36,801	37,798	35,742	34,288
Operation and maintenance of plant:					
Operation of plant	62,788	55,147	54,890	46,326	44,545
Maintenance of plant	21,328	23,100	22,849	23,680	21,987
Total operation and maintenance of plant	84,116	78,247	77,739	70,006	66,532
School administration	47,131	46,658	45,797	44,462	42,984
General administration:					
Central services	12,641	13,422	14,882	13,138	12,528
Board	2,765	2,286	1,815	1,909	2,324
General administration	6,472	5,768	5,668	6,161	5,792
Fiscal services	3,182	2,924	3,261	3,232	2,884
Administrative technology services	7,475	6,711	6,652	5,862	5,942
Total general administration	32,535	31,111	32,278	30,302	29,470

Source: District Records

Fiscal Year				
2016	2015	2014	2013	2012
\$ 205,341	\$ 195,903	\$ 194,161	\$ 184,219	\$ 197,553
40,757	38,290	35,881	34,082	32,341
10,325	8,494	7,379	5,133	3,764
2,820	4,740	6,446	6,989	7,304
928	540	572	702	543
10,814	12,107	13,482	13,102	18,138
<u>270,985</u>	<u>260,074</u>	<u>257,921</u>	<u>244,227</u>	<u>259,643</u>
400,711	386,495	368,371	339,640	313,381
2,162	1,881	-	-	-
676	631	634	653	707
129,445	130,037	130,433	128,619	127,261
<u>532,994</u>	<u>519,044</u>	<u>499,438</u>	<u>468,912</u>	<u>441,349</u>
48,444	42,959	38,038	34,947	34,271
15,025	15,825	14,749	15,721	15,513
65,426	70,973	61,667	63,562	70,575
<u>128,895</u>	<u>129,757</u>	<u>114,454</u>	<u>114,230</u>	<u>120,359</u>
<u>932,874</u>	<u>908,875</u>	<u>871,813</u>	<u>827,369</u>	<u>821,351</u>
533,801	528,291	510,130	491,148	468,983
38,302	37,182	36,456	31,996	31,602
8,050	8,338	8,725	8,561	8,245
13,259	13,765	17,064	16,589	16,405
17,215	16,189	9,455	11,718	13,002
10,577	8,680	9,085	10,098	8,980
<u>87,403</u>	<u>84,154</u>	<u>80,785</u>	<u>78,962</u>	<u>78,234</u>
<u>32,964</u>	<u>32,785</u>	<u>33,999</u>	<u>33,601</u>	<u>33,051</u>
44,030	43,103	42,344	44,262	43,936
20,233	21,652	21,666	18,817	16,501
<u>64,263</u>	<u>64,755</u>	<u>64,010</u>	<u>63,079</u>	<u>60,437</u>
<u>41,258</u>	<u>39,124</u>	<u>38,215</u>	<u>38,366</u>	<u>37,670</u>
12,413	11,493	10,885	10,909	10,505
2,018	1,904	1,975	2,039	2,372
5,315	4,790	4,844	6,065	5,379
3,121	3,173	3,169	2,995	3,017
6,009	5,927	5,489	5,081	5,054
<u>28,876</u>	<u>27,287</u>	<u>26,362</u>	<u>27,089</u>	<u>26,327</u>

**SCHOOL DISTRICT OF POLK COUNTY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**TABLE 6**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
(unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>EXPENDITURES</b>					
Non-capitalizable facilities acquisition and construction	15,517	17,722	12,211	7,373	8,990
Food services	50,927	53,673	56,849	54,239	53,220
Community services and other	3,064	3,315	3,430	3,125	2,449
Debt Service:					
Principal retirement	27,336	16,994	41,447	37,870	36,237
Interest	13,887	13,210	7,062	8,233	9,447
Fiscal charges	30	671	1,168	91	755
Capital outlay					
Facilities acquisitions & construction	179,991	67,807	20,587	11,097	15,763
Other capital outlay	18,346	10,189	11,725	8,561	10,402
Total expenditures	<u>1,275,370</u>	<u>1,111,273</u>	<u>1,050,768</u>	<u>998,363</u>	<u>955,121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(113,243)</u>	<u>37,131</u>	<u>34,179</u>	<u>8,393</u>	<u>12,640</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Long term bonds issued	-	-	160,025	-	-
Premium on sale of bonds	-	-	34,182	-	-
Refunding bonds issued	-	87,861	2,752	-	26,891
Premium on sale of refunding bonds	-	3	435	-	85
Issuance of debt	-	6,000	-	-	-
Payments to refunded bond escrow agent	-	(87,462)	-	-	(26,229)
Proceeds from capital leases	-	-	-	-	-
Insurance loss recoveries	-	315	-	601	-
Transfers in	86,436	79,519	96,635	85,342	81,080
Transfers out	(86,436)	(78,828)	(95,669)	(84,275)	(79,964)
Total other financing sources and uses	<u>-</u>	<u>7,408</u>	<u>198,360</u>	<u>1,668</u>	<u>1,863</u>
Net change in fund balances	<u>\$ (113,243)</u>	<u>\$ 44,539</u>	<u>\$ 232,539</u>	<u>\$ 10,061</u>	<u>\$ 14,503</u>
Debt service as a percentage of non-capital expenditures	3.83%	2.93%	4.76%	4.71%	4.92%

Source: District Records

Fiscal Year				
2016	2015	2014	2013	2012
11,174	11,261	10,757	8,630	11,525
50,985	49,471	46,674	42,792	40,630
2,255	2,742	2,694	2,700	3,017
35,484	34,366	32,775	31,408	30,077
12,185	14,544	16,941	18,139	18,998
507	153	75	872	1,210
35,377	18,239	7,743	26,277	43,073
7,401	11,554	5,835	6,577	12,673
<u>943,933</u>	<u>918,726</u>	<u>876,995</u>	<u>869,640</u>	<u>865,905</u>
<u>(11,059)</u>	<u>(9,851)</u>	<u>(5,182)</u>	<u>(42,271)</u>	<u>(44,554)</u>
-	-	-	-	-
-	-	140	-	48
118,935	46,179	900	81,255	440
-	200	-	-	-
-	-	-	-	-
(118,528)	(47,061)	(268)	(81,255)	(487)
-	1,133	-	-	-
1,199	7	19	7	183
77,260	87,407	94,287	81,788	82,405
<u>(76,148)</u>	<u>(86,593)</u>	<u>(93,086)</u>	<u>(80,334)</u>	<u>(80,830)</u>
<u>2,718</u>	<u>1,272</u>	<u>1,992</u>	<u>1,461</u>	<u>1,759</u>
<u>\$ (8,341)</u>	<u>\$ (8,579)</u>	<u>\$ (3,190)</u>	<u>\$ (40,810)</u>	<u>\$ (42,795)</u>
5.29%	5.50%	5.76%	5.92%	6.06%

**SCHOOL DISTRICT OF POLK COUNTY  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 TABLE 7  
 (amounts in thousands)  
 (unaudited)**

Fiscal Year Ended June 30,	Taxable Value for the School District						
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Other (1) Property	Tangible Property	Less: Exemptions
2021	\$ 38,866,706	\$ 5,672,090	\$ 3,411,087	\$ 2,190,133	\$ 4,462,899	\$ 7,838,273	\$ 17,448,526
2020	34,680,388	5,463,586	3,130,348	2,202,537	4,108,453	7,412,557	15,911,875
2019	31,491,549	5,224,663	2,885,916	2,174,082	3,885,577	7,241,148	14,727,845
2018	28,148,924	4,932,713	2,659,652	2,033,639	3,785,351	6,743,583	13,233,779
2017	25,612,576	4,547,618	2,022,272	2,071,902	3,537,946	6,074,402	12,292,797
2016	23,771,417	4,236,898	1,766,486	1,956,536	3,347,595	6,176,176	11,521,005
2015	21,763,759	4,043,575	1,618,218	1,837,079	3,194,730	5,859,292	10,286,736
2014	19,419,786	3,966,947	1,562,888	1,710,091	3,141,635	5,869,626	9,125,755
2013	17,793,857	3,904,128	1,527,154	1,701,901	3,093,822	5,686,296	8,289,198
2012	19,307,684	3,745,586	1,529,632	1,781,720	3,076,148	5,797,920	8,670,916

(1) Category includes institutional, government, non-ag, and miscellaneous.

Note: Net Taxable Values are net Assessed Values after deducting allowable statutory exemptions.  
 Tax revenues for each fiscal year are based on the prior calendar year's net taxable values, e.g.: FY 2017 tax revenues are based on CY 2016 net taxable values.

Source: Florida Department of Revenue

	<u>Net Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Taxable Value</u>	<u>Net Assessed Value as a Percentage of of Estimated Taxable Value</u>
\$	44,992,662	5.9350	\$ 62,556,042	71.92%
	41,085,994	6.0860	57,101,226	71.95%
	38,175,090	6.2510	53,020,095	72.00%
	35,070,083	6.5140	48,404,657	72.45%
	31,573,919	6.7970	43,967,539	71.81%
	29,734,103	7.1490	41,350,735	71.91%
	28,029,917	7.2080	38,400,400	72.99%
	26,545,218	7.5470	35,752,837	74.25%
	25,417,960	7.4920	33,783,998	75.24%
	26,567,774	7.6700	35,317,184	75.23%

**SCHOOL DISTRICT OF POLK COUNTY  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
RATES PER \$1,000 ASSESSED VALUATION**

**TABLE 8**

(unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
District School Board:					
Required Local Effort	3.6870	3.8380	3.9980	4.2660	4.5490
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Improvement	1.5000	1.5000	1.5000	1.5000	1.5000
<b>Total District School Board</b>	<b>5.9350</b>	<b>6.0860</b>	<b>6.2460</b>	<b>6.5140</b>	<b>6.7970</b>
Other County-Wide:					
Board of County Commissioners	6.8990	7.1565	7.1565	6.7815	6.7815
<b>Total County-Wide</b>	<b>12.8340</b>	<b>13.2425</b>	<b>13.4025</b>	<b>13.2955</b>	<b>13.5785</b>
Non-County Wide:					
Board of County Commissioners					
Public Library Service	0.2109	0.2109	0.2109	0.2109	0.2109
Parks & Recreation (unincorporated)	0.5619	0.5619	0.5619	0.5619	0.5619
Municipalities:					
Auburndale	4.2515	4.2515	4.2515	4.2657	4.2657
Bartow	3.0862	3.2768	3.5378	3.6541	3.8044
Davenport	7.5000	7.5000	7.5000	7.5000	7.5000
Eagle Lake	7.6516	7.6516	7.6516	7.6516	7.6516
Fort Meade	7.8899	7.8899	6.8704	6.8704	6.2458
Frostproof	6.5530	6.9705	7.3045	7.4978	7.7716
Haines City	7.5895	7.5895	7.5895	7.5895	7.5895
Lake Alfred	7.2390	7.2390	7.2390	7.2390	7.2390
Lake Wales	6.7974	6.9339	7.0438	7.0438	7.3273
Lakeland	5.4644	5.4644	5.4644	5.5644	5.5644
Mulberry	6.4400	6.4400	6.4400	6.5900	6.7900
Polk City	6.0000	6.0000	7.2500	7.4877	8.0000
Winter Haven	6.7900	6.7900	6.7900	5.7900	5.7900

Note: Overlapping debt is the debt of a political entity, such as a state where its tax base overlaps the tax base of another political entity, such as a city within the county.

In addition to the non-voted operating levies, the School District may, based on State statutory law, levy additional millage for school operational purposes, which is subject to the approval by a majority of voters. The total combined operating levies (non-voted and voted) cannot exceed 10.000 mills.

Source: Polk County Property Appraiser

Fiscal Year				
2016	2015	2014	2013	2012
4.9010	4.9600	5.2990	5.2440	5.4220
0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000
7.1490	7.2080	7.5470	7.4920	7.6700
6.7815	6.8665	6.8665	6.8665	6.8665
13.9305	14.0745	14.4135	14.3585	14.5365
0.2109	0.2109	0.2109	0.2109	0.2109
0.5619	0.4219	0.4219	0.4219	0.4219
4.2657	4.2657	4.2657	4.2657	3.8393
3.8387	3.9075	3.9960	3.9962	3.9962
7.5000	7.5000	7.7500	7.7500	6.9900
7.6516	7.6516	7.6516	7.6516	7.6516
5.6484	5.6484	5.6484	5.6484	3.3509
8.0587	8.0587	8.0587	7.8209	7.8209
7.7900	7.7900	7.7900	7.9900	6.9900
7.4890	7.5890	7.5890	7.5890	6.9990
7.3638	8.3638	8.5866	8.5119	7.9998
5.5644	4.6644	4.6644	4.6644	4.1644
7.2900	7.6500	8.4000	8.9000	8.9000
8.2500	8.6000	8.6547	8.6547	8.6547
5.7900	5.7900	5.7900	5.7900	5.7900

**SCHOOL DISTRICT OF POLK COUNTY  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT AND NINE YEARS AGO  
 TABLE 9  
 (amounts in thousands)  
 (unaudited)**

Taxpayer	Fiscal Year					
	2021			2012		
	Rank	Taxable Value	Percentage of Total Assessed Value	Rank	Taxable Value	Percentage of Total Assessed Value
Duke Energy/Progress Energy	1	\$ 1,254,985	2.16%	1	\$ 1,026,380	3.21%
Tampa Electric	2	911,098	1.57%	2	492,505	1.54%
Mosaic/Streamsong/Stillwater	3	762,204	1.31%	3	434,087	1.36%
Publix Super Markets	4	525,802	0.91%	4	256,698	0.80%
Walmart	5	398,556	0.69%	9	104,204	0.33%
Invitation Homes	6	255,376	0.44%			
Amazon	7	246,952	0.43%			
Carlton Arms	8	238,195	0.41%			
Nucor Steel Florida INC	9	210,509	0.36%			
Coca Cola	10	203,794	0.35%	6	163,059	0.51%
Verizon Florida				5	221,225	0.69%
Calpine Construction Florida				7	153,301	0.48%
Gulfstream Natural Gas				8	150,849	0.47%
Brighthouse				10	92,530	0.29%
Total		<u>\$ 5,007,471</u>	<u>8.63%</u>		<u>\$ 3,094,838</u>	<u>9.68%</u>

Source: Polk County Property Appraiser

**SCHOOL DISTRICT OF POLK COUNTY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
TABLE 10  
(unaudited)**

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Delinquent Collections (1)	Collected in Fiscal Year	
		Current Tax Collections (1)	Percent of Levy		Total Collections (1)	Percent of Levy
2021	\$ 265,833,122	\$ 254,281,875	95.65%	\$ 572,822	\$ 254,854,697	95.87%
2020	248,625,507	239,247,146	96.23%	2,142,650	241,389,796	97.09%
2019	237,554,259	228,164,079	96.05%	2,601,537	230,765,616	97.14%
2018	228,438,645	219,061,681	95.90%	1,916,099	220,977,780	96.73%
2017	214,850,226	206,273,679	96.01%	1,590,497	207,864,176	96.75%
2016	212,412,071	203,903,763	95.99%	1,437,488	205,341,251	96.67%
2015	201,717,120	193,648,970	96.00%	2,253,762	195,902,732	97.12%
2014	200,060,667	192,371,754	96.16%	1,789,519	194,161,273	97.05%
2013	190,589,618	182,918,037	95.97%	1,301,006	184,219,043	96.66%
2012	203,981,107	196,437,667	96.30%	1,115,156	197,552,823	96.85%

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. Accordingly, taxes collected will never be 100% of the tax levy. 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 not later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Source: District Records

**SCHOOL DISTRICT OF POLK COUNTY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**TABLE 11**

(amounts in thousands, except per capita)  
(unaudited)

Fiscal Year	Governmental Activities (A)						Percentage of Personal Income (B)	Per Capita (B)
	Sales Tax Revenue Bonds	State Board of Education Bonds	Capital Leases	Certificates Of Participation	Notes Payable	Total Primary Government		
2021	\$ 178,744	\$ 3,618	\$ -	\$ 154,997	\$ -	\$ 337,359	N/A	N/A
2020	160,025	3,680	-	156,958	6,000	326,663	N/A	N/A
2019	192,363	4,252	-	174,741	-	371,356	1.52%	538
2018	26,429	5,164	-	186,972	-	218,565	0.92%	325
2017	52,049	5,974	281	199,047	-	257,351	1.14%	389
2016	76,888	7,254	568	207,595	-	292,305	1.32%	452
2015	101,057	9,320	845	212,118	431	323,771	1.52%	511
2014	117,360	11,275	-	221,967	1,653	352,255	1.73%	565
2013	137,595	13,640	-	230,922	2,974	385,131	1.82%	627
2012	156,935	15,790	-	239,562	4,231	416,518	1.92%	686

(A) The primary government's business-type activities does not have any debt.

(B) Total Primary Government Debt divided by Personal Income and Population from the Demographics and Economics schedule.

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Source: District Records

**SCHOOL DISTRICT OF POLK COUNTY  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2021  
TABLE 12  
(unaudited)**

<b>Jurisdiction</b>	<b>General Obligation Bonded Debt Outstanding</b>	<b>Direct Debt</b>		<b>Direct and Overlapping Debt</b>	
		<b>Percentage Applicable to This Governmental Unit</b>	<b>Amount Applicable to This Governmental Unit</b>	<b>Percentage Applicable to Polk County</b>	<b>Amount Applicable to Polk County</b>
Polk County Board of County Commissioners	\$ 65,509,506	100%	\$ 65,509,506	100%	\$ 65,509,506
Polk County District School Board	-	100%	337,359,324	100%	-
<b>Totals</b>	<u>\$ 65,509,506</u>		<u>\$ 402,868,830</u>		<u>\$ 65,509,506</u>

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district'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  
Polk County Clerk of the Circuit Court

**SCHOOL DISTRICT OF POLK COUNTY  
 ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY  
 REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS  
 LAST TEN FISCAL YEARS  
 TABLE 13  
 (unaudited)**

<b>Fiscal Year</b>	<b>Taxable Assessed Value (A)</b>	<b>Annual Lease Payment</b>	<b>Millage Levy to Provide 1.00x Coverage (B)</b>
2021	\$ 44,992,662	\$ 17,033,126	0.3985
2020	41,085,994	21,438,752	0.5493
2019	38,175,090	17,218,320	0.4748
2018	35,070,083	17,401,051	0.5223
2017	31,540,752	16,539,022	0.5520
2016	29,698,656	16,990,132	0.6022
2015	28,029,917	17,240,555	0.6474
2014	26,545,218	17,229,290	0.6832
2013	25,417,960	17,183,587	0.7116
2012	26,567,774	17,177,448	0.6806

(A) Assessed Value is in Thousands.

(B) Millage rate calculated using 95 percent of the taxable assessed valuation.

Note: Capital lease arrangements financed by certificates of participation are not considered general obligation debt, as no specific property tax levy has been pledged.

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Source: Florida Department of Revenue and District Records

**SCHOOL DISTRICT OF POLK COUNTY  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN YEARS  
 TABLE 14  
 (unaudited)**

<b>Fiscal Year</b>	<b>Population (A)</b>	<b>Personal Income (1) (B)</b>	<b>Per Capita Personal Income (B)</b>	<b>Unemployment Rate (B)</b>
2020	715,090	N/A	N/A	3.5%
2019	690,606	\$ 24,490,961	\$ 36,649	4.1%
2018	673,028	23,867,592	35,463	3.5%
2017	661,645	22,636,860	34,213	4.6%
2016	646,989	22,126,377	34,199	5.8%
2015	633,052	21,348,413	33,723	6.2%
2014	623,174	20,347,877	32,652	7.9%
2013	613,950	21,115,582	34,393	8.2%
2012	606,888	21,693,818	35,746	9.8%
2011	604,792	20,228,478	33,447	11.6%

(1) Personal Income in thousands.

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Sources:

- (A) University of Florida Bureau of Economic and Business Research
- (B) Polk County CAFR 2020

Note: 2021 data was not available at time of publishing.

**SCHOOL DISTRICT OF POLK COUNTY  
 PRINCIPAL EMPLOYERS  
 POLK COUNTY EMPLOYMENT  
 CURRENT YEAR AND NINE YEARS AGO  
 TABLE 15  
 (unaudited)**

Employer	Calendar Year					
	2020			2011		
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
Polk County School Board	13,235	1	4.29%	14,000	1	5.14%
Publix Super Markets	12,500	2	4.05%	9,500	2	3.49%
Lakeland Regional Medical Center	5,575	3	1.81%	4,600	5	1.69%
Polk County Government	4,638	4	1.50%	4,700	4	1.72%
Walmart	4,250	5	1.38%	5,100	3	1.87%
Geico	3,700	6	1.20%	2,000	9	0.73%
City of Lakeland	2,800	7	0.91%	2,500	8	0.92%
Winter Haven Hospital	2,200	8	0.71%	2,500	7	0.92%
Watson Clinic	1,857	9	0.60%	-	-	-
Advent Health	1,550	10	0.50%	-	-	-
State of Florida	-	-	-	4,300	6	1.58%
State Farm Insurance	-	-	-	2,000	10	0.73%
	<u>52,305</u>		<u>16.95%</u>	<u>51,200</u>		<u>18.79%</u>

Note: 2021 data was not available at time of publishing.

Sources: Polk County CAFR 2020



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

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**SCHOOL DISTRICT OF POLK COUNTY  
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA  
LAST TEN FISCAL YEARS  
TABLE 16  
(unaudited)**

	Fiscal Years				
	2021	2020	2019	2018	2017
<b>Schools</b>					
<b>Elementary</b>					
Locations	66	66	65	66	66
Square feet	6,249,626	6,181,996	6,069,905	6,293,636	6,515,678
Capacity	51,846	51,213	385,816	51,419	53,928
Enrollment	46,853	37,520	40,622	40,226	41,975
<b>Middle</b>					
Locations	20	20	20	20	20
Square feet	2,787,509	2,812,996	2,804,098	2,825,675	2,800,879
Capacity	24,493	24,542	24,179	22,578	21,803
Enrollment	16,089	15,793	17,123	17,867	16,084
<b>Senior High</b>					
Locations	15	14	14	15	15
Square feet	4,561,446	4,367,695	4,351,929	4,344,534	4,297,686
Capacity	37,337	35,438	34,771	33,106	32,237
Enrollment	24,215	25,489	25,798	25,923	25,523
<b>Other (A)</b>					
Locations	13	13	13	12	12
Square feet	1,543,291	1,567,074	1,268,049	1,067,481	1,143,280
Capacity	10,961	11,208	7,912	6,445	7,385
Enrollment	7,179	5,432	6,642	4,637	5,694
<b>Conversion Charter (B)</b>					
Locations	9	9	9	9	9
Square feet	1,177,484	1,177,484	1,165,534	1,163,225	1,160,446
Capacity	9,242	9,242	8,883	8,483	8,360
Enrollment	7,634	8,013	7,942	7,749	7,982
<b>Administrative / Support Services</b>					
Locations	17	19	13	15	16
Square feet	532,856	595,259	1,268,049	571,682	591,512
<b>Total Enrollment in District Facilities</b>	101,970	92,247	98,127	96,402	97,258

(A) Includes ESE, alternative education, and elementary-middle fine arts.

(B) District public schools that converted to charter school status.

Note: Does not include start-up charter schools or their enrollment.

Source: District Records

**Fiscal Years**

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
66	66	67	67	67
6,102,843	6,108,489	6,273,582	6,264,516	6,281,975
50,714	50,686	51,616	51,126	51,507
40,540	40,379	38,619	40,168	40,167
20	20	19	19	19
2,654,893	2,653,573	2,607,658	2,630,298	2,641,924
24,321	22,894	22,997	23,480	23,884
16,409	16,659	15,635	15,655	16,006
15	16	15	16	16
4,302,843	4,285,656	4,295,866	4,306,621	4,323,615
33,846	34,150	34,223	34,461	34,432
25,537	25,014	24,086	21,912	22,312
11	11	10	10	10
988,116	987,396	914,943	914,042	921,463
6,212	6,184	5,861	5,851	5,893
4,302	4,339	4,045	4,204	3,976
9	9	9	9	9
1,160,446	1,162,582	1,162,538	1,163,607	1,167,797
8,685	8,439	8,439	8,405	8,318
7,744	7,351	7,153	7,138	6,904
17	17	18	17	17
593,317	593,333	664,623	557,797	569,433
94,532	93,742	89,538	89,077	89,365

**SCHOOL DISTRICT OF POLK COUNTY  
TEACHER BASE SALARIES  
LAST TEN FISCAL YEARS  
TABLE 17  
(unaudited)**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>
2021	\$ 45,172	\$ 67,292	\$ 48,993
2020	40,972	64,072	47,397
2019	40,972	64,072	47,857
2018	41,272	62,872	48,199
2017	40,672	62,872	47,368
2016	40,672	62,872	47,368
2015	40,000	59,300	46,323
2014	36,750	58,175	45,181
2013	35,750	56,175	42,671
2012	35,000	55,175	41,849

Note: Includes only 10 Month Teachers  
Performance Pay Schedule

Source: District Records



**POLK COUNTY**  
**PUBLIC SCHOOLS**

STUDENTS FIRST

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**SCHOOL DISTRICT OF POLK COUNTY  
FOOD SERVICE OPERATING DATA  
LAST TEN YEARS  
TABLE 18  
(unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>Days Meals Served:</b>	175	131	180	174	178
<b>Student Lunches Served:</b>					
Paid Lunches (regular)	-	-	-	440,716	522,762
Reduced Lunches (regular)	-	-	-	29,460	47,065
Free Lunches (regular)	7,805,540	8,515,869	11,666,364	10,608,564	10,740,732
<b>Total Student Lunches Served</b>	<b>7,805,540</b>	<b>8,515,869</b>	<b>11,666,364</b>	<b>11,078,740</b>	<b>11,310,559</b>
Daily Average Student Lunches Served	44,603	65,007	64,813	63,671	63,542
<b>Student Breakfasts Served:</b>					
Paid Breakfasts (regular)	-	-	-	113,894	150,768
Reduced Breakfasts (regular)	-	-	-	8,377	12,374
Free Breakfasts (regular)	4,331,904	4,249,798	5,853,353	5,285,375	5,446,493
<b>Total Student Breakfasts Served</b>	<b>4,331,904</b>	<b>4,249,798</b>	<b>5,853,353</b>	<b>5,407,646</b>	<b>5,609,635</b>
Daily Average Student Breakfasts Served	24,754	32,441	32,519	31,078	31,515
<b>LUNCH PRICES:</b>					
Elementary	\$0.00	\$0.00	\$2.00	\$2.00	\$2.00
Middle	\$0.00	\$0.00	\$2.30	\$2.30	\$2.30
High	\$0.00	\$0.00	\$2.60	\$2.60	\$2.60
<b>BREAKFAST PRICES:</b>					
Elementary	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00
Secondary	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00
<b>Free and Reduced Percentages:</b>					
Paid	-	-	-	3.4%	4.0%
Reduced	-	-	-	0.2%	0.4%
Free	100.0%	100.0%	100.0%	96.4%	95.7%

Source: District Records

Fiscal Year				
2016	2015	2014	2013	2012
180	180	180	179	180
633,470	1,148,306	1,297,759	1,439,256	1,631,888
106,093	306,398	478,147	755,136	756,400
10,421,805	9,198,230	8,125,512	7,525,884	7,736,169
11,161,368	10,652,934	9,901,418	9,720,276	10,124,457
62,008	59,183	55,008	54,303	56,247
139,378	173,192	250,749	232,618	250,740
25,546	71,598	121,221	210,856	206,980
5,306,261	4,645,245	3,880,971	3,538,062	3,539,847
5,471,185	4,890,035	4,252,941	3,981,536	3,997,567
30,395	27,167	23,627	22,243	22,209
\$2.00	\$2.00	\$2.00	\$1.80	\$1.70
\$2.30	\$2.30	\$2.30	\$2.10	\$2.00
\$2.60	\$2.60	\$2.30	\$2.10	\$2.00
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
4.6%	8.5%	10.9%	12.2%	13.3%
0.8%	2.4%	4.2%	7.1%	6.8%
94.6%	89.1%	84.8%	80.7%	79.8%

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# Compliance Section



**POLK COUNTY**  
**PUBLIC SCHOOLS**

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DISTRICT SCHOOL BOARD OF POLK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2021

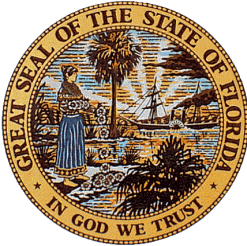
Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>Clustered</b>				
<b>Child Nutrition Cluster</b>				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	21002	\$ -	\$ 8,811,596
National School Lunch Program	10.555	21001, 21003	-	25,266,447
COVID-19 National School Lunch Program	COVID-19, 10.555	21001, 21003	-	3,650,897
Total National School Lunch Program	10.555		-	28,917,344
Summer Food Service Program for Children	10.559	20006, 20007, 21006, 21007	-	9,413,445
Child Nutrition Discretionary Grants Limited Availability	10.579	26792	-	92,800
<b>Total Child Nutrition Cluster</b>			-	47,235,185
<b>Student Financial Assistance Cluster</b>				
United States Department of Education:				
Federal Pell Grant Program	84.063	N/A	-	1,795,844
<b>Total Student Financial Assistance Cluster</b>			-	1,795,844
<b>Special Education Cluster</b>				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	1,783,432	24,369,889
Special Education - Preschool Grants	84.173	266, 267	-	470,019
<b>Total Special Education Cluster</b>			1,783,432	24,839,908
<b>Not Clustered</b>				
<b>United States Department of Agriculture</b>				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	S-4372	-	104,529
<b>Total United States Department of Agriculture</b>			-	104,529
<b>United States Department of Defense</b>				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	951,722
Marine Corps Junior Reserve Officers Training Corps	12.UNK	N/A	-	69,710
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	115,770
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	56,971
<b>Total United States Department of Defense</b>			-	1,194,173
<b>United States Department of Labor</b>				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	-	348,743
<b>United States Department of the Treasury</b>				
Polk County Board of County Commissioners:				
Coronavirus Relief Fund	COVID-19, 21.019	None	-	9,500,000

DISTRICT SCHOOL BOARD OF POLK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>United States Department of Education</b>				
Magnet Schools Assistance	84.165	N/A	-	1,202,804
Education Stabilization Fund:	84.425			
Higher Education Emergency Relief Fund - Student Aid Portion	COVID-19, 84.425E	N/A	-	104,748
Higher Education Emergency Relief Fund - Institutional Portion	COVID-19, 84.425F	N/A	-	996,178
Florida Department of Education:				
Governor's Emergency Education Relief Fund	COVID-19, 84.425C	123	-	3,329,733
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124	-	28,406,252
Total Education Stabilization Fund	84.425		-	32,836,911
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	1,259,962
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	895,309	40,388,771
Migrant Education - State Grant Program	84.011	217	-	1,175,607
Career and Technical Education - Basic Grants to States	84.048	161	24,698	1,463,696
School Safety National Activities	84.184	107	-	93,916
Education for Homeless Children and Youth	84.196	127	-	178,936
Charter Schools	84.282	298	505,585	505,585
COVID-19 Charter Schools	COVID-19, 84.282	298	728,054	728,054
Total Charter Schools	84.282		1,233,639	1,233,639
Special Education - State Personnel Development	84.323	361	-	25,652
English Language Acquisition State Grants	84.365	102	-	1,274,216
Supporting Effective Instruction State Grants	84.367	224	132,724	3,219,008
School Improvement Grant	84.377A	126	-	367,910
Student Support and Academic Enrichment Program	84.424	241	-	1,852,931
Hurricane Education Recovery	84.938B	107	7,000	9,461
<b>Total United States Department of Education</b>			<b>2,293,370</b>	<b>86,583,420</b>
<b>United States Department of Health and Human Services</b>				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	-	(1,341)
Head Start	93.600	N/A	-	8,340,661
<b>Total United States Department of Health and Human Services</b>			<b>-</b>	<b>8,339,320</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,076,802</b>	<b>\$ 179,941,122</b>

The accompanying notes are an integral part of this schedule.

- Notes
- Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Polk County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2021. 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.
  - Summary of Significant Accounting Policies.** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
  - Indirect Cost Rate.** The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
  - Noncash Assistance - National School Lunch Program.** Includes \$2,005,144 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
  - COVID-19 National School Lunch Program.** The District incurred \$3,650,897 in expenditures for the National School Lunch Program grant in the 2019-20 fiscal year.
  - Head Start.** Expenditures include \$4,188,723 for grant number/program year 04CH010291/20, and \$4,151,938 for 04CH010291/21.
  - Coronavirus Relief Fund.** The District incurred \$5,090,552 in expenditures for the Coronavirus Relief Fund grant in the 2019-20 fiscal year.



Sherrill F. Norman, CPA  
Auditor General

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Polk County District School Board as of and for the fiscal year ended June 30, 2021, 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 16, 2021, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** as Financial Statement Finding No. 2021-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

We identified a certain additional matter finding which is described as Finding No. AM 2021-001.

### **District's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** Financial Statement Finding No. 2021-001 and in the **CORRECTIVE ACTION PLAN**. The District's response to the additional matters finding identified in our audit is included as District Response in Finding AM 2021-001. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

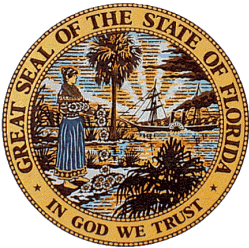
### **Purpose of this Report**

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

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
December 16, 2021  
Audit Report No. 2022-070



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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

## INDEPENDENT AUDITOR'S REPORT ON 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 Polk 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, 2021. 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**.

The District's basic financial statements include the operations of the Schools of McKeel Academy, Inc. and Ridgeview Global Studies Academy, Inc. (Charter Schools) as part of the reported aggregate discretely presented component units on the accompanying basic financial statements. The Charter Schools expended \$3,271,056 in Federal awards, which is not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2021. Our audit, described below, did not include the operations of these Charter Schools because, pursuant to Section 218.39(1)(e), Florida Statutes, the Charter Schools engaged other auditors to perform an audit in accordance with Uniform Guidance.

### **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, 2021.

### ***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 Award Finding No. 2021-002. 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 Award Finding No. 2021-002 and in the **CORRECTIVE ACTION PLAN**. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### **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 Award Finding No. 2021-002, 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 Award Finding No. 2021-002 and in the **CORRECTIVE ACTION PLAN**. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 16, 2021  
Audit Report No. 2022-070

# **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? Yes

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:

Assistance Listing Numbers:	Name of Federal Program or Cluster:
10.553, 10.555, and 10.559	Child Nutrition Cluster
21.019	Coronavirus Relief Fund
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low risk auditee? Yes

## SECTION II – FINANCIAL STATEMENT FINDING

### SIGNIFICANT DEFICIENCY

#### FINANCIAL REPORTING

<b>Finding Number</b>	<b>2021-001</b>
<b>Opinion Unit</b>	Governmental Activities
<b>Financial Statements Account Titles</b>	Various
<b>Fund Name</b>	Not Applicable
<b>Adjustment Amounts</b>	<p>For example, for Government-wide financial statements: reduction (debit) of \$14,020,805 for Deferred Inflows of Resources – Other Postemployment Benefits (OPEB), reduction (credit) of OPEB Expense and various other expense functions totaling \$10,113,212, and reduction (credit) of \$3,907,593 for Deferred Outflows of Resources – OPEB</p> <p>Schedule of Expenditures of Federal Awards (SEFA) additions totaling \$9.5 million to the Coronavirus Relief Fund (CRF) Program.</p>
<b>Statistically Valid Sample</b>	Not Applicable
<b>Prior Year Finding</b>	Not Applicable
<b>Finding</b>	District financial reporting procedures need improvement to ensure that financial statement and SEFA information is properly reported and required supplementary information (RSI) is properly included in the Annual Comprehensive Financial Report (ACFR) presented for audit.
<b>Criteria</b>	<p>Section 1010.01, Florida Statutes, requires that State Board of Education (SBE) rules incorporate the requirements of law and accounting principles generally accepted in the United States (GAAP). GAAP requires that:</p> <ul style="list-style-type: none"><li>• The account balances on the statement of net position (SNP) present total assets and deferred outflows of resources that equal total liabilities, deferred inflows of resources, and net position.</li><li>• Certain RSI regarding the District's OPEB and pension plans be disclosed in the ACFR. Such disclosures should include all years available, up to 10 years, on the Schedule of Changes in the District's Total OPEB Liability, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of District Contributions for both the Florida Retirement System Pension Plan and the Health Insurance Subsidy Pension Plan.</li></ul> <p>In addition to GAAP financial reporting requirements, Federal guidance requires the District to prepare a SEFA that reports total Federal awards expended for each individual Federal program. Federal guidance also requires the auditor to use a risk-based approach to determine which Federal programs are audited (i.e., major programs). As part of this approach, the auditor must identify the larger, Type A Federal programs, which must be audited as a major program at least once every 3 audit periods.</p>

<b>Condition</b>	<p>The District did not comply with GAAP and Federal requirements by properly reporting certain information on the financial statements, SEFA, and RSI in the ACFR submitted for audit. For example, before audit adjustments:</p> <ul style="list-style-type: none"> <li>• The District did not properly report several account balances in the 2020-21 fiscal year financial statements submitted for audit. For example, the Deferred Inflows of Resources – OPEB, Deferred Outflows of Resources – OPEB, OPEB Expense, and other accounts contained misstatements.</li> <li>• The CRF Program was omitted from the SEFA, although the District incurred expenditures totaling \$9.5 million for the Program. As a result of our audit adjustment, the CRF Program became a major Federal program.</li> <li>• RSI related to District OPEB and pension plans did not disclose information for all required years.</li> </ul>
<b>Cause</b>	District personnel responsible for preparing the ACFR had limited financial reporting experience and misunderstood how to properly report all information. In addition, the District had not established review procedures to detect and timely correct the ACFR errors.
<b>Effect</b>	<p>Reporting errors such as these may cause financial statement users to misunderstand the District’s financial activities and incorrectly assess the District’s financial position. Without adequate procedures to accurately report Federal programs and related expenditures on the SEFA, the risk increases that major Federal programs may not be identified and audited, and costs associated with those programs may be subject to disallowance by grantors.</p> <p>We extended our audit procedures to determine the adjustments necessary to ensure District financial statement amounts were properly reported and District personnel accepted the adjustments. However, our audit procedures cannot substitute for management’s responsibility to implement adequate controls over preparation of the ACFR.</p>
<b>Recommendation</b>	The District should improve procedures to ensure that financial statement and SEFA information is properly reported and RSI is properly included in the ACFR. Such procedures should include appropriate training for District personnel responsible for ACFR preparation and review and approval of the ACFR to detect and correct reporting errors.
<b>District Response</b>	The District will improve procedures to ensure that financial statement and SEFA information is properly reported and RSI is properly presented in the ACFR. In addition the District will provide training for District personnel responsible for ACFR preparation and review and approval of the ACFR to detect and correct reporting errors.

## SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

### U.S. DEPARTMENT OF AGRICULTURE

<b>Finding Number</b>	<b>2021-002</b>
<b>Assistance Listing Number</b>	10.553, 10.555, and 10.559
<b>Assistance Listing Program Title</b>	<b>Child Nutrition Cluster (CNC)</b>
<b>Compliance Requirement</b>	Allowable Costs/Cost Principles
<b>Pass-Through Entity</b>	Florida Department of Agriculture and Consumer Services (FDACS)
<b>Federal Grant/Contract Number and Grant Year</b>	215FL915N1099 – 2021; 215FL915N1199 – 2021

<b>Statistically Valid Sample</b>	No
<b>Finding Type</b>	Noncompliance and Significant Deficiency
<b>Questioned Costs</b>	Not Applicable
<b>Prior Year Finding</b>	Not Applicable
<b>Finding</b>	The District did not always comply with Federal regulations by maintaining records to accurately reflect employee work performed for the CNC and support the distribution of employee salary and benefit charges to the CNC.
<b>Criteria</b>	<p>Title 2, Section 200.430(i), Code of Federal Regulations (CFR), requires that charges for Federal awards for salaries be based on records that accurately reflect the work performed and support the distribution of employee salaries among specific activities or cost objectives if the employee works on more than one Federal award or a Federal award and non-Federal award.</p> <p>In addition, Title 2, Section 200.303(a), CFR, requires the District to maintain effective internal controls over the CNC. To ensure charges are allowable, an appropriate system of internal controls requires that review and approval of program or grant expenditures be performed by personnel (e.g., the food service director) who possess adequate knowledge and experience of program requirements.</p>
<b>Condition</b>	<p>For the 2020-21 fiscal year, the District reported CNC expenditures totaling \$47.2 million, including \$24.7 million for salaries and benefits for 1,178 employees. To determine the propriety and allowability of CNC expenditures, we requested for examination District records supporting expenditures totaling \$714,390 for 100 percent of 5 employees' salaries and benefits and expenditures totaling \$356,538 for the portions, ranging from 25 to 95 percent, of 9 other employees' salaries and benefits.</p> <p>Although we requested, District records were not provided to identify the work the 9 employees performed for the CNC or to support the portions of their salaries and benefits charged to the CNC. We expanded our procedures to interview the 9 employees and determined that their salaries and benefits were appropriately distributed to the CNC. However, our procedures cannot substitute the District's responsibility to ensure that salaries and benefits charged to the CNC are properly supported.</p>
<b>Cause</b>	The District did not maintain records identifying the work the 9 employees performed for the CNC or to support the portions of their salaries and benefits charged to the CNC, and an employee with knowledge and experience of CNC requirements (e.g., the food service director) was not required to, and did not, document review and approval of the salary and benefit charges.
<b>Effect</b>	Absent effective procedures to document support for the distribution of employee salaries and benefits to the CNC, including the documented review and approval of those charges by the food service director or other personnel with knowledge and experience of CNC requirements, there is an increased risk that expenditures may be inappropriately charged to the CNC.
<b>Recommendation</b>	The District should establish procedures to ensure that District records accurately reflect the work performed for the CNC and support the distribution of employee salary and benefit charges to the CNC. Such procedures should require that the food service director or other personnel with knowledge and experience of CNC requirements documents review and approval of those charges.
<b>District Response</b>	The District will implement new procedures to ensure that District records accurately reflect the work performed for the CNC and support the distribution of employee salary and benefit charges to the CNC. Reports will be reviewed and signed by the Director of School Nutrition.

# ADDITIONAL MATTER

## ADDITIONAL MATTER

### BUDGETARY CONTROLS

<b>Finding Number</b>	<b>AM 2021-001</b>
<b>Opinion Unit</b>	Major Fund: General Fund
<b>Financial Statements Account Titles</b>	Not Applicable
<b>Fund Name</b>	General Fund
<b>Adjustment Amounts</b>	Not Applicable
<b>Prior Year Finding</b>	2019-20 Fiscal Year Audit Report Finding No. 2020-003 2018-19 Fiscal Year Audit Report Finding No. 2019-001
<b>Finding</b>	District procedures did not always limit expenditures to budgeted amounts, contrary to State law and State Board of Education rules.
<b>Criteria</b>	<p>Section 1011.05, Florida Statutes, provides that the official budget shall not be altered, amended, or exceeded except as authorized.</p> <p>SBE Rule 6A-1.007(2), Florida Administrative Code, provides that no expenditure shall be authorized or obligation incurred that is in excess of budgetary appropriation and requires that the Board approve amendments to the budget whenever the function amounts are changed from the original budget. The process for adopting and amending the budget provides the District a mechanism to plan a level of expenditures to meet its obligations while remaining within available financial resources.</p>
<b>Condition</b>	As of June 30, 2021, the District reported a total of \$67,970,712 for General Fund assigned and unassigned fund balance; however, District records show that expenditures were not always limited to budgeted amounts. Specifically, for the 2020-21 fiscal year, General Fund expenditures totaled \$866,815,001 for 20 functional expenditure categories, and our examination of District records disclosed that expenditures exceeded the budgeted amounts for one functional expenditure category by \$2,162,522.
<b>Cause</b>	<p>District budgetary monitoring controls were not sufficient to ensure that expenditures were limited to established budget amounts or to promote compliance with State law and SBE rules.</p> <p>District personnel indicated that the budget overexpenditure occurred because, during preparation of the 2020-21 fiscal year ACFR, the functional expenditure category amount was inadvertently not increased to cover the actual expenditure amount.</p>
<b>Effect</b>	Without properly monitoring and amending the budget to meet changing financial circumstances, the District's ability to meet current financial obligations could be hindered.
<b>Recommendation</b>	The District should enhance budgetary procedures and closely monitor District activities to ensure that expenditures are limited to budgeted amounts as required by State law and SBE rules.
<b>District Response</b>	The District will enhance budgetary procedures and closely monitor District activities to ensure that expenditures are limited to budgeted amounts as required by State law and SBE rules.

## ***PRIOR AUDIT FOLLOW-UP***

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The District had taken corrective actions for findings included in previous audit reports, except as discussed in Finding No. AM 2021-001.

# SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



**POLK COUNTY  
PUBLIC SCHOOLS**

Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
<b>BOARD MEMBERS:</b> <b>Sara Beth Wyatt</b> <i>Board Chairman</i> District 4  <b>Lisa Miller</b> <i>Board Vice-Chairman</i> District 7  <b>William Allen</b> District 1  <b>Lori Cunningham</b> District 2  <b>Sarah Fortney</b> District 3  <b>Kay Fields</b> District 5  <b>Lynn Wilson</b> District 6   <b>C. Wesley Bridges, II</b> <i>General Counsel</i>	CliftonLarsonAllen, LLP (2020-001)	Time and Attendance Reporting	Partially corrected	District employees' timecards or personal leave forms did not always contain documentation of approval by supervisors or principals.  It is the current procedure of the Polk County School Board for the Principal or Supervisor to sign, in ink, each employee's weekly timecard. Payroll clerks notify the principal or supervisor of discrepancies in time reporting. Leave forms must be neatly, clearly, and accurately prepared in ink in their entirety, including the reason for sick leave, bereavement leave or personal leave without pay, by the employee requesting leave and be signed and dated by both the employee and the supervisor. The District has provided written documentation and instructions regarding these procedures and will once again communicate with the schools and departments to ensure there is a clear understanding and compliance. In addition, the District is implementing KRONOS, a time management system, it is currently in its pilot phase, but once fully implemented will automate this process.
<b>ADMINISTRATION</b> <b>Frederick R. Held</b> <i>Superintendent</i>	CliftonLarsonAllen, LLP (2020-002)	Special Education (CFDA No. 84.027)	Partially corrected	District did not provide subawards that include all of the requirements of 2 CFR section 200.331(a)(1) to subrecipients.  The District has updated the language to include all of the requirements of 2 CFR section 200.331(a)(1) to subrecipients. Updated letters were sent out, but they went out after the fiscal year. As of the next audit, the finding will be fully corrected.

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# CORRECTIVE ACTION PLAN



December 9, 2021

## Polk County District School Board Management's Corrective Action Plans For the Fiscal Year Ended June 30, 2021

### BOARD MEMBERS

**Sara Beth Wyatt**  
Board Chairman  
District 4

**Lisa Miller**  
Board Vice-Chairman  
District 7

**William Allen**  
District 1

**Lari Cunningham**  
District 2

**Sarah Fortney**  
District 3

**Key Fields**  
District 5

**Lynn Wilson**  
District 6

**C. Winsley Bridges, II**  
General Counsel

### ADMINISTRATION

**Frederick R. Held**  
Superintendent

Finding Number: 2021-001.  
Planned Corrective Action: The conversion entry posting for the OPEB deferred inflows of resources and the deferred outflows of resources have been corrected on the GASB conversion entry spreadsheet. The process for calculating the conversion entries for this section now have documentation to reflect the proper entries needed from information obtained on the actuarial report. This will prevent incorrect postings in the future.

The presentation on the ACFR RSI section has been updated to include four years of data. This is all data available at the time of submission. Additional data will be added each year up to the ten-year requirement. The internal template used by staff has been updated to include the presentation of ten years for all future Annual Comprehensive Financial Reports.

The Schedule of Expenditures of Federal Awards (SEFA) has been updated to include \$9.5 million to the Coronavirus Relief Fund (CRF) Program. These funds were received as a pass through from the Polk Board of County Commissioners. A process has been put in place to review all grants and ensure the proper Catalog of Federal Domestic Assistance (CFDA) number is entered into SAP, the District's Enterprise Resource System, and therefore will be included in reports utilized to complete the SEFA.

Anticipated Completion Date: December 2021  
Responsible Contact Person: Lisa Hester, Director of Accounting

Federal Awards Finding Number: 2021-002.

Planned Corrective Action: The District will implement new procedures for Time and Effort reporting for all employees who currently have a funding split that involves Food Service Funds. Employees will complete a Personnel Activity Report (PAR) three times per year and will follow the below procedures, currently in place for all other District federal awards.

1. Completed daily during the reporting months.

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 1915 S. Floral Ave.  
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 P.O. Box 391  
Bartow, FL 33831

 863-334-0500

 polkschoolsfl.com

2. Completed three times per year; September, December, and March.
3. Completed and signed by the employees and a supervisor having first-hand knowledge of the work performed.
4. Reviewed and signed by the Director of School Nutrition.

**Monitoring:**

At the end of the reporting month (or period), the project manager must review each employee's personal activity report and time and effort certification forms to ensure that time and effort spent on grant objectives match the employee's distribution coding. The project manager signs each form indicating that it has been reviewed.

**Record Keeping Requirements:**

PAR forms and semiannual certification forms are to be maintained in the project manager's office for a period of five years.

Anticipated Completion Date: March 2022

Responsible Contact Person: Katie Taylor, Director of School Nutrition



1918 S. Floral Ave.  
Bartow, FL 33630



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Bartow, FL 33631



863-334-0500



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