

School Board Members

Kelvin Soto, Board Chair  
Ricky Booth, Vice Chair  
Clarence Thacker  
Tim Weisheyer  
Jay Wheeler



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2017**

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

Dr. Debra P. Pace  
Superintendent

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

Migdalia Gonzalez  
Director of Finance

**Student Achievement - Our Number One Priority**

*AN EQUAL OPPORTUNITY EMPLOYER*



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

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended June 30, 2017*

Prepared By:  
Business & Fiscal Services

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

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THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

**Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 2017*

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THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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*For the Fiscal Year Ended June 30, 2017*

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# INTRODUCTORY SECTION



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# THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

817 Bill Beck Boulevard • Kissimmee • Florida 34744-4492  
Phone: 407-870-4600 • Fax: 407-870-4010 • [www.osceolaschools.net](http://www.osceolaschools.net)

## SCHOOL BOARD MEMBERS

- District 1 – Jay Wheeler  
407-973-4141
- District 2 – Kelvin Soto  
407-870-4009
- District 3 – Tim Weisheyer  
407-361-0235
- District 4 – Clarence Thacker – Vice-Chair  
407-870-4009
- District 5 – Ricky Booth – Chair  
407-870-4009



Superintendent of Schools  
Dr. Debra P. Pace

December 11, 2017

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

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

State law requires that all local governments publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America, and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of The School District of Osceola County, Florida (District) for the fiscal year ended June 30, 2017.

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

Moore Stephens Lovelace CPAs & Advisors (MSL) has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP.

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

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual single audit in conformity with the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal

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

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

## **PROFILE OF THE GOVERNMENT**

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

The geographic boundaries of the District are those of Osceola County. During fiscal year 2016-17, the District operated 73 schools. Of this number, 44 were traditional K-12 schools including 24 elementary schools, 8 middle schools, 8 high schools, and 4 multilevel schools. In addition, the District sponsored 18 charter schools, 9 alternative schools and 2 adult centers. The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school. In fiscal year 2016-17, the District provided general, special, vocational, and other educational programs to 62,561 unweighted full-time equivalent students. The initial projected enrollment for fiscal year 2017-18 was 64,570 unweighted full-time equivalent students; however, as of the date of this report, the District revised its projection to 66,544 unweighted full-time students to account for the influx of students affected by the recent natural disasters. The average age of the schools within the District is approximately 29 years. The District does not plan to open any new schools in fiscal year 2017-18.

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

## **ECONOMIC CONDITION AND OUTLOOK**

Osceola County is part of the Orlando Metropolitan Statistical Area (MSA) along with Orange, Seminole and Lake Counties. According to the Metro Orlando Economic Development Commission (the Commission), Metro Orlando is one of the fastest growing MSA in Florida with a population of 2.44 million people. The Commission promotes Osceola County's government and business leaders as visionaries who are paving the way for the diversification of the county's economy with cutting-edge commercial development and the next generation of advanced manufacturing technology.

According to the United States Census Bureau, the population of Osceola County increased 25.1 percent from 2010 to 2016, as compared to the state of Florida, which increased 9.6 percent. There were an estimated 336,015 people and 92,338 households residing in the County. The racial makeup of the County was 79.7 percent white, 13.6 percent black and 6.7 percent from other races. Hispanics make up 52.3 percent of the total population.

Of Osceola County's population, 25 percent are 17 and younger, and 12.4 percent are 65 and older. The average household size is 3. The median age in the County is 36 years. The median income for a household was \$45,244. The per capita income for the County was \$19,950. Of the 25 and older population, 87.8 percent are high school graduates.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District remains Osceola County's largest employer, employing 7,127 full and part-time employees, including 3,711 classroom teachers.

## **MAJOR INITIATIVES**

### **Class Size Reduction Amendment**

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

The Florida Legislature enacted Senate Bill-30A implementing the reduction of the average number of students in each classroom by at least two students per year, beginning in fiscal year 2003-04 until the maximum number of students per classroom does not exceed the fiscal year 2010-11 maximum. If a district's class size does not meet the constitutional maximum, then the district must reduce the average number of students in each of the three grade groupings by two students until the constitutional maximums are reached. The District complied with this requirement for the 2016-17 fiscal year.

### **Capital Outlay Program**

The District appropriated \$94.7 million for construction projects as part of its capital outlay program during the 2017 fiscal year. A few of the major construction projects included a new high school, the addition of a wing at one high school and several space reconfigurations and renovations to other schools.

### **Accomplishments**

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

School districts throughout Florida are held accountable and receive school grades based on the results of the Florida Standards Assessment (FSA). The fiscal year 2016-17 marks the 19th year of this accountability program and the District continued its tradition of achievement. For elementary, middle, K-8, and multi-level public schools, 8 received a grade of 'A', 13 received a grade of 'B', and 15 received a grade of 'C'. For high schools, 1 received a grade of 'A', 2 received a grade of 'B', and 5 received a grade of 'C'. The District received an overall letter grade of 'B'.

## **FINANCIAL INFORMATION**

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

**Budgetary Controls.** The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all governmental fund types are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level

of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the fund-function level.

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

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

**Long-Term Financial Planning.** Over the last few years, revenues from non-recurring sources, such as the American Recovery and Reinvestment Act of 2009 (ARRA), the Education Jobs Fund, and funds from an optional critical needs ad valorem tax levy, have expired. However, during that same period, the District was able to accumulate a suitable fund balance reserve to offset future operating deficits. As a result, the District ended the 2016-17 fiscal year with a small increase to its operating fund balance for the first time in several years.

## ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Dr. Debra P. Pace  
Superintendent



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

**OSCEOLA SCHOOL DISTRICT OFFICIALS  
JUNE 30, 2017**

SCHOOL BOARD MEMBERS

**Kelvin Soto, Chair**  
District 2

**Ricky Booth, Vice Chair**  
District 5

**Clarence Thacker**  
District 4

**Tim Weisheyer**  
District 3

**Jay Wheeler**  
District 1

SUPERINTENDENT

**Dr. Debra P. Pace**

CHIEF OF STAFF FOR TEACHING, LEADING & LEARNING

**Dr. Ronald S. Fritz**

DEPUTY SUPERINTENDENT FOR HUMAN SERVICES

**Thomas A. Phelps**

ASSISTANT SUPERINTENDENTS

ELEMENTARY CURRICULUM & INSTRUCTION

**Dr. Jane Respass**

MIDDLE SCHOOL CURRICULUM & INSTRUCTION

**Michael Allen**

HIGH SCHOOL CURRICULUM & INSTRUCTION

**Dr. Laura Rhinehart**

SCHOOL SUPPORT SERVICES

**Randolph Shuttera**

CHIEFS

BUSINESS & FINANCE OFFICER

**Sarah E. Graber**

FACILITIES OFFICER

**Marc Clinch**

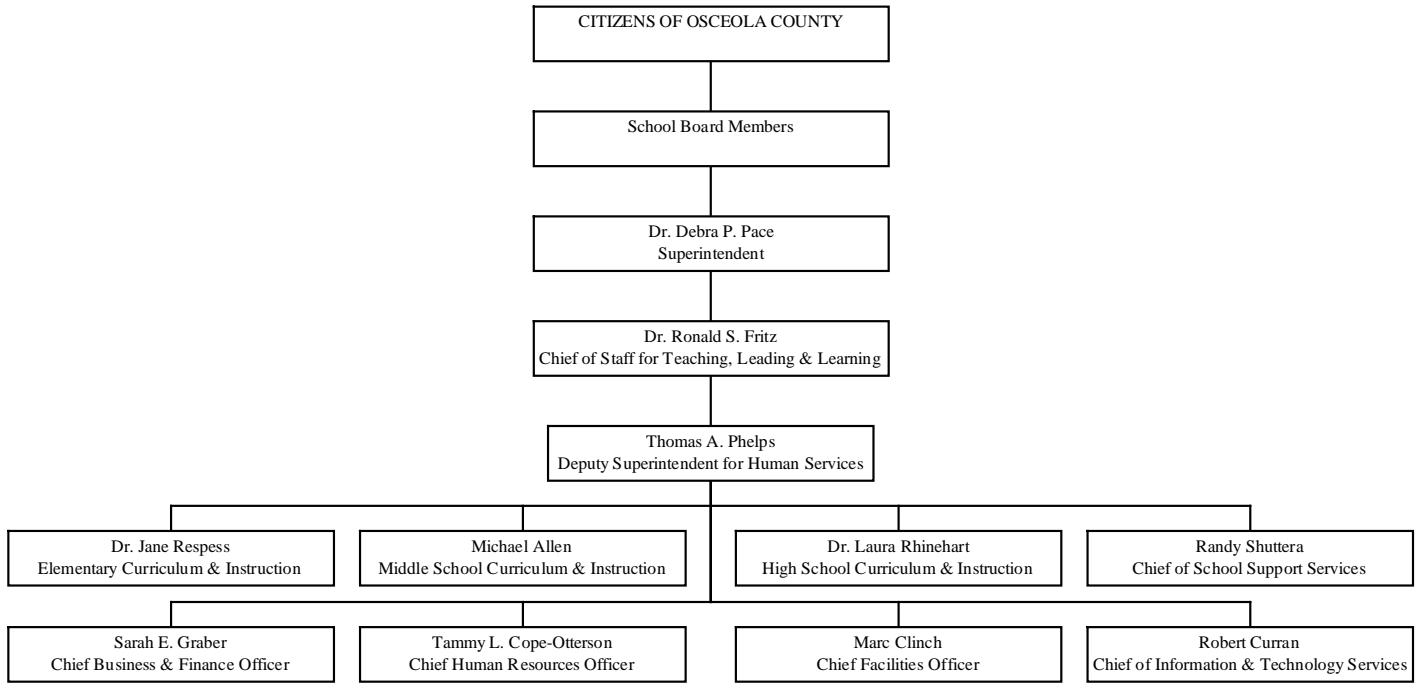
INFORMATION & TECHNOLOGY OFFICER

**Robert Curran**

HUMAN RESOURCES OFFICER

**Tammy L. Cope-Otterson**

**The School District of Osceola County, Florida**  
**DISTRICT ADMINISTRATIVE ORGANIZATIONAL CHART**  
**2016-17**







Government Finance Officers Association

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

Presented to

**School District of Osceola County  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**The School District of Osceola County, FL**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

# FINANCIAL SECTION



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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Chairman and Members of  
The District School Board of Osceola County, Florida

### **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 District School Board of Osceola County, Florida (the "District") as of and for the year ended June 30, 2017, 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 District's agency funds, which represent 8% of the assets and 55% of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, as described in Note 1 to the financial statements, which comprise 100% of the transactions and account balances of the aggregate discretely presented component units of the District. Those financial statements were audited by other auditors, whose reports have been furnished to us and, our opinion, insofar as it relates to the amounts included for the agency funds and aggregate discretely presented component units, is 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 of 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 District'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 District'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.

**INDEPENDENT AUDITOR'S REPORT**  
*(Continued)*

**Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund and major special revenue funds for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*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 as a whole. The introductory section, combining and individual major and non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual major and non-major fund financial statements and schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Chairman and Members of  
The District School Board of Osceola County, Florida

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A."

**MOORE STEPHENS LOVELACE, P.A.**

Certified Public Accountants

Orlando, Florida

December 11, 2017

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As management of the Osceola County District School Board, Florida (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the District's financial statements found on pages 20 to 62 of this report.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2016-17 fiscal year are as follows:

- Total assets and deferred outflows of the District exceed total liabilities and deferred inflows at the close of the most recent fiscal year by \$468,844,456.
- At June 30, 2017, the District's combined governmental fund balances totaled \$291,121,641, an increase of \$117,281,072, or 67.46 percent, in comparison with the prior fiscal year.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$41,618,791 at June 30, 2017, or 9.14 percent of total General Fund expenditures.
- The District's total bonded debt (Bonds Payable and Certificates of Participation, excluding premiums and discounts) increased by \$72,013,000, or 31.36 percent during the current fiscal year. This net increase is the result of the issuance of Capital Outlay Sales Tax Revenue Bonds, Series 2017, and principal payments for the District's existing debt.
- The District's net capital assets increased by \$10,280,540 or 1.40 percent from the 2015-16 fiscal year.

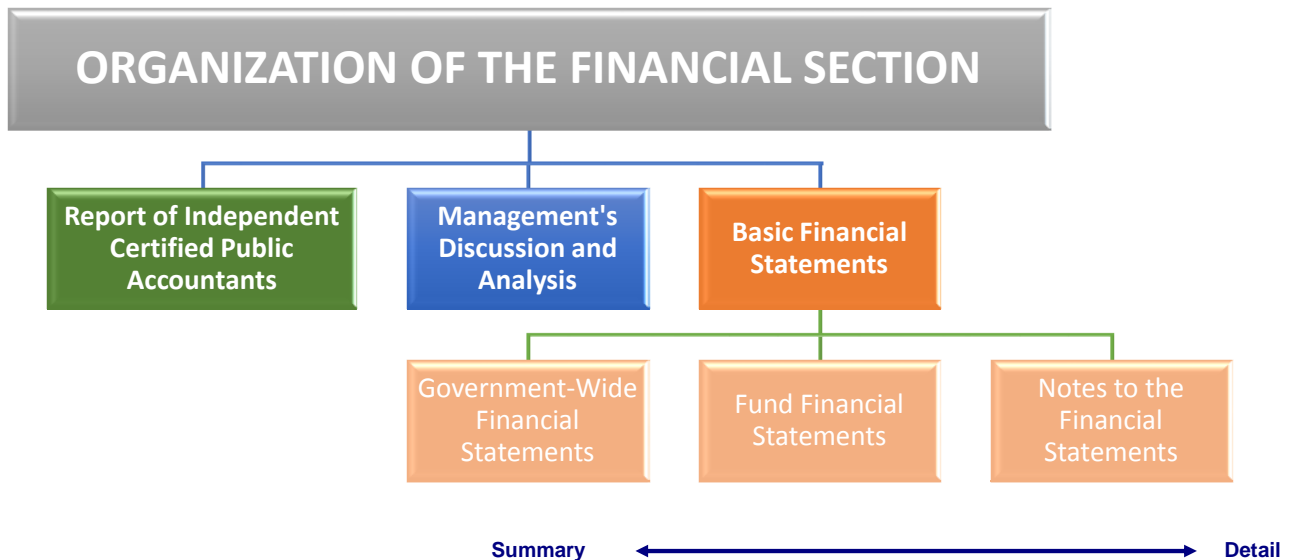
### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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



### Government-Wide Financial Statements

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

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

- Governmental activities – This represents most of the District’s services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State’s education finance program provide most of the resources that support these activities.
- Component units – The District presents seventeen separate legal entities in this report, including Avant Garde Academy of Osceola, Avant Garde Academy K8 of Osceola, Bellalago Educational Facilities Benefit District, The Foundation for Osceola Education, Inc., Flora Ridge Educational Facilities Benefit District, Florida Cyber Charter Academy, Four Corners Charter School, Inc., Four Corners Upper School, Lincoln Marti Charter School, Mater Brighton Lakes Academy, Main Street High School, New Dimensions High School, Osceola Science Charter School, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, St. Cloud Preparatory Academy, Inc., and UCP Osceola

Charter School. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

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

## **Fund Financial Statements**

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

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

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

The District maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds. The District's major funds are the: (1) General Fund, (2) Special Revenue – Other Federal Programs, (3) Capital Projects – Other Capital Projects. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its General Fund and Special Revenue – Other Federal Program Funds. Budgetary comparison schedules have been provided on 21-25 of this report to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22 and 24 of this report.

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

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

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

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

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

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

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

### **Notes to the Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30 to 62 of this report.

## Other Supplemental Information

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 74 to 99 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows by \$468,844,456 at June 30, 2017. The following is a summary of the District's net position as of June 30, 2017, compared to net position as of June 30, 2016:

	Governmental Activities	
	6/30/2017	6/30/2016
Current and Other Non-Capital Assets	\$ 325,546,486	\$ 208,192,885
Capital Assets	745,012,533	734,731,993
<b>Total Assets</b>	<b>1,070,559,019</b>	<b>942,924,878</b>
Deferred Outflow of Resources	94,494,507	45,923,793
<b>Total Deferred Outflow of Resources</b>	<b>94,494,507</b>	<b>45,923,793</b>
Current Liabilities	23,015,504	19,034,831
Long-Term Liabilities	660,959,738	512,946,319
<b>Total Liabilities</b>	<b>683,975,242</b>	<b>531,981,150</b>
Deferred Inflow of Resources	12,233,828	25,961,617
<b>Total Deferred Inflow of Resources</b>	<b>12,233,828</b>	<b>25,961,617</b>
Net Position:		
Net Investment in Capital Assets	422,337,184	484,875,424
Restricted	233,991,291	119,173,058
Unrestricted	(187,484,019)	(173,142,578)
<b>Total Net Position</b>	<b>\$ 468,844,456</b>	<b>\$ 430,905,904</b>

By far, the largest portion of the District's net position, \$422,337,184 or 90.08 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to educate the students of Osceola County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$233,991,291 or 49.91 percent, represents resources that are subject to external restrictions on how they may be used. There was an increase of \$114,818,233 in restricted net position reported in connection with the District's governmental activities. This increase is due to the increase in the District's reserve for capital projects primarily resulting from the new sales tax bond issue. The remaining net position represents resources that are not subject to external restrictions on how they may be used. The balance of unrestricted net position of (\$187,484,019) or (39.99) percent is primarily the result of the implementation of *Governmental Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting for Pensions* beginning with the 2015 fiscal year. More information on the adoption of this standard and its effect on the financial statements can be found in Note 12 to the financial statements.

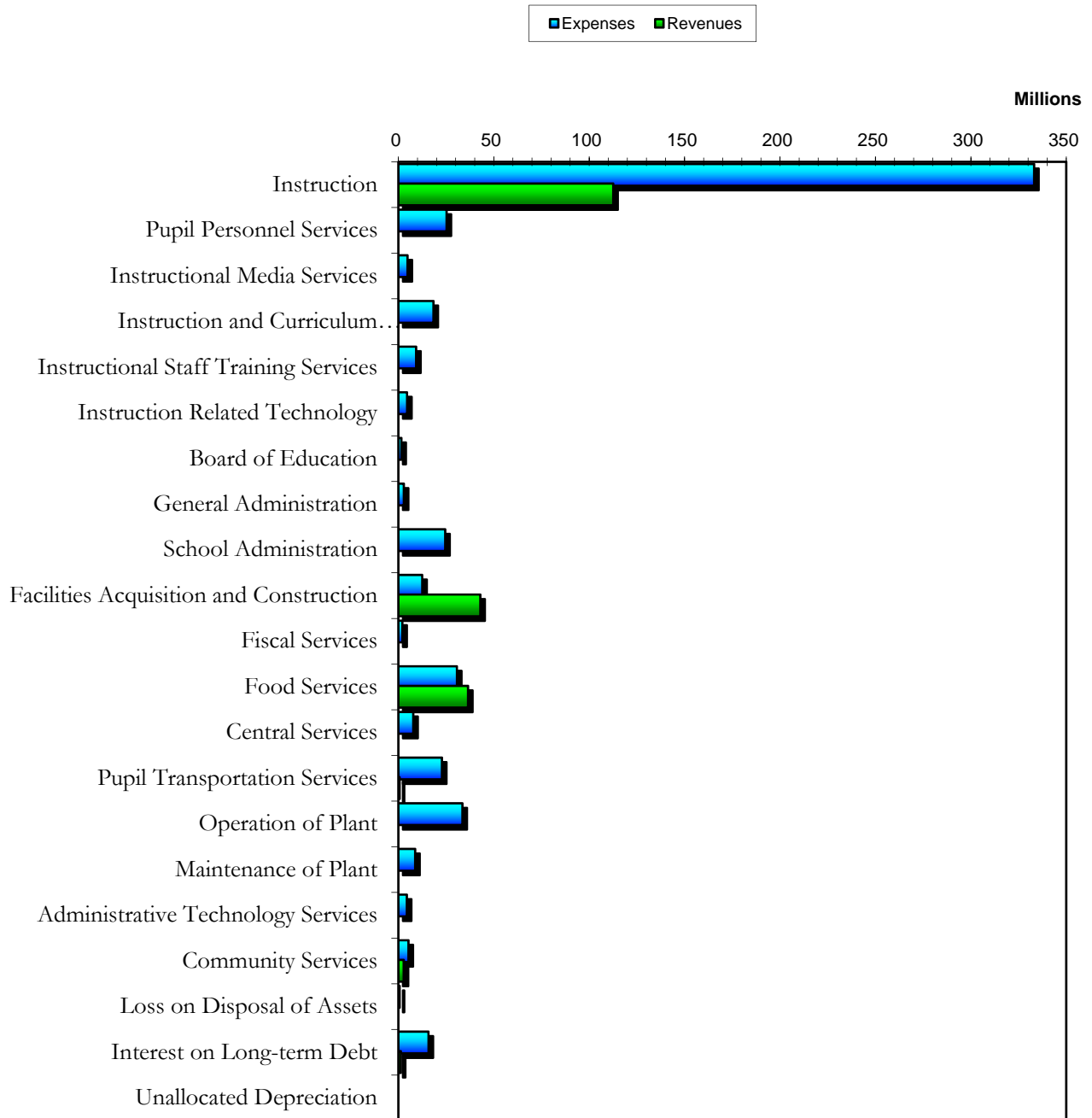
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The key elements of the changes in the District's net position for the fiscal years ended June 30, 2017, and June 30, 2016, are as follows:

	Operating Results for the Year	
	Governmental	
	Activities	
	6/30/2017	6/30/2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,440,629	\$ 9,510,006
Operating Grants and Contributions	144,113,099	140,251,618
Capital Grants and Contributions	44,205,922	37,876,548
General Revenues:		
Property Taxes	149,948,807	147,649,167
Local Sales Taxes	25,010,568	12,771,275
Grants and Contributions not Restricted to Specific Programs	259,580,554	242,260,027
Investment Earnings	1,060,614	3,176,842
Miscellaneous	9,355,848	9,289,079
Total Revenues	<u>641,716,041</u>	<u>602,784,561</u>
Functions/Program Expenses:		
Instruction	333,153,721	311,639,361
Pupil Personnel Services	25,245,474	23,533,909
Instructional Media Services	4,767,568	4,638,080
Instruction and Curriculum Development Services	18,401,374	16,950,455
Instructional Staff Training Services	9,279,268	8,895,901
Instruction Related Technology	4,540,916	4,268,253
Board of Education	1,578,395	1,748,662
General Administration	2,851,014	2,760,587
School Administration	24,531,728	23,324,361
Facilities Acquisition and Construction	12,483,779	14,914,658
Fiscal Services	2,068,355	1,971,065
Food Services	30,676,116	29,309,705
Central Services	7,777,920	7,564,360
Pupil Transportation Services	22,826,052	22,452,171
Operation of Plant	33,552,679	31,647,174
Maintenance of Plant	8,808,276	8,295,989
Administrative Technology Services	4,442,744	4,071,518
Community Services	5,294,861	5,444,934
Loss on Disposal of Assets	681,916	
Interest on Long-Term Debt	15,788,423	12,049,157
Unallocated Depreciation Expense	35,026,910	35,316,748
Total Expenses	<u>603,777,489</u>	<u>570,797,048</u>
Increase in Net Position	37,938,552	31,987,514
Net Position, Beginning	<u>430,905,904</u>	<u>398,918,390</u>
Net Position, Ending	<u>\$ 468,844,456</u>	<u>\$ 430,905,904</u>

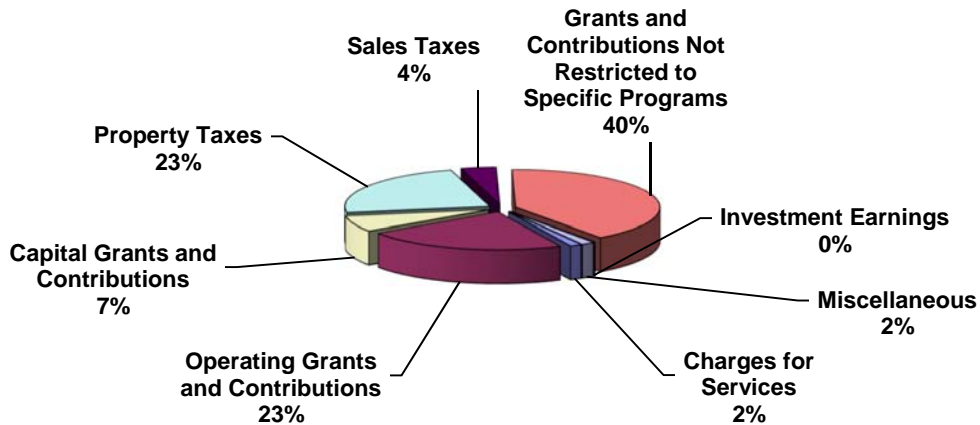
The government-wide net position increased by \$37,938,552 during the current fiscal year. The increase represents an excess of revenues over expenses in the current year.

**Expenses and Program Revenues - Governmental Activities**





## Revenues by Source - Governmental Activities



### Governmental Activities.

Governmental activities increased the District's net position by \$37,938,552, accounting for the total increase in the net position of the District. This increase is primarily due to program revenues held in reserve for future construction projects.

The largest revenue sources are the State of Florida and local sources. Combined, these two revenue sources account for 87.79 percent of total revenues. Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data, and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base. Total state sources increased by \$19.6 million or 6.33 percent primarily due to the increase in FEFP funding. Revenues from local sources consist primarily of ad valorem taxes and impact fees. Property tax revenues increased by \$2.3 million or 1.56 percent, primarily due to the increase in the local property tax base.

Instructional expenses represent 51.61 percent of total governmental expenses in the 2016-17 fiscal year. Instructional expenses increased by \$21,514,361 or 6.90 percent, from the previous fiscal year as a result of the need for additional instructional staff and materials to accommodate the growth in UFTE and to continue to meet the district-wide class size requirements.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

As of the end of the current fiscal year, the District's governmental funds report combined ending fund balances of \$291,121,641, an increase of \$117,281,072, in comparison with the 2015-16 fiscal year. Unassigned fund balance of \$41,618,791 represents 14.30 percent of the ending fund balances and is available to meet the District's short-term spending needs. Remaining fund balances are non-spendable, restricted, or assigned, to indicate that they are not available for new spending. Inventory balances of \$3,688,623 are considered non-spendable. Fund balances totaling \$241,132,342 are restricted for state required carryover programs, debt service payments, capital projects, other grants and programs, and food service. Fund balances totaling \$4,681,885 are assigned to cover contract commitments and carryover appropriations.

### **Major Governmental Funds**

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the assigned plus unassigned fund balance of the General Fund was \$46,300,676, while total fund balance reached \$67,415,182. As a measure of the General Fund's liquidity, it may be useful to compare both assigned plus unassigned fund balance and total fund balance to total expenditures. Assigned plus unassigned fund balance represents 10.17 percent of total General Fund expenditures, while total fund balance represents 14.81 percent of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$898,644. This increase was the result of controlled expenditures to balance the operating budget and allow the District to begin to rebuild its reserves to meet future needs.

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

The fund balances for the Capital Projects – Other Fund increased by \$100,890,737. This was a planned increase primarily resulting from the new Capital Outlay Sales Tax Revenue Bonds, Series 2017, to provide for future construction projects.CAFR

The fund balance for non-major funds – reported as Other Governmental Funds – increased by \$15,491,691 to \$64,105,162. This is primarily due to the sinking fund contributions for the Certificates of Participation that were issued under the Qualified School Construction Bond Program and other debt service reserve requirements along with a planned increase to other capital projects funds for future construction projects.

### **Proprietary Funds**

The District's proprietary funds provide the same type of information found in the government-wide financial statements. The District's proprietary fund includes two internal service funds that are used to account for its self-insurance programs. Net position decreased by \$3,891,256 due to insurance claims and other expenses exceeding premiums.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the 2016-17 fiscal year, the District amended its General Fund budget, which resulted in a decrease in total budgeted revenues of approximately \$5.8 million, or 1.27 percent. At the same time, final appropriations were less than the original budgeted amounts by approximately \$7.4 million, or 1.52 percent. Budget revisions occurred primarily from changes in estimated State funding levels and corresponding adjustments to planned expenditures to meet the District's needs while maintaining an adequate fund balance.

Actual revenues are \$6,736 less than final budget amounts while actual expenditures are \$31,061,400, or 6.39 percent, less than final budget amounts. The positive variance was primarily due to continued cost containment measures implemented by the District.

During the current fiscal year, assigned plus unassigned fund balance in the General Fund increased by \$445,206 from the prior year (\$45,855,470 to \$46,300,676). This is a result of controlled expenditures to balance the operating budget and allow the District to begin to rebuild its reserves to meet future needs.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The District's investment in capital assets for the governmental activities as of June 30, 2017, amounts to \$745,012,533 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures and equipment; motor vehicles; investments in the educational facilities benefit district; and audio visual materials and computer software. The total increase in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$10,280,540, or a 1.40 percent increase from the 2015-16 fiscal year.

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

- Construction in Progress for a wing addition at one high school.
- Construction in Progress for a new high school and a new middle school.
- Construction in Progress for space reconfiguration projects at two high schools, one multi-level school, and one elementary school.
- Construction in Progress for kitchen remodeling projects at one elementary, one middle, and one high school.
- Construction in Progress for comprehensive renovations at one elementary and two middle schools.

Following is a summary of the District’s capital assets as of June 30, 2017, compared to June 30, 2016

Schedule of Capital Assets (net of accumulated depreciation)			
	Governmental Activities		
	June 30, 2017	June 30, 2016	
Land and Land Improvements	\$ 50,464,923	\$ 50,146,152	
Construction in Progress	37,130,661	5,274,285	
Improvements Other Than Buildings	11,434,572	10,972,895	
Buildings and Fixed Equipment	610,737,381	630,174,871	
Furniture, Fixtures, and Equipment	14,376,569	14,632,885	
Motor Vehicles	8,757,684	10,592,863	
Investment In EFBD	11,315,603	11,582,801	
Audio Visual Materials and Computer Software	795,140	1,355,241	
Total	<u>\$ 745,012,533</u>	<u>\$ 734,731,993</u>	

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

### Long-Term Debt

At the end of the current fiscal year, the District’s long-term debt principal, excluding premiums and discounts, totals \$310,964,626. Of this amount, \$301,652,000 is outstanding bonded debt and \$9,312,626 is other long-term debt. Bonded debt constituted the largest portion of long-term debt at the end of the fiscal year and was comprised of \$4,291,000 of bonds issued on behalf of and by the State Board of Education (SBE) and backed by the full faith and credit of the State of Florida; \$134,901,000 outstanding in District Revenue Bonds; and \$162,460,000 in certificates of participation.

Following is a summary of the District’s long-term debt as of June 30, 2017, compared to June 30, 2016.

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

	Governmental Activities	
	June 30, 2017	June 30, 2016
State School (SBE) Bonds	\$ 4,291,000	\$ 5,469,000
District Revenue Bonds	134,901,000	53,695,000
Certificates of Participation	162,460,000	170,475,000
Notes Payable	-	3,555,948
Other Long-Term Debt	9,312,626	9,583,179
<b>Total Outstanding Long-Term Debt</b>	<b>\$ 310,964,626</b>	<b>\$ 242,778,127</b>

The District’s total debt increased by \$68,186,499 or 28.09 percent, during the current fiscal year.

Additional information on the District’s long term debt can be found in Notes 6 through 10 to the financial statements.

**OTHER MATTERS OF SIGNIFICANCE**

As of June 2016, the U.S. Bureau of Labor Statistics reports the unemployment rate for Osceola County, Florida, at 4.5 percent. This is a decrease from the rate of 5.3 percent a year ago and is higher than the State’s average unemployment rate of 4.3 percent. Generally, consumers who lose their jobs restrict spending in response to the loss of income, while others who remain employed may spend less in anticipation of future job losses.

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

**REQUESTS FOR INFORMATION**

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

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# BASIC FINANCIAL STATEMENTS



**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**STATEMENT OF NET POSITION**  
**June 30, 2017**

	<b>Governmental Activities</b>	<b>Component Units</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 107,894,573	\$ 18,905,845
Investments	186,579,249	3,376,085
Accounts Receivable	537,932	1,564,356
Deposits		288,657
Due from Other Agencies	13,253,468	4,390,781
Inventories	3,919,882	
Prepaid Items	1,703,145	323,062
Restricted Assets:		
Cash with Fiscal Agent	11,658,237	2,508,125
Beneficial Interest in Assets Held by Others		966,699
Capital Assets:		
Land	49,106,739	2,571,554
Land Improvements, Nondepreciable	1,358,184	
Construction in Progress	37,130,661	
Improvements Other Than Buildings, Net	11,434,572	1,886,136
Buildings and Fixed Equipment, Net	610,737,381	76,262,937
Furniture, Fixtures and Equipment, Net	14,376,569	3,334,662
Capital Lease Asset, Net		6,546,768
Motor Vehicles, Net	8,757,684	25,400
Investment in Educational Facilities Benefit District, Net	11,315,603	
Audio Visual Materials and Computer Software, Net	795,140	1,964,992
<b>Total Assets</b>	1,070,559,019	124,916,059
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amount on Debt Refunding	1,658,366	
Pension	92,836,141	2,345,550
<b>Total Deferred Outflows of Resources</b>	94,494,507	2,345,550
<b>LIABILITIES</b>		
Salaries and Benefits Payable	1,051,684	1,729,553
Payroll Deductions and Withholdings	731,987	
Accounts Payable	3,758,243	1,320,103
Accrued Expenses		638,266
Construction Contracts Payable	7,748,494	
Construction Contracts Payable-Retainage	2,492,957	
Due to Other Agencies	717,509	2,328,341
Due to Management Company		98,844
Due to Other Funds		2,225
Sales Tax Payable	586	
Unearned Revenue	179,885	97,877
Accrued Interest Payable	2,009,258	691,424
Other Liabilities		86,046
Estimated Insurance Claims Payable	4,324,901	
Long-Term Liabilities:		
Portion Due Within One Year:		
Bonds Payable	6,486,773	1,670,000
Notes Payable		1,562,743
Obligations Under Capital Lease		900,338
Lease-Purchases Payable	9,922,937	
Compensated Absences Payable	2,363,113	79,113
Pension Liability	2,882,700	
Educational Facilities Benefit District Agreement Payable	311,476	
Portion Due After One Year:		
Bonds Payable	133,297,264	39,673,221
Notes Payable		2,817,414
Obligations Under Capital Lease		58,116,653
Lease-Purchases Payable	156,118,988	
Compensated Absences Payable	39,595,130	26,370
Other Postemployment Benefits Payable	55,249,438	
Pension Liability	241,606,675	5,954,964
Impact Fee Credit Vouchers	4,124,094	
Educational Facilities Benefit District Agreement Payable	9,001,150	
<b>Total Liabilities</b>	683,975,242	117,793,495
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amount on Debt Refunding	4,363,059	1,239,931
Pension	7,870,769	395,684
<b>Total Deferred Inflows of Resources</b>	12,233,828	1,635,615
<b>NET POSITION</b>		
Net Investment in Capital Assets	422,337,184	(11,212,475)
Restricted For:		
State Required Carryover Programs	12,294,090	
Food Service	19,090,801	
Debt Service	12,806,900	2,202,860
Capital Projects	189,799,500	889,444
Other Purposes		2,513,018
Unrestricted	(187,484,019)	13,439,652
<b>Total Net Position</b>	\$ 468,844,456	\$ 7,832,499

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



DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2017

FUNCTIONS	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>Governmental Activities:</b>						
Instruction	\$ 333,153,721	\$ 2,454,403	\$ 110,127,867	\$ -	\$ (220,571,451)	
Pupil Personnel Services	25,245,474				(25,245,474)	
Instructional Media Services	4,767,568				(4,767,568)	
Instruction and Curriculum Development Services	18,401,374				(18,401,374)	
Instructional Staff Training Services	9,279,268				(9,279,268)	
Instruction Related Technology	4,540,916				(4,540,916)	
Board of Education	1,578,395				(1,578,395)	
General Administration	2,851,014				(2,851,014)	
School Administration	24,531,728				(24,531,728)	
Facilities Services	12,483,779			42,941,325	30,457,546	
Fiscal Services	2,068,355				(2,068,355)	
Food Services	30,676,116	2,519,613	33,985,232		5,828,729	
Central Services	7,777,920				(7,777,920)	
Pupil Transportation Services	22,826,052	663,527			(22,162,525)	
Operation of Plant	33,552,679				(33,552,679)	
Maintenance of Plant	8,808,276				(8,808,276)	
Administrative Technology Services	4,442,744				(4,442,744)	
Community Services	5,294,861	2,803,086		1,264,597	(1,227,178)	
Loss on Disposal of Capital Assets	681,916				(681,916)	
Interest on Long-term Debt	15,788,423				(15,788,423)	
Unallocated Depreciation Expense*	35,026,910				(35,026,910)	
<b>Total Primary Government</b>	<b>\$ 603,777,489</b>	<b>\$ 8,440,629</b>	<b>\$ 144,113,099</b>	<b>\$ 44,205,922</b>	<b>(407,017,839)</b>	
<b>Component Units:</b>						
Charter Schools, Foundation and Benefit Districts	\$ 79,697,208	\$ 743,805	\$ 6,933,786	\$ 2,863,584		\$ (69,156,033)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes					117,411,122	
Property Taxes, Levied for Capital Projects					32,537,685	
Local Sales Taxes					25,010,568	
Grants and Contributions Not Restricted to Specific Programs					259,580,554	69,102,845
Unrestricted Investment Earnings					1,060,614	40,627
Special Items						804,394
Miscellaneous					9,355,848	1,260,590
Total General Revenues					444,956,391	71,208,456
Change in Net Position					37,938,552	2,052,423
Net Position - Beginning					430,905,904	4,665,315
Adjustments to Beginning Net Position						1,114,761
Net Position - Ending					\$ 468,844,456	\$ 7,832,499

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

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2017**

	General Fund	Special Revenue - Other Federal Programs Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 12,711,410	\$ 1	\$ 58,966,325	\$ 40,570,446	\$ 112,248,182
Investments	51,498,590		104,801,700	8,502,653	164,802,943
Cash with Fiscal Agent				12,651,307	12,651,307
Accounts Receivable	527,755	36		10,142	537,933
Due from Other Funds	2,830,425				2,830,425
Due from Other Agencies	849,417	3,998,017	5,769,894	2,549,267	13,166,595
Inventories	2,714,482			1,205,400	3,919,882
<b>Total Assets</b>	<b>\$ 71,132,079</b>	<b>\$ 3,998,054</b>	<b>\$ 169,537,919</b>	<b>\$ 65,489,215</b>	<b>\$ 310,157,267</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Salaries and Benefits Payable	\$ 714,874	\$ 288,878	\$	\$ 47,932	\$ 1,051,684
Payroll Deductions and Withholdings	643,698	76,854		11,435	731,987
Accounts Payable	1,680,230	1,039,103	359,327	186,446	3,265,106
Accrued Interest Payable				16,992	16,992
Construction Contracts Payable	2,496		6,901,397	844,602	7,748,495
Construction Contracts Payable-Retainage			2,382,144	110,813	2,492,957
Due to Other Funds		2,522,264	293,754	14,407	2,830,425
Due to Other Agencies	610,058	70,955		36,496	717,509
Sales Tax Payable	356			230	586
Unearned Revenue	65,185			114,700	179,885
<b>Total Liabilities</b>	<b>3,716,897</b>	<b>3,998,054</b>	<b>9,936,622</b>	<b>1,384,053</b>	<b>19,035,626</b>
Fund Balances:					
Nonspendable	2,714,482			1,205,400	3,919,882
Restricted	18,400,024		159,601,297	62,899,762	240,901,083
Assigned	4,681,885				4,681,885
Unassigned	41,618,791				41,618,791
<b>Total Fund Balances</b>	<b>67,415,182</b>		<b>159,601,297</b>	<b>64,105,162</b>	<b>291,121,641</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 71,132,079</b>	<b>\$ 3,998,054</b>	<b>\$ 169,537,919</b>	<b>\$ 65,489,215</b>	<b>\$ 310,157,267</b>

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2017**

**Total Fund Balances - Governmental Funds** \$ 291,121,641

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.	745,012,533
Deferred amount on refunding (loss) are not recognized in the fund level statements but are included in the government-wide statements.	1,658,366
Deferred amount on refunding (gain) are not recognized in the fund level statements but are included in the government-wide statements.	(4,363,059)
Deferred amount for pensions (contributions, assumptions, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements.	92,836,141
Deferred amount for pensions (experience, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements.	(7,870,769)
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.	(1,992,266)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position net of capital assets reported above.	13,401,608
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Bonds Payable	(139,784,038)
Lease-Purchases Payable	(166,041,925)
Compensated Absences Payable	(41,958,243)
Other Postemployment Benefits Payable	(55,249,438)
Pension Liability	(244,489,375)
Impact Fee Credit Vouchers	(4,124,094)
Educational Facilities Benefit District Agreement Payable	(9,312,626)
	(660,959,739)

**Total Net Position - Governmental Activities** \$ 468,844,456

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2017**

	General Fund	Special Revenue - Other Federal Programs Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Intergovernmental:					
Federal Direct	\$ 699,417	\$ 1,388,273	\$	\$ 2,188,093	\$ 4,275,783
Federal Through State	1,935,916	38,223,089		33,533,337	73,692,342
State	317,850,511		7,460,651	3,955,681	329,266,843
Local:					
Property Taxes	117,376,465			32,572,342	149,948,807
Local Sales Taxes			11,150,531	13,860,037	25,010,568
Impact Fees			38,312,116		38,312,116
Charges for Services - Food Service				2,519,613	2,519,613
Miscellaneous	13,865,019		302,195	1,181,958	15,349,172
Total Revenues	<u>451,727,328</u>	<u>39,611,362</u>	<u>57,225,493</u>	<u>89,811,061</u>	<u>638,375,244</u>
<b>EXPENDITURES</b>					
Current-Education:					
Instruction	298,803,565	22,776,179			321,579,744
Pupil Personnel Services	21,944,670	2,113,978			24,058,648
Instructional Media Services	4,385,384	226,923			4,612,307
Instruction and Curriculum Development Services	10,628,126	6,784,418			17,412,544
Instructional Staff Training Services	5,275,531	3,568,055			8,843,586
Instruction Related Technology	4,042,397	259,770			4,302,167
Board of Education	1,565,672				1,565,672
General Administration	1,461,830	1,331,178			2,793,008
School Administration	23,459,032	751			23,459,783
Facilities Services	4,238,398		4,063,613	4,044,569	12,346,580
Fiscal Services	1,925,667				1,925,667
Food Services	87,892			29,900,484	29,988,376
Central Services	7,060,646	474,034			7,534,680
Pupil Transportation Services	19,547,326	225,217			19,772,543
Operation of Plant	32,664,015	321			32,664,336
Maintenance of Plant	8,551,226	43,660			8,594,886
Administrative Technology Services	4,225,549	29,476			4,255,025
Community Services	3,758,475	1,372,560			5,131,035
Fixed Capital Outlay:					
Facilities Acquisition and Construction	27,942		35,633,210	4,625,991	40,287,143
Other Capital Outlay	1,342,496	161,266	944,631	1,215,264	3,663,657
Debt Service:					
Principal	223,795			18,842,501	19,066,296
Interest and Fiscal Charges	19,781			10,538,929	10,558,710
Dues, Fees and Issuance Costs			136,948	298,525	435,473
Miscellaneous				1,183,686	1,183,686
Total Expenditures	<u>455,239,415</u>	<u>39,367,786</u>	<u>40,778,402</u>	<u>70,649,949</u>	<u>606,035,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,512,087)</u>	<u>243,576</u>	<u>16,447,091</u>	<u>19,161,112</u>	<u>32,339,692</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,249,006		6,515,377	20,506,551	34,270,934
Refunding Bonds Issued			86,250,000	20,406,000	106,656,000
Premium on Refunding Bonds				149,508	149,508
Issuance of Lease-Purchase Agreements				58,170,000	58,170,000
Proceeds from the Sale of Capital Assets	2,250		120,776		123,026
Insurance Loss Recoveries	159,475				159,475
Payments to Escrow Agent for Refunded Debt				(77,316,629)	(77,316,629)
Transfers Out	(3,000,000)	(243,576)	(8,442,507)	(25,584,851)	(37,270,934)
Total Other Financing Sources (Uses)	<u>4,410,731</u>	<u>(243,576)</u>	<u>84,443,646</u>	<u>(3,669,421)</u>	<u>84,941,380</u>
Net Change in Fund Balances	898,644		100,890,737	15,491,691	117,281,072
Fund Balances, July 1, 2016	66,516,538		58,710,560	48,613,471	173,840,569
Fund Balances, June 30, 2017	<u>\$ 67,415,182</u>	<u>\$</u>	<u>\$ 159,601,297</u>	<u>\$ 64,105,162</u>	<u>\$ 291,121,641</u>

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2017**

**Net Change in Fund Balances - Total Governmental Funds** \$ 117,281,072

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

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

Capital Outlay - Facilities Acquisition and Construction	40,287,143	
Capital Outlay - Other	3,663,657	
Depreciation Expense	<u>(37,302,532)</u>	6,648,268

Capital assets donated to the District increase net assets in the government-wide statements, but are not financial resources and, therefore, are not reported in the governmental funds. This is the value of capital assets donated during the current year. 4,433,787

Vouchers payable associated with impact fee credits are accrued in the government-wide statements, but are not recognized in the governmental funds. 2,209,818

The cost of capital assets disposed of during the current year is expensed in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balances by the undepreciated cost of the disposed assets. (681,916)

Proceeds of refunding debt are reported as other financing sources in the governmental funds, while payments to the escrow agent for advance-refunding of outstanding debt are shown as other financing uses. Government-wide statements are affected only to the extent these amounts differ. Other long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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 net effect of these transactions.

Sales Tax Revenue Bonds	(105,670,000)	
Certificates of Participation	(58,170,000)	
State Board of Education Bonds	(1,135,508)	
Redemption of Principal	19,066,296	
Amortization of Deferred Inflows/Outflows	(3,610,553)	
Proceeds to Refunded Bond Escrow Agent	<u>77,316,628</u>	(72,203,137)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current period. (3,936,191)

In the statement of activities, the cost of other post-employment benefits is measured by the increase in the net OPEB obligation during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the OPEB costs. This is the amount of the increase in the OPEB obligation in excess of the amount paid in the current period. (1,943,546)

In the statement of activities, the cost of pension benefits is measured by the increase in the net pension liability during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for pension costs. This is the amount of the increase in the net pension liability in excess of the amount paid in the current period.

Florida Retirement System Pension Expense	(21,040,913)	
Health Insurance Subsidy Pension Expense	(8,278,659)	
Florida Retirement System Pension Liability	14,848,093	
Health Insurance Subsidy Pension Liability	<u>4,493,132</u>	(9,978,347)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities. (3,891,256)

**Change in Net Position of Governmental Activities** \$ 37,938,552

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2017**

	Governmental Activities - Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 7,304,628
Investments	9,124,998
Due from Other Agencies	86,874
Prepaid Items	1,703,145
<b>Total Current Assets</b>	<u>18,219,645</u>
Capital Assets:	
Buildings and Fixed Equipment, Net	3,381,447
Furniture, Fixtures and Equipment, Net	160,388
Computer Software, Net	1,227
Total Capital Assets	<u>3,543,062</u>
<b>Total Assets</b>	<u>21,762,707</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	493,137
Estimated Insurance Claims Payable	4,324,901
<b>Total Liabilities</b>	<u>4,818,038</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	3,543,061
Unrestricted	13,401,608
<b>Total Net Position</b>	<u>\$ 16,944,669</u>

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2017**

	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>	
Premium Revenues	\$ 54,301,534
<b>Total Operating Revenues</b>	<u>54,301,534</u>
<b>OPERATING EXPENSES</b>	
Purchased Services	8,118,839
Materials and Supplies	347,761
Capital Outlay	7,810
Insurance Claims	52,795,731
<b>Total Operating Expenses</b>	<u>61,270,141</u>
<b>Operating Loss</b>	<u>(6,968,607)</u>
<b>NONOPERATING REVENUES</b>	
Interest	56,109
Miscellaneous Local Sources	21,241
<b>Total NonOperating Revenues</b>	<u>77,350</u>
Transfers In	<u>3,000,000</u>
<b>Change In Net Position</b>	<u>(3,891,257)</u>
Total Net Position - July 1, 2016	<u>20,835,926</u>
<b>Total Net Position - June 30, 2017</b>	<u><u>\$ 16,944,669</u></u>

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Board Funds and Participants	\$ 53,943,220
Payments for Insurance Claims	(52,771,358)
Cash Payments to Vendors for Goods and Services	<u>(9,650,375)</u>
Net Cash Used by Operating Activities	<u>(8,478,513)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from Other Funds	<u>3,000,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,000,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and Construction of Capital Assets	<u>119,599</u>
Net Cash Provided by Capital and Related Financing Activities	<u>119,599</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sale of Investments	(3,856,332)
Interest	<u>77,350</u>
Net Cash Used by Investing Activities	<u>(3,778,982)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(9,137,896)</u>
Cash and Cash Equivalents, Beginning	<u>16,442,524</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 7,304,628</u></u>
 <b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>	
Operating Loss	\$ (6,968,607)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	34,042
Decrease in Due from Other Funds	325,000
Decrease in Due from Other Agencies	59,791
Increase in Prepaid Items	(392,356)
Decrease in Accounts Payable	(1,175,965)
Decrease in Due to Other Funds	(325,000)
Increase in Estimated Insurance Claims Payable	<u>(35,418)</u>
<b>Total Adjustments</b>	<u>(1,509,906)</u>
<b>Net Cash Used by Operating Activities</b>	<u><u>\$ (8,478,513)</u></u>

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



**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2017**

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,599,070
Investments	1,420,087
Accounts Receivable	326,870
Inventory	183,311
Due from Other Agencies	31,559
<b>Total Assets</b>	<b>\$ 7,560,897</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 2,064,135
Accrued Liabilities	8,164
Due to Other Agencies	826,872
Internal Accounts Payable	4,661,726
<b>Total Liabilities</b>	<b>\$ 7,560,897</b>

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Osceola County School District's (District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

➤ **Reporting Entity**

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

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

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

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

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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

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

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

Avant Garde Academy of Osceola, Avant Garde Academy K8 of Osceola, Florida Cyber Charter Academy, Four Corners Charter School, Inc., Four Corners Upper School, Lincoln Marti Charter School, Mater Brighton Lakes Academy, Main Street High School, New Dimensions High School, Osceola Science Charter School, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, St. Cloud Preparatory Academy, Inc., and UCP Osceola Charter School, are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act; and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the Osceola County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District. The financial data reported on the accompanying statements was derived from the charter school's audited financial statements for the fiscal year ended June 30, 2017. The audit reports are filed in the District's administrative offices at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

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

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

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

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Other Federal Programs Fund – to account for funds from the State or Federal Government which are restricted for Federal programs.
- Capital Projects – Other Fund – to account for other miscellaneous funds from various sources which are restricted for capital outlay purposes.

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

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

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

➤ **Measurement Focus and Basis of Accounting**

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to

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be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Sales taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences are recognized when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

➤ **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, cash with fiscal agent, demand deposits, and short-term, highly liquid investments with original maturities of 3 months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME, the Florida Education Investment Trust Fund (FEITF), and the Money Market-Federated Institutional Prime.

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

➤ **Investments**

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

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

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

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories held at the maintenance department, transportation department, central warehouse and for the District's food service program are stated at cost valued on a weighted-average basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service

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program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The District applies the consumption method to account for its inventories. As such, the expenditure for supplies inventory is recognized when the supplies are actually used.

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

➤ **Capital Assets**

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

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

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

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

➤ **Deferred Outflows/Inflows of Resources**

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

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

In addition to liabilities, the statement of net position reports separate sections for deferred inflows of resources. The deferred inflow of resources represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The District has two items that qualify for reporting in the deferred outflows of resources and deferred inflows of resources sections of the statement of net position. The deferred charges on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Changes in net pension liability are reported as deferred outflows of resources and deferred inflows of resources related to pensions. The deferred outflows of resources and deferred inflows of resources related to pensions are discussed in a subsequent note.

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➤ **Pensions**

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

The District's retirement plans and related amounts are described in Note 12.

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

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

Changes in long-term liabilities for the current year are reported in Note 10.

➤ **Net Position Flow Assumption**

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

➤ **Fund Balance Flow Assumptions**

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

➤ **Fund Balance Policies**

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

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The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the Chief Business and Finance Officer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

➤ **Program Revenues**

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

➤ **State Revenue Sources**

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the FDOE under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the FDOE. The FDOE performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of 5 months following the date of the original reporting. Such amendments may impact funding allocations for subsequent fiscal years. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

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

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



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A schedule of revenue from State sources for the current year is presented in Note 15.

➤ **District Property Taxes**

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

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

The Board adopted the 2016 tax levy on September 6, 2016. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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

Millages and taxes levied for the current year are presented in Note 16.

➤ **Educational Impact Fees**

Osceola County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1992. This ordinance has been amended from time to time, most recently in April 2015, when Resolution No. 15-030R established the revised rates to be collected. The educational impact fee is collected for all new residential construction within the County. The fees are collected by the County and each municipality within the County, based on an interlocal agreement. The fees can only be used for capital expenditures directly affected by new residential growth. Educational impact fee credits granted in exchange for land are shown in the government-wide financial statements as unearned revenue until the credits are used, at which time the revenues are recognized.

➤ **Federal Revenue Sources**

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

➤ **Compensated Absences**

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

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

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

**2. ACCOUNTING CHANGES**

In June 2016, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. The objective of Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement will require the recognition of the proportionate share of the net OPEB liability on the face of the financial statements. In addition to the note disclosures currently required for OPEB, the standard will also require extensive disclosures and required supplementary information related to the OPEB liability. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

**3. INVESTMENTS**

As of June 30, 2017, the District has the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
<i>Cash Equivalents</i>		
State Board of Administration (SBA):		
Florida PRIME	39 Day Average	\$ 79,698,769
Florida Education Investment Trust Fund	37 Day Average	10,275,399
Money Market:		
Goldman Sachs Financial Square Govt. Fund	29 Day Average	4,847,144
SBA Debt Service Accounts	6 Months	103,333
		\$ 94,924,645
<i>Investments</i>		
US Treasury Bonds	8/2018 - 6/2020	49,251,930
Municipal Bond	5/2018 - 7/2019	3,551,618
Federal Agency Mortgage-Backed Securities	October 1, 2026	360,874
Federal Agency Collateralized Mortgages	8/2017 - 4/2041	4,796,619
Federal Agency Bonds	6/2018 - 2/2020	77,165,069
Corporate Note	8/2017 - 6/2020	38,561,315
Commercial Paper	12/2017 - 2/2018	12,891,824
		186,579,249
Total Investments, Reporting Entity		<u>\$ 281,503,894</u>

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

- The District's investment policy limits investments to a maximum of 5½ years and the investment of current operating funds to no longer than 2 years.
- Florida PRIME had a weighted average days to maturity (WAM) of 39 days, FEITF had a WAM of 37 days, and Money Market funds had a WAM of 29 days at June 30, 2017. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

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- The District has \$3,600,835 in four obligations of Bank of New York Mellon NT and Goldman Sachs Group Inc. that include embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. One security for \$2,501,313 has an April 22, 2018, call date and a May 22, 2018, maturity date. Two securities, for \$199,913 and \$899,906, have a March 25, 2019, call date and an April 25, 2019, maturity date.
- For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” As of June 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

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

- The District’s investment policy allows for investments in certificates of deposit, time deposits, securities of the United States Government, other forms of authorized investments described in the Florida Statutes, and money market funds based on the highest rating by any one Nationally Recognized Statistical Ratings Organization (NRSRO).
- The District’s investments in SBA Debt Service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by SBA for managing interest rate risk and credit risk for this account.
- As of June 30, 2017, the District’s investments in Florida PRIME and the FEITF are rated “AAAm” by Standard & Poor’s.
- As of June 30, 2017, U.S. Treasury and Federal Agency securities were rated AA+ by Standard & Poor’s. The District’s investments in municipal bond were rated AA, corporate note securities were rated AA+ to BBB+ and commercial paper securities were rated A-1 to A-1+ by Standard & Poor’s.

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

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

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

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

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

- Most of the District's investments are issued or explicitly guaranteed by the United States Government or are in external investment pools, which do not require disclosure for concentration of credit risk. Remaining investments are in compliance with investment policy limits.
- As of June 30, 2017, approximately 27 percent of the District's investment were in Federal Agency Bonds, followed by Corporate Notes at 14 percent, and Commercial Paper at 5 percent.

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

The District has the following recurring fair value measurements as of June 30, 2017:

<u>Investment</u>	<u>Fiscal Year</u> <u>Ending</u> <u>6/30/2017</u>	<u>Quoted Prices in</u> <u>Active Markets</u> <u>for Identical</u> <u>Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
U.S. Treasury Bonds	49,251,930		49,251,930	
Municipal Bonds	3,551,618		3,551,618	
Federal Agency Mortgage-Backed Securities	360,874		360,874	
Federal Agency Collateralized Mortgage Obligations	4,796,619		4,796,619	
Federal Agency Bond	77,165,069		77,165,069	
Corporate Note	38,561,315		38,561,315	
Commercial Paper	12,891,824			12,891,824
<b>Total</b>	<b>\$ 186,579,249</b>	<b>\$ -</b>	<b>\$ 173,687,425</b>	<b>\$ 12,891,824</b>

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U.S. Treasury Bonds, Municipal Bonds, Federal Agency Bond, Securities and Mortgage Obligations, and Corporate Notes 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. Commercial Paper classified in Level 3 are valued using consensus pricing.

**4. RECEIVABLES**

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

**5. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below:

	<u>Balance 6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 48,787,969	318,770	\$ -	\$ 49,106,739
Land Improvements, Nondepreciable	1,358,184			1,358,184
Construction in Progress	5,274,285	39,921,224	8,064,849	37,130,660
Total Capital Assets Not Being Depreciated	<u>55,420,438</u>	<u>40,239,994</u>	<u>8,064,849</u>	<u>87,595,583</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	36,551,624	1,949,468		38,501,092
Buildings and Fixed Equipment	984,742,563	8,684,968		993,427,531
Furniture, Fixtures, and Equipment	62,702,765	4,357,254	4,194,182	62,865,837
Investment in Educational Facilities Benefit				
District	14,158,434			14,158,434
Motor Vehicles	41,070,067	444,527	2,237,413	39,277,181
Audio Visual Materials and Computer Software	8,811,393	160,957	2,883,092	6,089,258
Total Capital Assets Being Depreciated	<u>1,148,036,846</u>	<u>15,597,174</u>	<u>9,314,687</u>	<u>1,154,319,333</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	25,583,891	1,482,629		27,066,520
Buildings and Fixed Equipment	354,562,531	28,127,618		382,690,149
Furniture, Fixtures, and Equipment	48,069,880	4,429,820	4,010,432	48,489,268
Investment in Educational Facilities Benefit				
District	2,575,633	267,199		2,842,832
Motor Vehicles	30,477,203	2,275,622	2,233,329	30,519,496
Audio-Visual Materials and Computer Software	7,456,153	719,644	2,881,679	5,294,118
Total Accumulated Depreciation	<u>468,725,291</u>	<u>37,302,532</u>	<u>9,125,440</u>	<u>496,902,383</u>
Total Capital Assets Being Depreciated, Net	<u>679,311,555</u>	<u>(21,705,358)</u>	<u>189,247</u>	<u>657,416,950</u>
Governmental Activities Capital Assets, Net	<u>\$ 734,731,993</u>	<u>\$ 18,534,636</u>	<u>\$ 8,254,096</u>	<u>\$ 745,012,533</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
Student Transportation Services	\$ 2,275,622
Unallocated	35,026,910
Total Depreciation Expense - Governmental Activities	<u>\$ 37,302,532</u>

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**6. EDUCATIONAL FACILITIES BENEFIT DISTRICT AGREEMENT PAYABLE**

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

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

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

Fiscal Year Ending June 30	Total	Principal	Interest
2018	\$ 925,276	\$ 311,476	\$ 613,800
2019	926,091	351,584	574,507
2020	930,540	395,361	535,179
2021	928,873	433,211	495,662
2022	926,669	470,453	456,216
2023-2027	4,581,263	2,888,164	1,693,099
2028-2032	4,377,548	3,641,977	735,571
2033-2034	857,450	820,400	37,050
Total	<u>\$ 14,453,710</u>	<u>\$ 9,312,626</u>	<u>\$ 5,141,084</u>

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

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**7. CERTIFICATES OF PARTICIPATION**

Certificates of Participation at June 30, 2017, are as follows:

<u>Series</u>	<u>Amount Outstanding</u>	<u>Interest Rate (percent)</u>	<u>Lease Term Maturity</u>	<u>Original Amount</u>
2009 COPS Refunding	14,130,000	3.75 - 4.375	2024	35,165,000
2010 COPS, Series A (QSCB)	40,500,000	6.658 <sup>(1)</sup>	2027	40,500,000
2013 COPS Refunding	35,080,000	3.625 - 5.0	2028	41,880,000
2014 COPS Refunding	7,105,000	2.24	2028	12,005,000
2015 COPS Refunding	7,475,000	2.67	2024	8,310,000
2017 COPS Refunding	58,170,000	2.1	2027	58,170,000
Total	162,460,000			
Plus: Unamortized Premiums	3,581,925			
Total Certificates of Participation	<u>\$ 166,041,925</u>			

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

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

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

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

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The District properties included in the ground leases under this arrangement include the following:

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

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 16,055,818	\$ 9,585,000	\$ 6,470,818
2019	16,045,072	9,905,000	6,140,072
2020	16,113,666	10,325,000	5,788,666
2021	16,117,596	10,650,000	5,467,596
2022	16,119,118	10,960,000	5,159,118
2023-2028	132,275,532	111,035,000	21,240,532
Total Minimum Lease Payments	<u>\$ 212,726,802</u>	<u>162,460,000</u>	<u>\$ 50,266,802</u>
Plus: Unamortized Premiums		<u>3,581,925</u>	
Total Certificates of Participation		<u>\$ 166,041,925</u>	

➤ **Qualified School Construction Bonds**

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



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The Series 2010A Certificates were issued in the amount of \$40,500,000. Interest payments are to be made to the holders of the Certificates on April 1<sup>st</sup> and October 1<sup>st</sup> of each year at the stated coupon rate of 6.658 percent with the Issuer Subsidy received by the District on the same date. The principal amount of the Certificates is to be repaid in one lump sum on April 1, 2027. The District deposits \$2,524,570 into a Sinking Fund annually on April 1<sup>st</sup>. The accumulated amount in this fund plus interest at a projected 3 percent is to be used to repay the principal amount of these certificates upon maturity.

**8. BONDS PAYABLE**

Bonds payable at June 30, 2017, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
State School Bonds:				
Series 2009A, Refunding	\$ 205,000	5.00	2019	\$ 870,000
Series 2010A, Refunding	605,000	4.0 - 5.0	2022	1,205,000
Series 2011A, Refunding	800,000	3.0 - 5.0	2023	1,135,000
Series 2014A, Refunding	1,441,000	3.0 - 5.0	2025	1,796,000
Series 2014B, Refunding	254,000	2.0 - 5.0	2020	1,811,000
Series 2017A, Refunding	986,000	5.0	2026	986,000
District Revenue Bonds:				
Sales Tax Revenue Series 2015	29,231,000	1.99	2025	29,660,000
Sales Tax Revenue Series 2017	19,420,000	1.72	2024	19,420,000
Capital Outlay Sales Tax Rev. Series 2017	86,250,000	2.76	2032	86,250,000
Total Bonds	<u>139,192,000</u>			
Plus: Unamortized Bond Premium	<u>592,037</u>			
Total Bonds Payable	<u><u>\$ 139,784,037</u></u>			

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

➤ **State School Bonds**

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

➤ **District Revenue Bonds**

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

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

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

The District has pledged a combined total of \$160,331,207 of discretionary and capital outlay surtax sales revenues (sales tax revenues) in connection with the Series 2007A, 2007B, 2015 and 2017 Sales Tax Revenue and 2017 Capital Outlay Sales Tax Bond issues described above. During the 2016-17 fiscal year, the District recognized sales tax revenues totaling \$13,860,037 and expended \$6,903,648 (50 percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt, or June 1, 2033. Assuming a nominal growth rate in the collection of sales tax revenues, which are levied through June 30, 2033, approximately 23 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2018	\$ 962,866	\$ 752,000	\$ 210,866
2019	779,325	615,000	164,325
2020	689,625	555,000	134,625
2021	688,400	581,000	107,400
2022	606,100	528,000	78,100
2023-2026	1,365,350	1,260,000	105,350
Total State School Bonds	<u>5,091,666</u>	<u>4,291,000</u>	<u>800,666</u>
District Revenue Bonds:			
2018	8,641,803	5,624,000	3,017,803
2019	13,586,282	10,460,000	3,126,282
2020	13,593,226	10,706,000	2,887,226
2021	13,599,326	10,957,000	2,642,326
2022	13,603,527	11,212,000	2,391,527
2023-2027	55,241,741	47,172,000	8,069,741
2028-2033	42,065,302	38,770,000	3,295,302
Total District Revenue Bonds	<u>160,331,207</u>	<u>134,901,000</u>	<u>25,430,207</u>
Total	<u>\$ 165,422,873</u>	<u>\$ 139,192,000</u>	<u>\$ 26,230,873</u>

**9. DEFEASED DEBT**

On March 7, 2017, the District issued Refunding Certificates of Participation, Series 2017, in the amount of \$58,170,000, with an interest rate of 2.1 percent. The refunding bonds were issued to currently-refund, on a forward delivery basis, the \$57,375,000 principal amount of the District's Certificates of Participation, Series 2007 that mature

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on or after June 1, 2027. The net proceeds of \$57,990,453 (after payment of \$179,547 in issuance costs) were placed in an irrevocable trust to provide for a portion of future debt service payments on the Series 2007 bonds. As a result, \$57,375,000 of the Series 2007A bonds are considered to be in-substance defeased and the liability for these bonds have been removed from the government-wide financial statements.

The Series 2007A bonds were refunded to reduce its total debt service payments over the next 9 years by approximately \$8,642,648 and to obtain an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$7,756,336.

The Florida Department of Education issued \$986,000 Capital Outlay Refunding Bonds, Series 2017A, dated April 27, 2017, with an interest rate of 5 percent, to refund callable portions of the SBE Capital Outlay Bonds, Series 2006A. The bonds were issued to refund the \$1,130,000 principal amount of the District's share of the Series 2006A, that mature on or after January 1, 2026.

The District's pro rata share of net proceeds totaling \$1,146,943 (after deduction of \$5,557 by the Florida Department of Education for the District's share of underwriting fees and other issuance costs) were placed in an irrevocable trust to provide for future debt service payments. As a result, \$1,130,000 of the SBE Capital Outlay Bonds, Series 2006A Bonds are considered to be in-substance defeased and the liability for these bonds have been removed from the government-wide financial statements.

On June 16, 2017, the District issued \$19,420,000 in Sales Tax Revenue Bonds, Series 2017, with an interest rate of 1.72 percent, to forward-refund \$19,290,000 of outstanding Sales Tax Revenue Bonds, Series 2007B, that mature on or after June 1, 2024. The net proceeds of \$19,326,174 (after payment of \$93,826 issuance costs) were place in an irrevocable trust to provide for debt service payments on the Sales Tax Revenue Bonds, Series 2007B. As a result, \$19,290,000 of Series 2007B Bonds are considered to be in-substance defeased and the liability for these bonds have been removed from the government-wide financial statements.

The Series 2017 sales tax bonds were issued to reduce the total debt service payments from the 2007B Series over the next 6 years by \$2,311,268 and to obtain an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$2,171,802.

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

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

Description	Balance 7-1-16	Additions	Deductions	Balance 6-30-17	Due in One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Notes Payable	\$ 3,553,948	\$ -	\$ 3,553,948	\$ -	\$ -
Bonds Payable	60,315,557	106,805,507	27,337,027	139,784,037	6,486,773
Certificates of Participation Payable	174,013,756	58,170,000	66,141,831	166,041,925	9,922,937
Educational Facilities Benefit District					
Agreement Payable	9,583,179	-	270,553	9,312,626	311,476
Impact Fee Credit Vouchers	6,333,912	-	2,209,818	4,124,094	-
Net Pension Liability	167,818,024	123,884,521	47,213,170	244,489,375	2,882,700
Other Postemployment Benefits Payable	53,305,892	1,943,546	-	55,249,438	-
Compensated Absences Payable	38,022,052	3,936,191	-	41,958,243	2,363,113
<b>Total Governmental Activities</b>	<b>\$ 512,946,320</b>	<b>\$ 294,739,765</b>	<b>\$ 146,726,347</b>	<b>\$ 660,959,737</b>	<b>\$ 21,966,999</b>

The District issues educational impact fee credits in exchange for land in connection with the construction of school facilities within the Bellalago Educational Facilities Benefit Districts (BEFBD) and Flora Ridge Educational Facilities Benefit District (FREFBD). Impact fee credits issued to the BEFBD are related to the K-8 portion of the

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educational impact fees authorized, while the FREFBD impact fee credits are related to the K-5 portion of the educational impact fees authorized. As of June 30, 2017, the balance of unused impact fee credits included \$2,273,336 for BEFBD; \$1,837,283 for FREFBD; and \$13,475 for KOA-Fountains at San Remo.

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

**11. FUND BALANCE REPORTING**

The following is a schedule of fund balances by category at June 30, 2017:

	Major Funds				Total Governmental Funds
	General	Special Revenue - Other Federal Programs	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	
Fund Balances					
Nonspendable:					
Inventory	\$ 2,714,482	\$	\$	\$ 1,205,400	\$ 3,919,882
Restricted:					
State Categorical Programs	12,294,090				12,294,090
Debt Service				14,816,157	14,816,157
Capital Projects			159,601,297	30,198,204	189,799,501
Grants and Programs	6,105,934				6,105,934
Food Services				17,885,401	17,885,401
Assigned:					
Contract Commitments	633,003				633,003
Carryover Appropriations	4,048,882				4,048,882
Unassigned	41,618,791				41,618,791
Total Fund Balances	\$ 67,415,182	\$	\$ 159,601,297	\$ 64,105,162	\$ 291,121,641

In addition to committed and assigned fund balance categories discussed in the Fund Balance Policies note disclosures, fund balance may be classified as follows:

➤ **Non-spendable Fund Balance**

Non-spendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. The District has inventory of \$3,919,882 classified as non-spendable.

➤ **Restricted Fund Balance**

Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District has a total of \$240,901,083 in restricted fund balance as of June 30, 2017.

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➤ **Unassigned Fund Balance**

The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes. As discussed in the Fund Balance Policies note disclosure, the District has set aside “contingency reserves” as per School Board Rule 7.10. The contingency funds of \$27,500,000 are included as part of the unassigned general fund balance of \$41,618,791.

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

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

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

The District’s FRS and HIS pension expense totaled \$29,319,573 for the fiscal year ended June 30, 2017.

➤ **FRS Pension Plan**

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

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

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

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

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The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2015-16 fiscal year were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
FRS, Regular	3.00	7.52
FRS, Elected County Officers	3.00	42.47
FRS, Senior Management	3.00	21.77
DROP - Applicable to Members from All of the Above Classes or Plans	0.00	12.99
Florida Retirement System, Reemployed Retiree	(B)	(B)

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

(B) Contribution rates are dependent upon retirement class or plan in which reemployed.

The District's contributions to the Plan totaled \$14,848,093 for the fiscal year ended June 30, 2017.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a liability of \$144,541,817 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2016-17 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.572630955 percent, which was a decrease of 0.044315630 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$21,040,912 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,070,905	\$ 1,346,228
Change of assumptions	8,747,248	
Net difference between projected and actual earnings on FRS pension plan investments	37,374,691	
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	6,325	5,362,031
District FRS contributions subsequent to the measurement date	14,848,093	
<b>Total</b>	<b>\$ 72,047,262</b>	<b>\$ 6,708,259</b>

The deferred outflows of resources related to pensions, totaling \$14,848,093, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	\$ 6,686,632
2019	6,686,632
2020	21,257,607
2021	14,257,088
2022	1,271,369
Thereafter	331,584
<b>Total</b>	<b>\$ 50,490,912</b>

Actuarial Assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.60 percent, net of pension plan investment expense, including inflation

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Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

Asset Class	Target Allocation (A)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.7%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
<b>Total</b>	<b>100%</b>			
Assumed inflation - Mean		2.6%		1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.6 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.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.6 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.6 percent) or 1 percentage point higher (8.6 percent) than the current rate:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
District's proportionate share of the net pension liability	\$ 266,111,270	\$ 144,541,817	\$ 43,351,302

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.

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$593,626 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2017.



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➤ **HIS Pension Plan**

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

*Benefits Provided.* For the fiscal year ended June 30, 2017, 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, 2017, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$4,493,132 for the fiscal year ended June 30, 2017.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2017, the District reported a net pension liability of \$99,947,559 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 0.857952516 percent, which was a decrease of 0.007726797 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$8,278,660. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 227,743
Change of assumptions	15,691,100	
Net difference between projected and actual earnings on HIS pension plan investments	50,558	
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	554,089	934,767
District contributions subsequent to the measurement date	4,493,132	
<b>Total</b>	<b>\$ 20,788,879</b>	<b>\$ 1,162,510</b>

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The deferred outflows of resources, totaling \$4,493,132, was related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	\$ 2,748,739
2019	2,748,739
2020	2,739,112
2021	2,734,491
2022	2,256,259
Thereafter	1,905,897
Total	\$ 15,133,237

Actuarial Assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.80 percent

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

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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 2.85 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 (1.85 percent) or 1 percentage point higher (3.85 percent) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of the net pension liability	\$ 114,662,557	\$ 99,947,559	\$ 87,734,913

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.

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Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$10,021 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2017.

➤ **FRS – Defined Contribution Pension Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the Investment Plan member’s accounts during the 2016-17 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District’s Investment Plan pension expense totaled \$3,568,664 for the fiscal year ended June 30, 2017.

Payables to the Pension Plan. At June 30, 2016, the District reported a payable of \$111,998 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2016.

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**13. OTHER POSTEMPLOYMENT BENEFITS PAYABLE**

➤ **Plan Description**

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District, and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical and prescriptions and life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or another entity.

➤ **Funding Policy**

Plan contribution requirements of the District and Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis. For the 2016-17 fiscal year, 159 retirees received other postemployment healthcare benefits, and another 64 retirees received only life insurance benefits. The District provided required contributions of \$1,019,956 toward the annual OPEB cost, net of retiree contributions totaling \$1,718,859, which represents 0.75 percent of covered payroll.

➤ **Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for one year)	\$ 2,207,094
Amortization of Unfunded Actuarial Accrued Liability	<u>1,555,997</u>
Annual Required Contribution	3,763,091
Interest on Net OPEB Obligation	1,865,706
Adjustment to Annual Required Contribution	<u>(2,665,295)</u>
Annual OPEB Cost (Expense)	2,963,502
Contribution Toward the OPEB Cost	<u>(1,019,956)</u>
Increase in Net OPEB Obligation	1,943,546
Net OPEB Obligation, Beginning of Year	<u>53,305,892</u>
Net OPEB Obligation, End of Year	<u>\$ 55,249,438</u>

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The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of June 30, 2017, and the 2 preceding years, were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 5,782,394	\$ 660,697	11.43%	\$ 51,399,056
June 30, 2016	2,953,568	1,046,732	35.44%	53,305,892
June 30, 2017	2,963,502	1,019,956	34.42%	55,249,438

➤ **Funded Status and Funding Progress**

As of January 1, 2016, the most recent valuation date, the actuarial accrued liability for benefits was \$31,032,558, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability of \$31,032,558. The covered payroll (annual payroll of active participating employees) was \$226,286,281, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 13.71 percent.

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following notes to financial statements, as required supplementary information, presents multiyear trend information about whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

➤ **Actuarial Methods and Assumptions.**

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation, as of January 1, 2016, used the entry age normal cost actuarial method to estimate the unfunded actuarial liability and to determine the annual required contribution as of June 30, 2016. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.5 percent rate of return on invested assets. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, projected salary increases of 3.7 percent to 7.8 percent, and an annual healthcare cost trend rate of 7 percent initially for the 2017 calendar year, reduced to an ultimate rate of 4.58 percent for the calendar year ending 2040. The investment rate and projected salary increases include an inflation rate of 2.5 percent. The unfunded actuarial accrued liability and gains/losses are being amortized as a level percentage of projected payroll on a closed basis over 30 years. The remaining amortization period at June 30, 2017, is 20 years.

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

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 2,830,425	
Special Revenue:		
Other Federal Programs		2,522,264
Capital Projects:		
Other Capital Projects		293,754
Nonmajor Governmental		14,407
Total	<u>\$ 2,830,425</u>	<u>\$ 2,830,425</u>

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 7,249,006	\$ 3,000,000
Special Revenue:		
Other Federal Programs		243,576
Capital Projects:		
Other Capital Projects	6,515,377	8,442,507
Nonmajor Governmental	20,506,551	25,584,851
Internal Service	3,000,000	
Total	<u>\$ 37,270,934</u>	<u>\$ 37,270,934</u>

The major transfers out of the Capital Projects funds were to provide debt service principal and interest payments and to assist in funding maintenance operations of the District. The transfer out of the Nonmajor Governmental Funds was for the return of sales tax revenues not needed for debt repayment. The transfer out of General Fund into Internal Service Fund was for additional funding for the Health Insurance Trust Fund. The remaining transfers between funds were operational in nature.

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**15. SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the District's State revenue for the 2016-17 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 236,513,203
Categorical Educational Program - Class Size Reduction	68,559,396
Workforce Development Program	6,321,691
State Funding for High School Construction	4,000,000
Charter School Capital Outlay	3,330,746
Voluntary Prekindergarten Program	2,589,940
Motor Vehicle License Tax (Capital Outlay & Debt Service)	2,510,761
School Recognition	1,393,754
Miscellaneous State Revenue	1,204,169
Discretionary Lottery	1,043,346
Public Education Capital Outlay	998,520
SAFE Student Attire for Education	351,402
Florida Best & Brightest Teacher Scholarship	449,915
Total	<u>\$ 329,266,843</u>

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

**16. PROPERTY TAXES**

The following is a summary of millages and taxes levied on the 2015 tax roll for the 2016-17 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort (RLE)	4.643	\$ 100,265,380
RLE Prior Period Adjustment	0.014	302,329
Basic Discretionary Local Effort	0.748	16,153,027
<u>CAPITAL PROJECTS - LOCAL CAPITAL IMPROVEMENT FUND</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	32,392,434
Total	<u>6.905</u>	<u>\$ 149,113,170</u>

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**17. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

➤ **Encumbrances**

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

The following is a schedule of encumbrances at June 30, 2017:

Major Funds				
General	Special Revenue - Other Federal Programs	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,507,312	\$ 332,302	\$ 31,481,668	\$ 12,914,992	\$ 49,236,274

Encumbrances for the Special Revenue – Other Federal Programs fund totaling \$332,302 represent commitments that will be expensed in the subsequent period.

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➤ **Construction Contracts**

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

<b>Description</b>	<b>Contract Amount</b>	<b>Total Completed</b>	<b>Balance Committed</b>
Discovery Intermediate Kitchen and Serving Area			
Contractor	\$ 1,046,347	\$ 153,956	\$ 892,391
Engineering and Technical Services	52,885	44,558	8,327
Discovery Intermediate Space Reconfiguration			
Contractor	1,677,898	1,041,407	636,491
Engineering and Technical Services	133,965	105,700	28,265
Harmony High School Agricultural Building			
Contractor	199,764	6,156	193,608
Engineering and Technical Services	28,481	16,206	12,275
Hickory Tree Elementary School Kitchen Renovation			
Contractor	1,368,099	312,048	1,056,051
Engineering and Technical Services	107,594	99,171	8,423
Michigan Avenue Elementary Comprehensive Renovations			
Engineering and Technical Services	1,665,110	113,645	1,551,465
Middle School AA - Harmony			
Engineering and Technical Services	1,450,540	720,360	730,180
Mill Creek Elementary Restroom Additions			
Contractor	197,495	68,284	129,211
Engineering and Technical Services	20,025	18,758	1,267
Osceola County School for the Arts-Roof Replacement			
Engineering and Technical Services	309,840	217,890	91,950
Poinciana High School Classroom Building Addition			
Contractor	6,005,964	4,455,267	1,550,697
Engineering and Technical Services	401,864	345,403	56,461
Poinciana High School Kitchen and Serving Area			
Contractor	1,667,360	399,859	1,267,501
Engineering and Technical Services	106,707	98,349	8,358
Poinciana High School Space Reconfiguration			
Contractor	307,381	120,767	186,614
Engineering and Technical Services	33,975	30,638	3,337
Tohopekalinga High School			
Contractor	39,687,850	26,414,502	13,273,348
Engineering and Technical Services	3,559,959	2,527,854	1,032,105
Warehouse Storage Building			
Contractor	202,306	144,309	57,997
Engineering and Technical Services	38,449	30,274	8,175
Westside K-8 Space Reconfiguration			
Contractor	1,057,748	498,686	559,062
Engineering and Technical Services	143,080	96,285	46,795
<b>Total</b>	<b><u>\$ 61,470,686</u></b>	<b><u>\$ 38,080,332</u></b>	<b><u>\$ 23,390,354</u></b>

**18. RISK MANAGEMENT PROGRAMS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Effective May 1, 2010, for property insurance and effective July 1, 2010 for all other casualty and workers' compensation coverage, the School Board implemented a stand-alone program of self-insurance and excess insurance.

The Board established the Osceola County School Board Group Health and Life Insurance Trust to provide for a health, hospitalization, and life insurance program. These programs are accounted for in the District's internal

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service funds. The program is on a self-insured basis up to specified limits. The District did not elect to purchase the aggregate stop-loss coverage due to the rising premium cost and the high attachment point. The District elected to continue coverage for a specific stop-loss for any one claim of \$850,000. The Board has contracted with a professional administrator to administer the self-insurance program, including the processing, investigating, and payment of claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years. A liability in the amount of \$3,921,000 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable for the group health program at June 30, 2017.

Effective July 1, 2003, the District's general liability and auto liability programs were established on a self-insured basis. These programs are administered by the Trust and are accounted for in the District's internal service funds. A liability of \$403,901 was established based on reserves for outstanding claims at June 30, 2017, as reported by the program administrator.

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

Fiscal Year	Beginning-of- Fiscal-Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2015-16	\$ 3,988,947	\$ 53,138,674	\$ (52,767,302)	\$ 4,360,319
2016-17	4,360,319	52,760,313	(52,795,731)	4,324,901

**19. BOND RATINGS**

As of June 30, 2017, the District's Certificates of Participation, Series 2009, is insured by Assured Guaranty Corporation, with bond ratings of Aa3 to A3 by Moody's and AA- to AA by Standard & Poor's. The Districts Certificates of Participation, Series 2010, Series 2013, Series 2014, Series 2015 and Series 2017 are uninsured.

**20. LITIGATION**

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

# REQUIRED SUPPLEMENTARY INFORMATION



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

For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal Direct	\$ 588,000	\$ 540,444	\$ 699,417	\$ 158,973
Federal Through State	2,000,000	1,935,916	1,935,916	
State	326,412,641	318,123,714	317,850,511	(273,203)
Local:				
Property Taxes	123,837,136	125,056,222	117,376,465	(7,679,757)
Miscellaneous	4,708,905	6,064,296	13,865,019	7,800,723
Total Revenues	<u>457,546,682</u>	<u>451,720,592</u>	<u>451,727,328</u>	<u>6,736</u>
<b>EXPENDITURES</b>				
Current - Education:				
Instruction	335,003,916	321,773,138	298,803,565	22,969,573
Pupil Personnel Services	22,394,485	22,100,578	21,944,670	155,908
Instructional Media Services	4,504,392	4,499,839	4,385,384	114,455
Instruction and Curriculum Development Services	10,406,324	11,287,258	10,628,126	659,132
Instructional Staff Training Services	5,670,448	5,335,201	5,275,531	59,670
Instruction Related Technology	4,212,759	4,060,687	4,042,397	18,290
Board of Education	1,750,000	2,082,065	1,565,672	516,393
General Administration	1,690,013	1,788,727	1,461,830	326,897
School Administration	24,427,986	23,488,859	23,459,032	29,827
Facilities Services	4,625,427	4,732,185	4,238,398	493,787
Fiscal Services	2,145,060	2,128,257	1,925,667	202,590
Food Services	150,000	87,892	87,892	
Central Services	7,597,298	7,789,656	7,060,646	729,010
Pupil Transportation Services	19,782,911	19,881,142	19,547,326	333,816
Operation of Plant	32,263,920	34,103,259	32,664,015	1,439,244
Maintenance of Plant	8,394,995	9,405,619	8,551,226	854,393
Administrative Technology Services	4,117,420	4,917,312	4,225,549	691,763
Community Services	3,914,723	5,033,536	3,758,475	1,275,061
Fixed Capital Outlay:				
Facilities Acquisition and Construction	23,826	33,692	27,942	5,750
Other Capital Outlay	394,457	1,506,463	1,342,496	163,967
Debt Service:				
Principal	223,861	245,669	223,795	21,874
Interest and Fiscal Charges	19,787	19,781	19,781	
Total Expenditures	<u>493,714,008</u>	<u>486,300,815</u>	<u>455,239,415</u>	<u>(31,061,400)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,167,326)</u>	<u>(34,580,223)</u>	<u>(3,512,087)</u>	<u>31,068,136</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	13,716,713	15,067,885	7,249,006	(7,818,879)
Proceeds from the Sale of Capital Assets		2,250	2,250	
Insurance Loss Recoveries	100,000	159,475	159,475	
Transfers Out		(3,000,000)	(3,000,000)	
Total Other Financing Sources	<u>13,816,713</u>	<u>12,229,610</u>	<u>4,410,731</u>	<u>(7,818,879)</u>
Net Change in Fund Balances	<u>(22,350,613)</u>	<u>(22,350,613)</u>	<u>898,644</u>	<u>23,249,257</u>
Fund Balances, July 1, 2016	66,516,538	66,516,538	66,516,538	
Fund Balances, June 30, 2017	<u>\$ 44,165,925</u>	<u>\$ 44,165,925</u>	<u>\$ 67,415,182</u>	<u>\$ 23,249,257</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal Direct	\$ 1,429,789	\$ 1,585,637	\$ 1,388,273	\$ (197,364)
Federal Through State	45,538,217	49,005,363	38,223,089	(10,782,274)
Total Revenues	46,968,006	50,591,000	39,611,362	(10,979,638)
<b>EXPENDITURES</b>				
Current - Education:				
Instruction	28,056,643	28,517,620	22,776,179	5,741,441
Pupil Personnel Services	2,495,010	2,604,060	2,113,978	490,082
Instructional Media Services	209,335	234,274	226,923	7,351
Instruction and Curriculum Development Services	8,236,966	8,493,201	6,784,418	1,708,783
Instructional Staff Training Services	4,358,315	5,641,151	3,568,055	2,073,096
Instruction Related Technology	294,187	294,611	259,770	34,841
General Administration	795,944	1,481,198	1,331,178	150,020
School Administration	12,250	15,590	751	14,839
Central Services	370,628	637,836	474,034	163,802
Pupil Transportation Services	246,110	556,733	225,217	331,516
Operation of Plant		500	321	179
Maintenance of Plant	44,658	46,767	43,660	3,107
Administrative Technology Services	34,996	35,670	29,476	6,194
Community Services	1,400,000	1,551,847	1,372,560	179,287
Fixed Capital Outlay:				
Other Capital Outlay	169,317	236,366	161,266	75,100
Total Expenditures	46,724,359	50,347,424	39,367,786	10,979,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	243,647	243,576	243,576	
<b>OTHER FINANCING USES</b>				
Transfers Out	(243,647)	(243,576)	(243,576)	
Total Other Financing Sources	(243,647)	(243,576)	(243,576)	
Net Change in Fund Balances				
Fund Balances, July 1, 2016				
Fund Balances, June 30, 2017	\$	\$	\$	\$

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
 OTHER POSTEMPLOYMENT BENEFITS PLAN  
 SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b) (1)</u>	<u>Unfunded AAL (UAAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAAL as a Percentage of Covered Payroll ((b - a) / c)</u>
1/1/2016	\$	\$ 31,032,558	\$ 31,032,558	0.00%	\$ 226,286,281	13.71%
1/1/2014		48,687,597	48,687,597	0.00%	252,423,236	19.29%
1/1/2012		75,830,525	75,830,525	0.00%	275,178,737	27.56%

Note (1): The District uses the entry age normal cost actuarial method .

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the FRS net pension liability	0.572630955%	0.616946585%	0.616274953%	0.617635316%
District's proportionate share of the net pension liability	\$ 144,541,817	\$ 79,606,150	\$ 37,601,835	\$ 106,322,527
District's covered-employee payroll	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865	\$ 252,711,788
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	52.87%	29.92%	14.22%	42.07%
FRS plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%	88.54%

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

*Note: Data was unavailable prior to 2013.*

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 14,848,093	\$ 13,964,519	\$ 15,026,754	\$ 13,499,037
FRS contributions in relation to the contractually required contribution	<u>(14,848,093)</u>	<u>(13,964,519)</u>	<u>(15,026,754)</u>	<u>(13,499,037)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865
FRS contributions as a percentage of covered-employee payroll	5.49%	5.11%	5.65%	5.10%

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

Note: Data was unavailable prior to 2014.



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the HIS net pension liability	0.857952516%	0.865679313%	0.870195724%	0.858869196%
District's proportionate share of the net pension liability	\$ 99,947,559	\$ 88,211,874	\$ 81,345,641	\$ 74,794,277
Covered-employee payroll	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865	\$ 252,711,788
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	37%	33%	31%	30%
HIS plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%	1.78%

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

Note: Data was unavailable prior to 2013.

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

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

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

Note: Data was unavailable prior to 2014.

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended June 30, 2017**

**1. BUDGETARY COMPLIANCE AND ACCOUNTABILITY**

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.
- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund-function level. The Board made several supplemental budgetary appropriations throughout the year. Supplemental budgetary appropriations are presented in budget and actual comparison statements by original budget and final budget amounts and discussed in the Management's Discussion and Analysis (MD&A).

**2. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS**

The District is required to perform periodic actuarial valuations of its postemployment benefits other than pensions. For the January 1, 2017, valuation, the following key assumptions were modified to reflect current experience: (1) the cost of coverage per OPEB Plan member increased with no increase in the premiums required from retirees; (2) populations of both retirees and active employees increased; (3) trend rates for medical and prescription costs increased; (4) rates of retiree participation once eligible for Medicare were revised; and (5) certain demographic assumptions were revised to reflect the changes made by the Florida Retirement System in its July 1, 2015 actuarial valuation.

**3. SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FRS PENSION PLAN**

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The most recent study for the FRS Pension Plan was completed in 2014 for the period of July 1, 2008 through June 30, 2013. There were no changes in the Pension Plan benefit terms. The following were changes in actuarial assumptions in 2016:

- The inflation rate assumption remained at 2.6 percent.
- Payroll growth, including inflation, remained at 3.5 percent.
- The long-term expected rate of return decreased from 7.65 percent to 7.6 percent.

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended June 30, 2017**

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications/annual\\_reports](http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports)

A summary of key changes implemented since June 1, 2014 valuation are described in the Florida Department of Management Services, Actuarial Valuations at: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications/actuarial\\_valuations](http://www.dms.myflorida.com/workforce_operations/retirement/publications/actuarial_valuations)

**4. SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HIS PENSION PLAN**

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent study for the FRS Pension Plan was completed in 2014 for the period of July 1, 2008 through June 30, 2013. There were no changes in the HIS Program benefit terms. The following were changes in actuarial assumptions in 2016:

- The inflation rate assumption remained at 2.6 percent.
- Payroll growth, including inflation, remained at 3.5 percent.
- The long-term expected rate of return decreased from 7.65 percent to 7.6 percent.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.85% was used to determine the total pension liability for the program.

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications/annual\\_reports](http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports)

A summary of key changes implemented since June 1, 2014 valuation are described in the Florida Department of Management Services, Actuarial Valuations at: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications/actuarial\\_valuations](http://www.dms.myflorida.com/workforce_operations/retirement/publications/actuarial_valuations)

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 13,259,047	\$ 1,174,905	\$ 26,136,494	\$ 40,570,446
Investments	5,092,832		3,409,821	8,502,653
Cash with Fiscal Agent		12,651,307		12,651,307
Accounts Receivable	10,142			10,142
Due from Other Agencies	500,623	1,026,513	1,022,131	2,549,267
Inventories	1,205,400			1,205,400
Total Assets	<u>\$ 20,068,044</u>	<u>\$ 14,852,725</u>	<u>\$ 30,568,446</u>	<u>\$ 65,489,215</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Salaries and Benefits Payable	\$ 47,932	\$	\$	\$ 47,932
Payroll Deductions and Withholdings	11,435			11,435
Accounts Payable	132,392	19,576	34,478	186,446
Accrued Interest Payable		16,992		16,992
Construction Contracts Payable	548,912		295,690	844,602
Construction Contracts Payable-Retainage	85,146		25,667	110,813
Due to Other Funds			14,407	14,407
Due to Other Agencies	36,496			36,496
Sales Tax Payable	230			230
Unearned Revenue	114,700			114,700
Total Liabilities	<u>977,243</u>	<u>36,568</u>	<u>370,242</u>	<u>1,384,053</u>
<b>FUND BALANCES</b>				
Nonspendable	1,205,400			1,205,400
Restricted	17,885,401	14,816,157	30,198,204	62,899,762
Total Fund Balances	<u>19,090,801</u>	<u>14,816,157</u>	<u>30,198,204</u>	<u>64,105,162</u>
Total Liabilities and Fund Balances	<u>\$ 20,068,044</u>	<u>\$ 14,852,725</u>	<u>\$ 30,568,446</u>	<u>\$ 65,489,215</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental:				
Federal Direct	\$	\$ 2,188,093	\$	\$ 2,188,093
Federal Through State	33,533,337			33,533,337
State	451,895	1,264,597	2,239,189	3,955,681
Local:				
Property Taxes			32,572,342	32,572,342
Local Sales Taxes		13,860,037		13,860,037
Charges for Services - Food Service	2,519,613			2,519,613
Miscellaneous	205,481	671,908	304,569	1,181,958
Total Revenues	<u>36,710,326</u>	<u>17,984,635</u>	<u>35,116,100</u>	<u>89,811,061</u>
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services			4,044,569	4,044,569
Food Services	29,900,484			29,900,484
Fixed Capital Outlay:				
Facilities Acquisition and Construction	1,995,672		2,630,319	4,625,991
Other Capital Outlay	640,458		574,806	1,215,264
Debt Service:				
Principal		18,842,501		18,842,501
Interest and Fiscal Charges		10,538,929		10,538,929
Dues, Fees and Issuance Costs		298,525		298,525
Miscellaneous		1,181,782	1,904	1,183,686
Total Expenditures	<u>32,536,614</u>	<u>30,861,737</u>	<u>7,251,598</u>	<u>70,649,949</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,173,712</u>	<u>(12,877,102)</u>	<u>27,864,502</u>	<u>19,161,112</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In		20,506,551		20,506,551
Refunding Bonds Issued		20,406,000		20,406,000
Premium on Refunding Bonds		149,508		149,508
Proceeds of Lease-Purchase Agreements		58,170,000		58,170,000
Payments to Escrow Agent for Refunded Debt		(77,316,629)		(77,316,629)
Transfers Out		(6,515,376)	(19,069,475)	(25,584,851)
Total Other Financing Sources (Uses)		<u>15,400,054</u>	<u>(19,069,475)</u>	<u>(3,669,421)</u>
Net Change in Fund Balances	4,173,712	2,522,952	8,795,027	15,491,691
Fund Balances, July 1, 2016	14,917,089	12,293,205	21,403,177	48,613,471
Fund Balances, June 30, 2017	<u>\$ 19,090,801</u>	<u>\$ 14,816,157</u>	<u>\$ 30,198,204</u>	<u>\$ 64,105,162</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**June 30, 2017**

	Food Service	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 13,259,047	\$ 13,259,047
Investments	5,092,832	5,092,832
Accounts Receivable	10,142	10,142
Due from Other Agencies	500,623	500,623
Inventory	1,205,400	1,205,400
Total Assets	<u>\$ 20,068,044</u>	<u>\$ 20,068,044</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Salaries and Benefits Payable	\$ 47,932	\$ 47,932
Payroll Deductions and Withholdings	11,435	11,435
Accounts Payable	132,392	132,392
Construction Contracts Payable	548,912	548,912
Construction Contracts Payable-Retainage	85,146	85,146
Sales Tax Payable	230	230
Due to Other Agencies	36,496	36,496
Unearned Revenue	114,700	114,700
Total Liabilities	<u>977,243</u>	<u>977,243</u>
<b>FUND BALANCES</b>		
Nonspendable	1,205,400	1,205,400
Restricted	17,885,401	17,885,401
Total Fund Balances	<u>19,090,801</u>	<u>19,090,801</u>
Total Liabilities and Fund Balances	<u>\$ 20,068,044</u>	<u>\$ 20,068,044</u>



**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2017**

	Food Services	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Intergovernmental:		
Federal Through State	\$ 33,533,337	\$ 33,533,337
State	451,895	451,895
Local:		
Charges for Services - Food Service	2,519,613	2,519,613
Miscellaneous	205,481	205,481
Total Revenues	<u>36,710,326</u>	<u>36,710,326</u>
<b>EXPENDITURES</b>		
Current - Education:		
Food Services	29,900,484	29,900,484
Fixed Capital Outlay:		
Facilities Acquisition and Construction	1,995,672	1,995,672
Other Capital Outlay	640,458	640,458
Total Expenditures	<u>32,536,614</u>	<u>32,536,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,173,712</u>	<u>4,173,712</u>
Net Change in Fund Balances	4,173,712	4,173,712
Fund Balances, July 1, 2016	14,917,089	14,917,089
Fund Balances, June 30, 2017	<u>\$ 19,090,801</u>	<u>\$ 19,090,801</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
 June 30, 2017

	Debt Service Funds			
	SBE/COBI Bonds	Other Debt Service	ARRA Economic Stimulus Debt Service	Total Nonmajor Debt Service Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 103,333	\$ 1,071,564	\$ 8	\$ 1,174,905
Cash with Fiscal Agent			12,651,307	12,651,307
Due from Other Agencies		1,026,513		1,026,513
Total Assets	<u>\$ 103,333</u>	<u>\$ 2,098,077</u>	<u>\$ 12,651,315</u>	<u>\$ 14,852,725</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$	\$ 19,576	\$	\$ 19,576
Accrued Interest Payable	16,992			16,992
Total Liabilities	<u>\$ 16,992</u>	<u>\$ 19,576</u>	<u>\$</u>	<u>\$ 36,568</u>
<b>FUND BALANCES</b>				
Restricted	86,341	2,078,501	12,651,315	14,816,157
Total Fund Balances	<u>86,341</u>	<u>2,078,501</u>	<u>12,651,315</u>	<u>14,816,157</u>
Total Liabilities and Fund Balances	<u>\$ 103,333</u>	<u>\$ 2,098,077</u>	<u>\$ 12,651,315</u>	<u>\$ 14,852,725</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
For the Fiscal Year Ended June 30, 2017

	Debt Service Funds			
	SBE/COBI Bonds	Other	ARRA Economic Stimulus Debt Service	Total Nonmajor Debt Service Funds
<b>REVENUES</b>				
Intergovernmental:				
Federal Direct	\$	\$	\$ 2,188,093	\$ 2,188,093
State	1,264,597			1,264,597
Local:				
Local Sales Taxes		13,860,037		13,860,037
Miscellaneous		1,178,806	(506,898)	671,908
Total Revenues	<u>1,264,597</u>	<u>15,038,843</u>	<u>1,681,195</u>	<u>17,984,635</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	1,034,000	17,808,501		18,842,501
Interest and Fiscal Charges	255,285	7,587,154	2,696,490	10,538,929
Dues, Fees and Issuance Costs	5,956	286,649	5,920	298,525
Miscellaneous	1,146,942	34,840		1,181,782
Total Expenditures	<u>2,442,183</u>	<u>25,717,144</u>	<u>2,702,410</u>	<u>30,861,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,177,586)</u>	<u>(10,678,301)</u>	<u>(1,021,215)</u>	<u>(12,877,102)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In		17,467,665	3,038,886	20,506,551
Refunding Bonds Issued	986,000	19,420,000		20,406,000
Premium on Refunding Bonds	149,508			149,508
Proceeds of Lease-Purchase Agreements		58,170,000		58,170,000
Payments to Escrow Agent for Refunded Debt		(77,316,629)		(77,316,629)
Transfers Out		(6,515,376)		(6,515,376)
Total Other Financing Sources (Uses)	<u>1,135,508</u>	<u>11,225,660</u>	<u>3,038,886</u>	<u>15,400,054</u>
Net Change in Fund Balances	(42,078)	547,359	2,017,671	2,522,952
Fund Balances, July 1, 2016	128,419	1,531,142	10,633,644	12,293,205
Fund Balances, June 30, 2017	<u>\$ 86,341</u>	<u>\$ 2,078,501</u>	<u>\$ 12,651,315</u>	<u>\$ 14,816,157</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
 June 30, 2017

	Capital Projects Funds			
	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service Funds (CO & DS)	Nonvoted Capital Improvement Fund	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$	\$ 748,910	\$ 25,387,584	\$ 26,136,494
Investments			3,409,821	3,409,821
Due from Other Agencies	991,680	22,590	7,861	1,022,131
Total Assets	<u>\$ 991,680</u>	<u>\$ 771,500</u>	<u>\$ 28,805,266</u>	<u>\$ 30,568,446</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$	\$ 2,444	\$ 32,034	\$ 34,478
Construction Contracts Payable			295,690	295,690
Construction Contracts Payable-Retainage Percentage			25,667	25,667
Due to Other Funds	14,407			14,407
Unearned Revenue				-
Total Liabilities	<u>14,407</u>	<u>2,444</u>	<u>353,391</u>	<u>370,242</u>
<b>FUND BALANCES</b>				
Restricted	977,273	769,056	28,451,875	30,198,204
Total Fund Balances	<u>977,273</u>	<u>769,056</u>	<u>28,451,875</u>	<u>30,198,204</u>
Total Liabilities and Fund Balances	<u>\$ 991,680</u>	<u>\$ 771,500</u>	<u>\$ 28,805,266</u>	<u>\$ 30,568,446</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
For the Fiscal Year Ended June 30, 2017

	Capital Projects Funds			Total Nonmajor Capital Project Funds
	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service Funds (CO & DS)	Local Capital Improvement	
<b>REVENUES</b>				
Intergovernmental:				
State	\$ 998,520	\$ 1,240,669	\$	\$ 2,239,189
Local:				
Property Taxes			32,572,342	32,572,342
Miscellaneous		1,845	302,724	304,569
Total Revenues	<u>998,520</u>	<u>1,242,514</u>	<u>32,875,066</u>	<u>35,116,100</u>
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services	264,023	681,097	3,099,449	4,044,569
Fixed Capital Outlay:				
Facilities Acquisition and Construction			2,630,319	2,630,319
Other Capital Outlay			574,806	574,806
Debt Service:				
Dues, Fees and Issuance Costs		1,904		1,904
Total Expenditures	<u>264,023</u>	<u>683,001</u>	<u>6,304,574</u>	<u>7,251,598</u>
Excess of Revenues Over Expenditures	<u>734,497</u>	<u>559,513</u>	<u>26,570,492</u>	<u>27,864,502</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(19,069,475)	(19,069,475)
Total Other Financing Sources (Uses)			<u>(19,069,475)</u>	<u>(19,069,475)</u>
Net Change in Fund Balances	<u>734,497</u>	<u>559,513</u>	<u>7,501,017</u>	<u>8,795,027</u>
Fund Balances, July 1, 2016	<u>242,776</u>	<u>209,543</u>	<u>20,950,858</u>	<u>21,403,177</u>
Fund Balances, June 30, 2017	<u>\$ 977,273</u>	<u>\$ 769,056</u>	<u>\$ 28,451,875</u>	<u>\$ 30,198,204</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND - FOOD SERVICE**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal Through State	\$ 32,940,000	\$ 33,533,337	\$ 33,533,337	\$
State	438,000	451,895	451,895	
Local:				
Charges for Service - Food Service	2,947,000	2,519,613	2,519,613	
Miscellaneous	62,000	205,419	205,481	62
Total Revenues	<u>36,387,000</u>	<u>36,710,264</u>	<u>36,710,326</u>	<u>62</u>
<b>EXPENDITURES</b>				
Current - Education:				
Food Services	33,715,083	39,962,758	29,900,484	10,062,274
Fixed Capital Outlay:				
Facilities Acquisition and Construction	2,801,508	1,995,672	1,995,672	
Other Capital Outlay	1,461,716	859,140	640,458	218,682
Total Expenditures	<u>37,978,307</u>	<u>42,817,570</u>	<u>32,536,614</u>	<u>10,280,956</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,591,307)</u>	<u>(6,107,306)</u>	<u>4,173,712</u>	<u>10,281,018</u>
Net Change in Fund Balances	(1,591,307)	(6,107,306)	4,173,712	10,281,018
Fund Balances, July 1, 2016	14,917,089	14,917,089	14,917,089	
Fund Balances, June 30, 2017	<u>\$ 13,325,782</u>	<u>\$ 8,809,783</u>	<u>\$ 19,090,801</u>	<u>\$ 10,281,018</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUNDS - SBE/COBI BONDS**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
State	\$ 1,263,679	\$ 1,264,597	\$ 1,264,597	\$
Total Revenues	1,263,679	1,264,597	1,264,597	
<b>EXPENDITURES</b>				
Current - Education:				
Debt Service:				
Principal	1,034,000	1,034,000	1,034,000	
Interest and Fiscal Charges	255,285	255,285	255,285	
Dues, Fees and Issuance Costs		5,956	5,956	
Miscellaneous		1,146,942	1,146,942	
Total Expenditures	1,289,285	2,442,183	2,442,183	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,606)	(1,177,586)	(1,177,586)	
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding Bonds Issued		986,000	986,000	
Premium on Refunding Bonds		149,508	149,508	
Total Other Financing Sources (Uses)		1,135,508	1,135,508	
Net Change in Fund Balances	(25,606)	(42,078)	(42,078)	
Fund Balances, July 1, 2016	128,419	128,419	128,419	
Fund Balances, June 30, 2017	\$ 102,813	\$ 86,341	\$ 86,341	\$

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUNDS - OTHER**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Local:				
Local Sales Taxes	\$ 13,282,126	\$ 13,911,591	\$ 13,860,037	\$ (51,554)
Miscellaneous		1,059,803	1,178,806	119,003
Total Revenues	<u>13,282,126</u>	<u>14,971,394</u>	<u>15,038,843</u>	<u>67,449</u>
<b>EXPENDITURES</b>				
Current - Education:				
Debt Service:				
Principal	17,808,501	17,808,501	17,808,501	
Interest and Fiscal Charges	7,979,366	7,587,154	7,587,154	
Dues, Fees and Issuance Costs	36,000	311,229	286,649	24,580
Miscellaneous		34,840	34,840	
Total Expenditures	<u>25,823,867</u>	<u>25,741,724</u>	<u>25,717,144</u>	<u>24,580</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,541,741)</u>	<u>(10,770,330)</u>	<u>(10,678,301)</u>	<u>92,029</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	17,801,170	17,468,605	17,467,665	(940)
Issuance of Bonds		19,420,000	19,420,000	
Proceeds of Lease-Purchase Agreements		58,170,000	58,170,000	
Payments to Escrow Agent for Refunded Debt		(77,316,628)	(77,316,629)	
Transfers Out	<u>(6,315,647)</u>	<u>(6,515,377)</u>	<u>(6,515,376)</u>	
Total Other Financing Sources (Uses)	<u>11,485,523</u>	<u>11,226,600</u>	<u>11,225,660</u>	<u>(940)</u>
Net Change in Fund Balances	<u>(1,056,218)</u>	<u>456,270</u>	<u>547,359</u>	<u>91,089</u>
Fund Balances, July 1, 2016	1,531,142	1,531,142	1,531,142	
Fund Balances, June 30, 2017	<u>\$ 474,924</u>	<u>\$ 1,987,412</u>	<u>\$ 2,078,501</u>	<u>\$ 91,089</u>



**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE - ARRA ECONOMIC STIMULUS FUND**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal Direct	\$ 2,349,000	\$ 2,189,268	\$ 2,188,093	\$ (1,175)
Local:				
Miscellaneous			(506,898)	(506,898)
Total Revenues	<u>2,349,000</u>	<u>2,189,268</u>	<u>1,681,195</u>	<u>(508,073)</u>
<b>EXPENDITURES</b>				
Current - Education:				
Debt Service:				
Interest and Fiscal Charges	2,696,490	2,696,490	2,696,490	
Dues, Fees and Issuance Costs	8,500	8,500	5,920	2,580
Total Expenditures	<u>2,704,990</u>	<u>2,704,990</u>	<u>2,702,410</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(355,990)</u>	<u>(515,722)</u>	<u>(1,021,215)</u>	<u>(505,493)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,571,300	3,040,292	3,038,886	(1,406)
Total Other Financing Sources (Uses)	<u>3,571,300</u>	<u>3,040,292</u>	<u>3,038,886</u>	<u>(1,406)</u>
Net Change in Fund Balances	3,215,310	2,524,570	2,017,671	(506,899)
Fund Balances, July 1, 2016	10,633,644	10,633,644	10,633,644	
Fund Balances, June 30, 2017	<u>\$ 13,848,954</u>	<u>\$ 13,158,214</u>	<u>\$ 12,651,315</u>	<u>\$ (506,899)</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECT FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
State	\$ 982,904	\$ 998,520	\$ 998,520	\$
Total Revenues	982,904	998,520	998,520	
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services	239,176	305,576	264,023	41,553
Total Expenditures	239,176	305,576	264,023	41,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	743,728	692,944	734,497	41,553
Net Change in Fund Balances	743,728	692,944	734,497	41,553
Fund Balances, July 1, 2016	242,776	242,776	242,776	
Fund Balances, June 30, 2017	\$ 986,504	\$ 935,720	\$ 977,273	\$ 41,553

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECT FUNDS - CAPITAL OUTLAY & DEBT SERVICE (CO&DS)**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
State	\$ 711,560	\$ 711,560	\$ 1,240,669	\$ 529,109
Local:				
Miscellaneous			1,845	1,845
Total Revenues	<u>711,560</u>	<u>711,560</u>	<u>1,242,514</u>	<u>530,954</u>
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services	911,866	909,962	681,097	228,865
Debt Service:				
Dues, Fees and Issuance Costs		1,904	1,904	
Total Expenditures	<u>911,866</u>	<u>911,866</u>	<u>683,001</u>	<u>228,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,306)</u>	<u>(200,306)</u>	<u>559,513</u>	<u>759,819</u>
Net Change in Fund Balances	(200,306)	(200,306)	559,513	759,819
Fund Balances, July 1, 2016	209,543	209,543	209,543	
Fund Balances, June 30, 2017	<u>\$ 9,237</u>	<u>\$ 9,237</u>	<u>\$ 769,056</u>	<u>\$ 759,819</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS - LOCAL CAPITAL IMPROVEMENT FUND**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Local:				
Property Taxes	\$ 32,392,434	\$ 32,392,434	\$ 32,572,342	\$ 179,908
Miscellaneous	323,924	323,924	302,724	(21,200)
Total Revenues	<u>32,716,358</u>	<u>32,716,358</u>	<u>32,875,066</u>	<u>158,708</u>
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services	11,051,733	7,832,610	3,099,449	4,733,161
Fixed Capital Outlay:				
Facilities Acquisition and Construction	8,841,090	8,693,656	2,630,319	6,063,337
Other Capital Outlay	1,144,086	1,793,320	574,806	1,218,514
Total Expenditures	<u>21,036,909</u>	<u>18,319,586</u>	<u>6,304,574</u>	<u>12,015,012</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,679,449</u>	<u>14,396,772</u>	<u>26,570,492</u>	<u>12,173,720</u>
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(27,755,189)	(26,890,367)	(19,069,475)	7,820,892
Total Other Financing Sources (Uses)	<u>(27,755,189)</u>	<u>(26,890,367)</u>	<u>(19,069,475)</u>	<u>7,820,892</u>
Net Change in Fund Balances	(16,075,740)	(12,493,595)	7,501,017	19,994,612
Fund Balances, July 1, 2016	20,950,858	20,950,858	20,950,858	
Fund Balances, June 30, 2017	<u>\$ 4,875,118</u>	<u>\$ 8,457,263</u>	<u>\$ 28,451,875</u>	<u>\$ 19,994,612</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS - OTHER FUND**  
**For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
State	\$ 5,979,502	\$ 7,330,746	\$ 7,460,651	\$ 129,905
Local:				
Impact Fees	35,777,936	35,777,936	38,312,116	2,534,180
Local Sales Tax		11,068,438	11,150,531	82,093
Miscellaneous		357,779	302,195	(55,584)
Total Revenues	<u>41,757,438</u>	<u>54,534,899</u>	<u>57,225,493</u>	<u>2,690,594</u>
<b>EXPENDITURES</b>				
Current - Education:				
Facilities Services	1,333,004	8,888,445	4,063,613	4,824,832
Fixed Capital Outlay:				
Facilities Acquisition and Construction	70,100,481	79,864,039	35,633,210	44,230,829
Other Capital Outlay	1,070,355	2,106,525	944,631	1,161,894
Debt Service:				
Dues, Fees and Issuance Costs		143,275	136,948	6,327
Total Expenditures	<u>72,503,840</u>	<u>91,002,284</u>	<u>40,778,402</u>	<u>50,223,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,746,402)</u>	<u>(36,467,385)</u>	<u>16,447,091</u>	<u>52,914,476</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	6,315,647	6,515,377	6,515,377	
Long-Term Bonds Issued		86,250,000	86,250,000	
Proceeds from the Sale of Capital Assets			120,776	120,776
Transfers Out	(7,090,347)	(8,442,839)	(8,442,507)	332
Total Other Financing Sources (Uses)	<u>(774,700)</u>	<u>84,322,538</u>	<u>84,443,646</u>	<u>121,108</u>
Net Change in Fund Balances	<u>(31,521,102)</u>	<u>47,855,153</u>	<u>100,890,737</u>	<u>53,035,584</u>
Fund Balances, July 1, 2016	58,710,560	58,710,560	58,710,560	
Fund Balances, June 30, 2017	<u>\$ 27,189,458</u>	<u>\$ 106,565,713</u>	<u>\$ 159,601,297</u>	<u>\$ 53,035,584</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2017**

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 3,347,046	\$ 3,957,582	\$ 7,304,628
Investments	9,124,998		9,124,998
Due from Other Agencies	86,874		86,874
Prepaid Items		1,703,145	1,703,145
Total Current Assets	<u>12,558,918</u>	<u>5,660,727</u>	<u>18,219,645</u>
Capital Assets:			
Buildings and Fixed Equipment, Net	3,381,447		3,381,447
Furniture, Fixtures and Equipment, Net	160,388		160,388
Computer Software, Net	1,227		1,227
Total Capital Assets	<u>3,543,062</u>		<u>3,543,062</u>
Total Assets	<u>16,101,980</u>	<u>5,660,727</u>	<u>21,762,707</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	477,567	15,570	493,137
Estimated Insurance Claims Payable	3,921,000	403,901	4,324,901
Total Liabilities	<u>4,398,567</u>	<u>419,471</u>	<u>4,818,038</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,543,062		3,543,062
Unrestricted	8,160,351	5,241,257	13,401,608
Total Net Position	<u>\$ 11,703,413</u>	<u>\$ 5,241,257</u>	<u>\$ 16,944,670</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2017**

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Premium Revenues	\$ 50,410,906	\$ 3,890,628	\$ 54,301,534
Total Operating Revenues	<u>50,410,906</u>	<u>3,890,628</u>	<u>54,301,534</u>
<b>OPERATING EXPENSES</b>			
Purchased Services	5,772,109	2,346,730	8,118,839
Materials and Supplies	347,761		347,761
Capital Outlay	7,810		7,810
Insurance Claims	50,709,677	2,086,054	52,795,731
Total Operating Expenses	<u>56,837,357</u>	<u>4,432,784</u>	<u>61,270,141</u>
Operating Income (loss)	<u>(6,426,451)</u>	<u>(542,156)</u>	<u>(6,968,607)</u>
<b>NONOPERATING REVENUES</b>			
Interest Revenue	31,504	24,605	56,109
Miscellaneous Local Sources	21,242		21,242
Total Nonoperating Revenues	<u>52,746</u>	<u>24,605</u>	<u>77,351</u>
Transfers In	3,000,000		3,000,000
Change In Net Position	(3,373,705)	(517,551)	(3,891,256)
Net Position - July 1, 2016	15,077,118	5,758,808	20,835,926
Net Position - June 30, 2017	<u>\$ 11,703,413</u>	<u>\$ 5,241,257</u>	<u>\$ 16,944,670</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2017**

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Board Funds and Participants	\$ 50,444,948	\$ 3,498,272	\$ 53,943,220
Payments for Insurance Claims	(50,824,886)	(1,946,472)	(52,771,358)
Cash Payments to Vendors for Goods and Services	(7,304,100)	(2,346,275)	(9,650,375)
Net Cash Used by Operating Activities	(7,684,038)	(794,475)	(8,478,513)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	3,000,000		3,000,000
Net Cash Provided by Noncapital Financing Activities	3,000,000		3,000,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	119,599		119,599
Net Cash Provided by Capital and Related Financing Activities	119,599		119,599
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of Investments	(3,856,332)		(3,856,332)
Interest	52,745	24,605	77,350
Net Cash Used by Investing Activities	(3,803,587)	24,605	(3,778,982)
Net Decrease in Cash and Cash Equivalents	(8,368,026)	(769,870)	(9,137,896)
Cash and Cash Equivalents - Beginning	11,715,072	4,727,452	16,442,524
Cash and Cash Equivalents - Ending	\$ 3,347,046	\$ 3,957,582	\$ 7,304,628
<b>Reconciliation of Operating Income to Net Cash Used by Operating Activities:</b>			
Operating Loss	\$ (6,426,451)	\$ (542,156)	\$ (6,968,607)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	34,042		34,042
Decrease in Due from Other Funds	325,000		325,000
Decrease in Due from Other Agencies	59,791		59,791
Increase in Prepaid Items		(392,356)	(392,356)
Decrease in Accounts Payable	(1,176,420)	455	(1,175,965)
Decrease in Due to Other Funds	(325,000)		(325,000)
Increase in Estimated Insurance Claims Payable	(175,000)	139,582	(35,418)
Total Adjustments	(1,257,587)	(252,319)	(1,509,906)
Net Cash Used by Operating Activities	\$ (7,684,038)	\$ (794,475)	\$ (8,478,513)



**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**SCHOOL INTERNAL FUNDS AGENCY FUND**  
**For the Fiscal Year Ended June 30, 2017**

	Balances July 1, 2016	Additions	Deductions	Balances June 30, 2017
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,086,910	\$ 11,447,918	\$ 11,222,363	\$ 4,312,465
Accounts Receivable	33,244	326,870	33,244	326,870
Inventory	-	183,311	-	183,311
Total Assets	<u>\$ 4,120,154</u>	<u>\$ 11,958,099</u>	<u>\$ 11,255,607</u>	<u>\$ 4,822,646</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 315,661	\$ 160,920	\$ 315,661	\$ 160,920
Internal Accounts Payable	3,804,493	11,797,179	10,939,946	4,661,726
Total Liabilities	<u>\$ 4,120,154</u>	<u>\$ 11,958,099</u>	<u>\$ 11,255,607</u>	<u>\$ 4,822,646</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**BELLALAGO CHARTER ACADEMY AGENCY FUND**  
**For the Fiscal Year Ended June 30, 2017**

	Balances <u>July 1, 2016</u>	Additions	Deductions	Balances <u>June 30, 2017</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 179,256	\$ 11,919,672	\$ 10,812,323	\$ 1,286,605
Investments	2,601,073	2,040,443	3,221,429	1,420,087
Due from Other Agencies	16,778	636,821	622,040	31,559
Total Assets	<u>\$ 2,797,107</u>	<u>\$ 14,596,936</u>	<u>\$ 14,655,792</u>	<u>\$ 2,738,251</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,285,766	\$ 8,143,222	\$ 7,525,773	\$ 1,903,215
Accrued Liabilities	95,706	5,057,025	5,144,567	8,164
Due to Other Agencies	1,415,635	1,396,689	1,985,452	826,872
Total Liabilities	<u>\$ 2,797,107</u>	<u>\$ 14,596,936</u>	<u>\$ 14,655,792</u>	<u>\$ 2,738,251</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2017**

	Balances <u>July 1, 2016</u>	Additions	Deductions	Balances <u>June 30, 2017</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,266,166	\$ 23,367,590	\$ 22,034,686	\$ 5,599,070
Investments	2,601,073	2,040,443	3,221,429	1,420,087
Accounts Receivable	33,244	326,870	33,244	326,870
Inventory	-	183,311	-	183,311
Due from Other Agencies	16,778	636,821	622,040	31,559
Total Assets	<u>\$ 6,917,261</u>	<u>\$ 26,555,035</u>	<u>\$ 25,911,399</u>	<u>\$ 7,560,897</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,601,427	\$ 8,304,142	\$ 7,841,434	\$ 2,064,135
Accrued Liabilities	95,706	5,057,025	5,144,567	8,164
Due to Other Agencies	1,415,635	1,396,689	1,985,452	826,872
Internal Accounts Payable	3,804,493	11,797,179	10,939,946	4,661,726
Total Liabilities	<u>\$ 6,917,261</u>	<u>\$ 26,555,035</u>	<u>\$ 25,911,399</u>	<u>\$ 7,560,897</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
STATEMENT OF NET POSITION  
COMBINING STATEMENT OF COMPONENT UNITS  
June 30, 2017

	Avant Garde Academy of Osceola	Avant Garde Academy K-8 of Osceola	Bellalago Educational Facilities Benefit District	The Foundation for Osceola Education, Inc.	Flora Ridge Educational Facilities Benefit District	Florida Cyber Charter Academy	Four Corners Charter School, Inc.	Four Corners Upper School
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 159,469	\$ 87,512	\$ 958,729	\$ 4,311,825	\$ 1,085,552	\$ 285,430	\$ 4,634,425	\$ 394,179
Investments				2,856,590				3,939
Accounts Receivable	152,841	288,000	2,739	148,566	3,326		237,495	19,711
Deposits	14,635	20,833		53,509			10,498	15,512
Due from Other Agencies		37,079	711,648	103,434			31,102	214,016
Prepaid Items		644		88,469				1,800
Restricted Assets:								
Beneficial Interest in Assets Held by Others				966,699				
Cash with Fiscal Agent				2,508,125				
Capital Assets:								
Land			1,000,000	238,220				
Improvements Other Than Buildings, Net			229,820	183,678			959,623	
Buildings and Fixed Equipment, Net			17,718,042	9,616,545				16,766,928
Furniture, Fixtures and Equipment, Net	77,124	34,575	147,110	298,572			251,012	476,284
Capital Lease Asset, Net								
Motor Vehicles, Net							25,110	
Audio Visual Materials and Computer Software, Net	18,547	83,446		252,187			137,703	514,511
<b>Total Assets</b>	<u>422,616</u>	<u>552,089</u>	<u>20,768,088</u>	<u>21,626,419</u>	<u>1,088,878</u>	<u>285,430</u>	<u>6,286,968</u>	<u>18,406,880</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Pension				1,692,755				
<b>LIABILITIES</b>								
Salaries and Benefits Payable	\$ 150,341	\$ 110,327	\$	\$	\$	\$	\$ 324,942	\$ 166,409
Accounts Payable	58,231	213,706		50,786	4,000	285,430	203,415	241,157
Accrued Expenses				638,266				
Due to Other Agencies				836,810				171,158
Due to Management Company				98,844				
Due to Other Funds				2,225				
Unearned Revenue								
Accrued Interest Payable			346,261	188,371	156,792			
Other Liabilities				86,046				
Long-Term Liabilities:								
Portion Due Within One Year:								
Notes Payable								
Obligations Under Capital Leases								260,000
Bonds Payable			910,000	660,000	100,000			
Compensated Absences				20,908				11,802
Portion Due After One Year:								
Notes Payable	9,268							
Obligations Under Capital Leases								18,587,211
Bonds Payable			20,029,619	12,668,987	6,974,615			
Compensated Absences				6,969				3,934
Pension Liability				4,683,773				
<b>Total Liabilities</b>	<u>217,840</u>	<u>324,033</u>	<u>21,285,880</u>	<u>19,941,985</u>	<u>7,235,407</u>	<u>285,430</u>	<u>528,357</u>	<u>19,441,671</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred Revenue				225,851				
Deferred Amount on Debt Refunding			520,797	493,283				
Pension				147,793				
<b>Total Deferred Inflows of Resources</b>			<u>520,797</u>	<u>866,927</u>				
<b>NET POSITION</b>								
Net Investment in Capital Assets	95,671	118,021	(2,365,444)	(2,739,785)	(6,422,174)		1,373,448	(1,089,488)
Restricted For:								
Debt Service				2,195,365				3,939
Capital Projects				889,444				
Other Purposes			1,233,559	1,279,459				
Unrestricted	109,105	110,035	93,296	885,779	275,645		4,385,163	50,758
<b>Total Net Position</b>	<u>\$ 204,776</u>	<u>\$ 228,056</u>	<u>\$ (1,038,589)</u>	<u>\$ 2,510,262</u>	<u>\$ (6,146,529)</u>	<u>\$</u>	<u>\$ 5,758,611</u>	<u>\$ (1,034,791)</u>

Lincoln-Martí Charter School	Mater Brighton Lakes Academy	Main Street High School	New Dimensions High School	Osceola Science Charter School	Renaissance Charter School at Poinciana	Renaissance Charter School at Tapestry	St Cloud Preparatory Academy, Inc.	UCP Osceola Charter School	Total Component Units
\$ 170,180	\$ 26,273 512,000	\$ 1,767,199	\$ 1,232,748	\$ 161,038	\$ 2,244,393	\$ 1,043,435	\$ 343,458	\$	\$ 18,905,845
	44,404	31,817	11,377		654,927	3,556		5,173	3,376,085
	471,090	224,432	8,771		15,648	19,710			1,564,356
	114,065	3,650		2,952		23,030		2,241,870	288,657
					74,522	353,158	9,946		4,390,781
						29,966			323,062
									-
									966,699
									2,508,125
			1,333,334						2,571,554
			171,987		183,124	10,276			1,886,136
		122,982	3,495,098		11,105,841	17,552,986		7,497	76,262,937
17,514	1,031,586	57,649	15,200	109,393	206,900	527,998	83,745		3,334,662
							6,546,768		6,546,768
			290						25,400
	7,295		1,479		98,294	836,779	14,751		1,964,992
187,694	2,231,359	2,207,729	6,270,284	273,383	14,583,649	20,400,894	7,069,159	2,254,540	124,916,059
			652,795						2,345,550
\$	\$ 150,650	\$ 39,349	\$ 151,051	\$ 55,683	\$ 271,978	\$ 233,610	\$ 75,213	\$	\$ 1,729,553
17,433		47,702		6,539	49,716	49,493	19,241	73,254	1,320,103
148,463	150,000	83,167	1,225		791,811	145,707			638,266
						97,877			98,844
	1,476,958		85,785						2,225
					230,833	270,000	139,505		97,877
					24,353	22,050			691,424
	249,094		2,559,052						86,046
									1,562,743
									900,338
									1,670,000
									79,113
									2,817,414
					12,793,432	19,750,716	6,985,294		58,116,653
					8,117	7,350			39,673,221
			1,271,191						26,370
165,896	2,026,702	170,218	4,068,304	62,222	14,170,240	20,576,803	7,219,253	73,254	5,954,964
									117,793,495
									225,851
			247,891						1,014,080
			247,891						395,684
									1,635,615
17,514		180,631	2,372,551	109,393	(1,430,106)	(1,092,677)	(340,030)		(11,212,475)
						3,556			2,202,860
									889,444
									2,513,018
4,284	204,657	1,856,880	234,333	101,768	1,843,515	913,212	189,936	2,181,286	13,439,652
\$ 21,798	\$ 204,657	\$ 2,037,511	\$ 2,606,884	\$ 211,161	\$ 413,409	\$ (175,909)	\$ (150,094)	\$ 2,181,286	\$ 7,832,499

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
STATEMENT OF ACTIVITIES  
COMBINING STATEMENT OF COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2017

	Avant Garde Academy of Osceola	Avant Garde Academy K-8 of Osceola	Bellalago Educational Facilities Benefit District	The Foundation for Osceola Education, Inc.	Flora Ridge Educational Facilities Benefit District	Florida Cyber Charter Academy	Four Corners Charter School, Inc.	Four Corners Upper School
<b>Component Unit Activities:</b>								
Instruction	\$ 2,228,142	\$ 1,490,493	\$	\$ 10,720,755	\$	\$ 183,398	\$ 4,458,248	\$ 2,542,043
Pupil Personnel Services						14,538		139,815
Instructional Media Services								
Instruction and Curriculum Development	4,060					385,608		3,326
Instructional Staff Training Services		31,500				2,730		594
Instruction Related Technology						73,908		88,810
Board	32,736	37,896	31,162		44,782	25,410	5,000	28,155
General Administration	76,339	86,706	20,000			16,262	768,821	
School Administration	599,973	379,028		2,993,862		89,337		267,022
Facilities Acquisition and Construction			526,162	980,016			1,291,741	
Fiscal Services	582,042	295,825	10,051	12,030	26,826			19,243
Food Services	5,169	1,164						252
Central Services								80,403
Pupil Transportation Services	137,935	138,280						64,003
Operation of Plant	1,398,831	437,049		3,120,458		29,446		1,074,580
Maintenance of Plant	30,345	31,128				25		161,282
Administrative Technology Services	4,700							
Community Services	13,505			3,138,304				33,397
Interest on Long Term Debt	718		809,232	460,722	378,928			1,317,509
Unallocated Depreciation/Amortization	36,849	36,918			1,246			
<b>Total Expenses</b>	<u>5,151,344</u>	<u>2,965,987</u>	<u>1,396,607</u>	<u>21,426,147</u>	<u>451,782</u>	<u>820,662</u>	<u>6,523,810</u>	<u>5,820,414</u>
<b>Program Revenues</b>								
Changes for Services				295,718				39,642
Operating Grants and Contributions	183,772	213,493		2,905,578			281,304	440,514
Capital Grants and Contributions	248,541			823,338				216,235
<b>Net (Expenses) Revenue</b>	<u>(4,719,031)</u>	<u>(2,752,494)</u>	<u>(1,396,607)</u>	<u>(17,401,513)</u>	<u>(451,782)</u>	<u>(820,662)</u>	<u>(6,242,506)</u>	<u>(5,124,023)</u>
<b>General Revenues</b>								
Grants and Contributions not restricted to specific programs	4,779,318	2,744,307	1,435,664	16,800,796		820,662	6,625,779	4,615,088
Investment Earnings				2,242	39		898	
Special Items		165,142			639,252			
Miscellaneous				881,413				5,353
<b>Total General Revenues</b>	<u>4,779,318</u>	<u>2,909,449</u>	<u>1,435,664</u>	<u>17,684,451</u>	<u>639,291</u>	<u>820,662</u>	<u>6,626,677</u>	<u>4,620,441</u>
<b>Change in Net Position</b>								
Net Position - beginning	60,287	156,955	39,057	282,938	187,509	-	384,171	(503,582)
Adjustments to Beginning Net Position	144,489	71,101	(1,077,646)	2,227,324	(6,334,038)	-	4,259,679	(531,209)
Net Position - beginning	144,489	71,101	(1,077,646)	2,227,324	(6,334,038)	-	5,374,440	(531,209)
<b>Net Position - ending</b>	<u>\$ 204,776</u>	<u>\$ 228,056</u>	<u>\$ (1,038,589)</u>	<u>\$ 2,510,262</u>	<u>\$ (6,146,529)</u>	<u>\$ -</u>	<u>\$ 5,758,611</u>	<u>\$ (1,034,791)</u>

Lincoln-Martí Charter School	Mater Brighton Lakes Academy	Main Street High School	New Dimensions High School	Osceola Science Charter School	Renaissance Charter School at Poinciana	Renaissance Charter School at Tapestry	St Cloud Preparatory Academy, Inc.	UCP Osceola Charter School	Total Component Units
\$ 29,946	\$ 2,776,586	\$ 1,110,271	\$ 1,779,328	\$ 1,012,259	\$ 3,745,662	\$ 3,981,825	\$ 1,742,469	\$ 636,977	\$ 38,438,402
					355,444	350,548			860,345
						1,890			74,472
1,829		362,866			4,679	4,167	142,331	196,535	1,166,777
	20,804				25,751	2,828			85,252
					142,125	113,208			418,051
7,500	27,717			25,827	18,477	16,828	3,975	35,403	340,868
		173,255	30,217	24,552			88,124		1,284,276
9,306	1,136,156		482,493	260,093	394,492	486,469	407,782	282,513	7,788,526
	290		152,084						2,950,293
	114,075	528,640		3,916	712,404	309,583	30,425		2,645,060
2,225					291,536	2,329	3,244		305,899
24,489	140,806			18,697	87,860	103,313	509		456,077
	165,305	110,859	91,139		54,654		11,727		773,902
84,728	1,435,751	791,705	69,138	293,217	844,901	1,193,698	1,041,050	127,846	11,942,398
30,696	39,310		103,372	8,206	216,464	180,272	38,896	20,775	860,771
				3,591			8,598	13,623	30,512
	93,962			44,200	100,079	114,618	202,982		3,741,047
	18,912		148,169		919,360	1,400,144			5,453,694
				4,074				1,499	80,586
190,719	5,969,674	3,077,596	2,855,940	1,833,635	7,913,888	8,261,720	3,722,112	1,315,171	79,697,208
	95,354		28,267		149,844	134,980			743,805
2,225	575,805	236,299		346,428	1,023,729	724,639			6,933,786
	441,524	169,279	131,930		359,102	379,261	142,213	(47,839)	2,863,584
(188,494)	(4,856,991)	(2,672,018)	(2,695,743)	(1,487,207)	(6,381,213)	(7,022,840)	(3,579,899)	(1,363,010)	(69,156,033)
209,292	4,947,993	3,020,341	2,636,129	1,698,368	6,545,010	7,202,402	3,250,553	1,771,143	69,102,845
	35,681		1,767						40,627
									804,394
1,000		14,953			11,235	5,601	341,035		1,260,590
210,292	4,983,674	3,035,294	2,637,896	1,698,368	6,556,245	7,208,003	3,591,588	1,771,143	71,208,456
21,798	126,683	363,276	(57,847)	211,161	175,032	185,163	11,689	408,153	2,052,423
	77,974	1,674,235	2,664,731		238,377	(361,072)	(161,783)	1,773,153	4,665,315
									1,114,761
	77,974	1,674,235	2,664,731	-	238,377	(361,072)	(161,783)	1,773,153	5,780,076
\$ 21,798	\$ 204,657	\$ 2,037,511	\$ 2,606,884	\$ 211,161	\$ 413,409	\$ (175,909)	\$ (150,094)	\$ 2,181,286	\$ 7,832,499

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# STATISTICAL SECTION



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## Introduction to the Statistical Section

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

### Financial Trends

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

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

### Revenue Capacity

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

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

### Debt Capacity

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

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

### Demographic and Economic Information

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

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

### Operating Information

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

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

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

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

	For the Fiscal Year ending June 30			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities</b>				
Net investment in Capital Assets	\$ 354,211,777	\$ 438,988,320	\$ 471,185,896	\$ 492,955,678
Restricted	220,147,769	155,942,301	116,539,697	81,462,943
Unrestricted	<u>27,348,239</u>	<u>22,289,318</u>	<u>28,633,813</u>	<u>50,433,333</u>
Total governmental activities net position	<u>\$ 601,707,785</u>	<u>\$ 617,219,939</u>	<u>\$ 616,359,406</u>	<u>\$ 624,851,954</u>

Source:  
 District records

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	488,096,469	\$ 477,532,359	\$ 494,470,617	\$ 487,069,988	\$ 484,808,699	\$ 422,337,184
	75,558,613	91,902,083	75,247,973	83,317,955	119,173,058	233,991,291
	<u>40,835,214</u>	<u>16,937,578</u>	<u>(10,626,220)</u>	<u>(171,469,553)</u>	<u>(173,075,853)</u>	<u>(187,484,019)</u>
\$	<u>604,490,296</u>	<u>586,372,020</u>	<u>559,092,370</u>	<u>398,918,390</u>	<u>430,905,904</u>	<u>468,844,456</u>

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

	<b>For the Fiscal Year ending June 30</b>			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Primary Government:</b>				
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 261,976,401	\$ 243,009,744	\$ 255,220,829	\$ 268,395,640
Student Support Services	24,153,125	23,755,838	21,883,642	21,854,182
Instructional Media Services	6,059,524	5,292,967	4,562,986	4,517,888
Instruction and Curriculum Development Services	23,464,063	20,144,676	15,244,383	15,053,689
Instructional Staff Training Services	9,507,952	6,556,067	8,854,691	10,019,346
Instruction-Related Technology	4,373,774	4,534,355	3,624,384	3,371,658
Board of Education	2,179,387	1,594,329	1,678,822	1,365,918
General Administration	2,589,737	2,988,478	2,906,023	3,776,911
School Administration	22,649,997	20,969,528	23,215,807	22,598,190
Facilities Services	19,814,471	15,224,107	14,397,625	11,792,702
Fiscal Services	2,062,828	1,872,802	1,807,456	1,861,512
Food Services	25,147,719	22,822,423	21,173,003	22,286,139
Central Services	7,135,483	6,693,873	6,711,505	6,467,196
Student Transportation Services	21,620,725	21,163,277	20,792,056	22,121,651
Operation of Plant	31,115,952	29,917,708	31,691,252	28,932,290
Maintenance of Plant	8,896,778	8,415,184	8,075,524	8,425,120
Administrative Technology Services	3,604,125	3,435,841	3,590,304	3,334,012
Community Services	3,798,924	3,670,126	3,690,087	4,194,564
Interest on Long-term Debt	15,859,473	15,144,497	16,245,397	15,944,978
Loss on Disposal of Capital Assets		963,035		
Unallocated Depreciation Expense	27,626,338	28,832,502	29,437,348	31,169,680
<b>Total expenses - Primary Government</b>	<u>\$ 523,636,776</u>	<u>\$ 487,001,357</u>	<u>\$ 494,803,124</u>	<u>\$ 507,483,266</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
Instruction	\$ 1,426,889	\$ 1,577,484	\$ 1,828,659	\$ 2,220,174
Food Services	6,861,017	6,905,070	6,136,837	5,881,978
Student Transportation Services	190,009	470,324	370,221	543,684
Community Services	2,568,696	2,572,933	2,527,935	2,774,330
Operating Grants and Contributions				
Instruction				
Food Services	14,897,448	15,988,714	17,894,469	19,400,609
Student Transportation Services	9,633,899	9,315,616	9,436,136	8,978,796
Capital Grants and Contributions				
Facilities Acquisition and Construction	120,851,798	11,622,121	11,544,613	11,019,085
Maintenance of Plant		10,719,386		
Community Services				
Interest on Long-term Debt	1,758,040	20,557	23,037	23,505
<b>Total Program Revenues - Primary Government</b>	<u>\$ 158,187,796</u>	<u>\$ 59,192,205</u>	<u>\$ 49,761,907</u>	<u>\$ 50,842,161</u>
<b>Net (Expense) - Primary Government</b>	<u>\$ (365,448,980)</u>	<u>\$ (427,809,152)</u>	<u>\$ (445,041,217)</u>	<u>\$ (456,641,105)</u>

**Source:**  
District records

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	256,106,769	\$ 268,705,463	\$ 290,738,409	\$ 287,060,332	\$ 311,639,361	\$ 333,153,721
	21,838,137	21,225,019	22,892,264	22,519,240	23,533,909	25,245,474
	4,213,693	4,590,168	4,954,439	4,493,306	4,638,080	4,767,568
	12,918,163	13,955,272	16,291,806	15,765,392	16,950,455	18,401,374
	8,893,254	8,683,127	9,304,247	8,908,032	8,895,901	9,279,268
	3,506,394	3,400,004	4,070,147	4,327,747	4,268,253	4,540,916
	1,735,224	1,449,083	1,478,064	1,862,188	1,748,662	1,578,395
	2,778,064	2,223,978	2,494,349	2,255,012	2,760,587	2,851,014
	21,712,072	22,187,638	23,645,915	22,432,816	23,324,361	24,531,728
	7,231,837	7,301,809	11,431,928	12,186,629	14,914,658	12,483,779
	1,795,816	2,068,151	2,073,286	1,998,168	1,971,065	2,068,355
	23,211,603	26,792,335	31,642,638	28,841,287	29,309,705	30,676,116
	6,866,451	6,854,756	6,828,128	6,771,155	7,564,360	7,777,920
	21,866,622	22,887,687	24,340,819	23,123,277	22,452,171	22,826,052
	26,379,530	30,799,393	32,314,289	34,174,683	31,647,174	33,552,679
	12,068,670	7,116,029	8,587,830	7,520,421	8,295,989	8,808,276
	3,159,953	3,920,100	4,012,196	3,889,429	4,071,518	4,442,744
	4,427,474	4,607,250	4,978,829	5,082,800	5,444,934	5,294,861
	14,542,638	15,195,406	11,420,473	14,635,622	12,049,157	15,788,423
						681,916
	<u>32,061,585</u>	<u>34,621,488</u>	<u>35,275,678</u>	<u>35,257,897</u>	<u>35,316,748</u>	<u>35,026,910</u>
\$	<u>487,313,949</u>	<u>508,584,156</u>	<u>548,775,734</u>	<u>543,105,433</u>	<u>570,797,048</u>	<u>603,777,489</u>
\$	2,126,462	\$ 2,303,121	\$ 2,076,715	\$ 2,339,173	\$ 2,642,876	\$ 2,454,403
	5,718,630	4,791,692	4,291,076	3,678,965	3,390,984	2,519,613
	613,100	589,816	392,314	497,908	646,279	663,527
	2,598,249	2,750,258	2,874,860	2,805,201	2,829,867	2,803,086
			97,871,733	95,237,159	108,562,019	110,127,867
	21,165,198	23,618,227	26,203,051	27,460,542	31,689,599	33,985,232
	9,626,629					
	11,851,852	584,483	16,532,017	27,067,210	36,043,720	42,941,325
						1,264,597
	<u>21,870</u>	<u>1,654,690</u>	<u>1,630,218</u>	<u>1,611,974</u>	<u>1,832,828</u>	<u></u>
\$	<u>53,721,990</u>	<u>36,292,287</u>	<u>151,871,984</u>	<u>160,698,132</u>	<u>187,638,172</u>	<u>196,759,650</u>
\$	<u>(433,591,959)</u>	<u>(472,291,869)</u>	<u>(396,903,750)</u>	<u>(382,407,301)</u>	<u>(383,158,876)</u>	<u>(407,017,839)</u>

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

	For the Fiscal Year ending June 30			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Net (Expense)/Revenue - Primary Government</b>	<u>\$ (365,448,980)</u>	<u>\$ (427,809,152)</u>	<u>\$ (445,041,217)</u>	<u>\$ (456,641,105)</u>
<b>General Revenues and Changes in Net Position</b>				
Taxes:				
Property taxes, levied for operational purposes	\$ 145,250,546	\$ 151,594,547	\$ 135,881,016	\$ 115,231,090
Property taxes, levied for debt service		1,671		
Property taxes, levied for capital projects	50,327,124	46,094,101	33,142,748	27,606,863
Local sales taxes	10,292,844	9,143,244	9,035,938	9,511,482
Impact Fees				
Grants and contributions not restricted to specific programs	248,186,167	223,928,922	253,310,535	294,754,205
Investment earnings	9,128,755	3,253,100	2,345,647	2,099,168
Miscellaneous	10,991,313	9,305,721	10,464,800	15,930,845
<b>Total General Revenues - Primary Government</b>	<u>\$ 474,176,749</u>	<u>\$ 443,321,306</u>	<u>\$ 444,180,684</u>	<u>\$ 465,133,653</u>
<b>Changes in Net Position - Primary Government</b>	<u>\$ 108,727,769</u>	<u>\$ 15,512,154</u>	<u>\$ (860,533)</u>	<u>\$ 8,492,548</u>

Source:  
District records



<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>\$ (433,591,959)</u>	<u>\$ (472,291,869)</u>	<u>\$ (396,903,750)</u>	<u>\$ (382,407,301)</u>	<u>\$ (383,158,876)</u>	<u>\$ (407,017,839)</u>
\$ 104,108,613	\$ 98,493,989	\$ 105,900,393	\$ 111,668,108	\$ 117,462,480	\$ 117,411,122
25,707,956	25,367,760	26,438,255	28,370,255	30,186,687	32,537,685
9,925,207	10,416,923	10,600,770	12,129,743	12,771,275	25,010,568
	12,286,659				
262,026,194	299,164,318	215,374,466	223,592,024	242,260,027	259,580,554
1,801,749	483,975	1,199,839	1,389,318	3,176,842	1,060,614
<u>9,660,582</u>	<u>7,959,969</u>	<u>10,110,377</u>	<u>11,503,406</u>	<u>9,289,079</u>	<u>9,355,848</u>
<u>\$ 413,230,301</u>	<u>\$ 454,173,593</u>	<u>\$ 369,624,100</u>	<u>\$ 388,652,854</u>	<u>\$ 415,146,390</u>	<u>\$ 444,956,391</u>
<u>\$ (20,361,658)</u>	<u>\$ (18,118,276)</u>	<u>\$ (27,279,650)</u>	<u>\$ 6,245,553</u>	<u>\$ 31,987,514</u>	<u>\$ 37,938,552</u>

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

	<b>For the Fiscal Year Ending June 30</b>			
	Restated (a) <u>2008</u>	Restated (a) <u>2009</u>	Restated (a) <u>2010</u>	<u>2011</u>
<b>General Fund</b>				
Nonspendable	\$	\$	\$	\$ 1,805,173
Restricted	2,270,876	15,237,098	18,790,895	15,432,710
Assigned				21,373,716
Unassigned	<u>52,509,629</u>	<u>44,255,581</u>	<u>51,822,880</u>	<u>52,989,981</u>
Total General Fund	<u>\$ 54,780,505</u>	<u>\$ 59,492,679</u>	<u>\$ 70,613,775</u>	<u>\$ 91,601,580</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$	\$	\$	\$ 535,522
Restricted	91,963,365	29,301,405	72,871,696	107,041,853
Assigned				684,791
Unassigned	<u>181,930,542</u>	<u>167,008,297</u>	<u>101,538,230</u>	<u>108,262,166</u>
Total All Other Governmental Funds	<u>\$ 273,893,907</u>	<u>\$ 196,309,702</u>	<u>\$ 174,409,926</u>	<u>\$ 108,262,166</u>
Total Governmental Funds	<u>\$ 328,674,412</u>	<u>\$ 255,802,381</u>	<u>\$ 245,023,701</u>	<u>\$ 199,863,746</u>

**Note:**

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

**Source:**

District records

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,838,068	\$ 1,931,315	\$ 2,077,677	\$ 2,303,278	\$ 2,504,747	\$ 2,714,482
16,184,090	21,044,012	21,082,476	19,487,714	18,156,321	18,400,024
13,663,265	8,688,530	13,375,810	3,303,083	4,844,727	4,681,885
<u>52,631,593</u>	<u>44,389,869</u>	<u>33,702,182</u>	<u>41,368,678</u>	<u>41,010,743</u>	<u>41,618,791</u>
<u>\$ 84,317,016</u>	<u>\$ 76,053,726</u>	<u>\$ 70,238,145</u>	<u>\$ 66,462,753</u>	<u>\$ 66,516,538</u>	<u>\$ 67,415,182</u>
\$ 416,365	\$ 724,170	\$	\$ 974,141	\$ 1,162,356	\$ 1,205,400
73,935,852	73,637,841	58,179,268	69,347,218	106,161,674	222,501,059
774,561	1,081,812	1,393,760			
<u>75,126,778</u>	<u>75,443,823</u>	<u>59,573,028</u>	<u>70,321,359</u>	<u>107,324,030</u>	<u>223,706,459</u>
<u>\$ 159,443,794</u>	<u>\$ 151,497,549</u>	<u>\$ 129,811,173</u>	<u>\$ 136,784,112</u>	<u>\$ 173,840,568</u>	<u>\$ 291,121,641</u>

Schedule 5  
 District School Board of Osceola County  
 Governmental Funds Revenues  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Unaudited

	<b>For the Fiscal Year Ending June 30</b>			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Revenues</b>				
Federal direct	\$ 1,850,561	\$ 3,544,576	\$ 4,346,224	\$ 6,773,076
Federal through State	43,185,868	44,917,130	74,445,447	86,017,868
State sources	320,426,143	214,028,791	205,192,571	236,185,377
Local sources	<u>258,384,589</u>	<u>239,855,958</u>	<u>209,624,727</u>	<u>182,822,924</u>
 Total revenues	 <u>\$ 623,847,161</u>	 <u>\$ 502,346,455</u>	 <u>\$ 493,608,969</u>	 <u>\$ 511,799,245</u>

**Source:**  
 District records

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 6,333,326	\$ 4,390,418	\$ 3,882,342	\$ 4,020,887	\$ 4,245,607	\$ 4,275,783
53,248,874	59,529,883	58,990,124	56,918,921	71,723,722	73,692,342
235,804,919	259,006,088	278,832,947	288,489,943	309,665,209	329,266,843
<u>171,187,869</u>	<u>167,952,654</u>	<u>185,384,897</u>	<u>195,797,333</u>	<u>215,536,470</u>	<u>231,140,276</u>
<u>\$ 466,574,988</u>	<u>\$ 490,879,043</u>	<u>\$ 527,090,310</u>	<u>\$ 545,227,084</u>	<u>\$ 601,171,008</u>	<u>\$ 638,375,244</u>

Schedule 6

District School Board of Osceola County  
 Governmental Funds Expenditures and Debt Service Ratio  
 Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	For the Fiscal Year Ending June 30			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenditures</b>				
Instruction	\$ 252,436,907	\$ 242,419,425	\$ 252,269,672	\$ 266,865,399
Student support services	23,004,870	23,775,514	21,596,468	21,710,031
Instructional media services	5,860,992	5,308,109	4,528,355	4,500,290
Instruction and curriculum development services	22,507,401	20,161,819	15,096,682	14,940,593
Instructional staff training services	9,150,787	6,589,861	8,768,979	10,034,314
Instruction-related technology	4,151,534	4,514,440	3,552,968	3,274,513
Board of Education	2,150,486	1,596,656	1,680,070	1,363,448
General administration	2,605,401	2,991,604	2,847,678	3,742,052
School administration	21,535,497	21,017,289	22,478,323	22,458,336
Facilities services	19,708,502	15,195,444	14,275,962	11,790,607
Fiscal services	2,028,443	1,840,274	1,784,591	1,818,535
Food services	24,583,165	22,795,237	20,976,967	22,195,655
Central services	6,773,727	6,656,102	6,597,053	6,368,452
Student transportation services	18,468,240	17,861,972	17,280,750	18,853,529
Operation of plant	30,798,725	30,466,641	34,035,187	29,305,887
Maintenance of plant	8,512,770	8,366,744	7,919,591	8,351,687
Administrative technology services	3,439,879	3,431,664	3,527,874	3,396,158
Community services	3,666,415	3,680,873	3,643,310	4,174,899
Capital outlay:				
Facilities acquisition and construction	51,547,603	97,801,621	68,920,961	66,602,017
Other capital outlay	14,507,098	9,803,355	4,238,945	5,859,310
Debt service:				
Principal	16,271,911	14,186,717	14,817,845	14,034,285
Interest and fees	15,473,269	14,819,480	14,933,194	15,475,625
Total expenditures	<u>\$ 559,183,622</u>	<u>\$ 575,280,841</u>	<u>\$ 545,771,425</u>	<u>\$ 557,115,622</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	6.88%	6.61%	6.72%	6.48%

Source:

District records

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	253,767,483	\$ 264,220,967	\$ 280,329,535	\$ 287,013,856	\$ 310,555,110	\$ 321,579,744
	21,600,574	20,837,078	21,786,239	22,697,456	23,290,424	24,058,648
	4,171,544	4,516,147	4,771,047	4,525,806	4,627,227	4,612,307
	12,852,001	13,670,171	15,683,860	15,819,513	16,710,413	17,412,544
	8,831,137	8,545,858	9,098,166	9,002,894	8,882,840	8,843,586
	3,445,793	3,319,737	3,917,886	4,286,444	4,238,816	4,302,167
	1,737,280	1,445,253	1,466,041	1,872,534	1,745,998	1,565,672
	2,737,481	2,210,250	2,415,274	2,299,003	2,819,209	2,793,008
	21,548,515	21,860,841	22,476,668	22,518,181	23,086,838	23,459,783
	7,495,265	8,908,965	11,181,228	9,881,355	11,243,631	12,346,580
	1,763,306	2,020,295	1,936,268	2,014,809	2,021,992	1,925,667
	23,043,598	26,592,821	31,050,012	28,667,778	29,143,693	29,988,376
	6,849,484	6,780,716	6,541,885	6,770,403	7,466,404	7,534,680
	18,599,266	19,696,499	20,842,262	20,532,244	19,832,017	19,772,543
	27,341,814	30,585,170	31,742,175	32,777,540	31,140,563	32,664,336
	12,011,268	7,023,537	8,280,498	7,697,959	8,194,955	8,594,886
	3,194,658	3,844,461	3,815,336	3,902,468	4,099,622	4,255,025
	4,409,058	1,840,018	4,876,281	5,081,934	5,408,882	5,131,035
	36,644,633	16,040,556	28,540,227	15,343,982	6,817,643	40,287,143
	4,111,070	4,009,251	8,600,402	6,176,371	9,798,576	3,663,657
	15,564,668	16,079,567	16,704,179	17,013,917	18,690,550	19,066,296
	15,520,709	15,353,689	13,924,407	12,862,021	11,797,768	12,177,869
<u>\$</u>	<u>507,240,605</u>	<u>\$ 499,401,847</u>	<u>\$ 549,979,876</u>	<u>\$ 538,758,468</u>	<u>\$ 561,613,171</u>	<u>\$ 606,035,552</u>

7.14%

7.02%

6.35%

6.13%

5.64%

5.89%

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

	For the Fiscal Year Ending June 30			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Excess of revenues over (under) expenditures	<u>\$ 64,663,539</u>	<u>\$ (72,934,386)</u>	<u>\$ (52,162,456)</u>	<u>\$ (45,316,377)</u>
Other Financing Sources	35,948,759	37,734,305	112,616,204	34,699,272
Other Financing Uses	<u>35,731,871</u>	<u>37,671,950</u>	<u>71,232,428</u>	<u>34,542,850</u>
Net change in fund balances	<u><u>\$ 64,880,427</u></u>	<u><u>\$ (72,872,031)</u></u>	<u><u>\$ (10,778,680)</u></u>	<u><u>\$ (45,159,955)</u></u>

Source:  
 District records



<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>\$ (40,665,617)</u>	<u>\$ (8,522,804)</u>	<u>\$ (22,889,566)</u>	<u>\$ 6,468,616</u>	<u>\$ 39,557,837</u>	<u>\$ 32,339,692</u>
37,188,470	76,326,708	40,663,038	51,703,245	71,455,987	199,528,943
<u>36,942,805</u>	<u>75,750,149</u>	<u>39,459,848</u>	<u>51,198,924</u>	<u>73,957,368</u>	<u>114,587,563</u>
<u><u>\$ (40,419,952)</u></u>	<u><u>\$ (7,946,245)</u></u>	<u><u>\$ (21,686,376)</u></u>	<u><u>\$ 6,972,937</u></u>	<u><u>\$ 37,056,456</u></u>	<u><u>\$ 117,281,072</u></u>

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

Fiscal Year	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2007	\$ 20,226,914	\$ 22,154,342	\$ 1,570,993	\$ 1,720,693
2008	24,673,342	25,228,366	1,652,151	1,689,316
2009	24,464,364	24,562,614	1,510,465	1,516,531
2010	19,971,753	19,832,923	1,531,250	1,520,606
2011	16,573,745	16,673,788	1,473,806	1,482,702
2012	15,288,985	15,942,633	1,356,605	1,414,604
2013	15,075,763	15,970,088	1,387,049	1,469,332
2014	15,668,183	16,739,512	1,403,246	1,499,194
2015	18,141,220	19,035,908	1,371,038	1,438,655
2016	19,637,295	21,579,445	1,362,727	1,497,502

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

2017 information not available.

<sup>(1)</sup> Per \$1,000 of assessed value

**Source:** Osceola County Comprehensive Annual Financial Report, FYE 9/30/16, Schedule 5

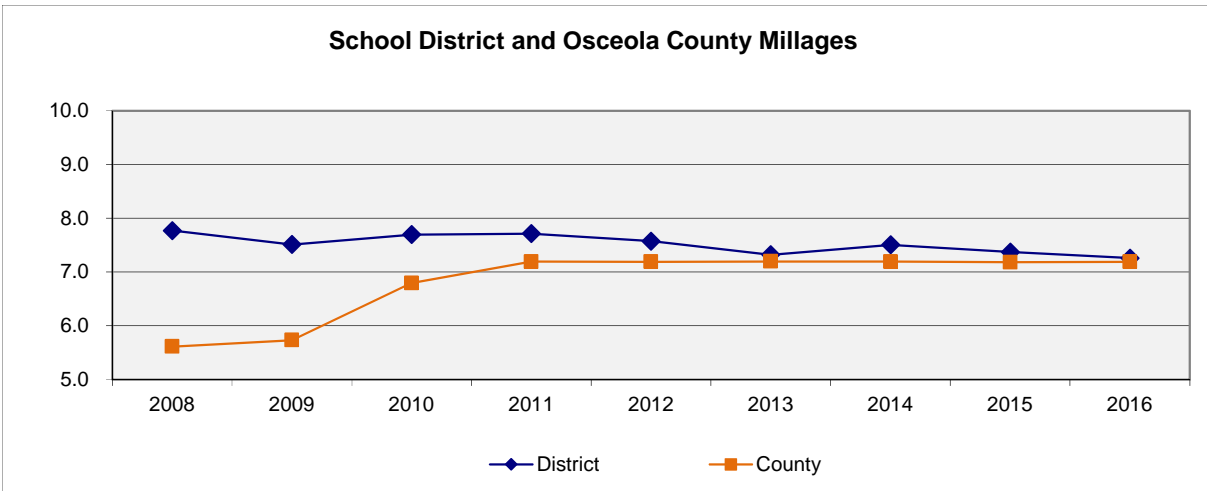
Centrally Assessed Property		Total		Total Direct Rate <sup>(1)</sup>
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 4,562	\$ 4,997	\$ 21,802,469	\$ 23,880,032	\$ 7.782
4,495	4,596	26,329,988	26,922,278	7.772
3,785	3,800	25,978,614	26,082,945	7.513
4,129	4,100	21,507,132	21,357,629	7.699
3,677	3,699	18,051,228	18,160,189	7.715
4,083	4,258	16,649,673	17,361,495	7.577
4,184	4,432	16,466,996	17,443,852	7.323
4,365	4,663	17,075,794	18,243,369	7.509
4,493	4,715	19,516,751	20,479,278	7.375
4,767	5,238	21,004,789	23,082,185	7.261

Schedule 9  
 District School Board of Osceola County  
 Direct and Overlapping Property Tax Rates  
 Last Ten Levy Years  
*(rate per \$1,000 of assessed value)*  
 Unaudited

Levy Year	District Direct Rates						Overlapping Rates
	Required Local Effort	Capital Outlay	Basic Discretionary	Prior Period Funding Adjustment	Supplemental Discretionary	Total Direct	Osceola County
2008	5.052	2.000	0.510		0.210	7.772	5.615
2009	5.059	1.750	0.498		0.206	7.513	5.736
2010	5.201	1.500	0.748		0.250	7.699	6.797
2011	5.217	1.500	0.748		0.250	7.715	7.196
2012	5.329	1.500	0.748			7.577	7.195
2013	5.075	1.500	0.748			7.323	7.197
2014	5.261	1.500	0.748			7.509	7.196
2015	5.127	1.500	0.748			7.375	7.184
2016	5.009	1.500	0.748	0.004		7.261	7.193
2017	4.643	1.500	0.748	0.014		6.905	N/A

**Note:** Osceola County 2017 information not available

**Sources:** District records, District Summary Budget, Section I. Assessment and Millage Levies  
 Osceola County Comprehensive Annual Financial Report, FYE 9/30/16



Schedule 10  
District School Board of Osceola County  
Principal Osceola County Property Tax Payers  
September 30, 2016 and Nine Years Earlier  
(In thousands)  
Unaudited

Taxpayer	September 30, 2016			September 30, 2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westgate Properties/Resorts/Towers	\$ 916,257	1	4.36%	\$		
Walt Disney Parks and Resorts US Inc.	637,364	2	3.03%	596,657	2	2.74%
Lando Resorts Corporation	490,107	3	2.33%	198,755	7	0.91%
G.P. Limited Partnership	314,125	4	1.50%	261,356	4	1.20%
Duke Energy Florida LLC	263,924	5	1.26%			
Tempus Palms International	259,837	6	1.24%	263,947	3	1.59%
Star Island/Vacation Break/Wyndham	220,992	7	1.05%			
Silver Lake Resort	121,488	8	0.58%	77,976	16	0.36%
Omni-Championsgate Resort Hotel LLC	107,812	9	0.51%	108,162	12	0.50%
Osceola Regional Hospital Inc.	100,718	10	0.48%	83,795	15	0.38%
Central Florida Investments				601,064	1	2.76%
Fairfield Communities				256,390	5	1.18%
Ginn-LA/Reunion				113,180	10	0.50%
Sprint Florida				134,053	9	0.61%
Reliant Energy Osceola LLC				145,469	8	0.67%
Progress Energy				210,102	6	0.96%
Total taxable assessed value ten largest taxpayers	3,432,624		16.34%	3,050,906		14.36%
Total taxable assessed value all other taxpayers	17,572,165		83.66%	18,751,563		85.64%
Total taxable assessed value all taxpayers	\$ 21,004,789		100.00%	\$ 21,802,469		100.00%

Source:

Osceola County Comprehensive Annual Financial Report, FYE 9/30/16, Schedule 7

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 206,374,025	\$ 195,550,937	94.76%	\$ 1,962,978	\$ 197,513,915	95.71%
2009	203,106,867	195,727,342	96.37%	981,585	195,727,342	96.37%
2010	174,578,023	168,042,178	96.26%	845,047	168,887,225	96.74%
2011	148,427,619	141,992,906	95.66%	914,896	142,907,802	96.28%
2012	134,835,605	128,901,673	95.60%	555,818	129,457,491	96.01%
2013	128,129,837	123,305,931	96.24%	462,603	123,768,534	96.60%
2014	137,619,241	131,876,045	95.83%	550,115	132,426,160	96.23%
2015	144,752,427	139,488,248	96.36%	206,607	139,694,855	96.51%
2016	153,424,444	147,442,560	96.10%	164,884	147,607,444	96.21%
2017	155,326,218	149,783,923	96.43%		149,783,923	96.43%

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

**Source:** District records

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

Fiscal Year	Capital Leases and Installment Purchases	Notes	Bonds	Certificates Of Participation
2008	\$ 3,794,475	\$ 26,173,571	\$ 100,475,993	\$ 183,202,405
2009	2,554,486	23,836,843	95,971,687	177,228,279
2010	1,454,074	21,374,409	91,284,157	211,997,778
2011	669,702	18,779,496	86,957,159	206,341,984
2012	343,646	16,044,967	82,639,229	199,375,637
2013	93,280	13,163,292	76,149,609	193,328,587
2014		10,126,547	68,906,000	186,625,000
2015		6,926,368	66,112,180	182,465,005
2016		3,553,948	60,315,556	174,013,756
2017			139,784,037	166,041,925

Notes:

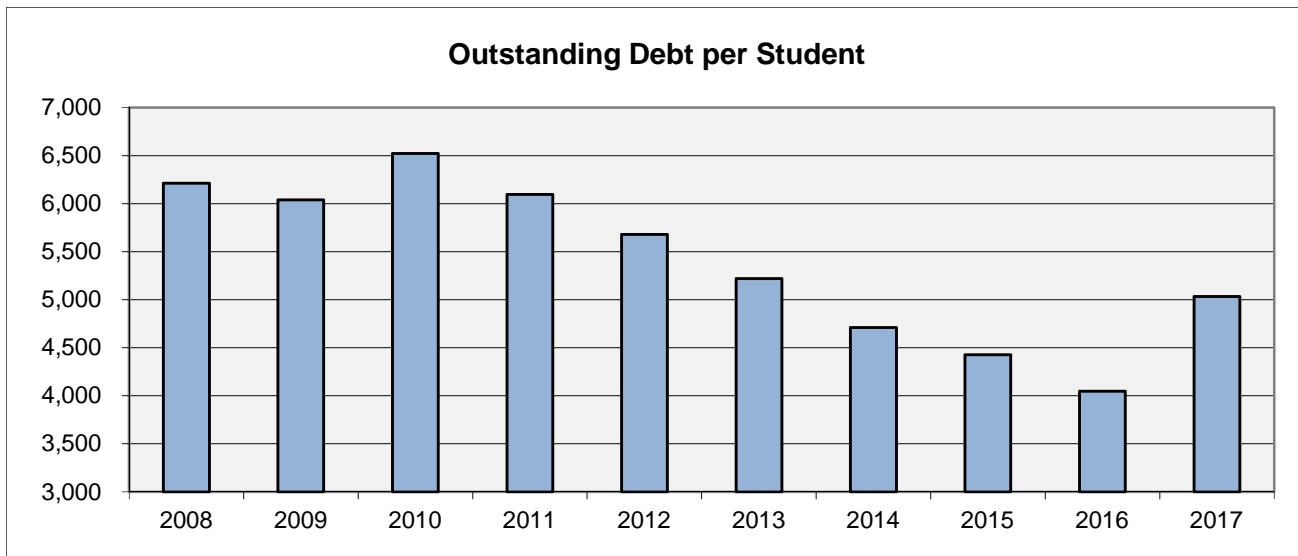
<sup>(1)</sup> Schedule 16 Personal Income (thousands) divided by Total Debt.

<sup>(2)</sup> Total Debt divided by Schedule 19 Student Enrollment.

n/a = data not available

Source:

District records





<b>EFBD Agreement Payable</b>		<b>Total</b>	<b>Percentage of Personal Income <sup>(1)</sup></b>	<b>Outstanding Debt Per Student <sup>(2)</sup></b>	
\$	9,023,280	\$ 322,669,724	1.89%	\$	6,213
	9,139,035	308,730,330	1.97%		6,040
	9,519,989	335,630,407	2.03%		6,522
	9,715,198	322,463,539	2.18%		6,096
	9,346,115	307,749,594	2.44%		5,680
	8,973,589	291,708,357	2.69%		5,219
	4,020,439	269,677,986	2.99%		4,710
	3,863,449	259,367,002	3.36%		4,428
	9,583,179	247,466,439	3.92%		4,047
	9,312,626	315,138,588	n/a		5,035

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Schedule 13  
 District School Board of Osceola County  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2017  
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<b>Osceola County</b>			
Limited General Obligation Bonds	\$ 28,291,000	100.00%	\$ 28,291,000
Revenue Bonds	467,450,000	100.00%	467,450,000
Special Assessment Bonds	2,155,000	100.00%	2,155,000
Subtotal, overlapping debt			497,896,000
<b>District direct debt</b>			315,138,589
<b>Total direct and overlapping debt</b>			\$ 813,034,589

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

**Sources:**

- District records
- Osceola County Comprehensive Annual Financial Report, FYE 9/30/16, Schedule 9

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

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed value <sup>(1)</sup>	\$ 21,802,469	\$ 26,329,988	\$ 25,978,614	\$ 21,507,132
Debt limit (10% of assessed value)	2,180,247	2,632,999	2,597,861	2,150,713
Debt applicable to limit:				
Bonds payable	<u>104,795</u>	<u>100,476</u>	<u>95,972</u>	<u>91,284</u>
Total net debt applicable to limit	<u>104,795</u>	<u>100,476</u>	<u>95,972</u>	<u>91,284</u>
Legal debt margin	<u>\$ 2,075,452</u>	<u>\$ 2,532,523</u>	<u>\$ 2,501,889</u>	<u>\$ 2,059,429</u>
Total net debt applicable to the limit as a percentage of debt limit	4.81%	3.82%	3.69%	4.24%

**Notes:**

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

<sup>(1)</sup> Schedule 8

Osceola County's information is not available for 2017

**Sources:**

District records  
Osceola County Comprehensive Annual Financial Report, FYE 9/30/16, Schedule 5

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$	18,051,228	\$ 16,649,673	\$ 16,466,996	\$ 17,075,794	\$ 18,176,192	\$ 21,004,789
	1,805,123	1,664,967	1,646,700	1,707,579	1,817,619	2,100,479
	<u>86,957</u>	<u>82,639</u>	<u>76,150</u>	<u>68,906</u>	<u>66,112</u>	<u>60,316</u>
	<u>86,957</u>	<u>82,639</u>	<u>76,150</u>	<u>68,906</u>	<u>66,112</u>	<u>60,316</u>
<u>\$</u>	<u>1,718,166</u>	<u>\$ 1,582,328</u>	<u>\$ 1,570,550</u>	<u>\$ 1,638,673</u>	<u>\$ 1,751,507</u>	<u>\$ 2,040,163</u>
	4.82%	4.96%	4.62%	4.04%	3.64%	2.87%

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

Sales Tax Revenue Bonds - Local Discretionary Surtax					
Fiscal Year	Local Sales Tax Revenue	Debt Service		Coverage	
		Principal	Interest		
2008	\$ 10,292,844	\$ 3,235,000	\$ 3,996,563	142.3%	
2009	9,143,244	3,370,000	3,864,203	126.4%	
2010	9,035,938	3,510,000	3,724,783	124.9%	
2011	9,511,482	3,645,000	3,587,442	131.5%	
2012	9,925,207	3,790,000	3,441,102	137.3%	
2013	10,416,923	3,950,000	3,279,877	144.1%	
2014	10,600,770	4,125,000	3,109,678	146.5%	
2015	12,129,743	4,300,000	2,929,688	167.8%	
2016	12,771,275	4,520,000	2,714,688	176.5%	
2017	13,860,037	5,174,000	1,784,652	199.2%	

Sales Tax Revenue Bonds - School Capital Outlay Surtax					
Fiscal Year	Local Sales Tax Revenue	Debt Service		Coverage	
		Principal	Interest		
2017	\$ 11,150,530	\$ -	\$ -		

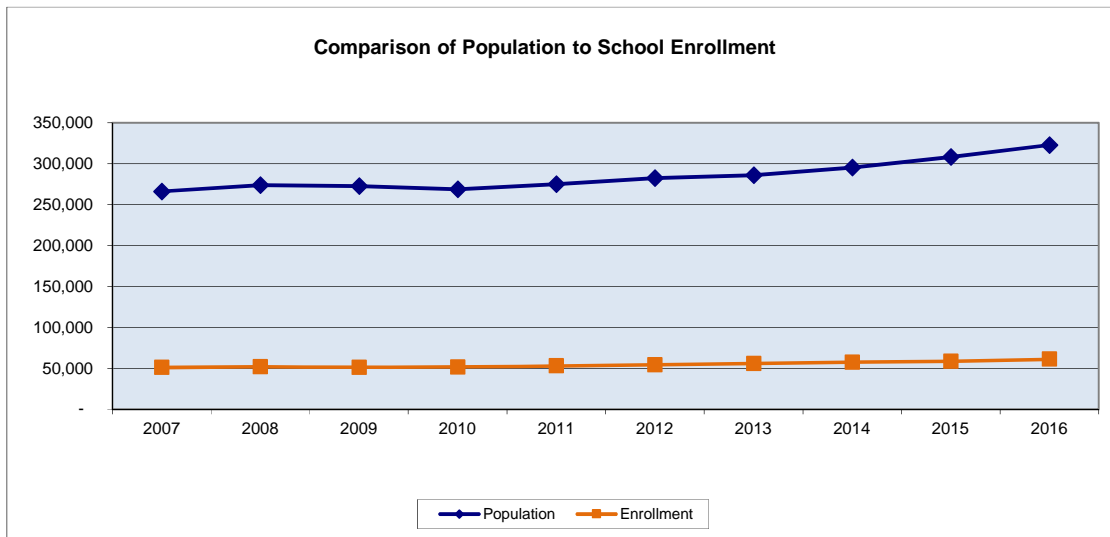
Source: District records

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

Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2007	266,123	\$ 5,708,018	\$ 21,449	34.9	51,060	4.3%
2008	273,709	6,087,831	22,242	34.4	51,934	6.4%
2009	272,788	6,086,173	22,311	34.6	51,118	11.3%
2010	268,685	6,814,171	25,361	35.6	51,458	12.4%
2011	275,010	7,022,084	25,534	35.5	52,900	11.6%
2012	282,676	7,503,530	26,545	36.0	54,197	9.4%
2013	286,001	7,851,188	27,452	35.9	55,892	7.2%
2014	295,553	8,065,185	27,288	35.9	57,252	6.7%
2015	308,327	8,713,098	28,259	36.4	58,569	5.7%
2016	322,862	9,691,044	30,016	36.5	61,141	5.0%

Note: Information not available for 2017

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



Schedule 17  
District School Board of Osceola County  
Osceola County Principal Employers  
September 30, 2016 and Nine Years Earlier  
Unaudited

Employer	September 30, 2016			September 30, 2007		
	Employees	Rank	Percentage of Total Labor Force Employed	Employees	Rank	Percentage of Total Labor Force Employed
Total Labor Force Employed <sup>(1)</sup>	155,693			123,650		
The School District of Osceola County <sup>(2)</sup>	6,754	1	4.34%	6,613	1	5.35%
Walt Disney Company (Osceola County only)	3,700	2	2.38%	n/a		n/a
Wal-Mart Stores, Inc.	2,730	3	1.75%	2,000	3	1.62%
Gaylord Palms Resort & Convention Center	1,445	4	0.93%	1,650	4	1.33%
Osceola County Board of County Commission	1,407	5	0.90%	2,677	2	2.16%
Osceola Regional Medical Center	1,357	6	0.87%	522	13	0.42%
Publix Supermarkets	1,350	7	0.87%	500	14	0.40%
Florida Hospital Celebration	1,300	8	0.83%	710	9	0.57%
McLane/Suncoast Incorporated	900	9	0.58%	980	6	0.79%
Omni Champions Gate Resort	750	10	0.48%			
Total principal employers	21,693		13.93%	15,652		12.66%

**Notes:**

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

<sup>(2)</sup> School District employees are shown as of June 30, 2016, and 2007. (See Schedule 18)

**Sources:**

Osceola County Comprehensive Annual Financial Report, FYE 9/30/16, Schedule 17  
Orlando Economic Development Commission  
District records



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

	Full-time-Equivalent Employees as of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Supervisory</b>										
Officials, Administrators and Managers	44	44	44	43	43	51	69	61	61	61
Consultants/Supervisors of Instruction	8	8	11	11	11	11	10	7	7	8
Principals	48	52	55	55	55	58	61	60	62	64
Assistant Principals	70	63	66	69	64	69	71	81	88	92
Community Education Coordinators										17
Deans/Curriculum Coordinators	7	2	5	6	9	9	8	6		
Total supervisory	<u>177</u>	<u>169</u>	<u>181</u>	<u>184</u>	<u>182</u>	<u>198</u>	<u>219</u>	<u>215</u>	<u>218</u>	<u>242</u>
<b>Instruction</b>										
Classroom Teachers, Elementary (PK-6)	1,297	1,290	1,291	1,401	1,438	1,447	1,463	1,509	1,529	1,544
Classroom Teachers, Secondary (7-12)	1,336	1,279	1,245	1,307	1,359	1,405	1,417	1,460	1,483	1,520
Exceptional Education Teachers	421	407	410	411	395	402	437	437	463	443
Other Teachers	93	80	102	118	127	130	135	156	157	225
Total instruction	<u>3,147</u>	<u>3,056</u>	<u>3,048</u>	<u>3,237</u>	<u>3,319</u>	<u>3,384</u>	<u>3,452</u>	<u>3,562</u>	<u>3,632</u>	<u>3,732</u>
<b>Student Services</b>										
Guidance Counselors	97	90	92	99	98	100	100	107	105	114
Social Workers	14	14	12	9	9	11	10	10	11	14
School Psychologists	34	37	33	31	31	30	32	33	31	36
Librarians/Audio-Visual Workers	46	45	47	48	47	45	46	45	46	47
Other Professional Staff, Instructional	387	356	267	261	262	277	304	321	321	386
Other Professional Staff, Non-Instructional	210	224	199	190	186	183	183	189	189	201
Aides	775	696	575	666	694	728	786	817	812	876
Technicians	107	102	110	65	124	119	124	127	126	134
Total student services	<u>1,670</u>	<u>1,564</u>	<u>1,335</u>	<u>1,369</u>	<u>1,451</u>	<u>1,493</u>	<u>1,585</u>	<u>1,649</u>	<u>1,641</u>	<u>1,808</u>
<b>Support and Administration</b>										
Clerical/Secretarial	561	564	537	536	494	519	518	538	510	552
Service Workers	1,331	1,301	1,101	1,108	1,101	1,147	1,150	1,162	1,141	1,186
Skilled Crafts Workers	71	72	67	66	66	67	66	70	66	66
Unskilled Laborers	26	23	22	21	20	24	19	21	26	27
Total support and administration	<u>1,989</u>	<u>1,960</u>	<u>1,727</u>	<u>1,731</u>	<u>1,681</u>	<u>1,757</u>	<u>1,753</u>	<u>1,791</u>	<u>1,743</u>	<u>1,831</u>
<b>Total</b>	<u><u>6,983</u></u>	<u><u>6,749</u></u>	<u><u>6,291</u></u>	<u><u>6,521</u></u>	<u><u>6,633</u></u>	<u><u>6,832</u></u>	<u><u>7,009</u></u>	<u><u>7,217</u></u>	<u><u>7,234</u></u>	<u><u>7,613</u></u>

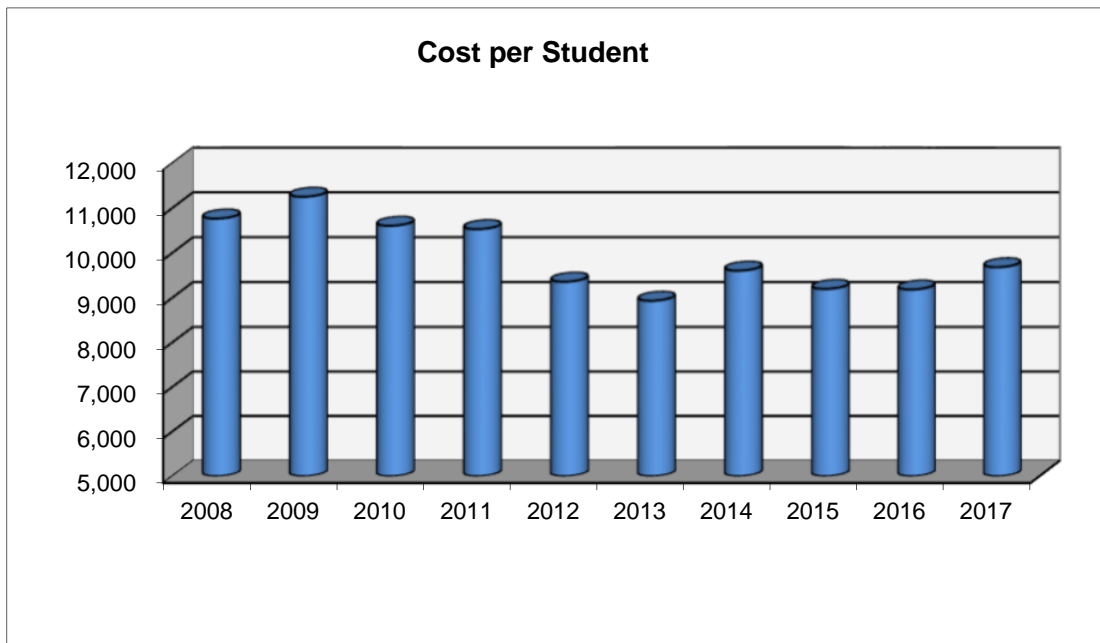
Source:  
Florida Department of Education  
Education Information and Accountability Services

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

Fiscal Year	Expenditures	Student Enrollment	Cost per Student	Number of Schools	Number of Classroom Teachers
2008	\$ 559,183,622	51,934	\$ 10,767	43	3,147
2009	575,280,841	51,118	11,254	47	3,056
2010	545,771,425	51,458	10,606	46	3,048
2011	557,115,622	52,900	10,531	47	3,237
2012	507,240,605	54,197	9,359	47	3,319
2013	499,401,847	55,892	8,935	47	3,384
2014	549,979,876	57,252	9,606	47	3,452
2015	538,758,468	58,569	9,199	47	3,562
2016	561,613,171	61,141	9,186	47	3,632
2017	606,035,552	62,590	9,683	47	3,732

Sources:

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



Pupil/Teacher Ratio	Percentage of Students Receiving Free/Reduced Meals	
	Osceola	Statewide
16.5	58.7%	45.8%
16.7	62.7%	49.6%
16.9	67.4%	53.5%
16.3	68.4%	56.0%
16.3	70.7%	57.6%
16.5	70.4%	57.5%
16.6	64.1%	54.2%
16.4	64.6%	51.3%
16.8	65.0%	58.1%
16.8	78.6%	61.2%

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

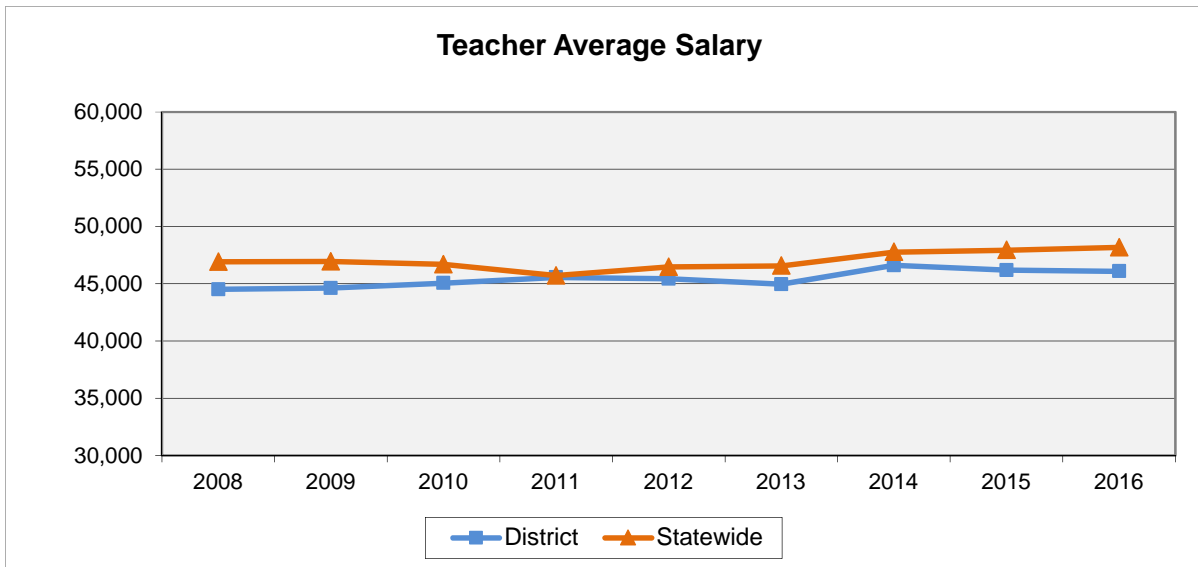
Fiscal Year	Minimum Salary <sup>(1)</sup>	Maximum Salary <sup>(1)</sup>	Osceola Average Salary <sup>(2)</sup>	Statewide Average Salary <sup>(2)</sup>
2008	\$ 37,500	\$ 65,685	\$ 44,519	\$ 46,930
2009	37,500	65,685	44,639	46,950
2010	37,650	66,185	45,070	46,708
2011	37,800	66,485	45,574	45,732
2012	38,036	66,485	45,457	46,479
2013	38,036	66,485	44,965	46,583
2014	39,445	67,894	46,606	47,780
2015	39,500	67,935	46,211	47,950
2016	39,500	68,685	46,103	48,179
2017	40,100	69,285	n/a	n/a

Sources:

<sup>(1)</sup> District records

<sup>(2)</sup> Florida Department of Education  
 Education Information and Accountability Services

n/a = data not available for 2016-17



Schedule 21  
District School Board of Osceola County  
School Building Information & Unweighted Full-Time Equivalent Enrollment Data  
Last Ten Fiscal Years  
Unaudited

	Current		Unweighted Full-Time Equivalent Enrollment Data			
	Square Footage	Student Capacity	2016-17	2015-16	2014-15	2013-14
<b>Elementary Schools (Placed in Service)</b>						
Boggy Creek (1982)	102,514	878	651	682	714	746
Central Avenue (1934)	131,504	1,016	635	653	712	736
Chestnut (2005)	124,829	1,088	677	689	752	697
Cypress (1991)	107,250	800	753	735	726	718
Deerwood (1990)	130,214	990	571	571	672	651
East Lake (2010)	115,349	1,092	1,046	1,001	974	920
Flora Ridge (2007)	119,433	1,062	864	839	921	949
Hickory Tree (1983)	120,787	954	807	720	716	653
Highlands (1959)	136,722	1,075	821	826	938	916
Kissimmee (2000)	130,485	1,118	937	873	996	1,036
Koa (2009)	107,654	898	684	708	759	783
Lakeview (1985)	111,571	808	689	654	649	656
Michigan Avenue (1971)	96,379	738	642	648	645	634
Mill Creek (1986)	140,975	1,120	989	998	975	868
Narcoossee (2009)	118,167	1,010	926	849	767	717
Neptune (2007)	118,664	1,066	973	975	984	907
Partin Settlement (2002)	127,119	895	799	832	791	854
Pleasant Hill (1986)	137,787	1,056	823	883	890	891
Poinciana Academy of Fine Arts (2001)	142,990	890	658	681	765	749
Reedy Creek (1980)	114,488	1,179	975	969	967	909
Saint Cloud (2005)	126,129	1,098	969	980	970	971
Sunrise (2005)	125,941	1,176	891	890	1,001	928
Thacker Avenue (1963)	144,994	928	846	874	891	850
Ventura (1987)	135,229	1,084	883	888	946	919
Total Elementary Schools			19,509	19,418	20,121	19,658
<b>Middle Schools (Placed in Service)</b>						
Denn John (1973)	132,318	1,431	827	948	1,022	1,140
Discovery (2000)	260,098	1,732	981	1,026	1,138	1,193
Horizon (1993)	174,959	1,733	1,273	1,239	1,220	1,213
Kissimmee (1995)	179,542	1,853	1,194	1,249	1,258	1,300
Narcoossee (2000)	185,085	1,586	1,177	1,178	1,090	1,092
Neptune (1987)	186,575	1,660	1,442	1,330	1,296	1,369
Parkway (1986)	153,050	1,268	860	858	938	1,018
Saint Cloud (1974)	140,938	1,725	1,258	1,191	1,172	1,139
Total Middle Schools			9,012	9,019	9,134	9,464
<b>High Schools (Placed in Service)</b>						
Celebration (2001)	344,881	2,865	2,407	2,309	2,155	2,005
Gateway (1981)	305,573	3,074	2,468	2,454	2,417	2,421
Harmony (2004)	328,951	2,457	2,145	1,926	1,822	1,782
Liberty (2007)	307,299	2,319	1,967	1,963	1,914	1,873
Osceola (1962)	327,629	3,076	2,678	2,676	2,543	2,477
PATHS Technical Education Center (1990)	163,079	1,479	555	593	460	641
Poinciana (1991)	403,167	2,509	1,718	1,685	1,548	1,416
Saint Cloud (1962)	279,794	2,431	2,261	2,304	2,214	2,073
Zenith School (2017)	93,083	901	489			
Total High Schools			16,688	15,910	15,073	14,688
<b>Multilevel Schools (Placed in Service)</b>						
Celebration School KG-8 (1995)	219,212	1,936	1,392	1,343	1,279	1,280
Harmony Community School K-8 (2007)	111,404	1,047	954	885	830	855
Osceola County School for the Arts (2002)	177,157	1,068	950	906	911	859
Westside School K-8 (2009)	189,687	1,868	1,497	1,518	1,487	1,351
Total Multilevel Schools			4,793	4,652	4,507	4,345
Total K-12 Schools			50,002	48,999	48,835	48,155

**Note:** The District's two adult schools, Technical Education Center Osceola (TECO) and TECO West, are not included in this report.

**Sources:**  
Florida Department of Education, Educational Facilities Summary Report  
District records

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
720	718	702	698	711	740
711	686	608	610	661	716
671	683	664	680	982	1,084
755	727	728	797	789	815
676	698	636	685	976	1,079
867	859	764			
1,122	1,071	994	967	950	750
620	604	607	514	563	899
963	905	755	735	767	794
843	835	801	725	726	744
816	863	860	881		
645	637	636	685	717	725
618	608	635	700	688	950
786	867	908	978	997	1,045
748	734	620	1,129	1,127	
886	882	828	737	660	707
790	818	782	857	971	963
880	936	935	951	1,039	991
714	707	704	615	916	1,017
730	763	813	784	1,150	1,138
924	921	901	836	832	989
814	817	827	799	895	896
791	729	777	685	589	642
967	917	897	977	1,004	1,120
<u>19,057</u>	<u>18,985</u>	<u>18,382</u>	<u>18,025</u>	<u>18,710</u>	<u>18,804</u>
1,169	1,181	1,156	1,148	1,132	1,083
1,219	1,291	1,376	1,398	1,471	1,596
1,158	1,199	1,209	1,163	1,472	1,553
1,307	1,215	1,182	1,119	1,151	1,106
1,069	1,041	892	666	663	1,738
1,385	1,399	1,281	1,423	1,449	1,473
1,011	929	871	897	889	886
1,180	1,230	1,349	1,204	1,200	1,216
<u>9,498</u>	<u>9,485</u>	<u>9,316</u>	<u>9,018</u>	<u>9,427</u>	<u>10,651</u>
1,995	1,864	1,860	1,694	1,654	1,704
2,317	2,241	2,287	2,324	2,377	2,333
1,806	1,858	1,832	1,880	1,859	1,891
1,898	2,052	2,146	2,062	1,974	2,020
2,285	2,080	1,963	1,945	2,147	2,359
681	694	681	684	691	696
1,447	1,348	1,230	1,203	1,366	2,785
2,057	1,886	1,747	1,683	1,753	1,741
<u>14,486</u>	<u>14,023</u>	<u>13,746</u>	<u>13,475</u>	<u>13,821</u>	<u>15,529</u>
1,282	1,319	1,172	1,197	1,284	1,338
799	800	921	930	747	
852	828	740	736	498	678
1,523	1,359	1,481	1,206		
<u>4,456</u>	<u>4,306</u>	<u>4,314</u>	<u>4,069</u>	<u>2,529</u>	<u>2,016</u>
<u>47,497</u>	<u>46,799</u>	<u>45,758</u>	<u>44,587</u>	<u>44,487</u>	<u>47,000</u>

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# SINGLE AUDIT SECTION



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**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	15002	\$ 7,515,296	
National School Lunch Program	10.555	15001 15003	25,234,205	
	10.559	14006 14007		
Summer Food Service Program for Children		15006 15007	720,682	
Farm to State Grant Program	10.575		75,000	
<b>Total Child Nutrition Cluster:</b>			<b>33,545,183</b>	
Florida Department of Health:				
Child and Adult Care Food Program	10.558	H-4474	39,355	
<b>Total United States Department of Agriculture</b>			<b>33,584,538</b>	
United States Department of Defense				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	168,909	
Army Junior Reserve Officers Training Corps	None	N/A	227,078	
Marines Junior Reserve Officers Training Corps	None	N/A	99,507	
Navy Junior Reserve Officers Training Corps	None	N/A	53,629	
<b>Total United States Department of Defense</b>			<b>549,123</b>	
United States Department of Education				
Direct:				
Federal Pell Grant Program	84.063	N/A	1,372,560	
<b>Total Direct:</b>			<b>1,372,560</b>	
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	11,356,300	406,672
Special Education - Preschool Grants	84.173	267	204,669	
<b>Total Special Education Cluster</b>			<b>11,560,969</b>	
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191 193	649,011	
Migrant Education - State Grant Program	84.011	217	47,196	
Title I Grants to Local Educational Agencies	84.010	212 222 223 226 228	18,100,099	2,081,184
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	214	27,885	
Career and Technical Education - Basic Grants to States	84.048	161	770,622	3,209
Education for Homeless Children and Youth	84.196	127	107,591	
Charter Schools	84.282	298	1,883,126	1,883,127
Twenty-First Century Community Learning Centers	84.287	244	1,390,534	54,465
English Language Acquisition State Grants	84.365	102	1,545,048	23,622
Improving Teacher Quality State Grants	84.367	224	2,141,007	9,933
<b>Total Indirect</b>			<b>38,223,088</b>	<b>4,462,212</b>
<b>Total United States Department of Education</b>			<b>39,595,648</b>	<b>4,462,212</b>
Department of Health and Human Services				
Indirect:				
Florida Department of Health and Human Services:				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	15,713	
<b>Total Department of Health and Human Services</b>			<b>15,713</b>	
<b>Total Expenditures of Federal Awards</b>			<b>\$ 73,745,022</b>	<b>\$ 4,462,212</b>

The accompanying notes are an integral part of this schedule.

Notes:

(1) **Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Osceola County District School Board under programs of the Federal government for the year ended June 30, 2016. 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 of the District.

(2) **Summary of Significant Account Policies.** Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as either the cost principles in Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **Indirect Cost Rate.** The District has not elected to use the 10 percent de minimus cost rate allowed under the Uniform Guidance.

(4) **Noncash Assistance:**

(A) **National School Lunch Program** - Includes \$2,530,313 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(B) **NA.** The District had no donated Federal Surplus Personal Property.



Certified Public Accountants

**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**

Chairman and Members of  
The District School Board of Osceola County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Osceola County, Florida (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2017. Our report includes a reference to other auditors who audited the financial statements of the agency funds and aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Chairman and Members of  
The District School Board of Osceola County, Florida

### **Compliance and Other Matters**

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

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated December 11, 2017.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A."

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
December 11, 2017



Certified Public Accountants

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Chairman and Members of  
The District School Board of Osceola County, Florida

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

We have audited the compliance of the District School Board of Osceola County, Florida (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement*, which could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2017. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 year ended June 30, 2017.

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

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph. 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 11, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Chairman and Members of  
The District School Board of Osceola County, Florida

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Cont.)**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A." The signature is written in a cursive style.

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
December 11, 2017



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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For The Year Ended June 30, 2017**

**Section I - Summary of Independent Auditor's Results**

**Financial Statements**

**Type of Auditor's Report Issued:**

**Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified?                     Yes                     No
- Significant deficiency(ies) identified?                     Yes                     None reported

Noncompliance material to financial statements noted?                     Yes                     No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?                     Yes                     No
- Significant deficiency(ies)?                     Yes                     None reported

Type of report issued on compliance for major federal program:                    **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?                     Yes                     No

**Identification of Major Programs:**

**CFDA Numbers**

**Name of Federal Program or Cluster**

84.010	Title I Grants to Local Educational Agencies
84.282	Charter Schools

Dollar threshold used to distinguish between Type A and Type B programs:                    \$2,212,351

Auditee qualified as low-risk auditee?                     Yes                     No

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)**

**For The Year Ended June 30, 2017**

**Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*.**

No matters are reported.

**Section III - Federal Award Findings and Questioned Costs Section reported in accordance with the Uniform Guidance.**

No matters are reported.

# DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Year Ended June 30, 2017

### FEDERAL AUDIT FINDINGS

#### DEPARTMENT OF AGRICULTURE

##### Finding 2016-001: Department of Agriculture – Child Nutrition Cluster

*Condition:* At June 30, 2016, the District had excess net cash resources of \$6,342,761 based on total net cash resources (\$14,917,089) less the average 3 months' 2015-16 fiscal year expenditures (\$8,574,328). The average expenditures were calculated on a 10-month basis that excluded Summer Food Service Program activities.

*Recommendation:* The District should enhance procedures to ensure that net cash resources of the food service program are maintained within the level prescribed by federal regulations.

*Current Status:* The District expended \$3.1 million more on its food service program in fiscal year 2017 compared to fiscal year 2016; however, excess cash net resources increased during fiscal year 2017. At June 30, 2017, the District had excess net cash resources of \$9,532,116 based on total net cash resources (\$19,090,801) less the average 3 months' 2016-17 fiscal year expenditures (\$9,558,685).

##### *Partial Corrective Action Taken:*

The District adopted a plan to spend \$6,607,500 of its excess cash net resources at the end of the 2016 fiscal year.

##### *Reason for Recurring Finding:*

The District undertook the activities outlined in its corrective action plan; however, revenues continue to outpace expenditures at the end of the 2017 fiscal year through participation in the Community Eligible Provision Program.

##### *Planned Corrective Action:*

The District adopted a new \$11.5 million plan for School Nutrition Services to spend down its excess net cash resources. This plan includes \$1.4 million in equipment purchases, \$6.4 million in alterations or improvements to existing school food service facilities, \$1.5 million to improve the quality of food, \$1.6 million to add food preparation/serving staff and administrative staff, and \$632,500 for training and other miscellaneous items.



Certified Public Accountants

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Chairman and Members of  
The District School Board of Osceola County, Florida

### Report on the Financial Statements

We have audited the financial statements of the District School Board of Osceola County, Florida (the "District") as of and for the year ended June 30, 2017, and have issued our report thereon dated December 11, 2017.

### Auditor's Responsibility

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.800, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our 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*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report in accordance with the provisions of Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated December 11, 2017, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report with the exception of Finding 2016-001. The status of Finding 2016-001 is reported in the Summary Schedule of Prior Audit Findings located in the District's Comprehensive Annual Financial Report for the year ended June 30, 2017.

Chairman and Members of  
The District School Board of Osceola County, Florida

### **Financial Condition and Management**

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

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

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

### **Transparency**

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

### **Additional Matters**

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the District School Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
December 11, 2017