



The School District of Osceola County, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

School Board Members

Ricky Booth, Board Chair

Clarence Thacker, Vice Chair

Jay Wheeler

Kelvin Soto

Tim Weisheyer

**Dr. Debra P. Pace
Superintendent**

**Sarah E. Graber, CPA, CGFO
Chief Finance Officer**

**Lisa Lynch
Director of Finance**

Every Child, Every Chance, Every Day!

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

Prepared By:
Business & Fiscal Services

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

This page left intentionally blank.

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

INTRODUCTORY SECTION

Letter of Transmittal	i
List of District Officials	v
Organizational Chart	vi
GFOA Certificate of Achievement for Excellence in Financial Reporting	vii
ASBO Certificate of Excellence in Financial Reporting	viii

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements	
Balance Sheet - Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28
Statement of Assets and Liabilities - Fiduciary Funds	29
Notes to Financial Statements	30
Required Supplementary Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget & Actual:	
General Fund	68
Special Revenue Fund - Other Federal Programs	69
Schedule of Changes in the Total-Other Post Employment Benefits Liability & Related Ratios	70
Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System	71
Schedule of Contributions - Florida Retirement System	72
Schedule of Proportionate Share of Net Pension Liability-Health Insurance Subsidy	73
Schedule of Contributions - Health Insurance Subsidy	74
Notes to Required Supplementary Information	75

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	81
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds	83
Combining Balance Sheet – Nonmajor Governmental Funds – Debt Service Funds	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Debt Service Funds	85
Combining Balance Sheet – Nonmajor Governmental Funds – Capital Projects Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Capital Projects Funds	87
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Special Revenue Fund – Food Service	90
Debt Service Funds – SBE/COBI Bonds	91
Debt Service Funds – Other	92
Debt Service Funds – ARRA Economic Stimulus Fund	93
Capital Project Funds – Public Education Capital Outlay (PECO)	94
Capital Project Funds – Capital Outlay & Debt Service (CO & DS)	95
Capital Project Funds – Local Capital Improvement Fund	96
Capital Project Funds – Other Fund	97
Combining Statement of Net Position - Internal Service Funds	100
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	101
Combining Statement of Cash Flows - Internal Service Funds	102
Combining Statement of Changes in Assets and Liabilities – School Internal Funds Agency Fund	104
Combining Statement of Changes in Assets and Liabilities – Bellalago Charter Academy Agency Fund	105
Combining Statement of Changes in Assets and Liabilities – Agency Funds	106
Combining Statement of Net Position - Component Units	108
Combining Statement of Activities - Component Units	110

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

STATISTICAL SECTION

Introduction to the Statistical Section	115
Schedule 1 - Net Position by Component	116
Schedule 2 - Changes in Net Position	118
Schedule 3 - General Revenues and Total Changes in Net Position	120
Schedule 4 - Fund Balances, Governmental Funds	122
Schedule 5 - Governmental Funds Revenues	124
Schedule 6 - Governmental Funds Expenditures and Debt Service Ratio	126
Schedule 7 - Other Financing Sources and Uses and Net Change in Fund Balances	128
Schedule 8 - Assessed Value and Estimated Actual Value of Taxable Property	130
Schedule 9 - Direct and Overlapping Property Tax Rates	132
Schedule 10 - Principal Osceola County Property Tax Payers	133
Schedule 11 - Property Tax Levies and Collections	134
Schedule 12 - Outstanding Debt by Type	135
Schedule 13 - Direct and Overlapping Governmental Activities Debt	137
Schedule 14 - Legal Debt Margin Information	138
Schedule 15 - Pledged-Revenue Coverage	140
Schedule 16 - Demographic and Economic Statistics	141
Schedule 17 - Osceola County Principal Employers	142
Schedule 18 - Full-Time-Equivalent District Employees by Type	143
Schedule 19 - Operating Statistics	144
Schedule 20 - Teacher Salaries	146
Schedule 21 - School Building Information	147

SINGLE AUDIT

Schedule of Expenditures of Federal Awards	151
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 <i>Government Auditing Standards</i>	152
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	154
Schedule of Findings and Questioned Costs	157
Summary Schedule of Prior Audit Findings	159

This page left intentionally blank.

INTRODUCTORY SECTION



This page left intentionally blank.

THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

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

SCHOOL BOARD MEMBERS

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



Superintendent of Schools
Dr. Debra P. Pace

December 3, 2018

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, 2018.

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, 2018, 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, 2018, 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 2017-18, the District operated 69 schools. Of this number, 45 were traditional K-12 schools including 24 elementary schools, 8 middle schools, 9 high schools, and 4 multilevel schools. In addition, the District sponsored 20 charter schools, 2 alternative schools and 2 adult centers. The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school. In fiscal year 2017-18, the District provided general, special, vocational, and other educational programs to 66,010 unweighted full-time equivalent students. The initial projected enrollment for fiscal year 2018-19 was 69,395 unweighted full-time equivalent students. The average age of the schools within the District is approximately 30 years. The District opened two new schools in fiscal year 2018-19.

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 25.7 percent from 2010 to 2017, as compared to the state of Florida, which increased 9.0 percent. There were an estimated 337,614 people and 90,603 households residing in the County. The racial makeup of the County was 71.0 percent white, 11.3 percent black and 17.7 percent from other races. Hispanics make up 45.5 percent of the total population.

Of Osceola County's population, 26.2 percent are 17 and younger, and 11.0 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 \$45,536. The per capita income for the County was \$30,655. Of the 25 and older population, 85.7 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 7,707 full and part-time employees, including 3,730 classroom teachers.

MAJOR INITIATIVES

Class Size Reduction Amendment

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

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

Capital Outlay Program

The District appropriated \$94.0 million for construction projects as part of its capital outlay program during the 2018 fiscal year. A few of the major construction projects in process included the construction of two new high schools, space reconfiguration of the technical center, an agricultural building addition at one of the high schools, a kitchen remodeling project at one of the middle schools, as well as comprehensive 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 2017-18 marks the 20th year of this accountability program and the District continued its tradition of achievement. For elementary, middle, K-8, and multi-level public schools, 5 received a grade of 'A', 9 received a grade of 'B', and 21 received a grade of 'C'. For high schools, 1 received a grade of 'A', 3 received a grade of 'B', and 4 received a grade of 'C'. The District received an overall letter grade of 'B'.

FINANCIAL INFORMATION

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

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

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

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

Long-Term Financial Planning. Over the last few years, revenues from non-recurring sources, such as the American Recovery and Reinvestment Act of 2009 (ARRA), the Education Jobs Fund, and funds from an optional critical needs ad valorem tax levy, have expired. However, during that same period, the District was able to accumulate a suitable fund balance reserve to offset future operating deficits. As a result, the District ended the 2017-18 fiscal year with another increase to its operating fund balance.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Dr. Debra P. Pace
Superintendent



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

**OSCEOLA SCHOOL DISTRICT OFFICIALS
JUNE 30, 2018**

SCHOOL BOARD MEMBERS

Ricky Booth, Chair
District 5

Clarence Thacker, Vice Chair
District 4

Kevin Soto
District 2

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



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, 2017

A handwritten signature in black ink that reads "Christopher P. Morrill". The signature is written in a cursive style and is set against a light blue rectangular background.

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, 2017.**

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



Charles E. Peterson, Jr.

Charles E. Peterson, Jr., SFO, RSBA, MBA

John D. Musso

John D. Musso, CAE President
Executive Director

FINANCIAL SECTION



This page left intentionally blank.



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, 2018, 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 12% of the assets and 56% 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, 2018, 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.

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note 2 to the financial statements, in the fiscal year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement (“GASBS”) 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of GASBS 75, the District reported a restatement for the change in accounting principle as of July 1, 2017. Our opinions are not modified with respect to this matter.

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 Changes in the Total Other Postemployment Benefits Liability, 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.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

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.

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 3, 2018, 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.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
December 3, 2018

This page left intentionally blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Osceola County District School Board, Florida (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018.

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 20-66 of this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2017-18 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 \$570,734,526.
- At June 30, 2018, the District's combined governmental fund balances totaled \$304,931,490, an increase of \$13,809,849, or 4.74 percent, in comparison with the prior fiscal year.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$44,079,630 at June 30, 2018, or 9.15 percent of total General Fund expenditures.
- The District's total bonded debt (Bonds Payable and Certificates of Participation, excluding premiums and discounts) decreased by \$16,409,709, or 5.37 percent during the current fiscal year. The key factor in this was the payment of principal.
- The District's net capital assets increased by \$48,088,267 or 6.45 percent from the 2016-17 fiscal year.

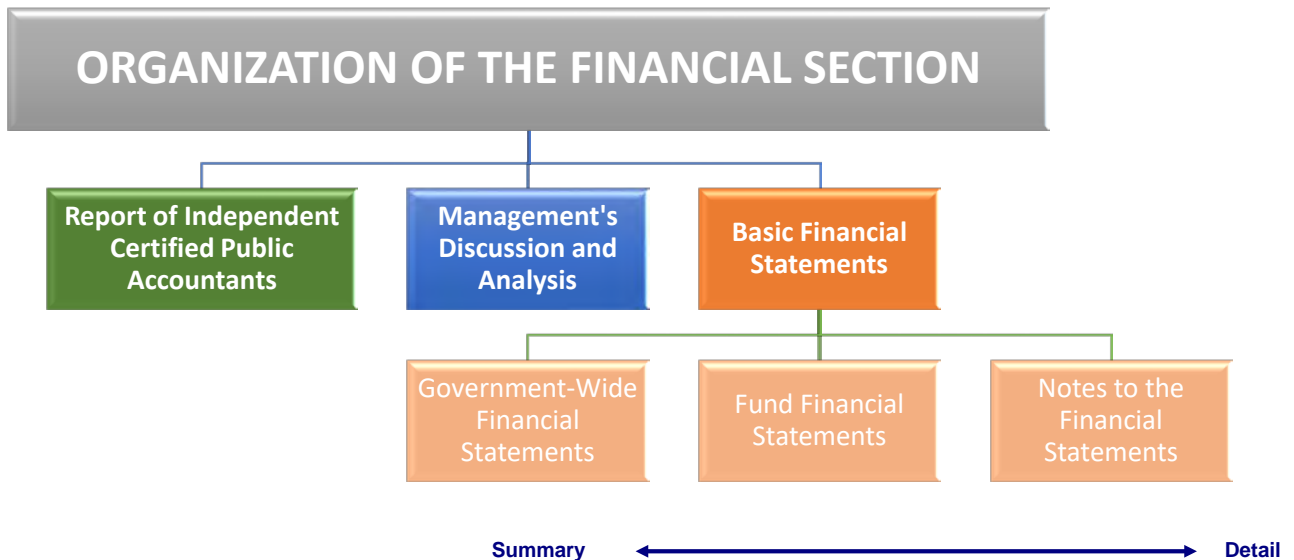
OVERVIEW OF THE FINANCIAL STATEMENTS

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 twenty separate legal entities in this report, including Bellalago Educational Facilities Benefit District, Flora Ridge Educational Facilities Benefit District, Avant Garde Academy, Avant Garde K8 of Osceola, Foundation for Osceola Education, Florida Cyber Charter Academy, Four Corners Charter School, Inc., Four Corners Upper School, Lincoln Marti Charter School, Mater Brighton Lakes Academy, Mater Palms Academy, Main Street High School, New Dimensions High School, Osceola Science Charter School, Renaissance Charter School at Boggy Creek,

Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, St. Cloud Preparatory Academy, St. Cloud Preparatory High School and UCP Osceola Charter School. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

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

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

The District maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds. The District's major funds are the: (1) General Fund, (2) Special

Revenue – Other Federal Programs, (3) Capital Projects – Nonvoted Capital Improvement Fund and (4) 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 pages 68-69 of this report to demonstrate compliance with the budget.

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

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Other Supplemental Information

The combining statements referred to earlier are presented on pages 80-111 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 \$570,734,526 at June 30, 2018. The following is a summary of the District's net position as of June 30, 2018, compared to net position as of June 30, 2017:

	Net Position, End of Year	
	Governmental Activities	
	6/30/2018	6/30/2017
Current and Other Non-Capital Assets	\$ 343,583,120	\$ 325,546,486
Capital Assets	793,100,800	745,012,533
Total Assets	1,136,683,920	1,070,559,019
Deferred Outflow of Resources	108,594,254	94,494,507
Total Deferred Outflow of Resources	108,594,254	94,494,507
Current Liabilities	28,768,846	23,015,504
Long-Term Liabilities	622,359,534	660,959,738
Total Liabilities	651,128,380	683,975,242
Deferred Inflow of Resources	23,415,268	12,233,828
Total Deferred Inflow of Resources	23,415,268	12,233,828
Net Position:		
Net Investment in Capital Assets	556,200,796	508,196,302
Restricted	170,937,433	148,132,173
Unrestricted	(156,403,703)	(187,484,019)
Total Net Position	\$ 570,734,526	\$ 468,844,456

By far, the largest portion of the District's net position, \$556,200,796 or 97.45 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, \$170,937,433 or 30 percent, represents resources that are subject to external restrictions on how they may be used. There was an increase of \$22,805,260 in restricted net position reported in connection with the District's governmental activities. This increase is primarily due to the increase in the District's reserve for capital projects primarily resulting from the collection of local sales tax revenue in excess of capital expenditures. 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 (\$156,403,703) or (27.40) percent is primarily the result of the District's net position liability which the District began reporting in the 2015 fiscal year. More information on the net position liability can be found in Note 12 to the financial statements.

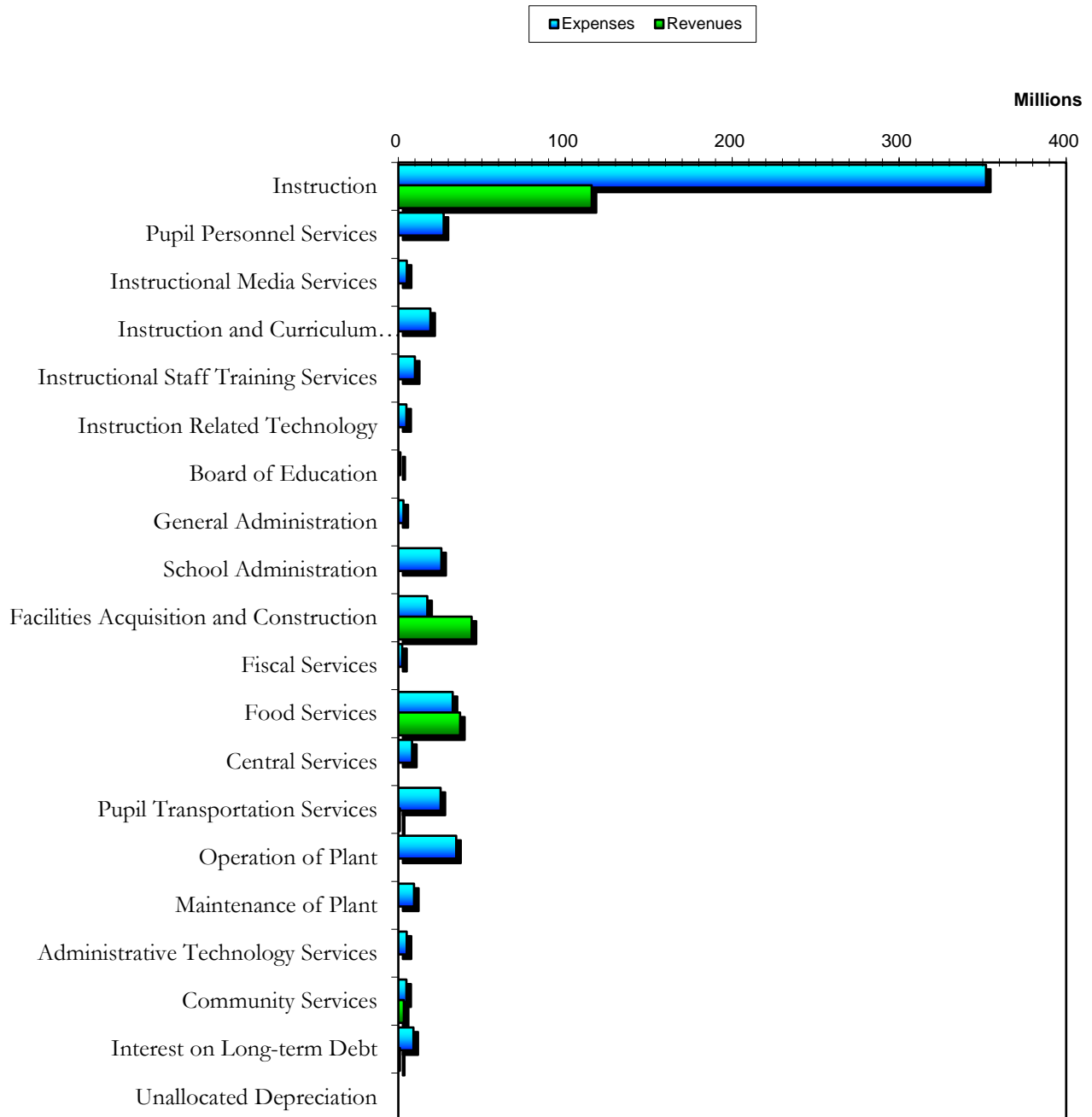
The rest of this page intentionally left blank.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2018, and June 30, 2017, are as follows:

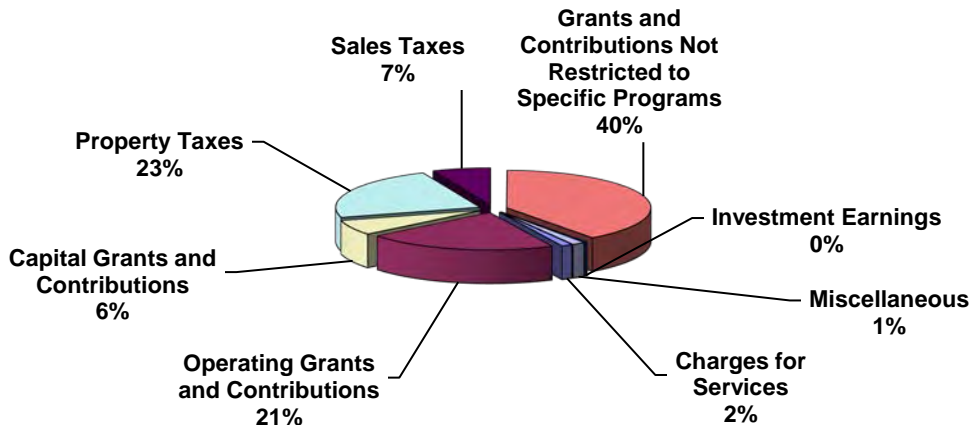
	Operating Results for the Year	
	Governmental	
	Activities	
	6/30/2018	6/30/2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,597,114	\$ 8,440,629
Operating Grants and Contributions	148,409,368	144,113,099
Capital Grants and Contributions	44,860,175	44,205,922
General Revenues:		
Property Taxes	160,019,131	149,948,807
Local Sales Taxes	45,404,305	25,010,568
Grants and Contributions not Restricted to Specific Programs	277,817,616	259,580,554
Investment Earnings	2,339,176	1,060,614
Miscellaneous	10,200,372	9,355,848
Total Revenues	<u>697,647,257</u>	<u>641,716,041</u>
Functions/Program Expenses:		
Instruction	352,078,958	333,153,721
Pupil Personnel Services	27,161,815	25,245,474
Instructional Media Services	5,076,970	4,767,568
Instruction and Curriculum Development Services:	19,201,920	18,401,374
Instructional Staff Training Services	9,928,182	9,279,268
Instruction Related Technology	4,828,689	4,540,916
Board of Education	1,255,886	1,578,395
General Administration	3,089,842	2,851,014
School Administration	25,768,790	24,531,728
Facilities Acquisition and Construction	17,348,888	12,483,779
Fiscal Services	2,310,798	2,068,355
Food Services	32,571,028	30,676,116
Central Services	8,220,245	7,777,920
Pupil Transportation Services	25,326,208	22,826,052
Operation of Plant	34,662,229	33,552,679
Maintenance of Plant	9,405,015	8,808,276
Administrative Technology Services	5,007,879	4,442,744
Community Services	4,838,607	5,294,861
Loss on Disposal of Assets		681,916
Interest on Long-Term Debt	9,051,396	15,788,423
Unallocated Depreciation Expense	34,635,528	35,026,910
Total Expenses	<u>631,768,873</u>	<u>603,777,489</u>
Increase in Net Position	65,878,384	37,938,552
Net Position, Beginning	468,844,456	430,905,904
Adjustment to Beginning Net Position	36,011,686	-
Net Position, Ending	<u>\$ 570,734,526</u>	<u>\$ 468,844,456</u>

The government-wide net position increased by \$101,890,070 during the current fiscal year. The increase is the result of a \$36 million adjustment to beginning net position due to the implementation of *Governmental Accounting Standards Board Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* beginning with the 2018 fiscal year along with a \$65.9 million excess of revenues over expenses in the current year. More information on the adoption of this standard and its effect on the financial statements can be found in Note 13 to the financial statements.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Governmental Activities.

Governmental activities increased the District's net position by \$65,878,384, accounting for a portion of the total increase in the net position of the District. This increase is primarily due to program revenues held in reserve for future construction projects.

The largest revenue sources are the State of Florida and local sources. Combined, these two revenue sources account for 88.79 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 \$22.28 million or 6.77 percent primarily due to the increase in FEFP funding. Revenues from local sources consist primarily of ad valorem taxes and impact fees. Property tax revenues increased by \$10.07 million or 6.72 percent, primarily due to the increase in the local property tax base.

Instructional expenses represent 55.72 percent of total governmental expenses in the 2017-18 fiscal year. Instructional expenses increased by \$18,809,956 or 5.65 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 \$304,931,490, an increase of \$13,809,849, in comparison with the 2016-17 fiscal year. Unassigned fund balance of \$44,079,630 represents 14.46 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 \$3,582,536 are considered non-spendable. Fund balances totaling \$251,307,251 are restricted for state required carryover programs, debt service payments, capital projects, other grants and programs, and food service. Fund balances totaling \$5,962,073 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 \$50,041,703, while total fund balance reached \$68,451,592. 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 10.39 percent of total General Fund expenditures, while total fund balance represents 14.21 percent of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$1,036,410. 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 – Nonvoted Capital Improvement Fund increased by \$10,438,577. This was a planned increase to provide for future construction projects.

The fund balances for the Capital Projects – Other Fund decreased by \$499,663. This was due to the completion of several construction projects that were part of the District's capital plan.

The fund balance for non-major funds, reported as Other Governmental Funds, increased by \$2,834,525 to \$38,487,812. This is primarily due to the sinking fund contributions for the Certificates of Participation that were issued under the Qualified School Construction Bond Program.

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 \$1,561,164 due to insurance claims and other expenses exceeding premiums.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2017-18 fiscal year, the District amended its General Fund budget, which resulted in an increase in total budgeted revenues of approximately \$10.05 million, or 2.11 percent. At the same time, final appropriations were greater than the original budgeted amounts by approximately \$1.1 million, or .22 percent. Budget revisions occurred primarily from changes in estimated State funding levels along with a significant increase to the District's unweighted full-time equivalent students as a result of Hurricane Irma. Planned expenditures were adjusted to meet the District's needs while maintaining an adequate fund balance. Actual revenues are \$1,401,355 more than final budget amounts while actual expenditures are \$28,235,839, or 5.54 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 \$3,741,027 from the prior year (\$46,300,676 to \$50,041,703). 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, 2018, amounts to \$793,100,801 (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 \$48,088,267, or a 6.45 percent increase from the 2016-17 fiscal year.

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

- Construction in Progress for two new high schools and a new middle school.
- Construction in Progress for space reconfiguration projects at the technical center and an agricultural building at one of the high schools.
- Construction in Progress for kitchen remodeling projects at one middle 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, 2018, compared to June 30, 2017

Schedule of Capital Assets (net of accumulated depreciation)			
	Governmental Activities		
	June 30, 2018	June 30, 2017	
Land and Land Improvements	\$ 50,821,495	\$ 50,464,923	
Construction in Progress	95,563,434	37,130,661	
Improvements Other Than Buildings	10,335,569	11,434,572	
Buildings and Fixed Equipment	599,153,616	610,737,381	
Furniture, Fixtures, and Equipment	14,945,564	14,376,569	
Motor Vehicles	10,996,378	8,757,684	
Investment In EFBD	11,048,404	11,315,603	
Audio Visual Materials and Computer Software	236,341	795,140	
Total	<u>\$ 793,100,801</u>	<u>\$ 745,012,533</u>	

Additional information on the District’s capital assets can be found in Note 6 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 \$294,692,150. Of this amount, \$285,691,000 is outstanding bonded debt and \$9,001,150 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 \$3,539,000 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; \$129,277,000 outstanding in District Revenue Bonds; and \$152,875,000 in certificates of participation.

Following is a summary of the District’s long-term debt as of June 30, 2018, compared to June 30, 2017.

Schedule of Outstanding Long Term Debt (excluding premiums and discounts)			
	Governmental Activities		
	June 30, 2018	June 30, 2017	
State School (SBE) Bonds	\$ 3,539,000	\$ 4,291,000	
District Revenue Bonds	129,277,000	134,901,000	
Certificates of Participation	152,875,000	162,460,000	
Other Long-Term Debt	9,001,150	9,312,626	
Total Outstanding Long-Term Debt	\$ 294,692,150	\$ 310,964,626	

The District’s total debt decreased by \$16,272,476 or 5.23 percent, during the current fiscal year.

Additional information on the District’s long term debt can be found in Notes 7 through 10 to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

As of June 2018, the U.S. Bureau of Labor Statistics reports the unemployment rate for Osceola County, Florida, at 3.5 percent. This is a decrease from the rate of 4.5 percent a year ago and is lower than the State’s average unemployment rate of 3.8 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.

This page left intentionally blank.

BASIC FINANCIAL STATEMENTS



DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	\$ 132,162,192	\$ 18,067,813
Investments	171,098,544	5,192,859
Accounts Receivable	330,065	1,302,687
Deposits	-	359,042
Due from Other Agencies	20,242,316	5,228,394
Inventories	3,582,537	-
Prepaid Items	1,255,084	586,200
Restricted Assets:		
Cash with Fiscal Agent	14,912,381	-
Beneficial Interest in Assets Held by Others	-	908,886
Capital Assets:		
Land	49,216,389	1,524,020
Land Improvements, Nondepreciable	1,605,106	212,956
Construction in Progress	95,563,434	-
Improvements Other Than Buildings, Net	10,335,569	1,489,806
Buildings and Fixed Equipment, Net	599,153,616	92,472,698
Furniture, Fixtures and Equipment, Net	14,945,564	2,546,685
Capital Lease Asset, Net	-	12,823,411
Motor Vehicles, Net	10,996,378	82,227
Investment in Educational Facilities Benefit District, Net	11,048,404	-
Audio Visual Materials and Computer Software, Net	236,341	827,068
Total Assets	<u>1,136,683,920</u>	<u>143,624,752</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Debt Refunding	1,309,281	-
Pension	106,261,908	2,236,721
Other Post Employment Benefits	1,023,065	-
Total Deferred Outflows of Resources	<u>108,594,254</u>	<u>2,236,721</u>
LIABILITIES		
Salaries and Benefits Payable	2,361,288	2,283,852
Payroll Deductions and Withholdings	1,313,171	-
Accounts Payable	3,972,535	2,919,237
Accrued Expenses	-	989,559
Construction Contracts Payable	10,316,870	-
Construction Contracts Payable-Retainage	3,410,579	-
Due to Other Agencies	877,138	2,768,864
Sales Tax Payable	2,262	-
Unearned Revenue	138,969	265,518
Accrued Interest Payable	2,054,281	676,178
Other Liabilities	-	2,338,849
Estimated Insurance Claims Payable	4,321,753	-
Long-Term Liabilities:		
Portion Due Within One Year:		
Bonds Payable	11,181,153	1,715,000
Notes Payable	-	1,490,897
Obligations Under Capital Lease	-	1,055,603
Lease-Purchases Payable	10,242,937	-
Compensated Absences Payable	2,505,001	85,930
Pension Liability	2,442,300	-
Educational Facilities Benefit District Agreement Payable	351,584	-
Portion Due After One Year:		
Bonds Payable	122,116,112	37,979,034
Notes Payable	-	4,706,638
Obligations Under Capital Lease	-	77,428,650
Lease-Purchases Payable	145,876,051	-
Compensated Absences Payable	39,089,977	28,642
Other Postemployment Benefits Payable	20,235,836	-
Pension Liability	256,496,758	6,434,938
Impact Fee Credit Vouchers	3,172,259	-
Educational Facilities Benefit District Agreement Payable	8,649,566	-
Total Liabilities	<u>651,128,380</u>	<u>143,167,389</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Debt Refunding	2,889,805	935,424
Pension	19,729,981	492,268
Other Post Employment Benefits	795,482	-
Total Deferred Inflows of Resources	<u>23,415,268</u>	<u>1,427,692</u>
NET POSITION		
Net Investment in Capital Assets	556,200,796	(5,277,298)
Restricted For:		
State Required Carryover Programs	10,176,138	-
Food Service	19,623,060	-
Debt Service	13,901,368	2,794,011
Capital Projects	127,236,867	1,645,412
Other Purposes	-	1,134,011
Unrestricted	(156,403,703)	970,256
Total Net Position	<u>\$ 570,734,526</u>	<u>\$ 1,266,392</u>

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, 2018

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
Governmental Activities:						
Instruction	\$ 352,078,958	\$ 2,181,514	\$ 113,634,808	\$ -	\$ (236,262,636)	
Pupil Personnel Services	27,161,815	-	-	-	(27,161,815)	
Instructional Media Services	5,076,970	-	-	-	(5,076,970)	
Instruction and Curriculum Development Services	19,201,920	-	-	-	(19,201,920)	
Instructional Staff Training Services	9,928,182	-	-	-	(9,928,182)	
Instruction Related Technology	4,828,689	-	-	-	(4,828,689)	
Board of Education	1,255,886	-	-	-	(1,255,886)	
General Administration	3,089,842	-	-	-	(3,089,842)	
School Administration	25,768,790	-	-	-	(25,768,790)	
Facilities Services	17,348,888	-	-	43,917,297	26,568,409	
Fiscal Services	2,310,798	-	-	-	(2,310,798)	
Food Services	32,571,028	2,214,598	34,774,560	-	4,418,130	
Central Services	8,220,245	-	-	-	(8,220,245)	
Pupil Transportation Services	25,326,208	904,007	-	-	(24,422,201)	
Operation of Plant	34,662,229	-	-	-	(34,662,229)	
Maintenance of Plant	9,405,015	-	-	-	(9,405,015)	
Administrative Technology Services	5,007,879	-	-	-	(5,007,879)	
Community Services	4,838,607	3,296,995	-	-	(1,541,612)	
Interest on Long-term Debt	9,051,396	-	-	942,878	(8,108,518)	
Unallocated Depreciation Expense*	34,635,528	-	-	-	(34,635,528)	
Total Primary Government	\$ 631,768,873	\$ 8,597,114	\$ 148,409,368	\$ 44,860,175	(429,902,216)	
Component Units:						
Charter Schools, Foundation and Benefit Districts	\$ 100,266,971	\$ 1,019,902	\$ 6,691,545	\$ 2,756,895		\$ (89,798,629)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes					125,285,264	-
Property Taxes, Levied for Capital Projects					34,733,867	-
Local Sales Taxes					45,404,305	-
Grants and Contributions Not Restricted to Specific Programs					277,817,616	82,374,929
Unrestricted Investment Earnings					2,339,176	630,936
Special Items					-	1,344,499
Miscellaneous					10,200,372	984,201
Total General Revenues					495,780,600	85,334,565
Change in Net Position					65,878,384	(4,464,064)
Net Position - Beginning					468,844,456	7,832,499
Adjustments to Beginning Net Position					36,011,686	(2,102,043)
Net Position - Ending					\$ 570,734,526	\$ 1,266,392

*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, 2018

	General Fund	Special Revenue - Other Federal Programs Fund	Capital Projects - Nonvoted Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 30,720,273	\$ 333,072	\$ 34,398,447	\$ 62,808,573	\$ 11,399,294	\$ 139,659,659
Investments	32,002,566	-	4,883,974	100,800,131	24,909,934	162,596,605
Accounts Receivable	298,202	360	-	23,653	7,145	329,360
Due from Other Funds	8,204,007	-	-	-	58,089	8,262,096
Due from Other Agencies	391,940	8,245,977	10,338	9,561,824	2,032,237	20,242,316
Inventories	2,504,820	-	-	-	1,077,716	3,582,536
Total Assets	\$ 74,121,808	\$ 8,579,409	\$ 39,292,758	\$ 173,194,181	\$ 39,484,415	\$ 334,672,571
LIABILITIES AND FUND BALANCES						
Liabilities:						
Salaries and Benefits Payable	\$ 1,976,850	\$ 329,912	\$ -	\$ -	\$ 54,525	\$ 2,361,287
Payroll Deductions and Withholdings	1,102,609	158,720	-	-	51,841	1,313,170
Accounts Payable	1,807,209	346,233	162,254	612,794	130,221	3,058,711
Construction Contracts Payable	-	-	213,362	10,095,863	7,644	10,316,870
Construction Contracts Payable-Retainage	-	-	26,689	3,383,890	-	3,410,579
Due to Other Funds	-	7,662,538	-	-	599,558	8,262,096
Due to Other Agencies	757,509	82,006	-	-	37,623	877,138
Sales Tax Payable	1,771	-	-	-	491	2,262
Unearned Revenue	24,268	-	-	-	114,700	138,968
Total Liabilities	5,670,216	8,579,409	402,306	14,092,547	996,603	29,741,081
Fund Balances:						
Nonspendable	2,504,820	-	-	-	1,077,716	3,582,536
Restricted	15,905,069	-	38,890,452	159,101,634	37,410,096	251,307,251
Assigned	5,962,073	-	-	-	-	5,962,073
Unassigned	44,079,630	-	-	-	-	44,079,630
Total Fund Balances	68,451,592	-	38,890,452	159,101,634	38,487,812	304,931,490
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,121,808	\$ 8,579,409	\$ 39,292,758	\$ 173,194,181	\$ 39,484,415	\$ 334,672,571

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, 2018**

Total Fund Balances - Governmental Funds \$ 304,931,490

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.	793,100,801
Deferred amount on refunding (loss) are not recognized in the fund level statements but are included in the government-wide statements.	1,309,281
Deferred amount on refunding (gain) are not recognized in the fund level statements but are included in the government-wide statements.	(2,889,805)
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.	106,261,908
Deferred amount for OPEB (contributions, assumptions, investments, and proportionate change) recognized in the fund level statements but are included in the government-wide statements.	1,023,065
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.	(19,729,981)
Deferred amount for OPEB (experience, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements.	(795,482)
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.	(2,054,281)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position net of capital assets reported above.	
Total Assets - Internal Service Funds	20,619,084
Total Liabilities - Internal Service Funds	(5,235,579)
Less: Depreciable Assets Reported Above	(3,446,441)
	11,937,064
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	(133,297,265)
Certificates of Participation Payable	(156,118,988)
Compensated Absences Payable	(41,594,978)
Other Postemployment Benefits Payable	(20,235,836)
Pension Liability	(258,939,058)
Impact Fee Credit Vouchers	(3,172,259)
Educational Facilities Benefit District Agreement Payable	(9,001,150)
	(622,359,534)

Total Net Position - Governmental Activities \$ 570,734,526

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, 2018

	General Fund	Special Revenue - Other Federal Programs Fund	Capital Projects - Nonvoted Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Federal Direct	\$ 453,479	\$ 1,198,849	\$ -	\$ -	\$ 2,190,443	\$ 3,842,771
Federal Through State	2,157,972	37,697,947	-	-	34,288,819	74,144,738
State	345,257,967	-	-	2,535,150	3,758,369	351,551,486
Local:						
Property Taxes	124,459,241	-	35,559,890	-	-	160,019,131
Local Sales Taxes	-	-	-	45,404,305	-	45,404,305
Impact Fees	-	-	-	40,505,946	-	40,505,946
Charges for Services - Food Service	-	-	-	-	2,214,598	2,214,598
Other Local Revenues	14,546,542	59,945	526,384	1,596,714	1,062,236	17,791,821
Total Revenues	486,875,201	38,956,741	36,086,274	90,042,115	43,514,465	695,474,796
EXPENDITURES						
Current-Education:						
Instruction	316,665,847	22,966,917	-	-	-	339,632,764
Pupil Personnel Services	23,324,869	2,067,747	-	-	-	25,392,616
Instructional Media Services	4,611,360	199,730	-	-	-	4,811,090
Instruction and Curriculum Development Services	12,281,549	5,671,602	-	-	-	17,953,151
Instructional Staff Training Services	5,377,475	3,990,509	-	-	-	9,367,984
Instruction Related Technology	4,381,216	137,269	-	-	-	4,518,485
Board of Education	1,236,867	-	-	-	-	1,236,867
General Administration	1,540,578	1,444,389	-	-	-	2,984,967
School Administration	24,176,101	20,908	-	-	-	24,197,009
Facilities Acquisition and Construction	4,851,947	-	3,903,600	6,779,277	998,741	16,533,565
Fiscal Services	2,140,615	-	-	-	-	2,140,615
Food Services	192,275	12,104	-	-	31,496,655	31,701,034
Central Services	7,298,519	491,974	-	-	-	7,790,493
Pupil Transportation Services	21,992,168	225,445	-	-	-	22,217,613
Operation of Plant	33,308,248	7,089	-	-	-	33,315,337
Maintenance of Plant	8,915,340	34,320	-	-	-	8,949,660
Administrative Technology Services	4,737,337	29,175	-	-	-	4,766,512
Community Services	3,451,207	1,198,849	-	-	-	4,650,056
Fixed Capital Outlay:						
Facilities Acquisition and Construction	3,250	-	1,350,963	69,073,999	196,865	70,625,077
Charter School Local Capital Improvement	-	-	624,570	-	-	624,570
Other Capital Outlay	1,044,935	215,138	1,874,303	4,716,962	5,158,951	13,010,289
Debt Service:						
Principal	228,584	-	-	-	16,272,476	16,501,060
Interest and Fiscal Charges	14,991	-	-	-	10,290,487	10,305,478
Dues, Fees and Issuance Costs	-	-	-	-	45,193	45,193
Total Expenditures	481,775,278	38,713,165	7,753,436	80,570,238	64,459,368	673,271,485
Excess (Deficiency) of Revenues Over Expenditures	5,099,923	243,576	28,332,838	9,471,877	(20,944,903)	22,203,311
OTHER FINANCING SOURCES (USES)						
Transfers In	4,336,949	-	-	-	23,779,428	28,116,377
Proceeds from the Sale of Capital Assets	-	-	-	7,000	-	7,000
Insurance Loss Recoveries	99,538	-	-	-	-	99,538
Transfers Out	(8,500,000)	(243,576)	(17,894,261)	(9,978,540)	-	(36,616,377)
Total Other Financing Sources (Uses)	(4,063,513)	(243,576)	(17,894,261)	(9,971,540)	23,779,428	(8,393,462)
Net Change in Fund Balances	1,036,410	-	10,438,577	(499,663)	2,834,525	13,809,849
Fund Balances, July 1, 2017	67,415,182	-	28,451,875	159,601,297	35,653,287	291,121,641
Fund Balances, June 30, 2018	\$ 68,451,592	\$ -	\$ 38,890,452	\$ 159,101,634	\$ 38,487,812	\$ 304,931,490

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 13,809,849

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.	83,635,366	
Capital Outlays net of amounts not capitalized	(36,551,206)	
Depreciation Expense	<u> </u>	47,084,160
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.		90,384
Vouchers payable associated with impact fee credits are accrued in the government-wide statements, but are not recognized in the governmental funds.		951,835
The cost of capital assets disposed of during the current year is expensed in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balances by the undepreciated cost of the disposed assets.		896,733
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.		17,800,333
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.		334,412
In the statement of activities, the cost of other post-employment benefits is measured by the increase in the net OPEB liability during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the OPEB costs. This is the amount of the increase in the OPEB liability in excess of the amount paid in the current period.		(770,502)
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.		(12,883,130)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.		<u> </u>
		(1,435,690)

Change in Net Position of Governmental Activities **\$ 65,878,384**

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, 2018

	Governmental Activities - Internal Service Funds
	<hr/>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 7,414,913
Investments	8,501,938
Accounts Receivable	708
Prepaid Items	1,255,084
Total Current Assets	<hr/> 17,172,643 <hr/>
Capital Assets:	
Buildings and Fixed Equipment, Net	3,313,104
Furniture, Fixtures and Equipment, Net	132,430
Computer Software, Net	907
Total Capital Assets	<hr/> 3,446,441 <hr/>
Total Assets	<hr/> 20,619,084 <hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	913,826
Estimated Insurance Claims Payable	4,321,753
Total Liabilities	<hr/> 5,235,579 <hr/>
NET POSITION	
Net Investment in Capital Assets	3,446,441
Unrestricted	11,937,064
Total Net Position	<hr/> \$ 15,383,505 <hr/>

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, 2018

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenues	\$ 56,107,515
Total Operating Revenues	<u>56,107,515</u>
OPERATING EXPENSES	
Purchased Services	7,682,694
Materials and Supplies	382,276
Depreciation/Amortization Expense	106,815
Insurance Claims	58,061,379
Total Operating Expenses	<u>66,233,164</u>
Operating Loss	<u>(10,125,649)</u>
NONOPERATING REVENUES	
Interest	11,690
Miscellaneous Local Sources	52,794
Total NonOperating Revenues	<u>64,484</u>
Transfers In	8,500,000
Change In Net Position	<u>(1,561,165)</u>
Total Net Position - July 1, 2017	16,944,670
Total Net Position - June 30, 2018	<u><u>\$ 15,383,505</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, 2018

	Governmental Activities - Internal Service Funds
	<u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 56,554,868
Payments for Insurance Claims	(58,084,468)
Cash Payments to Vendors for Goods and Services	<u>(7,537,465)</u>
Net Cash Used by Operating Activities	<u>(9,067,065)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	<u>8,500,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>8,500,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	<u>(10,194)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(10,194)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	623,060
Interest	11,690
Purchase of Investments	<u>52,794</u>
Net Cash Provided by Investing Activities	<u>687,544</u>
Net Increase in Cash and Cash Equivalents	110,285
Cash and Cash Equivalents, Beginning	<u>7,304,628</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 7,414,913</u></u>
 Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (10,125,649)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	106,815
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(707)
Decrease in Due from Other Funds	200,000
Decrease in Due from Other Agencies	86,874
Decrease in Prepaid Items	448,061
Increase in Accounts Payable	420,689
Decrease in Due to Other Funds	(200,000)
Increase in Estimated Insurance Claims Payable	<u>(3,148)</u>
Total Adjustments	<u>1,058,584</u>
Net Cash Used by Operating Activities	<u><u>\$ (9,067,065)</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, 2018

	Agency Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 7,433,497
Accounts Receivable	269,004
Inventory	168,421
Due from Other Agencies	38,441
Total Assets	<u><u>\$ 7,909,363</u></u>
LIABILITIES	
Accounts Payable	\$ 2,226,309
Accrued Liabilities	22,572
Due to Other Agencies	1,104,260
Internal Accounts Payable	4,556,222
Total Liabilities	<u><u>\$ 7,909,363</u></u>

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, 2018

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, 2018

- 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, Mater Palms Academy, Main Street High School, New Dimensions High School, Osceola Science Charter School, Renaissance Charter School at Boggy Creek, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, St. Cloud Preparatory Academy, Inc., St. Cloud Preparatory High School, 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, 2018. The audit reports are filed in the District's administrative offices at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

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

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

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

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

The District reports the following major governmental funds:

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

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

- Internal Service Funds – to account for the District's individual self-insurance programs.
- Agency Funds – to account for resources of the school internal funds which are used to administer 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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

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

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

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

➤ **Cash Equivalents**

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

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, and corporate notes and commercial paper, and are reported at fair value.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Types and amounts of investments held at fiscal year-end are described in Note 4.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories held at the maintenance department, transportation department, central warehouse and for the District's food service program are stated at cost valued on a weighted-average basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The District applies the consumption method to account for its inventories. As such, the expenditure for supplies inventory is recognized when the supplies are actually used.

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

➤ **Capital Assets**

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

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

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

Current year information relative to changes in capital assets is described in Note 6.

➤ **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.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

➤ **Pensions**

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

The District’s retirement plans and related amounts are described in Note 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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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).

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.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

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

A schedule of revenue from State sources for the current year is presented in Note 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 2017 tax levy on September 5, 2017. 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 March 2018, when Ordinance 2018-21 established the revised rates to be collected. The educational impact fee is collected for all new residential construction within the County. The fees are collected by the County and each municipality within the County, based on an interlocal agreement. The fees can only be used for capital expenditures directly affected by new residential growth. Educational impact fee credits granted in exchange for land are shown in the government-wide financial statements as unearned revenue until the credits are used, at which time the revenues are recognized.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

➤ **Federal Revenue Sources**

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

➤ **Compensated Absences**

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

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

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

2. ACCOUNTING CHANGES

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective with the fiscal year ending June 30, 2018. This statement addresses accounting and financial reporting for OPEB provided to employees of state and local government employers. GASB 75 established standards for recognizing and measuring liabilities, deferred outflow of resources, deferred inflow of resources, and expenses, for the OPEB provided, on the face of the financial statements. This statement requires more extensive note disclosures and supplementary information about the OPEB liability. The District's beginning net position was increased by \$36,011,686 due to implementation of GASB Statement No. 75. The District's total OPEB liability reported as of June 30, 2017, decreased from \$55,249,438 to \$20,239,808 as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75. The beginning balances for deferred outflows was restated to \$1,002,056.

The District implemented GASB Statement No. 85, *Omnibus 2017*, effective with the fiscal year ending, June 30, 2018. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application and postemployment benefits (pension and OPEB).

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

3. PRIOR PERIOD ADJUSTMENTS

As a result of implementing GASB Statement No. 75, the District's beginning net position was increased by \$36,011,686. The District's other postemployment benefits liability at July 1, 2017 totaled \$55,249,438.

		<u>Governmental Activities</u>
Beginning net position as previously reported at June 30, 2017	\$	468,844,456
Prior period adjustment - Implementation of GASB 75:		
Net change in OPEB liability, July 1, 2017	\$	35,009,630
Deferred Outflows - Benefits Paid Subsequent to Measurement		
Date, July 1, 2017		<u>1,002,056</u>
Total prior period adjustment		<u>36,011,686</u>
Net position as restated, July 1, 2017	\$	<u>504,856,142</u>

4. INVESTMENTS

As of June 30, 2018, 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	30 Day Average	\$ 25,660,568
Florida Education Investment Trust Fund	32 Day Average	82,489,340
Money Market:		
Goldman Sachs Financial Square Govt. Fund	32 Day Average	3,779,414
SBA Debt Service Accounts	6 Months	88,477
		\$ 112,017,799
<i>Investments</i>		
US Treasury Bonds	8/2018 - 6/2021	68,359,228
Municipal Bond	7/2019 - 4/2021	3,139,795
Federal Agency Mortgage-Backed Securities	October 1, 2026	282,095
Federal Agency Collateralized Mortgages	11/2018 - 4/2041	3,738,364
Federal Agency Bonds	9/2018 - 6/2021	60,371,888
Corporate Note	7/2018 - 10/2021	35,207,174
		<u>171,098,544</u>
Total Investments, Reporting Entity		<u>\$ 283,116,343</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 30 days, and FEITF and Money Market funds had a WAM of 32 days at June 30, 2018. A portfolio's WAM reflects the average maturity in days based

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

- The District has \$6,244,281 in eleven obligations that include embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. The market value, call date and maturity dates for these obligations are as follows:

	<u>Market Value</u>	<u>Call Date</u>	<u>Maturity</u>
Goldman Sachs	\$ 198,617	3/25/2019	4/25/2019
Goldman Sachs	893,775	3/25/2019	4/25/2019
Home Depot Inc	795,290	5/15/2019	6/15/2019
Bank of New York	795,670	8/11/2019	9/11/2019
American Express Credit	324,883	9/30/2019	10/30/2019
JP Morgan Chase & Co	987,137	12/23/2019	1/23/2020
American Express Credit	611,866	2/1/2020	3/3/2020
Exxon Mobil	492,973	2/6/2020	3/6/2020
Bank of America	635,445	10/1/2020	10/1/2021
Visa Inc	255,777	11/14/2020	12/14/2020
Branch Banking & Trust	252,850	1/1/2021	2/1/2021
Total	<u>\$ 6,244,281</u>		

- 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.” With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. As of June 30, 2018, no such disclosure was made and there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

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

- The District’s investment policy allows for investments in certificates of deposit, time deposits, securities of the United States Government, other forms of authorized investments described in the Florida Statutes, and money market funds based on the highest rating by any one Nationally Recognized Statistical Ratings Organization (NRSRO).
- The District’s investments in SBA Debt Service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by SBA for managing interest rate risk and credit risk for this account.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

- As of June 30, 2018, the District’s investments in Florida PRIME, the FEITF, and Money Market accounts are rated “AAAm” by Standard & Poor’s.
- As of June 30, 2018, U.S. Treasury and Federal Agency securities, and were rated AA+ by Standard & Poor’s. The District’s investments in municipal bond were rated AA to AA-, and corporate note securities were rated AA+ to BBB+ 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.

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:

Investment Type	Percent
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, 2018, approximately 21 percent of the District’s investment were in Federal Agency Bonds, followed by Corporate Notes at 12 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.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

The District has the following recurring fair value measurements as of June 30, 2018:

<u>Investment</u>	<u>Fiscal Year Ending 6/30/2018</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
U.S. Treasury Bonds	68,359,228		68,359,228	
Municipal Bonds	3,139,795		2,007,496	1,132,299
Federal Agency Mortgage-Backed Securities	282,095		282,095	
Federal Agency Collateralized Mortgage Obligations	3,738,364		3,738,364	
Federal Agency Bond	60,371,888		60,371,888	
Corporate Note	35,207,174		35,207,174	
Total	\$ 171,098,544	\$ -	\$ 169,966,245	\$ 1,132,299

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. Municipal Bonds classified in Level 3 are valued using consensus pricing.

5. 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.

The rest of this page intentionally left blank.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 49,106,739	\$ 109,650	\$ -	\$ 49,216,389
Land Improvements, Nondepreciable	1,358,184	246,922		1,605,106
Construction in Progress	37,130,660	74,941,715	16,508,941	95,563,434
Total Capital Assets Not Being Depreciated	<u>87,595,583</u>	<u>75,298,287</u>	<u>16,508,941</u>	<u>146,384,929</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	38,501,092	323,316		38,824,408
Buildings and Fixed Equipment	993,427,531	15,938,703		1,009,366,234
Furniture, Fixtures, and Equipment	62,865,837	5,395,477	6,829,267	61,432,047
Investment in Educational Facilities Benefit				
District	14,158,434			14,158,434
Motor Vehicles	39,275,581	4,157,247	1,404,792	42,028,036
Audio Visual Materials and Computer Software	6,090,858	113,444	153,221	6,051,081
Total Capital Assets Being Depreciated	<u>1,154,319,333</u>	<u>25,928,187</u>	<u>8,387,280</u>	<u>1,171,860,240</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	27,066,520	1,422,319		28,488,839
Buildings and Fixed Equipment	382,690,149	27,522,469		410,212,618
Furniture, Fixtures, and Equipment	48,489,268	4,749,698	6,752,483	46,486,483
Investment in Educational Facilities Benefit				
District	2,842,832	267,198		3,110,030
Motor Vehicles	30,519,496	1,915,679	1,403,517	31,031,658
Audio-Visual Materials and Computer Software	5,294,118	673,843	153,221	5,814,740
Total Accumulated Depreciation	<u>496,902,383</u>	<u>36,551,206</u>	<u>8,309,221</u>	<u>525,144,368</u>
Total Capital Assets Being Depreciated, Net	<u>657,416,950</u>	<u>(10,623,019)</u>	<u>78,059</u>	<u>646,715,872</u>
Governmental Activities Capital Assets, Net	<u>\$ 745,012,533</u>	<u>\$ 64,675,268</u>	<u>\$ 16,587,000</u>	<u>\$ 793,100,801</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 1,915,679
Unallocated	34,635,527
Total Depreciation Expense - Governmental Activities	<u>\$ 36,551,206</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

7. 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
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	924,878	508,015	416,863
2024-2028	4,552,280	3,053,732	1,498,548
2029-2033	4,324,102	3,774,430	549,672
2034	15,001	14,364	637
Total	<u>\$ 13,528,434</u>	<u>\$ 9,001,150</u>	<u>\$ 4,527,284</u>

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

8. CERTIFICATES OF PARTICIPATION

Certificates of Participation at June 30, 2018, are as follows:

Series	Amount Outstanding	Interest Rate (percent)	Lease Term Maturity	Original Amount
2009 COPS Refunding	10,930,000	4.0 - 4.375	2024	35,165,000
2010 COPS, Series A (QSCB)	40,500,000	6.658 ⁽¹⁾	2027	40,500,000
2013 COPS Refunding	32,695,000	3.375 - 5.0	2028	41,880,000
2014 COPS Refunding	5,375,000	2.24	2028	12,005,000
2015 COPS Refunding	6,620,000	2.67	2024	8,310,000
2017 COPS Refunding	56,755,000	2.1	2027	58,170,000
Total	152,875,000			
Plus: Unamortized Premiums	3,243,988			
Total Certificates of Participation	<u>\$ 156,118,988</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:

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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
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>
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	16,113,973	11,275,000	4,838,973
2024-2028	116,161,559	99,760,000	16,401,559
Total Minimum Lease Payments	<u>\$ 196,670,984</u>	<u>152,875,000</u>	<u>\$ 43,795,984</u>
Plus: Unamortized Premiums		<u>3,243,988</u>	
Total Certificates of Participation		<u>\$ 156,118,988</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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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.

The Series 2010A Certificates were issued in the amount of \$40,500,000. Interest payments are to be made to the holders of the Certificates on April 1st and October 1st of each year at the stated coupon rate of 6.658 percent with the Issuer Subsidy received by the District on the same date. The principal amount of the Certificates is to be repaid in one lump sum on April 1, 2027. Currently, the District deposits \$2,374,759 into a Sinking Fund annually on April 1st. The accumulated amount in this fund plus interest at a projected 3 percent is to be used to repay the principal amount of these certificates upon maturity.

9. BONDS PAYABLE

Bonds payable at June 30, 2018, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
State School Bonds:				
Series 2009A, Refunding	\$ 105,000	5.00	2019	\$ 870,000
Series 2010A, Refunding	490,000	4.0 - 5.0	2022	1,205,000
Series 2011A, Refunding	695,000	3.0 - 5.0	2023	1,135,000
Series 2014A, Refunding	1,288,000	3.0 - 5.0	2025	1,796,000
Series 2014B, Refunding	49,000	2.0 - 5.0	2020	1,811,000
Series 2017A, Refunding	912,000	5.0	2026	986,000
District Revenue Bonds:				
Sales Tax Revenue Series 2015	26,242,000	1.99	2025	29,660,000
Sales Tax Revenue Series 2017	16,785,000	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>132,816,000</u>			
Plus: Unamortized Bond Premium	<u>481,265</u>			
Total Bonds Payable	<u>\$ 133,297,265</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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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.

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 \$151,689,404 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 2017-18 fiscal year, the District recognized sales tax revenues totaling \$15,182,038 and expended \$8,647,723 (57 percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt, or June 1, 2033. Assuming a nominal growth rate in the collection of sales tax revenues, which are levied through June 30, 2033, approximately 16 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2019	\$ 781,350	\$ 615,000	\$ 166,350
2020	691,850	555,000	136,850
2021	690,850	581,000	109,850
2022	608,800	528,000	80,800
2023	554,400	497,000	57,400
2024-2026	824,350	763,000	61,350
Total State School Bonds	<u>4,151,600</u>	<u>3,539,000</u>	<u>612,600</u>
District Revenue Bonds:			
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	13,611,666	11,477,000	2,134,666
2024-2028	48,646,913	41,725,000	6,921,913
2029-2033	35,048,464	32,740,000	2,308,464
Total District Revenue Bonds	<u>151,689,404</u>	<u>129,277,000</u>	<u>22,412,404</u>
Total	<u>\$ 155,841,004</u>	<u>\$ 132,816,000</u>	<u>\$ 23,025,004</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

10. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-17	Additions	Deductions	Balance 6-30-18	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 139,784,037	-	6,486,772	133,297,265	11,181,153
Certificates of Participation Payable	166,041,925	-	9,922,937	156,118,988	10,242,937
Educational Facilities Benefit District					
Agreement Payable	9,312,626	-	311,476	9,001,150	351,584
Impact Fee Credit Vouchers	4,124,094	-	951,835	3,172,259	-
Net Pension Liability	244,489,376	126,455,392	112,005,709	258,939,059	2,442,300
Other Postemployment Benefits Payable	55,249,438	-	35,013,602	20,235,836	-
Compensated Absences Payable	41,958,243	4,452,034	4,815,299	41,594,978	2,505,001
Total Governmental Activities	<u>\$ 660,959,739</u>	<u>\$ 130,907,426</u>	<u>\$ 169,507,630</u>	<u>\$ 622,359,534</u>	<u>\$ 26,722,975</u>

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 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, 2018, the balance of unused impact fee credits included \$1,334,440 for BEFBD; \$1,824,344 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.

The rest of this page intentionally left blank.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

11. FUND BALANCE REPORTING

The following is a schedule of fund balances by category at June 30, 2018:

	Major Funds					Total Governmental Funds
	General	Special Revenue - Other Federal Programs	Capital Projects - Nonvoted Capital Improvement Funds	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	
Fund Balances						
Nonspendable:						
Inventory	\$ 2,504,820	\$ -	\$ -	\$ -	\$ 1,077,716	\$ 3,582,536
Restricted:						
State Categorical Programs	10,284,928					10,284,928
Debt Service					15,955,648	15,955,648
Capital Projects			38,890,452	159,101,634	2,909,104	200,901,190
Grants and Programs	5,620,141					5,620,141
Food Services					18,545,344	18,545,344
Assigned:						
Contract Commitments	2,020,377					2,020,377
Carryover Appropriations	3,941,696					3,941,696
Unassigned	44,079,630					44,079,630
Total Fund Balances	\$ 68,451,592	\$ -	\$ 38,890,452	\$ 159,101,634	\$ 38,487,812	\$ 304,931,490

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 \$3,582,536 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 \$251,307,251 in restricted fund balance as of June 30, 2018.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

➤ **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 \$29,500,000 are included as part of the unassigned general fund balance of \$44,079,630.

12. RETIREMENT PLANS

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

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

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

The District’s FRS and HIS pension expense totaled \$33,723,756 for the fiscal year ended June 30, 2018.

➤ **FRS Pension Plan**

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

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

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

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-18 fiscal year were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
FRS, Regular	3.00	7.92
FRS, Elected County Officers	3.00	45.50
FRS, Senior Management	3.00	22.71
DROP - Applicable to Members from All of the Above Classes or Plans	0.00	13.26
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 \$16,256,709 for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a liability of \$168,421,603 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.5703684 percent, which was a decrease of 0.002262555 from its proportionate share measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$27,000,974 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	\$ 15,483,623	\$ 934,573
Change of assumptions	56,698,856	
Net difference between projected and actual earnings on FRS pension plan investments		4,181,084
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	4,866	4,853,872
District FRS contributions subsequent to the measurement date	16,256,709	
Total	\$ 88,444,054	\$ 9,969,529

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

The deferred outflows of resources related to pensions, totaling \$16,256,709, 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 7,664,336
2020	22,156,845
2021	15,193,704
2022	2,277,790
2023	10,756,404
Thereafter	<u>4,168,737</u>
Total	<u>\$ 62,217,816</u>

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	7.10 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2017, 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:

<u>Asset Class</u>	<u>Target Allocation (A)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.8%
Fixed Income	18%	4.5%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real Estate (Property)	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	<u>12%</u>	6.1%	5.6%	9.7%
Total	<u>100%</u>			
Assumed inflation - Mean		2.6%		1.9%

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Discount Rate. The discount rate used to measure the total pension liability was 7.1 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 7.1 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 (6.1 percent) or 1 percentage point higher (8.1 percent) than the current rate:

	1% Decrease 6.1%	Current Discount Rate 7.1%	1% Increase 8.1%
District's proportionate share of the net pension liability	\$ 304,832,931	\$ 168,421,603	\$ 55,168,949

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, 2018, the District reported a payable of \$751,563 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2018.

➤ **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, 2018, 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, 2018, 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 \$4,583,917 for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a net pension liability of \$90,517,456 for its proportionate share of the

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 0.848996056 percent, which was a decrease of 0.00895646 from its proportionate share measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$6,722,782. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 189,016
Change of assumptions	12,760,347	7,849,720
Net difference between projected and actual earnings on HIS pension plan investments	50,343	
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	423,247	1,721,717
District contributions subsequent to the measurement date	4,583,917	
Total	<u>\$ 17,817,854</u>	<u>\$ 9,760,453</u>

The deferred outflows of resources, totaling \$4,590,240, 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2019	\$ 1,300,440
2020	1,290,973
2021	1,286,430
2022	816,790
2023	176,737
Thereafter	<u>(1,397,886)</u>
Total	<u>\$ 3,473,484</u>

Actuarial Assumptions. The total pension liability in the July 1, 2017, 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	3.58 percent

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

Discount Rate. The discount rate used to measure the total pension liability was 3.58 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 3.58 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58 percent) or 1 percentage point higher (4.58 percent) than the current rate:

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
District's proportionate share of the net pension liability	\$ 103,292,404	\$ 90,517,456	\$ 79,876,630

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

Payables to the Pension Plan. At June 30, 2018, the District reported a payable of \$12,591 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2018.

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

	Pension Plan	HIS Plan	Total
Net pension liability	\$ 168,421,603	\$ 90,517,456	\$ 258,939,059
Deferred outflows of resources	88,444,054	17,817,854	106,261,908
Deferred inflows of resources	9,969,529	9,760,452	19,729,981
Pension expense	27,000,974	6,722,782	33,723,756

➤ **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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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 2017-18 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	7.92
FRS, Elected County Officers	45.50
FRS, Senior Management Service	22.71

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, 2018, 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 \$3,857,553 for the fiscal year ended June 30, 2018.

Payables to the Pension Plan. At June 30, 2018, the District reported a payable of \$111,144 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2018.

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. Such provisions may be amended at any time by further action from the Florida Legislature. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

and future claims are expected to result in higher costs to the OPEB Plan, on average, than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or another entity.

➤ **Benefit Terms and Employees Covered**

Plan contribution requirements and benefit terms of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation. As of the valuation date, June 30, 2017, there were 6,147 active plan members and 186 inactive plan members or beneficiaries receiving benefits. There are no inactive plan members entitled to benefits not yet receiving benefits, and 276 active participants that receive postemployment life insurance benefits. The District provided contributions of \$1,023,065 toward annual OPEB costs, comprised of benefit payments made on behalf of the retirees for claims expense, retention costs, and net of retiree contributions totaling \$1,234,263. Required contributions are based on projected pay-as-you-go financing.

➤ **Total OPEB Liability**

The District's total OPEB liability of \$20,235,836 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2017. As described in Note 2, the beginning OPEB liability was decreased by \$35,009,630 due to the adoption of GASB Statement No. 75.

➤ **Actuarial Assumptions and Other Inputs**

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

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal cost method
Inflation	2.50%
Discount Rate	3.56%
Salary Increases	FRS 7/1/2016 Actuarial Valuation 3.7% - 7.8%, including inflation
Retirement Age	Rates used in the 7/1/2016 FRS Actuarial Valuation based on a statewide experience study from 2008 to 2013
Mortality	RP-2000, Scale BB, 100% Annuitant, White Collar Healthy Female; 50% Annuitant, White Collar, 50% Annuitant Blue Collar, Healthy Male; 100% Disabled Female, 2 years set forward; 100% Disabled Male, 4 years set back

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Healthcare Cost Trend Rates	Getzen Model with 7% increase for 2017-18 to 4.24% plus .46% increase for excise tax.
Aging Factors	2013 SOA Study “Health Care Costs-From Birth to Death”
Administrative Expenses	Included in the Per Capita Costs developed for the Reporting Year

The District selected the economic, demographic, and health care claim cost assumption used in the June 30, 2017 valuation. The current actuary provided guidance with respect to the economic assumptions demographic assumptions, the health care participation rate assumption, and the spouse coverage election rate assumption. The demographic assumptions were based on those employed in the July 1, 2016, Defined Benefit Pension Plan Actuarial Valuation of the FRS, which were developed by the FRS from an Actuarial Experience Study. These include assumed rates of future termination, mortality, disability and retirement. In addition, salary increase assumptions for development of the pattern of the normal cost increases were the same as those used by the FRS.

➤ **Changes to the Total OPEB Liability**

Below are the details regarding the total OPEB liability for the measurement period from June 30, 2017, to June 30, 2018.

	<u>Total OPEB Liability</u>
Balance Recognized at 6/30/2017, as Restated	\$ 20,239,808
Changes for the Fiscal Year:	
Service Cost	1,254,867
Interest	613,015
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions and Other Inputs	(869,829)
Benefit Payments	<u>(1,002,025)</u>
Net Changes	<u>(3,972)</u>
Balance as of 6/30/2018	<u>\$ 20,235,836</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.92 percent as of the beginning of the measurement period, to 3.56 as of June 30, 2017. In addition, the healthcare trend rates were revised as of June 30, 2017, based on Getzen Model latest trend survey, with adjustments based on the provisions of the benefits sponsored by the District.

➤ **Discount Rate**

The District has no plan assets held in trust to finance the OPEB plan liability. Therefore, the discount rate in the calculation of the total OPEB liability is equal to the tax-exempt municipal bond rate based on a 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of the OPEB plan valuation, the municipal bond rate was 3.56% (based on the daily rate closest to, but no later than the measurement date of the “Fidelity’s 20-Year Municipal GO AA Index”). The discount rate was 2.92% as of the beginning of the measurement period.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56 percent) or 1 percentage point higher (4.56 percent) than the current discount rate:

	Decrease 2.56%	Discount Rate 3.56%	Increase 4.56%
Total OPEB Liability	\$ 21,598,103	\$ 20,235,836	\$ 18,897,237

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

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

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 18,108,848	\$ 20,235,836	\$ 22,761,616

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,793,538. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Changes of assumptions of other inputs		\$ 795,482
Benefits paid subsequent to the measurement date	\$ 1,023,065	
Total	\$ 1,023,065	\$ 795,482

The deferred outflows of resources related to OPEB, totaling \$1,023,065, resulting from District benefits paid subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2019	\$ (74,345)
2020	(74,345)
2021	(74,345)
2022	(74,345)
2023	(74,345)
Thereafter	(423,757)
Total	\$ (795,482)

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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	\$ 8,204,007	
Special Revenue:		
Other Federal Programs		7,662,538
Nonmajor Governmental	58,089	599,558
Total	<u>\$ 8,262,096</u>	<u>\$ 8,262,096</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	\$ 4,336,949	\$ 8,500,000
Special Revenue:		
Other Federal Programs		243,576
Capital Projects:		
Nonvoted Capital Improvement		17,894,261
Other Capital Projects		9,978,540
Nonmajor Governmental	23,779,428	
Internal Service	8,500,000	
Total	<u>\$ 36,616,377</u>	<u>\$ 36,616,377</u>

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

15. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2017-18 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 259,175,386
Categorical Educational Program - Class Size Reduction	71,734,061
Workforce Development Program	6,212,626
Miscellaneous State Revenue	3,314,117
Voluntary Prekindergarten Program	2,626,695
Motor Vehicle License Tax (Capital Outlay & Debt Service)	2,633,249
Charter School Capital Outlay	2,359,721
School Recognition	2,044,828
Public Education Capital Outlay	678,761
School Lunch Supplement	255,033
School Breakfast Supplement	230,708
State License Tax	168,842
District Discretionary Lottery	117,459
Total	\$ 351,551,486

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 2017 tax roll for the 2017-18 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:	4.501	\$ 106,284,287
Required Local Effort (RLE)	0.748	17,662,886
RLE Prior Period Adjustment		
Basic Discretionary Local Effort		
<u>CAPITAL PROJECTS - LOCAL CAPITAL IMPROVEMENT FUND</u>		
Nonvoted Tax:	<u>1.5</u>	<u>35,420,255</u>
Local Capital Improvements	<u>6.749</u>	<u>\$ 159,367,428</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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, 2018:

Major Funds					
General	Special Revenue - Other Federal Programs	Nonvoted Capital Improvement	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,886,031	\$ 384,194	\$ 2,921,745	\$ 36,044,957	\$ 569,816	\$ 47,806,743

Encumbrances for the Special Revenue – Other Federal Programs fund totaling \$384,194 represent commitments that will be expensed in the subsequent period.

The rest of this page intentionally left blank.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

➤ **Construction Contracts**

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

Description	Contract Amount	Total Completed	Balance Committed
Celebration K-8 Serving Line			
Contractor	\$ 1,139,547	\$ 1,120,718	\$ 18,829
Engineering and Technical Services	52,452	50,695	1,757
Denn John Middle School Comprehensive Renovations			
Contractor-pre construction services	118,018	-	118,018
Engineering and Technical Services	1,775,813	1,312,144	463,669
Harmony Middle School AA			
Contractor	10,821,996	6,214,800	4,607,196
Engineering and Technical Services	1,385,051	1,007,281	377,770
Harmony High School Agricultural Building			
Contractor	414,668	193,608	221,060
Engineering and Technical Services	38,413	34,137	4,276
Liberty High School Canopy			
Contractor	136,859	120,486	16,373
Engineering and Technical Services	20,193	17,110	3,083
Michigan Avenue Elementary Comprehensive Renovations			
Contractor	25,265,416	6,459,376	18,806,040
Engineering and Technical Services	1,739,784	1,417,558	322,226
NeoCity Academy			
Contractor-pre construction services	79,678		79,678
Engineering and Technical Services	1,000,056	559,933	440,123
Otech East Mechanic & Construction Program			
Contractor	1,432,680	633,675	799,005
Engineering and Technical Services	27,040	-	27,040
St. Cloud High School Canopy			
Contractor	209,802	153,212	56,590
Engineering and Technical Services	19,356	18,537	819
Tohopekaliga High School			
Contractor	76,183,655	70,671,577	5,512,078
Engineering and Technical Services	3,243,948	2,954,037	289,911
Total	\$ 125,104,425	\$ 92,938,884	\$ 32,165,541

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 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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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 \$3,889,000 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable for the group health program at June 30, 2018.

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 \$432,753 was established based on reserves for outstanding claims at June 30, 2018, 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
2016-17	\$ 4,360,319	\$ 52,760,313	\$ (52,795,731)	\$ 4,324,901
2017-18	4,324,901	58,168,381	(58,171,529)	4,321,753

19. BOND RATINGS

As of June 30, 2018, 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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal Direct	\$ 476,000	\$ 1,357,454	\$ 453,479	\$ (903,975)
Federal Through State	2,000,000	2,157,972	2,157,972	-
State	337,014,060	345,335,961	345,257,967	(77,994)
Local:				
Property Taxes	124,067,172	124,067,172	124,459,241	392,069
Local Sales Taxes	11,867,598	12,555,287	14,546,542	1,991,255
Total Revenues	<u>475,424,830</u>	<u>485,473,846</u>	<u>486,875,201</u>	<u>1,401,355</u>
EXPENDITURES				
Current - Education:				
Instruction	336,607,921	336,634,208	316,665,847	19,968,361
Pupil Personnel Services	23,548,016	23,575,501	23,324,869	250,632
Instructional Media Services	4,672,578	4,760,350	4,611,360	148,990
Instruction and Curriculum Development Services	11,426,644	12,895,469	12,281,549	613,920
Instructional Staff Training Services	5,663,260	6,055,361	5,377,475	677,886
Instruction Related Technology	4,323,221	4,415,739	4,381,216	34,523
Board of Education	1,706,132	1,812,997	1,236,867	576,130
General Administration	1,644,547	1,852,201	1,540,578	311,623
School Administration	25,403,714	24,197,601	24,176,101	21,500
Facilities Services	10,112,598	5,249,626	4,851,947	397,679
Fiscal Services	2,065,698	2,377,346	2,140,615	236,731
Food Services	90,000	192,275	192,275	-
Central Services	7,799,594	8,013,807	7,298,519	715,288
Pupil Transportation Services	20,983,464	22,317,297	21,992,168	325,129
Operation of Plant	34,474,521	34,263,581	33,308,248	955,333
Maintenance of Plant	9,250,883	9,695,058	8,915,340	779,718
Administrative Technology Services	4,786,957	5,117,897	4,737,337	380,560
Community Services	4,896,261	5,293,040	3,451,207	1,841,833
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	3,250	3,250	-
Other Capital Outlay	-	1,044,935	1,044,935	-
Debt Service:				
Principal	228,584	228,584	228,584	-
Interest and Fiscal Charges	14,991	14,991	14,991	-
Total Expenditures	<u>509,699,584</u>	<u>510,011,114</u>	<u>481,775,278</u>	<u>(28,235,836)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,274,754)</u>	<u>(24,537,268)</u>	<u>5,099,923</u>	<u>29,637,191</u>
OTHER FINANCING SOURCES				
Transfers In	15,009,349	10,772,326	4,336,949	(6,435,377)
Proceeds from the Sale of Capital Assets				
Insurance Loss Recoveries	100,000	99,538	99,538	-
Transfers Out	(3,000,000)	(8,500,000)	(8,500,000)	-
Total Other Financing Sources	<u>12,109,349</u>	<u>2,371,864</u>	<u>(4,063,513)</u>	<u>(6,435,377)</u>
Net Change in Fund Balances	<u>(22,165,405)</u>	<u>(22,165,404)</u>	<u>1,036,410</u>	<u>23,201,814</u>
Fund Balances, July 1, 2017	67,415,182	67,415,182	67,415,182	-
Fund Balances, June 30, 2018	<u>\$ 45,249,777</u>	<u>\$ 45,249,778</u>	<u>\$ 68,451,592</u>	<u>\$ 23,201,814</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal Direct	\$ 1,406,261	\$ 2,592,546	\$ 1,198,849	\$ (1,393,697)
Federal Through State	48,410,103	51,124,525	37,697,947	(13,426,578)
Local:				
Miscellaneous	-	59,945	59,945	-
Total Revenues	<u>49,816,364</u>	<u>53,777,016</u>	<u>38,956,741</u>	<u>(14,820,275)</u>
EXPENDITURES				
Current - Education:				
Instruction	32,819,666	31,151,709	22,966,917	8,184,792
Pupil Personnel Services	2,271,585	3,436,535	2,067,747	1,368,788
Instructional Media Services	214,712	231,698	199,730	31,968
Instruction and Curriculum Development Services	7,016,157	7,500,102	5,671,602	1,828,500
Instructional Staff Training Services	4,107,684	6,206,669	3,990,509	2,216,160
Instruction Related Technology	77,502	162,025	137,269	24,756
General Administration	1,008,716	1,611,414	1,444,389	167,025
School Administration	23,790	41,913	20,908	21,005
Food Services	-	12,104	12,104	-
Central Services	235,476	779,505	491,974	287,531
Pupil Transportation Services	334,835	712,624	225,445	487,179
Operation of Plant	179	7,905	7,089	816
Maintenance of Plant	33,077	34,690	34,320	370
Administrative Technology Services	29,409	29,409	29,175	234
Community Services	1,400,000	1,400,000	1,198,849	201,151
Fixed Capital Outlay:				
Other Capital Outlay	-	215,138	215,138	-
Total Expenditures	<u>49,572,788</u>	<u>53,533,440</u>	<u>38,713,165</u>	<u>14,820,275</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>243,576</u>	<u>243,576</u>	<u>243,576</u>	<u>-</u>
OTHER FINANCING USES				
Transfers Out	(243,576)	(243,576)	(243,576)	-
Total Other Financing Sources	<u>(243,576)</u>	<u>(243,576)</u>	<u>(243,576)</u>	<u>-</u>
Net Change in Fund Balances				
Fund Balances, July 1, 2016	-	-	-	-
Fund Balances, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2017</u> *
Total OPEB Liability:	
Service Cost	\$ 1,254,867
Interest on the Total OPEB Liability	613,015
Changes of benefits terms	-
Difference between expected and actual experience	-
Changes of assumptions	(869,829)
Benefit payments	<u>(1,002,025)</u>
Net Change in total OPEB Liability	\$ (3,972)
Total Beginning OPEB Liability, as Restated	<u>20,239,808</u>
Total Ending OPEB Liability	<u><u>20,235,836</u></u>
Covered-Employee Payroll	\$ 240,100,401
Total OPEB Liability as a percentage of covered payroll	8.43%

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

** Data was unavailable prior to 2017.

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

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

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

** Data was unavailable prior to 2013.

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

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

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

** Data was unavailable prior to 2014.

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

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

Notes: * The amounts presented for each fiscal year were determined as of June 30.
** Data was unavailable prior to 2013.

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

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

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

** Data was unavailable prior to 2014.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2018

1. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

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

**2. SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT
BENEFITS PLAN LIABILITY AND RELATED RATIOS**

As a result of the implementation of GASB Statement No. 75, the method used to develop the current actuarial report changed. Prior actuarial reports were based on GASB Statement No. 45. The following were changes in actuarial assumptions:

- The discount rate was changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of June 30, 2017.
- The healthcare trend rates were revised as of June 30, 2017, based on Getzen Model as built and published in *Modeling Long-Term Health Care Cost Trends* (December 2007, and updated September 2016).
- Data was collected from the District as of January 1, 2018.
- There were no benefit changes during the fiscal year ended June 30, 2018.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2018

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 2017:

- The inflation rate assumption remained at 2.6 percent.
- Payroll growth, including inflation, decreased from 3.5 percent to 3.25 percent.
- The long-term expected rate of return decreased from 7.6 percent to 7.1 percent.

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/workforceoperations/retirement/publications/annualreports>

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/workforceoperations/retirement/publications/actuarialvaluations>

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 2017:

- The inflation rate assumption remained at 2.6 percent.
- Payroll growth, including inflation, decreased from 3.5 percent to 3.25 percent.
- The long-term expected rate of return decreased from 7.6 percent to 7.1 percent.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.58% 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/workforceoperations/retirement/publications/annualreports>

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/workforceoperations/retirement/publications/actuarialvaluations>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



This page left intentionally blank.

NONMAJOR GOVERNMENTAL FUNDS



Special Revenue Funds

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

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

Debt Service Funds

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

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

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

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

Capital Projects Fund

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

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

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 8,659,451	\$ 1,071,765	\$ 1,668,078	\$ 11,399,294
Investments	9,749,304	14,885,384	275,246	24,909,934
Accounts Receivable	7,145	-	-	7,145
Due from Other Funds	-	-	58,089	58,089
Due from Other Agencies	528,362	-	1,503,875	2,032,237
Inventories	1,077,716	-	-	1,077,716
Total Assets	<u>\$ 20,021,978</u>	<u>\$ 15,957,149</u>	<u>\$ 3,505,288</u>	<u>\$ 39,484,415</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Salaries and Benefits Payable	\$ 54,525	\$ -	\$ -	\$ 54,525
Payroll Deductions and Withholdings	51,841	-	-	51,841
Accounts Payable	128,491	1,501	229	130,221
Construction Contracts Payable	7,644	-	-	7,644
Due to Other Funds	3,603	-	595,955	599,558
Due to Other Agencies	37,623	-	-	37,623
Sales Tax Payable	491	-	-	491
Unearned Revenue	114,700	-	-	114,700
Total Liabilities	<u>398,918</u>	<u>1,501</u>	<u>596,184</u>	<u>996,603</u>
FUND BALANCES				
Nonspendable	1,077,716	-	-	1,077,716
Restricted	18,545,344	15,955,648	2,909,104	37,410,096
Total Fund Balances	<u>19,623,060</u>	<u>15,955,648</u>	<u>2,909,104</u>	<u>38,487,812</u>
Total Liabilities and Fund Balances	<u>\$ 20,021,978</u>	<u>\$ 15,957,149</u>	<u>\$ 3,505,288</u>	<u>\$ 39,484,415</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, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental:				
Federal Direct	\$ -	\$ 2,190,443	\$ -	\$ 2,190,443
Federal Through State	34,288,819	-	-	34,288,819
State	485,741	942,878	2,329,749	3,758,368
Local:				
Charges for Services - Food Service	2,214,598	-	-	2,214,598
Miscellaneous	198,707	832,742	30,788	1,062,237
Total Revenues	<u>37,187,865</u>	<u>3,966,063</u>	<u>2,360,537</u>	<u>43,514,465</u>
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	-	-	998,741	998,741
Food Services	31,496,655	-	-	31,496,655
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	196,865	196,865
Other Capital Outlay	5,158,951	-	-	5,158,951
Debt Service:				
Principal	-	16,272,476	-	16,272,476
Interest and Fiscal Charges	-	10,290,487	-	10,290,487
Dues, Fees and Issuance Costs	-	43,037	2,156	45,193
Total Expenditures	<u>36,655,606</u>	<u>26,606,000</u>	<u>1,197,762</u>	<u>64,459,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>532,259</u>	<u>(22,639,937)</u>	<u>1,162,775</u>	<u>(20,944,903)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	23,779,428	-	23,779,428
Total Other Financing Sources (Uses)	<u>-</u>	<u>23,779,428</u>	<u>-</u>	<u>23,779,428</u>
Net Change in Fund Balances	532,259	1,139,491	1,162,775	2,834,525
Fund Balances, July 1, 2017	19,090,801	14,816,157	1,746,329	35,653,287
Fund Balances, June 30, 2018	<u>\$ 19,623,060</u>	<u>\$ 15,955,648</u>	<u>\$ 2,909,104</u>	<u>\$ 38,487,812</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2018

	Food Service	Total Nonmajor Special Revenue Funds
ASSETS		
Cash and Cash Equivalents	\$ 8,659,451	\$ 8,659,451
Investments	9,749,304	9,749,304
Accounts Receivable	7,145	7,145
Due from Other Agencies	528,362	528,362
Inventory	1,077,716	1,077,716
Total Assets	<u>\$ 20,021,978</u>	<u>\$ 20,021,978</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Salaries and Benefits Payable	\$ 54,525	\$ 54,525
Payroll Deductions and Withholdings	51,841	51,841
Accounts Payable	128,491	128,491
Construction Contracts Payable	7,644	7,644
Construction Contracts Payable-Retainage	-	-
Sales Tax Payable	491	491
Due to Other Agencies	37,623	37,623
Due to Other Funds	3,603	3,603
Unearned Revenue	114,700	114,700
Total Liabilities	<u>398,918</u>	<u>398,918</u>
FUND BALANCES		
Nonspendable	1,077,716	1,077,716
Restricted	18,545,344	18,545,344
Total Fund Balances	<u>19,623,060</u>	<u>19,623,060</u>
Total Liabilities and Fund Balances	<u>\$ 20,021,978</u>	<u>\$ 20,021,978</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, 2018

	Food Services	Total Nonmajor Special Revenue Funds
REVENUES		
Intergovernmental:		
Federal Through State	\$ 34,288,819	\$ 34,288,819
State	485,741	485,741
Local:		
Charges for Services - Food Service	2,214,598	2,214,598
Miscellaneous	198,707	198,707
Total Revenues	<u>37,187,865</u>	<u>37,187,865</u>
EXPENDITURES		
Current - Education:		
Food Services	31,496,655	31,496,655
Fixed Capital Outlay:		
Other Capital Outlay	5,158,951	5,158,951
Total Expenditures	<u>36,655,606</u>	<u>36,655,606</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>532,259</u>	<u>532,259</u>
Net Change in Fund Balances	532,259	532,259
Fund Balances, July 1, 2017	19,090,801	19,090,801
Fund Balances, June 30, 2018	<u>\$ 19,623,060</u>	<u>\$ 19,623,060</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
 June 30, 2018

	Debt Service Funds			
	SBE/COBI Bonds	Other Debt Service	ARRA Economic Stimulus Debt Service	Total Nonmajor Debt Service Funds
ASSETS				
Cash and Cash Equivalents	\$ 88,477	\$ 982,974	\$ 314	\$ 1,071,765
Investments			14,885,384	14,885,384
Total Assets	<u>\$ 88,477</u>	<u>\$ 982,974</u>	<u>\$ 14,885,698</u>	<u>\$ 15,957,149</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 1,501	\$ -	\$ 1,501
Total Liabilities	<u>\$ -</u>	<u>\$ 1,501</u>	<u>\$ -</u>	<u>\$ 1,501</u>
FUND BALANCES				
Restricted	88,477	981,473	14,885,698	15,955,648
Total Fund Balances	<u>88,477</u>	<u>981,473</u>	<u>14,885,698</u>	<u>15,955,648</u>
Total Liabilities and Fund Balances	<u>\$ 88,477</u>	<u>\$ 982,974</u>	<u>\$ 14,885,698</u>	<u>\$ 15,957,149</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, 2018

	Debt Service Funds			Total Nonmajor Debt Service Funds
	SBE/COBI Bonds	Other Debt Service	ARRA Economic Stimulus Debt Service	
REVENUES				
Intergovernmental:				
Federal Direct	\$ -	\$ -	\$ 2,190,443	\$ 2,190,443
State	942,878	-	-	942,878
Local:				
Miscellaneous		1,050,409	(217,667)	832,742
Total Revenues	942,878	1,050,409	1,972,776	3,966,063
EXPENDITURES				
Debt Service:				
Principal	752,000	15,520,476	-	16,272,476
Interest and Fiscal Charges	188,066	7,405,931	2,696,490	10,290,487
Dues, Fees and Issuance Costs	676	36,565	5,796	43,037
Total Expenditures	940,742	22,962,972	2,702,286	26,606,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,136	(21,912,563)	(729,510)	(22,639,937)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	20,815,535	2,963,893	23,779,428
Total Other Financing Sources (Uses)	-	20,815,535	2,963,893	23,779,428
Net Change in Fund Balances	2,136	(1,097,028)	2,234,383	1,139,491
Fund Balances, July 1, 2017	86,341	2,078,501	12,651,315	14,816,157
Fund Balances, June 30, 2018	\$ 88,477	\$ 981,473	\$ 14,885,698	\$ 15,955,648

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2018

	Capital Projects Funds		
	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service Funds (CO & DS)	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 1,668,078	\$ 1,668,078
Investments	-	275,246	275,246
Due from Other Funds		58,089	58,089
Due from Other Agencies	1,503,875	-	1,503,875
Total Assets	<u>\$ 1,503,875</u>	<u>\$ 2,001,413</u>	<u>\$ 3,505,288</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 229	\$ -	\$ 229
Due to Other Funds	595,955	-	595,955
Total Liabilities	<u>596,184</u>	<u>-</u>	<u>596,184</u>
FUND BALANCES			
Restricted	907,691	2,001,413	2,909,104
Total Fund Balances	<u>907,691</u>	<u>2,001,413</u>	<u>2,909,104</u>
Total Liabilities and Fund Balances	<u>\$ 1,503,875</u>	<u>\$ 2,001,413</u>	<u>\$ 3,505,288</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, 2018

	Capital Projects Funds		
	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service Funds (CO & DS)	Total Nonmajor Capital Project Funds
REVENUES			
Intergovernmental:			
State	\$ 678,761	\$ 1,650,988	\$ 2,329,749
Local:			
Miscellaneous	3	30,785	30,788
Total Revenues	<u>678,764</u>	<u>1,681,773</u>	<u>2,360,537</u>
EXPENDITURES			
Current - Education:			
Facilities Acquisition and Construction	554,910	443,831	998,741
Fixed Capital Outlay:			
Facilities Acquisition and Construction	193,436	3,429	196,865
Debt Service:			
Dues, Fees and Issuance Costs	-	2,156	2,156
Total Expenditures	<u>748,346</u>	<u>449,416</u>	<u>1,197,762</u>
Excess of Revenues Over Expenditures	<u>(69,582)</u>	<u>1,232,357</u>	<u>1,162,775</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(69,582)	1,232,357	1,162,775
Fund Balances, July 1, 2017	977,273	769,056	1,746,329
Fund Balances, June 30, 2018	<u>\$ 907,691</u>	<u>\$ 2,001,413</u>	<u>\$ 2,909,104</u>

This page left intentionally blank.

INDIVIDUAL BUDGETARY COMPARISON SCHEDULES



These include budgetary comparison schedules for all governmental funds.

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal Through State	\$ 33,759,000	\$ 34,923,963	\$ 34,288,819	\$ 635,144
State	451,000	485,741	485,741	-
Local:				
Charges for Service - Food Service	2,628,000	1,792,155	2,214,598	(422,443)
Miscellaneous	89,000	178,503	198,707	(20,204)
Total Revenues	<u>36,927,000</u>	<u>37,380,362</u>	<u>37,187,865</u>	<u>192,497</u>
EXPENDITURES				
Current - Education:				
Food Services	43,949,958	39,244,370	31,496,655	7,747,715
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	-	5,158,951	5,158,951	-
Total Expenditures	<u>43,949,958</u>	<u>44,403,321</u>	<u>36,655,606</u>	<u>7,747,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,022,958)</u>	<u>(7,022,959)</u>	<u>532,259</u>	<u>7,555,218</u>
Net Change in Fund Balances	(7,022,958)	(7,022,959)	532,259	7,555,218
Fund Balances, July 1, 2017	19,090,801	19,090,801	19,090,801	-
Fund Balances, June 30, 2018	<u>\$ 12,067,843</u>	<u>\$ 12,067,842</u>	<u>\$ 19,623,060</u>	<u>\$ 7,555,218</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
State	\$ 979,338	\$ 979,338	\$ 942,878	\$ (36,460)
Total Revenues	979,338	979,338	942,878	(36,460)
EXPENDITURES				
Current - Education:				
Debt Service:				
Principal	752,000	752,000	752,000	-
Interest and Fiscal Charges	210,866	210,189	188,066	22,123
Dues, Fees and Issuance Costs	-	676	676	-
Total Expenditures	962,866	962,865	940,742	22,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,472	16,473	2,136	(14,337)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	16,472	16,473	2,136	(14,337)
Fund Balances, July 1, 2017	86,341	86,341	86,341	-
Fund Balances, June 30, 2018	\$ 102,813	\$ 102,814	\$ 88,477	\$ (14,337)

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local:				
Local Sales Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous	1,048,168	1,048,168	1,050,409	2,241
Total Revenues	1,048,168	1,048,168	1,050,409	2,241
EXPENDITURES				
Current - Education:				
Debt Service:				
Principal	15,520,476	15,520,476	15,520,476	-
Interest and Fiscal Charges	7,405,931	7,405,931	7,405,931	-
Dues, Fees and Issuance Costs	37,000	69,493	36,565	32,928
Miscellaneous	4,000	-	-	-
Total Expenditures	22,967,407	22,995,900	22,962,972	32,928
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,919,239)	(21,947,732)	(21,912,563)	35,169
OTHER FINANCING SOURCES (USES)				
Transfers In	20,795,529	20,824,022	20,815,535	(8,487)
Total Other Financing Sources (Uses)	20,795,529	20,824,022	20,815,535	(8,487)
Net Change in Fund Balances	(1,123,710)	(1,123,710)	(1,097,028)	26,682
Fund Balances, July 1, 2017	2,078,501	2,078,501	2,078,501	-
Fund Balances, June 30, 2018	\$ 954,791	\$ 954,791	\$ 981,473	\$ 26,682

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
Federal Direct	\$ 2,186,919	\$ 2,186,919	\$ 2,190,443	\$ 3,524
Local:				
Miscellaneous			(217,667)	(217,667)
Total Revenues	<u>2,186,919</u>	<u>2,186,919</u>	<u>1,972,776</u>	<u>(214,143)</u>
EXPENDITURES				
Current - Education:				
Debt Service:				
Interest and Fiscal Charges	2,696,490	2,696,490	2,696,490	-
Dues, Fees and Issuance Costs	8,500	5,796	5,796	-
Total Expenditures	<u>2,704,990</u>	<u>2,702,286</u>	<u>2,702,286</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(518,071)</u>	<u>(515,367)</u>	<u>(729,510)</u>	<u>(214,143)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,970,130	2,967,425	2,963,893	(3,532)
Total Other Financing Sources (Uses)	<u>2,970,130</u>	<u>2,967,425</u>	<u>2,963,893</u>	<u>(3,532)</u>
Net Change in Fund Balances	2,452,059	2,452,058	2,234,383	(217,675)
Fund Balances, July 1, 2017	12,651,316	12,651,316	12,651,316	-
Fund Balances, June 30, 2018	<u>\$ 15,103,375</u>	<u>\$ 15,103,373</u>	<u>\$ 14,885,699</u>	<u>\$ (217,675)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
State	\$ 678,761	\$ 678,761	\$ 678,761	\$ -
Other Local Revenue	-	-	3	(3)
Total Revenues	<u>678,761</u>	<u>678,761</u>	<u>678,764</u>	
EXPENDITURES				
Current - Education:				
Facilities Services	783,837	590,401	554,910	35,491
Fixed Capital Outlay:				
Facilities Acquisition and Construction	193,436	193,436	193,436	-
Total Expenditures	<u>977,273</u>	<u>783,837</u>	<u>748,346</u>	<u>35,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(298,512)</u>	<u>(105,076)</u>	<u>(69,582)</u>	<u>35,494</u>
Fund Balances, July 1, 2017	<u>977,273</u>	<u>977,273</u>	<u>977,273</u>	<u>-</u>
Fund Balances, June 30, 2018	<u>\$ 678,761</u>	<u>\$ 872,197</u>	<u>\$ 907,691</u>	<u>\$ 35,494</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
State	\$ 519,093	\$ 519,093	\$ 1,650,988	\$ 1,131,895
Local:				
Miscellaneous	-	-	30,785	30,785
Total Revenues	<u>519,093</u>	<u>519,093</u>	<u>1,681,773</u>	<u>1,162,680</u>
EXPENDITURES				
Current - Education:				
Facilities Services	1,112,893	1,107,308	443,831	663,477
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	3,429	3,429	-
Debt Service:				
Dues, Fees and Issuance Costs	-	2,156	2,156	-
Total Expenditures	<u>1,112,893</u>	<u>1,112,893</u>	<u>449,416</u>	<u>663,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(593,800)</u>	<u>(593,800)</u>	<u>1,232,357</u>	<u>1,826,157</u>
Fund Balances, July 1, 2017	<u>769,056</u>	<u>769,056</u>	<u>769,056</u>	<u>-</u>
Fund Balances, June 30, 2018	<u>\$ 175,256</u>	<u>\$ 175,256</u>	<u>\$ 2,001,413</u>	<u>\$ 1,826,157</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local:				
Property Taxes	\$ 35,420,224	\$ 35,420,224	\$ 35,559,890	\$ 139,666
Miscellaneous	354,202	354,202	526,384	172,182
Total Revenues	<u>35,774,426</u>	<u>35,774,426</u>	<u>36,086,274</u>	<u>311,848</u>
EXPENDITURES				
Current - Education:				
Facilities Services	20,711,348	16,861,512	3,903,600	12,957,912
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	1,350,963	1,350,963	-
Charter School Local Capital Improvement	-	624,570	624,570	-
Other Capital Outlay	-	1,874,303	1,874,303	-
Total Expenditures	<u>20,711,348</u>	<u>20,711,348</u>	<u>7,753,436</u>	<u>12,957,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,063,078</u>	<u>15,063,078</u>	<u>28,332,838</u>	<u>13,269,760</u>
OTHER FINANCING (USES)				
Transfers Out	(27,573,397)	(24,333,186)	(17,894,261)	6,438,925
Total Other Financing Sources (Uses)	<u>(27,573,397)</u>	<u>(24,333,186)</u>	<u>(17,894,261)</u>	<u>6,438,925</u>
Net Change in Fund Balances	(12,510,319)	(9,270,108)	10,438,577	19,708,685
Fund Balances, July 1, 2017	28,451,875	28,451,875	28,451,875	-
Fund Balances, June 30, 2018	<u>\$ 15,941,556</u>	<u>\$ 19,181,767</u>	<u>\$ 38,890,452</u>	<u>\$ 19,708,685</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental:				
State	\$ 3,330,746	\$ 2,359,721	\$ 2,535,150	\$ 175,429
Local:				
Impact Fees	40,419,283	40,419,283	40,505,946	86,663
Local Sales Tax	43,483,038	43,483,038	45,404,305	1,921,267
Miscellaneous	404,193	404,193	1,596,714	1,192,521
Total Revenues	<u>87,637,260</u>	<u>86,666,235</u>	<u>90,042,115</u>	<u>3,375,880</u>
EXPENDITURES				
Current - Education:				
Facilities Services	185,557,301	121,251,341	6,779,277	114,472,064
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	69,073,999	69,073,999	-
Other Capital Outlay	-	4,716,962	4,716,962	-
Debt Service:				
Total Expenditures	<u>185,557,301</u>	<u>195,042,302</u>	<u>80,570,238</u>	<u>114,472,064</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(97,920,041)</u>	<u>(108,376,067)</u>	<u>9,471,877</u>	<u>117,847,944</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	-	-	7,000	7,000
Transfers Out	<u>(10,958,036)</u>	<u>(9,987,011)</u>	<u>(9,978,540)</u>	<u>8,471</u>
Total Other Financing Sources (Uses)	<u>(10,958,036)</u>	<u>(9,987,011)</u>	<u>(9,971,540)</u>	<u>15,471</u>
Net Change in Fund Balances	<u>(108,878,077)</u>	<u>(118,363,077)</u>	<u>(499,663)</u>	<u>117,863,414</u>
Fund Balances, July 1, 2017	<u>159,601,297</u>	<u>159,601,297</u>	<u>159,601,297</u>	<u>-</u>
Fund Balances, June 30, 2018	<u>\$ 50,723,220</u>	<u>\$ 41,238,220</u>	<u>\$ 159,101,634</u>	<u>\$ 117,863,414</u>

This page left intentionally blank.

INTERNAL SERVICE FUNDS



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

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

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,323,300	\$ 4,091,613	\$ 7,414,913
Investments	8,501,938	-	8,501,938
Accounts Receivable	708	-	708
Prepaid Items	-	1,255,084	1,255,084
Total Current Assets	<u>11,825,946</u>	<u>5,346,697</u>	<u>17,172,643</u>
Total Noncurrent Assets			-
Capital Assets:			
Buildings and Fixed Equipment, Net	3,313,104	-	3,313,104
Furniture, Fixtures and Equipment, Net	132,430	-	132,430
Computer Software, Net	907	-	907
Total Capital Assets	<u>3,446,441</u>	<u>-</u>	<u>3,446,441</u>
Total Assets	<u>15,272,387</u>	<u>5,346,697</u>	<u>20,619,084</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	862,366	51,460	913,826
Estimated Insurance Claims Payable	3,889,000	432,753	4,321,753
Total Liabilities	<u>4,751,366</u>	<u>484,213</u>	<u>5,235,579</u>
NET POSITION			
Net Investment in Capital Assets	3,446,441	-	3,446,441
Unrestricted	7,074,580	4,862,484	11,937,064
Total Net Position	<u>\$ 10,521,021</u>	<u>\$ 4,862,484</u>	<u>\$ 15,383,505</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, 2018

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
OPERATING REVENUES			
Premium Revenues	\$ 51,777,482	\$ 4,330,033	\$ 56,107,515
Total Operating Revenues	<u>51,777,482</u>	<u>4,330,033</u>	<u>56,107,515</u>
OPERATING EXPENSES			
Purchased Services	5,373,616	2,309,078	7,682,694
Materials and Supplies	382,276	-	382,276
Insurance Claims	55,663,571	2,397,808	58,061,379
Depreciation/Amortization Expense	106,815	-	106,815
Total Operating Expenses	<u>61,526,278</u>	<u>4,706,886</u>	<u>66,233,164</u>
Operating Income (loss)	<u>(9,748,796)</u>	<u>(376,853)</u>	<u>(10,125,649)</u>
NONOPERATING REVENUES			
Interest Revenue	13,610	(1,920)	11,690
Miscellaneous Local Sources	52,794	-	52,794
Total Nonoperating Revenues	<u>66,404</u>	<u>(1,920)</u>	<u>64,484</u>
Transfers In	8,500,000	-	8,500,000
Change In Net Position	(1,182,392)	(378,773)	(1,561,165)
Net Position - July 1, 2017	11,703,413	5,241,257	16,944,670
Net Position - June 30, 2018	<u>\$ 10,521,021</u>	<u>\$ 4,862,484</u>	<u>\$ 15,383,505</u>

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2018**

	Self-Insurance Trust Fund	Casualty Insurance Loss Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Board Funds and Participants	\$ 51,776,774	\$ 4,778,094	\$ 56,554,868
Payments for Insurance Claims	(55,715,512)	(2,368,956)	(58,084,468)
Cash Payments to Vendors for Goods and Services	(5,264,277)	(2,273,188)	(7,537,465)
Net Cash Used by Operating Activities	(9,203,015)	135,950	(9,067,065)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	8,500,000	-	8,500,000
Net Cash Provided by Noncapital Financing Activities	8,500,000	-	8,500,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(10,194)	-	(10,194)
Net Cash Used by Capital and Related Financing Activities	(10,194)	-	(10,194)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Investments	623,060	-	623,060
Interest	13,610	(1,920)	11,690
Purchase of Investments	52,794	-	52,794
Net Cash Provided by Investing Activities	689,464	(1,920)	687,544
Net Increase in Cash and Cash Equivalents	(23,745)	134,030	110,285
Cash and Cash Equivalents - Beginning	3,347,046	3,957,582	7,304,628
Cash and Cash Equivalents - Ending	<u>\$ 3,323,301</u>	<u>\$ 4,091,612</u>	<u>\$ 7,414,913</u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities:			
Operating Loss	\$ (9,748,796)	\$ (376,853)	\$ (10,125,649)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Depreciation	106,815		106,815
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(707)	-	(707)
(Increase)/Decrease in Due from Other Funds	200,000	-	200,000
(Increase)/Decrease in Due from Other Agencies	86,874	-	86,874
(Increase)/Decrease in Prepaid Items	-	448,061	448,061
Increase/(Decrease) in Accounts Payable	384,799	35,890	420,689
Increase/(Decrease) in Due to Other Funds	(200,000)	-	(200,000)
Increase/(Decrease) in Estimated Insurance Claims Payable	(32,000)	28,852	(3,148)
Total Adjustments	<u>545,781</u>	<u>512,803</u>	<u>1,058,584</u>
Net Cash Used by Operating Activities	<u>\$ (9,203,015)</u>	<u>\$ 135,950</u>	<u>\$ (9,067,065)</u>

FIDUCIARY FUNDS - AGENCY FUNDS



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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL INTERNAL FUNDS AGENCY FUND
For the Fiscal Year Ended June 30, 2018

	Balances <u>July 1, 2017</u>	Additions	Deductions	Balances <u>June 30, 2018</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,312,465	\$ 11,815,013	\$ 11,902,290	\$ 4,225,188
Accounts Receivable	326,870	269,004	326,870	269,004
Inventory	183,311	168,421	183,311	168,421
Total Assets	<u>\$ 4,822,646</u>	<u>\$ 12,252,438</u>	<u>\$ 12,412,471</u>	<u>\$ 4,662,613</u>
LIABILITIES				
Accounts Payable	\$ 160,920	\$ 106,391	\$ 160,920	\$ 106,391
Internal Accounts Payable	4,661,726	12,146,047	12,251,551	4,556,222
Total Liabilities	<u>\$ 4,822,646</u>	<u>\$ 12,252,438</u>	<u>\$ 12,412,471</u>	<u>\$ 4,662,613</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, 2018

	Balances July 1, 2017	Additions	Deductions	Balances June 30, 2018
ASSETS				
Cash and Cash Equivalents	\$ 1,286,605	\$ 10,669,055	\$ 8,747,351	\$ 3,208,309
Investments	1,420,087	115,834	1,535,921	-
Due from Other Agencies	31,559	8,361,242	8,354,360	38,441
Total Assets	<u>\$ 2,738,251</u>	<u>\$ 19,146,131</u>	<u>\$ 18,637,632</u>	<u>\$ 3,246,750</u>
LIABILITIES				
Accounts Payable	\$ 1,903,215	\$ 10,064,967	\$ 9,848,264	\$ 2,119,918
Accrued Liabilities	8,164	7,367,556	7,353,148	22,572
Due to Other Agencies	826,872	1,713,608	1,436,220	1,104,260
Total Liabilities	<u>\$ 2,738,251</u>	<u>\$ 19,146,131</u>	<u>\$ 18,637,632</u>	<u>\$ 3,246,750</u>

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2018

	Balances July 1, 2017	Additions	Deductions	Balances June 30, 2018
ASSETS				
Cash and Cash Equivalents	\$ 5,599,070	\$ 22,484,068	\$ 20,649,641	\$ 7,433,497
Investments	1,420,087	115,834	1,535,921	-
Accounts Receivable	326,870	269,004	326,870	269,004
Inventory	183,311	168,421	183,311	168,421
Due from Other Agencies	31,559	8,361,242	8,354,360	38,441
Total Assets	<u>\$ 7,560,897</u>	<u>\$ 31,398,569</u>	<u>\$ 31,050,103</u>	<u>\$ 7,909,363</u>
LIABILITIES				
Accounts Payable	\$ 2,064,135	\$ 10,171,358	\$ 10,009,184	\$ 2,226,309
Accrued Liabilities	8,164	7,367,556	7,353,148	22,572
Due to Other Agencies	826,872	1,713,608	1,436,220	1,104,260
Internal Accounts Payable	4,661,726	12,146,047	12,251,551	4,556,222
Total Liabilities	<u>\$ 7,560,897</u>	<u>\$ 31,398,569</u>	<u>\$ 31,050,103</u>	<u>\$ 7,909,363</u>

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS



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

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, Mater Palms Academy, Main Street High School, New Dimensions High School, Osceola Science Charter School, Renaissance Charter School at Boggy Creek, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, St. Cloud Preparatory Academy, Inc., St. Cloud Preparatory High School, 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.

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

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

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF NET POSITION
COMBINING STATEMENT OF COMPONENT UNITS
June 30, 2018

	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	Lincoln-Marti Charter School
ASSETS									
Cash and Cash Equivalents	\$ 105,140	\$ 294,283	\$ 1,171,549	\$ 5,820,276	\$ 1,200,969	\$ 831,859	\$ 3,857,653	\$ 317,586	\$ 347,782
Investments	-	-	-	3,382,859	-	-	-	-	-
Accounts Receivable	159,215	140,035	3,117	100,134	3,619	-	463,675	203,245	-
Deposits	14,635	20,833	-	51,048	-	-	14,249	5,037	-
Due from Other Agencies	9,275	4,685	655,068	729,826	-	519,720	320,009	453,955	-
Prepaid Items	-	644	-	45,265	-	900	80,630	74,945	-
Other Assets:									
Restricted Assets:									
Beneficial Interest in Assets Held by Others	-	-	-	908,886	-	-	-	-	-
Capital Assets:									
Land	-	-	1,010,800	238,220	-	-	-	-	-
Land Improvements, Nondepreciable	-	-	212,956	-	-	-	-	-	-
Improvements Other Than Buildings, Net	-	-	9,828	131,821	-	-	36,686	-	-
Buildings and Fixed Equipment, Net	-	-	17,352,129	9,318,723	-	-	-	17,028,017	-
Furniture, Fixtures and Equipment, Net	47,810	25,931	3,449	309,669	-	-	223,615	-	14,674
Capital Lease Asset, Net	-	-	-	-	-	-	702,428	-	-
Motor Vehicles, Net	-	-	-	-	-	-	19,530	-	-
Audio Visual Materials and Computer Software, Net	13,435	53,860	-	224,923	-	-	126,331	-	-
Total Assets	349,510	540,271	20,418,896	21,261,650	1,204,588	1,352,479	5,844,806	18,082,785	362,456
DEFERRED OUTFLOWS OF RESOURCES									
Pension	-	-	-	1,695,497	-	-	-	-	-
LIABILITIES									
Salaries and Benefits Payable	\$ 178,010	\$ 118,876	\$ -	\$ -	\$ -	\$ -	\$ 400,979	\$ 300,275	\$ -
Accounts Payable	281,158	315,729	-	93,662	20,000	1,352,479	34,322	393,061	36,273
Accrued Expenses	-	-	-	589,559	-	-	0	-	-
Due to Other Agencies	-	-	-	1,264,864	-	-	542	2,785	-
Unearned Revenue	-	-	-	265,518	-	-	-	-	-
Accrued Interest Payable	-	-	339,626	181,761	154,583	-	-	208	-
Other Liabilities	-	-	-	931,697	-	-	-	-	-
Long-Term Liabilities:									
Portion Due Within One Year:									
Notes Payable	-	315,110	-	-	-	-	-	-	-
Obligations Under Capital Leases	-	-	-	-	-	-	-	280,000	-
Bonds Payable	-	-	925,000	675,000	115,000	-	-	-	-
Compensated Absences	-	-	-	19,295	-	-	-	19,809	-
Portion Due After One Year:									
Notes Payable	-	-	-	-	-	-	-	375,000	-
Obligations Under Capital Leases	-	-	-	-	-	-	-	18,328,042	-
Bonds Payable	-	-	19,133,196	11,984,980	6,860,858	-	-	-	-
Compensated Absences	-	-	-	6,431	-	-	-	6,603	-
Pension Liability	-	-	-	5,108,312	-	-	-	-	-
Total Liabilities	459,168	749,715	20,397,822	21,121,079	7,150,441	1,352,479	435,843	19,705,783	36,273
DEFERRED INFLOWS OF RESOURCES									
Deferred Amount on Debt Refunding	-	-	490,018	445,406	-	-	-	-	-
Pension	-	-	-	333,237	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	490,018	778,643	-	-	-	-	-
NET POSITION									
Net Investment in Capital Assets	61,245	79,791	(1,959,052)	(2,436,624)	-	-	1,108,590	(1,580,025)	14,674
Restricted For:									
Debt Service	-	-	529,731	2,264,280	-	-	-	-	-
Capital Projects	-	-	655,068	989,444	-	900	-	-	-
Other Purposes	-	-	-	1,134,011	-	0	-	-	-
Unrestricted	(170,903)	(289,235)	305,309	(893,686)	(5,945,853)	(900)	4,300,373	(42,973)	311,509
Total Net Position	\$ (109,658)	\$ (209,444)	\$ (468,944)	\$ 1,057,425	\$ (5,945,853)	\$ -	\$ 5,408,963	\$ (1,622,998)	\$ 326,183

Mater Palms Academy	Mater Brighton Lakes Academy	Main Street High School	New Dimensions High School	Osceola Science Charter School	Renaissance Charter School at Boggy Creek	Renaissance Charter School at Poinciana	Renaissance Charter School at Tapestry	St Cloud Preparatory Academy, Inc.	St Cloud Preparatory High Schools	UCP Osceola Charter School	Total Component Units
\$ 13,637	\$ 73,839	\$ 401,317	\$ 870,430	\$ 205,022	\$ 855,519	\$ 670,960	\$ 853,923	\$ 168,324	\$ 7,745	\$ -	\$ 18,067,813
130,000	480,000	1,200,000	-	-	-	-	-	-	-	-	5,192,859
-	-	-	6,685	3,049	87,105	45,979	47,204	6,860	-	32,765	1,302,687
13,900	44,404	31,817	8,771	-	58,870	15,648	23,030	56,800	-	-	359,042
7,378	24,851	137,678	-	69,351	8,986	535,013	82,468	168,883	-	1,501,248	5,228,394
85,647	132,617	294	-	-	69,925	59,083	36,250	-	-	-	586,200
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	908,886
-	-	-	275,000	-	-	-	-	-	-	-	1,524,020
-	-	-	-	-	-	-	-	-	-	-	212,956
-	-	-	157,490	-	-	223,981	930,000	-	-	-	1,489,806
583,077	-	-	5,719,991	-	13,615,058	10,831,057	18,018,648	-	-	5,998	92,472,698
-	983,217	54,765	26,122	186,786	361,041	221,824	-	87,782	-	-	2,546,685
-	-	110,998	-	-	-	-	-	12,009,985	-	-	12,823,411
-	-	-	62,697	-	-	-	-	-	-	-	82,227
-	-	-	134	-	318,199	71,818	-	18,368	-	-	827,068
833,639	1,738,928	1,936,869	7,127,320	464,208	15,374,703	12,675,363	19,991,523	12,517,002	7,745	1,540,011	143,624,752
-	-	-	541,224	-	-	-	-	-	-	-	2,236,721
\$ 69,748	\$ 186,487	\$ 16,073	\$ 176,157	\$ 68,020	\$ 86,452	\$ 336,737	\$ 313,962	\$ 48,149	\$ -	\$ 112,676	\$ 2,283,852
-	-	-	-	31,051	34,338	75,513	50,134	72,768	-	-	2,919,237
400,000	-	-	-	-	-	-	-	-	-	-	989,559
273,152	-	29,544	-	-	830,820	16,296	181,978	-	168,883	-	2,768,864
-	-	-	-	-	-	-	-	-	-	-	265,518
-	-	49,944	-	-	1,357,208	-	-	-	-	-	676,178
-	-	-	-	-	-	-	-	-	-	-	2,338,849
-	1,079,919	-	95,868	-	-	-	-	-	-	-	1,490,897
-	-	-	-	-	129,802	245,833	285,000	114,968	-	-	1,055,603
-	-	-	-	-	-	-	-	-	-	-	1,715,000
-	-	-	-	-	8,951	17,842	20,033	-	-	-	85,930
-	169,176	-	3,607,462	-	555,000	-	-	-	-	-	4,706,638
-	-	-	-	-	14,296,511	12,567,709	19,488,162	12,748,226	-	-	77,428,650
-	-	-	-	-	-	-	-	-	-	-	37,979,034
-	-	-	-	-	2,983	5,948	6,677	-	-	-	28,642
-	-	-	1,326,626	-	-	-	-	-	-	-	6,434,938
742,900	1,435,582	95,561	5,206,113	99,071	17,302,065	13,265,878	20,345,946	12,984,111	168,883	112,676	143,167,389
-	-	-	-	-	-	-	-	-	-	-	935,424
-	-	-	159,031	-	-	-	-	-	-	-	492,268
-	-	-	159,031	-	-	-	-	-	-	-	1,427,692
207,477	319,456	165,763	2,538,103	186,786	(132,015)	(1,464,862)	(1,754,514)	(632,091)	-	-	(5,277,298)
-	-	-	-	-	-	-	-	-	-	-	2,794,011
-	-	-	-	-	-	-	-	-	-	-	1,645,412
-	-	-	-	-	-	-	-	-	-	-	1,134,011
(116,738)	(16,110)	1,675,545	(234,703)	178,351	(1,795,347)	874,347	1,400,091	164,982	(161,138)	1,427,335	970,256
\$ 90,739	\$ 303,346	\$ 1,841,308	\$ 2,303,400	\$ 365,137	\$ (1,927,362)	\$ (590,515)	\$ (354,423)	\$ (467,109)	\$ (161,138)	\$ 1,427,335	\$ 1,266,392

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF ACTIVITIES
COMBINING STATEMENT OF COMPONENT UNITS
For the Fiscal Year Ended June 30, 2018

	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	Lincoln-Marti Charter School
Component Unit Activities:									
Instruction	\$ 2,240,346	\$ 1,411,471	\$	\$ 11,323,393	\$	\$ 1,345,682	\$ 4,702,778	\$ 3,641,275	\$ 62,752
Pupil Personnel Services						171,767		163,700	
Instructional Media Services									
Instruction and Curriculum Development						2,890,110		211	2,509
Instructional Staff Training Services						32,285		7,098	
Instruction Related Technology						525,625		113,199	
Board	35,795	23,752	34,040		38,241	25,903	5,420	24,294	11,118
General Administration	78,986	85,207	20,211		15,337	69,133	601,140		
School Administration	677,527	330,788		3,042,161		1,006,176		278,599	7,328
Facilities Acquisition and Construction			544,215	880,276			2,022,199		
Fiscal Services	246,938	59,750	13,801		38,534		20,000	17,440	12,500
Food Services								187	24,255
Central Services								84,220	18,672
Pupil Transportation Services	148,161	134,732					282	78,006	
Operation of Plant	1,537,113	600,747		3,136,082		92,574		948,694	91,384
Maintenance of Plant	43,928	23,062	46,752			871		230,292	10,057
Administrative Technology Services				2,941,792				9,676	
Community Services				440,580	374,092			1,294,919	
Interest on Long Term Debt			793,612						
Unallocated Depreciation/Amortization	34,426	38,230			1,243				
Total Expenses	<u>5,043,220</u>	<u>2,707,739</u>	<u>1,452,631</u>	<u>21,764,284</u>	<u>467,447</u>	<u>6,160,126</u>	<u>7,351,819</u>	<u>6,891,810</u>	<u>240,575</u>
Program Revenues									
Charges for Services				245,490				25,510	
Operating Grants and Contributions	216,923	102,522		3,327,734			260,328	64,059	24,255
Capital Grants and Contributions	137,178	68,701		643,729				224,242	
Net (Expenses) Revenue	<u>(4,689,119)</u>	<u>(2,536,516)</u>	<u>(1,452,631)</u>	<u>(17,547,331)</u>	<u>(467,447)</u>	<u>(6,160,126)</u>	<u>(7,091,491)</u>	<u>(6,577,999)</u>	<u>(216,320)</u>
General Revenues									
Grants and Contributions not restricted to specific programs	4,365,417	2,099,016	2,022,276	16,257,345		6,160,126	6,738,772	5,597,891	222,362
Investment Earnings				15,501	4,046		3,071		
Special Items					664,077			377,203	
Miscellaneous	9,268			183,838				14,698	298,343
Total General Revenues	<u>4,374,685</u>	<u>2,099,016</u>	<u>2,022,276</u>	<u>16,456,684</u>	<u>668,123</u>	<u>6,160,126</u>	<u>6,741,843</u>	<u>5,989,792</u>	<u>520,705</u>
Change in Net Position	<u>(314,434)</u>	<u>(437,500)</u>	<u>569,645</u>	<u>(1,090,647)</u>	<u>200,676</u>	<u>-</u>	<u>(349,648)</u>	<u>(588,207)</u>	<u>304,385</u>
Net Position - beginning	204,776	228,056	(1,038,589)	2,510,262	(6,146,529)		5,758,611	(1,034,791)	21,798
Adjustments to Beginning Net Position				(362,190)					
Net Position - beginning	204,776	228,056	(1,038,589)	2,148,072	(6,146,529)	-	5,758,611	(1,034,791)	21,798
Net Position - ending	<u>\$ (109,658)</u>	<u>\$ (209,444)</u>	<u>\$ (468,944)</u>	<u>\$ 1,057,425</u>	<u>\$ (5,945,853)</u>	<u>\$ -</u>	<u>\$ 5,408,963</u>	<u>\$ (1,622,998)</u>	<u>\$ 326,183</u>

Mater Palms Academy	Mater Brighton Lakes Academy	Main Street High School	New Dimensions High School	Osceola Science Charter School	Renaissance Charter School at Boggy Creek	Renaissance Charter School at Poinciana	Renaissance Charter School at Tapestry	St Cloud Preparatory Academy, Inc.	St. Cloud Preparatory High School	UCP Osceola Charter School	Total Component Units
\$ 1,139,875	\$ 3,668,043 44,759	\$ 1,391,104	\$ 1,868,601	\$ 1,059,509 954	\$ 1,490,715 94,905	3,680,840 514,737	\$ 4,732,224 332,646	\$ 1,779,348 1,059	\$ 104,957 44	\$ 1,482,014 -	\$ 47,124,927 1,324,571
				54,922	31,155	-	-	-	2,793	-	88,870
	6,308			73,005	52	19,047	570	149,297			3,134,801
		291,811		9,092	1,598	37,594	18,516	-			161,071
	36,732				88,667	94,943	124,550	-			1,238,795
					1,588	79,362	16,886	-			406,101
	406,374			30,667	53,556	-	-	128,541	4,376	502,871	1,590,025
		224,104		490,757	261,959	523,699	496,755	650,725	6,433		10,070,317
				212,631		-	-	-			3,659,611
	39,225	154,500	529,043	47,152	7,764	884,362	1,018,816	18,695			3,108,520
	489	923				2,074	346	5,364	403		34,041
	85,779	176,709		9,645	90,124	95,845	114,583	387	16		675,980
	61,777	205,592	88,660	112,780	48,752	52,878		22,545	925		955,090
	749,653	1,983,546	762,377	100,071	405,082	991,810	906,450	1,253,858	922,379	169,861	14,651,681
	32,134	111,002		342,236	9,470	138,799	277,270	210,833	44,287		1,520,993
		19,187			9,918		-				29,105
	41,773	138,247			65,457	28,821	78,980	111,951	231,768		3,648,465
	2,186	21,996		167,521		1,359,007	902,958	1,383,826			6,740,697
				29,411		-	-				103,310
2,602,305	7,653,273	3,287,099	3,325,264	2,097,245	4,897,456	8,124,095	9,970,330	3,955,560	289,808	1,984,885	100,266,971
	54,247	220,430		108,878	-	102,006	112,064	151,277			1,019,902
	269,702	276,184	95,047		135,972	407,437	751,596	504,296		255,490	6,691,545
	74,764	534,320	126,763	116,682	-	80,293	234,958	344,391		43,772	2,756,895
(2,203,592)	(6,622,339)	(3,065,289)	(3,099,704)	(1,961,273)	(4,307,720)	(7,025,477)	(8,970,366)	(3,828,458)	(289,808)	(1,685,623)	(89,798,629)
	1,740,669	6,668,161	2,860,718	2,794,948	2,050,072	2,104,382	6,015,483	8,776,058	3,101,038	128,670	82,374,929
	553,662	52,867		1,272			-	517			630,936
						274,219	-		29,000		1,344,499
		8,368			65,177	1,757	6,070	15,277	381,405		984,201
2,294,331	6,721,028	2,869,086	2,796,220	2,115,249	2,380,358	6,021,553	8,791,852	3,511,443	128,670	2,671,525	85,334,565
90,739	98,689	(196,203)	(303,484)	153,976	(1,927,362)	(1,003,924)	(178,514)	(317,015)	(161,138)	985,902	(4,464,064)
-	204,657	2,037,511	2,606,884	211,161		413,409	(175,909)	(150,094)		2,181,286	7,832,499
										(1,739,853)	(2,102,043)
0	204,657	2,037,511	2,606,884	211,161	0	413,409	(175,909)	(150,094)		441,433	5,730,456
\$ 90,739	\$ 303,346	\$ 1,841,308	\$ 2,303,400	\$ 365,137	\$ (1,927,362)	\$ (590,515)	\$ (354,423)	\$ (467,109)	\$ (161,138)	\$ 1,427,335	\$ 1,266,392

This page left intentionally blank.

STATISTICAL SECTION



This page left intentionally blank.

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities				
Net investment in Capital Assets	\$ 438,988,320	\$ 471,185,896	\$ 492,955,678	\$ 488,096,469
Restricted	155,942,301	116,539,697	81,462,943	75,558,613
Unrestricted	<u>22,289,318</u>	<u>28,633,813</u>	<u>50,433,333</u>	<u>40,835,214</u>
Total governmental activities net position	<u>\$ 617,219,939</u>	<u>\$ 616,359,406</u>	<u>\$ 624,851,954</u>	<u>\$ 604,490,296</u>

Source:
 District records

	<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>
\$	477,532,359	\$	494,470,617	\$	487,069,988	\$	484,808,699	\$	508,196,302	\$	556,200,796
	91,902,083		75,247,973		83,317,955		119,173,058		148,132,173		170,937,433
	16,937,578		(10,626,220)		(171,469,553)		(173,075,853)		(187,484,019)		(156,403,703)
	<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>		<u>570,734,526</u>

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

	For the Fiscal Year ending June 30			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Primary Government:				
Expenses				
Governmental activities:				
Instruction	\$ 243,009,744	\$ 255,220,829	\$ 268,395,640	\$ 256,106,769
Pupil Personnel Services	23,755,838	21,883,642	21,854,182	21,838,137
Instructional Media Services	5,292,967	4,562,986	4,517,888	4,213,693
Instruction and Curriculum Development Services	20,144,676	15,244,383	15,053,689	12,918,163
Instructional Staff Training Services	6,556,067	8,854,691	10,019,346	8,893,254
Instruction-Related Technology	4,534,355	3,624,384	3,371,658	3,506,394
Board of Education	1,594,329	1,678,822	1,365,918	1,735,224
General Administration	2,988,478	2,906,023	3,776,911	2,778,064
School Administration	20,969,528	23,215,807	22,598,190	21,712,072
Facilities Services	15,224,107	14,397,625	11,792,702	7,231,837
Fiscal Services	1,872,802	1,807,456	1,861,512	1,795,816
Food Services	22,822,423	21,173,003	22,286,139	23,211,603
Central Services	6,693,873	6,711,505	6,467,196	6,866,451
Student Transportation Services	21,163,277	20,792,056	22,121,651	21,866,622
Operation of Plant	29,917,708	31,691,252	28,932,290	26,379,530
Maintenance of Plant	8,415,184	8,075,524	8,425,120	12,068,670
Administrative Technology Services	3,435,841	3,590,304	3,334,012	3,159,953
Community Services	3,670,126	3,690,087	4,194,564	4,427,474
Interest on Long-term Debt	15,144,497	16,245,397	15,944,978	14,542,638
Loss on Disposal of Capital Assets	963,035			
Unallocated Depreciation Expense	28,832,502	29,437,348	31,169,680	32,061,585
Total expenses - Primary Government	<u>\$ 487,001,357</u>	<u>\$ 494,803,124</u>	<u>\$ 507,483,266</u>	<u>\$ 487,313,949</u>
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	\$ 1,577,484	\$ 1,828,659	\$ 2,220,174	\$ 2,126,462
Food Services	6,905,070	6,136,837	5,881,978	5,718,630
Student Transportation Services	470,324	370,221	543,684	613,100
Community Services	2,572,933	2,527,935	2,774,330	2,598,249
Operating Grants and Contributions				
Instruction				
Food Services	15,988,714	17,894,469	19,400,609	21,165,198
Student Transportation Services	9,315,616	9,436,136	8,978,796	9,626,629
Capital Grants and Contributions				
Facilities Acquisition and Construction	11,622,121	11,544,613	11,019,085	11,851,852
Maintenance of Plant	10,719,386			
Community Services				
Interest on Long-term Debt	20,557	23,037	23,505	21,870
Total Program Revenues - Primary Government	<u>\$ 59,192,205</u>	<u>\$ 49,761,907</u>	<u>\$ 50,842,161</u>	<u>\$ 53,721,990</u>
Net (Expense) - Primary Government	<u>\$ (427,809,152)</u>	<u>\$ (445,041,217)</u>	<u>\$ (456,641,105)</u>	<u>\$ (433,591,959)</u>

Source:
District records

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	268,705,463	\$ 290,738,409	\$ 287,060,332	\$ 311,639,361	\$ 333,153,721	\$ 352,078,958
	21,225,019	22,892,264	22,519,240	23,533,909	25,245,474	27,161,815
	4,590,168	4,954,439	4,493,306	4,638,080	4,767,568	5,076,970
	13,955,272	16,291,806	15,765,392	16,950,455	18,401,374	19,201,920
	8,683,127	9,304,247	8,908,032	8,895,901	9,279,268	9,928,182
	3,400,004	4,070,147	4,327,747	4,268,253	4,540,916	4,828,689
	1,449,083	1,478,064	1,862,188	1,748,662	1,578,395	1,255,886
	2,223,978	2,494,349	2,255,012	2,760,587	2,851,014	3,089,842
	22,187,638	23,645,915	22,432,816	23,324,361	24,531,728	25,768,790
	7,301,809	11,431,928	12,186,629	14,914,658	12,483,779	17,348,888
	2,068,151	2,073,286	1,998,168	1,971,065	2,068,355	2,310,798
	26,792,335	31,642,638	28,841,287	29,309,705	30,676,116	32,571,028
	6,854,756	6,828,128	6,771,155	7,564,360	7,777,920	8,220,245
	22,887,687	24,340,819	23,123,277	22,452,171	22,826,052	25,326,208
	30,799,393	32,314,289	34,174,683	31,647,174	33,552,679	34,662,229
	7,116,029	8,587,830	7,520,421	8,295,989	8,808,276	9,405,015
	3,920,100	4,012,196	3,889,429	4,071,518	4,442,744	5,007,879
	4,607,250	4,978,829	5,082,800	5,444,934	5,294,861	4,838,607
	15,195,406	11,420,473	14,635,622	12,049,157	15,788,423	9,051,396
					681,916	
	34,621,488	35,275,678	35,257,897	35,316,748	35,026,910	34,635,528
<u>\$</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>	<u>\$ 631,768,873</u>
\$	2,303,121	\$ 2,076,715	\$ 2,339,173	\$ 2,642,876	\$ 2,454,403	\$ 2,181,514
	4,791,692	4,291,076	3,678,965	3,390,984	2,519,613	2,214,598
	589,816	392,314	497,908	646,279	663,527	904,007
	2,750,258	2,874,860	2,805,201	2,829,867	2,803,086	3,296,995
		97,871,733	95,237,159	108,562,019	110,127,867	113,634,808
	23,618,227	26,203,051	27,460,542	31,689,599	33,985,232	34,774,560
	584,483	16,532,017	27,067,210	36,043,720	42,941,325	43,917,297
					1,264,597	
	1,654,690	1,630,218	1,611,974	1,832,828		942,878
<u>\$</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>\$ 201,866,657</u>
<u>\$</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>	<u>\$ (429,902,216)</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net (Expense)/Revenue - Primary Government	<u>\$ (427,809,152)</u>	<u>\$ (445,041,217)</u>	<u>\$ (456,641,105)</u>	<u>\$ (433,591,959)</u>
General Revenues and Changes in Net Position				
Taxes:				
Property taxes, levied for operational purposes	\$ 151,594,547	\$ 135,881,016	\$ 115,231,090	\$ 104,108,613
Property taxes, levied for debt service	1,671			
Property taxes, levied for capital projects	46,094,101	33,142,748	27,606,863	25,707,956
Local sales taxes	9,143,244	9,035,938	9,511,482	9,925,207
Impact Fees				
Grants and contributions not restricted to specific programs	223,928,922	253,310,535	294,754,205	262,026,194
Investment earnings	3,253,100	2,345,647	2,099,168	1,801,749
Miscellaneous	9,305,721	10,464,800	15,930,845	9,660,582
Total General Revenues - Primary Government	<u>\$ 443,321,306</u>	<u>\$ 444,180,684</u>	<u>\$ 465,133,653</u>	<u>\$ 413,230,301</u>
Changes in Net Position - Primary Government	<u>\$ 15,512,154</u>	<u>\$ (860,533)</u>	<u>\$ 8,492,548</u>	<u>\$ (20,361,658)</u>

Source:
District records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</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>	<u>\$ (429,902,216)</u>
\$ 98,493,989	\$ 105,900,393	\$ 111,668,108	\$ 117,462,480	\$ 117,411,122	\$ 125,285,264
25,367,760	26,438,255	28,370,255	30,186,687	32,537,685	34,733,867
10,416,923	10,600,770	12,129,743	12,771,275	25,010,568	45,404,305
12,286,659					
299,164,318	215,374,466	223,592,024	242,260,027	259,580,554	277,817,616
483,975	1,199,839	1,389,318	3,176,842	1,060,614	2,339,176
7,959,969	10,110,377	11,503,406	9,289,079	9,355,848	10,200,372
<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>\$ 495,780,600</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>	<u>\$ 65,878,384</u>

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

	For the Fiscal Year Ending June 30			
	Restated (a)	Restated (a)		
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund				
Nonspendable	\$	\$	\$ 1,805,173	\$ 1,838,068
Restricted	15,237,098	18,790,895	15,432,710	16,184,090
Assigned			21,373,716	13,663,265
Unassigned	44,255,581	51,822,880	52,989,981	52,631,593
Total General Fund	<u>\$ 59,492,679</u>	<u>\$ 70,613,775</u>	<u>\$ 91,601,580</u>	<u>\$ 84,317,016</u>
All Other Governmental Funds				
Nonspendable	\$	\$	\$ 535,522	\$ 416,365
Restricted	29,301,405	72,871,696	107,041,853	73,935,852
Assigned			684,791	774,561
Unassigned	167,008,297	101,538,230		
Total All Other Governmental Funds	<u>\$ 196,309,702</u>	<u>\$ 174,409,926</u>	<u>\$ 108,262,166</u>	<u>\$ 75,126,778</u>
Total Governmental Funds	<u>\$ 255,802,381</u>	<u>\$ 245,023,701</u>	<u>\$ 199,863,746</u>	<u>\$ 159,443,794</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1,931,315	\$ 2,077,677	\$ 2,303,278	\$ 2,504,747	\$ 2,714,482	\$ 2,504,820
21,044,012	21,082,476	19,487,714	18,156,321	18,400,024	15,905,069
8,688,530	13,375,810	3,303,083	4,844,727	4,681,885	5,962,073
44,389,869	33,702,182	41,368,678	41,010,743	41,618,791	44,079,630
<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>	<u>\$ 68,451,592</u>
\$ 724,170	\$ 58,179,268	\$ 974,141	\$ 1,162,356	\$ 1,205,400	\$ 1,077,716
73,637,841	1,393,760	69,347,218	106,161,674	222,501,059	235,402,182
1,081,812					
<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>\$ 236,479,898</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>	<u>\$ 304,931,490</u>

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

	For the Fiscal Year Ending June 30			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues				
Federal direct	\$ 3,544,576	\$ 4,346,224	\$ 6,773,076	\$ 6,333,326
Federal through State	44,917,130	74,445,447	86,017,868	53,248,874
State sources	214,028,791	205,192,571	236,185,377	235,804,919
Local sources	<u>239,855,958</u>	<u>209,624,727</u>	<u>182,822,924</u>	<u>171,187,869</u>
 Total revenues	 <u>\$ 502,346,455</u>	 <u>\$ 493,608,969</u>	 <u>\$ 511,799,245</u>	 <u>\$ 466,574,988</u>

Source:
 District records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 4,390,418	\$ 3,882,342	\$ 4,020,887	\$ 4,245,607	\$ 4,275,783	\$ 3,842,771
59,529,883	58,990,124	56,918,921	71,723,722	73,692,342	74,144,738
259,006,088	278,832,947	288,489,943	309,665,209	329,266,843	351,551,486
167,952,654	185,384,897	195,797,333	215,536,470	231,140,276	265,935,801
<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>	<u>\$ 695,474,796</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenditures				
Instruction	\$ 242,419,425	\$ 252,269,672	\$ 266,865,399	\$ 253,767,483
Pupil Personnel Services	23,775,514	21,596,468	21,710,031	21,600,574
Instructional Media Services	5,308,109	4,528,355	4,500,290	4,171,544
Instruction and Curriculum Development Services	20,161,819	15,096,682	14,940,593	12,852,001
Instructional Staff Training Services	6,589,861	8,768,979	10,034,314	8,831,137
Instruction Related Technology	4,514,440	3,552,968	3,274,513	3,445,793
Board of Education	1,596,656	1,680,070	1,363,448	1,737,280
General Administration	2,991,604	2,847,678	3,742,052	2,737,481
School Administration	21,017,289	22,478,323	22,458,336	21,548,515
Facilities Acquisition and Construction	15,195,444	14,275,962	11,790,607	7,495,265
Fiscal Services	1,840,274	1,784,591	1,818,535	1,763,306
Food Services	22,795,237	20,976,967	22,195,655	23,043,598
Central Services	6,656,102	6,597,053	6,368,452	6,849,484
Student Transportation Services	17,861,972	17,280,750	18,853,529	18,599,266
Operation of Plant	30,466,641	34,035,187	29,305,887	27,341,814
Maintenance of Plant	8,366,744	7,919,591	8,351,687	12,011,268
Administrative Technology Services	3,431,664	3,527,874	3,396,158	3,194,658
	3,680,873	3,643,310	4,174,899	4,409,058
Capital outlay:				
Facilities Acquisition and Construction	97,801,621	68,920,961	66,602,017	36,644,633
Charter School Local Capital Improvement				
Other Capital Outlay	9,803,355	4,238,945	5,859,310	4,111,070
Debt service:				
Principal	14,186,717	14,817,845	14,034,285	15,564,668
Interest and Fiscal Charges	14,819,480	14,933,194	15,475,625	15,520,709
Total Expenditures	<u>\$ 575,280,841</u>	<u>\$ 545,771,425</u>	<u>\$ 557,115,622</u>	<u>\$ 507,240,605</u>
Debt Service as a Percentage of Noncapital Expenditures	6.20%	6.30%	6.09%	6.66%

Source:
District records

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	264,220,967	\$ 280,329,535	\$ 287,013,856	\$ 310,555,110	\$ 321,579,744	\$ 339,632,764
	20,837,078	21,786,239	22,697,456	23,290,424	24,058,648	25,392,616
	4,516,147	4,771,047	4,525,806	4,627,227	4,612,307	4,811,090
	13,670,171	15,683,860	15,819,513	16,710,413	17,412,544	17,953,151
	8,545,858	9,098,166	9,002,894	8,882,840	8,843,586	9,367,984
	3,319,737	3,917,886	4,286,444	4,238,816	4,302,167	4,518,485
	1,445,253	1,466,041	1,872,534	1,745,998	1,565,672	1,236,867
	2,210,250	2,415,274	2,299,003	2,819,209	2,793,008	2,984,967
	21,860,841	22,476,668	22,518,181	23,086,838	23,459,783	24,197,009
	8,908,965	11,181,228	9,881,355	11,243,631	12,346,580	16,533,565
	2,020,295	1,936,268	2,014,809	2,021,992	1,925,667	2,140,615
	26,592,821	31,050,012	28,667,778	29,143,693	29,988,376	31,701,034
	6,780,716	6,541,885	6,770,403	7,466,404	7,534,680	7,790,493
	19,696,499	20,842,262	20,532,244	19,832,017	19,772,543	22,217,613
	30,585,170	31,742,175	32,777,540	31,140,563	32,664,336	33,315,337
	7,023,537	8,280,498	7,697,959	8,194,955	8,594,886	8,949,660
	3,844,461	3,815,336	3,902,468	4,099,622	4,255,025	4,766,512
	1,840,018	4,876,281	5,081,934	5,408,882	5,131,035	4,650,056
	16,040,556	28,540,227	15,343,982	6,817,643	40,287,143	70,625,077
	4,009,251	8,600,402	6,176,371	9,798,576	3,663,657	624,570
	16,079,567	16,704,179	17,013,917	18,690,550	19,066,296	16,501,060
	15,353,689	13,924,407	12,862,021	11,797,768	12,177,869	10,350,671
\$	<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>	<u>\$ 673,271,485</u>
	6.56%	5.97%	5.78%	5.59%	5.56%	4.55%

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

	<u>For the Fiscal Year Ending June 30</u>			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Excess of revenues over (under) expenditures	<u>\$ (72,934,386)</u>	<u>\$ (52,162,456)</u>	<u>\$ (45,316,377)</u>	<u>\$ (40,665,617)</u>
Other Financing Sources	37,734,305	112,616,204	34,699,272	37,188,470
Other Financing Uses	<u>37,671,950</u>	<u>71,232,428</u>	<u>34,542,850</u>	<u>36,942,805</u>
Net change in fund balances	<u>\$ (72,872,031)</u>	<u>\$ (10,778,680)</u>	<u>\$ (45,159,955)</u>	<u>\$ (40,419,952)</u>

District records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</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>	<u>\$ 22,203,311</u>
76,326,708	40,663,038	51,703,245	71,455,987	199,528,943	28,222,915
<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>36,616,377</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>	<u><u>\$ 13,809,849</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
2008	\$ 24,673,342.00	\$ 25,228,366.00	\$ 1,652,151.00	\$ 1,689,316.00
2009	24,464,364	24,562,614	1,510,465	1,516,531
2010	19,971,753	19,832,923	1,531,250	1,520,606
2011	16,573,745	16,673,788	1,473,806	1,482,702
2012	15,288,985	15,942,633	1,356,605	1,414,604
2013	15,075,763	15,970,088	1,387,049	1,469,332
2014	15,668,183	16,739,512	1,403,246	1,499,194
2015	18,141,220	19,035,908	1,371,038	1,438,655
2016	19,637,295	21,579,445	1,362,727	1,497,502
2017	21,532,969	23,228,661	1,423,844	1,535,970

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

2018 information not available.

⁽¹⁾ Per \$1,000 of assessed value

Source: Osceola County Comprehensive Annual Financial Report, FYE 9/30/17, Schedule 5

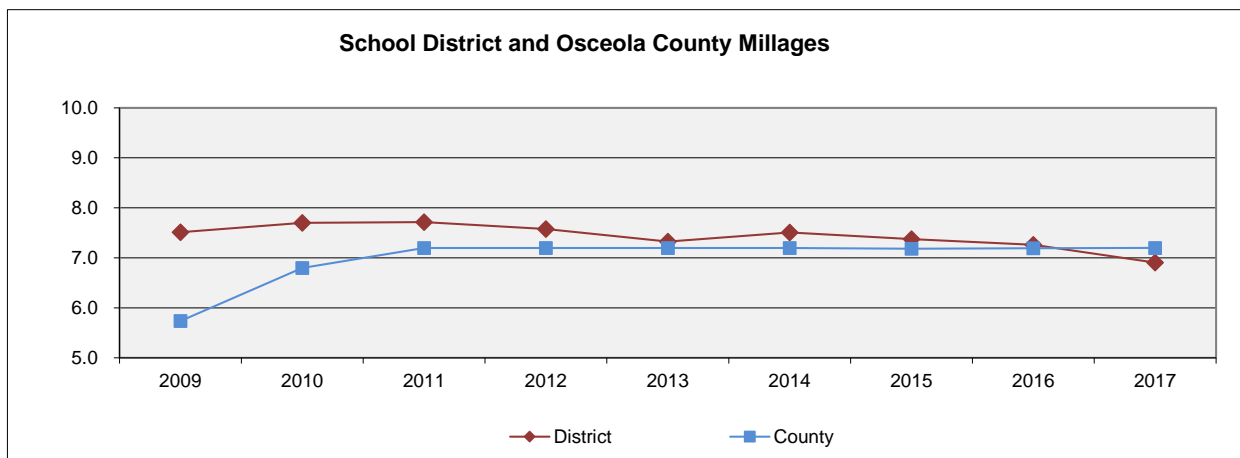
Centrally Assessed Property		Total		Total Direct Rate ⁽¹⁾
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 4,495.00	\$ 4,596.00	\$ 26,329,988.00	\$ 26,922,278.00	7.772
3,785	3,800	25,978,614	26,082,945	7.513
4,129	4,100	21,507,132	21,357,629	7.699
3,677	3,699	18,051,228	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
4,630	4,995	22,961,443	24,769,626	6.905

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
	Local Effort	Capital Outlay	Basic Discretionary	Prior Period Funding Adjustment	Supplemental Discretionary	Total Direct	Osceola County
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		36.500	7.375	7.184
2016	5.009	1.500	0.748	0.004		7.261	7.193
2017	4.643	1.500	0.748	0.014		6.905	7.199
2018	4.501	1.500	0.748			6.749	N/A

Note: Osceola County 2018 information not available

Sources: District records, District Summary Budget, Section I. Assessment and Millage Levies
 Osceola County Comprehensive Annual Financial Report, FYE 9/30/17



Schedule 10
District School Board of Osceola County
Principal Osceola County Property Tax Payers
September 30, 2017 and Nine Years Earlier
(In thousands)
Unaudited

Taxpayer	September 30, 2017			September 30, 2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westgate Properties/Resorts/Towers	\$ 981,563	1	4.27%	\$ -	-	-
Walt Disney Parks and Resorts US Inc.	666,401	2	2.90%	600,682	2	2.31%
Lando Resorts Corporation	567,964	3	2.47%	221,960	7	0.85%
Duke Energy Florida LLC	289,272	4	1.26%	-	-	-
G.P. Limited Partnership	284,971	5	1.24%	302,165	3	1.16%
Tempus Palms International	276,701	6	1.21%	269,241	5	1.04%
Star Island/Vacation Break/Wyndham	235,454	7	1.03%	-	-	-
Silver Lake Resort	119,446	8	0.52%	128,437	10	0.49%
Omni-Championsgate Resort Hotel LLC	113,567	9	0.49%	128,331	11	0.49%
Osceola Regional Hospital Inc.	102,929	10	0.45%	86,809	18	0.33%
IH1 & IH2 Borrower LP/IH2-IH6 Property Trust	74,578	11	0.32%	-	-	-
Orlando Resort Development Group, Inc.	74,113	12	0.32%	-	-	-
Walmart Stores/WalSam Dev Co.	71,082	13	0.31%	95,046	14	0.37%
Lowes Home Centers Inc.	66,177	14	0.29%	90,880	17	0.35%
HUH DI-OCP Crosslands LLC/Cinque Terre LLC	65,709	15	0.29%	-	-	-
Florida Gas Transmission Co.	62,911	16	0.27%	-	-	-
Embarq Florida Inc/Sprint/SprintCom	58,647	17	0.26%	110,362	13	0.42%
Timescape Resorts LLC	55,002	18	0.24%	-	-	-
Metropolitan Life Insurance Co.	50,914	19	0.22%	-	-	-
Worldmark The Club	45,512	20	0.20%	-	-	-
Central Florida Investment				761,697	1	2.93%
Fairfield Communities Inc.				272,745	4	1.05%
Progress Energy				227,030	6	0.87%
Reliant Energy Osceola, LLC				155,328	8	0.60%
Ginn-LA/Reunion				134,611	9	0.52%
Adventist Health System				114,644	12	0.44%
First Continental Corp				93,953	15	0.36%
Avatar Properties, Inc.				93,786	16	0.36%
Lexin Celebration III LLC				80,277	19	0.31%
Deerfield Land Corp				69,979	20	0.27%
Total taxable assessed value ten largest taxpayers	4,262,913		18.57%	4,037,963		15.54%
Total taxable assessed value all other taxpayers	18,698,530		81.43%	21,940,586		84.46%
Total taxable assessed value all taxpayers	\$ 22,961,443		100.00%	\$ 25,978,549		100.00%

Source:

Osceola County Comprehensive Annual Financial Report, FYE 9/30/17, Schedule 7

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
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%	121,820	149,905,743	96.51%
2018	166,007,030	159,897,312	96.32%		159,897,312	96.32%

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
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			139,784,038	166,041,925
2018			133,297,264	156,118,988

Notes:

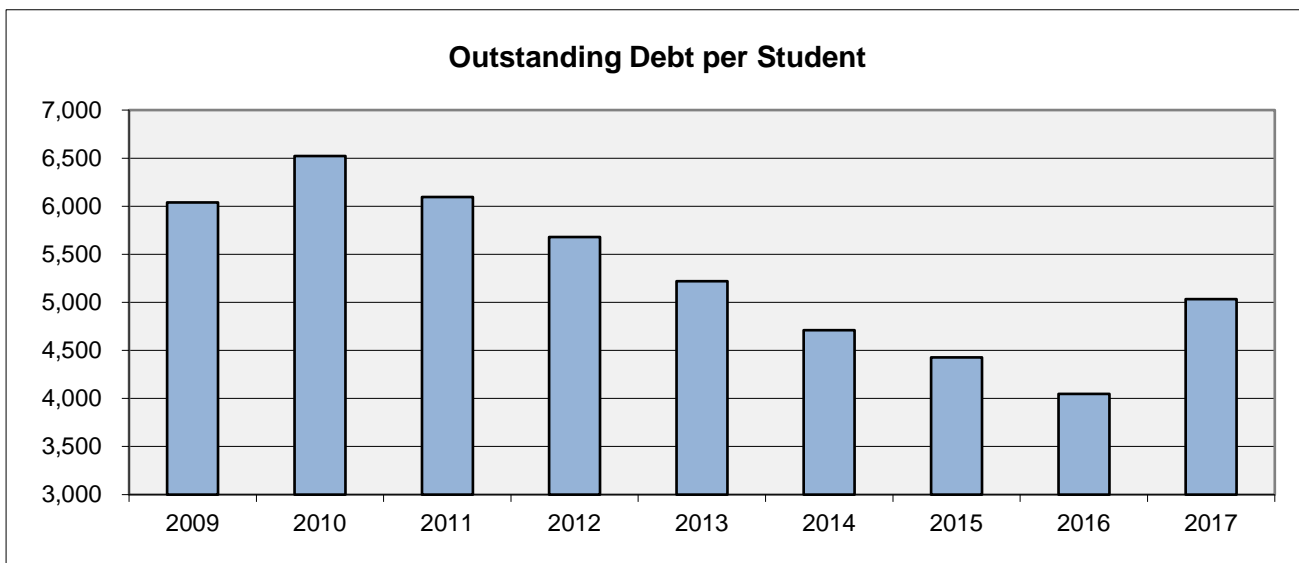
(1) Schedule 16 Personal Income (thousands) divided by Total Debt.

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

n/a = data not available

Source:

District records



	EFBD Agreement Payable	Total	Percentage of Personal Income (1)	Outstanding Debt Per Student (2)
\$	9,139,035	\$ 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	315,138,626	3.27%	5,035
	9,001,150	298,417,402	n/a	4,521

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
Osceola County			
Limited General Obligation Bonds	\$ 25,832,000	100.00%	\$ 25,832,000
Revenue Bonds	447,524,000	100.00%	447,524,000
Special Assessment Bonds	1,935,000	100.00%	1,935,000
Subtotal, overlapping debt			475,291,000
District direct debt			298,417,402
Total direct and overlapping debt			\$ 773,708,402

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County.

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 9/30/17, Schedule 9

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

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed value ⁽¹⁾	\$ 26,329,988	\$ 25,978,614	\$ 21,507,132	\$ 18,051,228
Debt limit (10% of assessed value)	2,632,999	2,597,861	2,150,713	1,805,123
Debt applicable to limit:				
Bonds payable	<u>100,476</u>	<u>95,972</u>	<u>91,284</u>	<u>86,957</u>
Total net debt applicable to limit	<u>100,476</u>	<u>95,972</u>	<u>91,284</u>	<u>86,957</u>
Legal debt margin	<u>\$ 2,532,523</u>	<u>\$ 2,501,889</u>	<u>\$ 2,059,429</u>	<u>\$ 1,718,166</u>
Total net debt applicable to the limit as a percentage of debt limit	3.82%	3.69%	4.24%	4.82%

Notes:

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

⁽¹⁾ Schedule 8

Osceola County's information is not available for 2018

Sources:

District records
Osceola County Comprehensive Annual Financial Report, FYE 9/30/17, Schedule 5

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 16,649,673	\$ 16,466,996	\$ 17,075,794	\$ 19,516,751	\$ 21,004,789	\$ 22,961,443
1,664,967	1,646,700	1,707,579	1,951,675	2,100,479	2,296,144
82,639	76,150	68,906	66,112	60,316	139,784
82,639	76,150	68,906	66,112	60,316	139,784
<u>\$ 1,582,328</u>	<u>\$ 1,570,550</u>	<u>\$ 1,638,673</u>	<u>\$ 1,885,563</u>	<u>\$ 2,040,163</u>	<u>\$ 2,156,360</u>
4.96%	4.62%	4.04%	3.39%	2.87%	6.09%

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		
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%	
2018	15,182,038	5,624,000	901,803	232.6%	

Sales Tax Revenue Bonds - School Capital Outlay Surtax					
Fiscal Year	Local Sales Tax Revenue	Debt Service		Coverage	
		Principal	Interest		
2017	\$ 11,150,530	\$ -	\$ -		
2018	30,222,267	-	2,116,000	1428.3%	

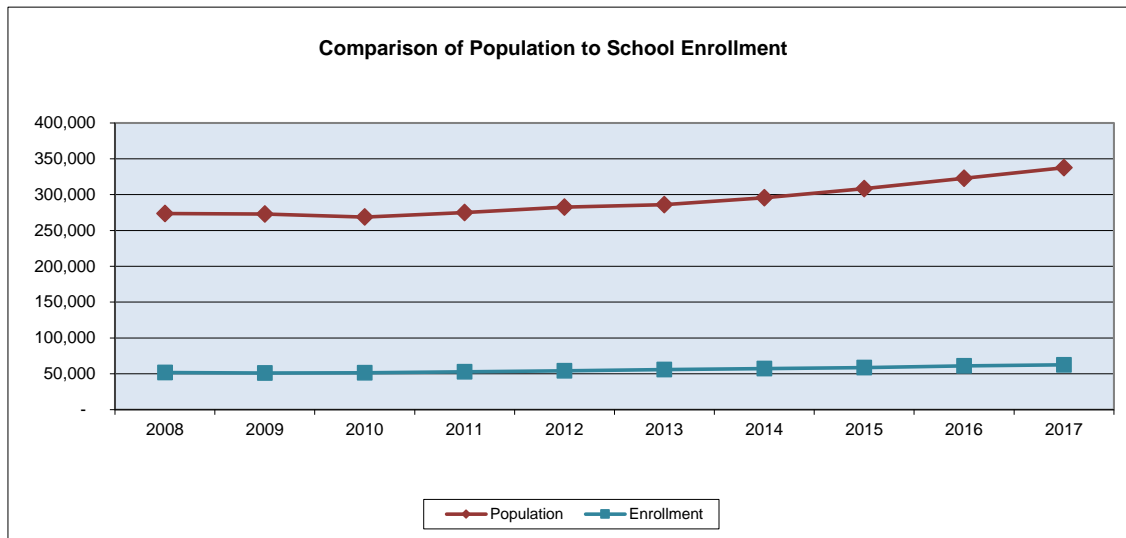
Source: District records

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
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%
2017	337,614	10,300,608	30,655	36.5	62,590	4.2%

Note: Information not available for 2018

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, 2017			September 30, 2008		
	Employees	Rank	Percentage of Total Labor Force Employed	Employees	Rank	Percentage of Total Labor Force Employed
Total Labor Force Employed ⁽¹⁾	163,357			123,996		
The School District of Osceola County ⁽²⁾	7,613	1	4.66%	6,983	1	5.63%
Walt Disney Company (Osceola County only)	3,700	2	2.26%	n/a		n/a
Wal-Mart Stores, Inc.	3,370	3	2.06%	2,800	2	2.26%
Publix Supermarkets, Inc.	1,838	4	1.13%	500	13	0.40%
Florida Hospital Celebration Healthcare	1,626	5	1.00%	839	8	0.68%
Gaylord Palms Resort & Convention Center	1,625	6	0.99%	1,952	5	1.57%
Osceola County Board of County Commission	1,442	7	0.88%	2,557	3	2.06%
Osceola Regional Medical Center	1,357	8	0.83%	800	9	0.65%
Valencia Community College	975	9	0.60%	365	17	0.29%
Omni Champions Gate Resort	908	10	0.56%	n/a		n/a
Total principal employers	24,454		14.97%	16,796		13.55%

Notes:

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

⁽²⁾ School District employees are shown as of June 30, 2017, and 2008. (See Schedule 18)

Sources:

Osceola County Comprehensive Annual Financial Report, FYE 9/30/17, 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	2018
Supervisory											
Officials, Administrators and Managers	44	44	44	43	43	51	69	61	61	61	69
Consultants/Supervisors of Instruction	8	8	11	11	11	11	10	7	7	8	7
Principals	48	52	55	55	55	58	61	60	62	64	68
Assistant Principals	70	63	66	69	64	69	71	81	88	92	93
Community Education Coordinators										17	25
Deans/Curriculum Coordinators	7	2	5	6	9	9	8	6			
Total supervisory	177	169	181	184	182	198	219	215	218	242	262
Instruction											
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	1,547
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	1,558
Exceptional Education Teachers	421	407	410	411	395	402	437	437	463	443	474
Other Teachers	93	80	102	118	127	130	135	156	157	225	151
Total instruction	3,147	3,056	3,048	3,237	3,319	3,384	3,452	3,562	3,632	3,732	3,730
Student Services											
Guidance Counselors	97	90	92	99	98	100	100	107	105	114	130
Social Workers	14	14	12	9	9	11	10	10	11	14	13
School Psychologists	34	37	33	31	31	30	32	33	31	36	36
Librarians/Audio-Visual Workers	46	45	47	48	47	45	46	45	46	47	48
Other Professional Staff, Instructional	387	356	267	261	262	277	304	321	321	386	402
Other Professional Staff, Non-Instructional	210	224	199	190	186	183	183	189	189	201	208
Aides	775	696	575	666	694	728	786	817	812	876	899
Technicians	107	102	110	65	124	119	124	127	126	134	134
Total student services	1,670	1,564	1,335	1,369	1,451	1,493	1,585	1,649	1,641	1,808	1,870
Support and Administration											
Clerical/Secretarial	561	564	537	536	494	519	518	538	510	552	560
Service Workers	1,331	1,301	1,101	1,108	1,101	1,147	1,150	1,162	1,141	1,186	1,193
Skilled Crafts Workers	71	72	67	66	66	67	66	70	66	66	63
Unskilled Laborers	26	23	22	21	20	24	19	21	26	27	29
Total support and administration	1,989	1,960	1,727	1,731	1,681	1,757	1,753	1,791	1,743	1,831	1,845
Total	6,983	6,749	6,291	6,521	6,633	6,832	7,009	7,217	7,234	7,613	7,707

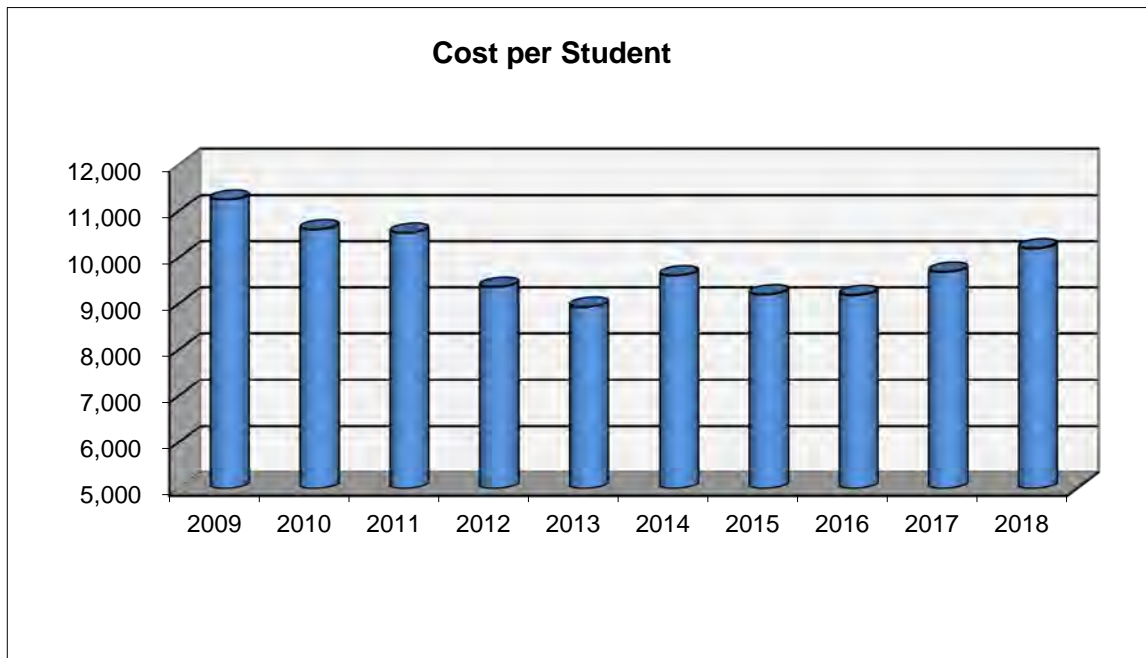
Source:
Florida Department of Education
Education Information and Accountability Services

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
2009	\$ 575,280,841	51,118	\$ 11,254	47
2010	545,771,425	51,458	10,606	46
2011	557,115,622	52,900	10,531	47
2012	507,240,605	54,197	9,359	47
2013	499,401,847	55,892	8,935	47
2014	549,979,876	57,252	9,606	47
2015	538,758,468	58,569	9,199	47
2016	561,613,171	61,141	9,186	47
2017	606,035,552	62,590	9,683	47
2018	673,271,486	66,010	10,200	47

Sources:

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



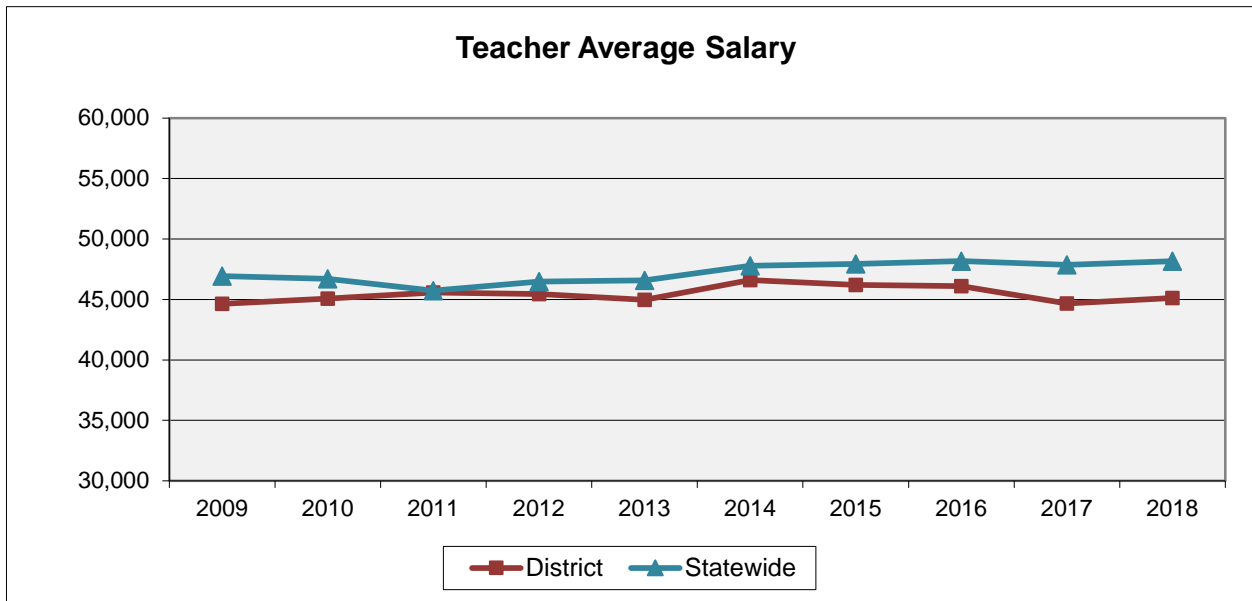
Number of Classroom Teachers	Pupil/Teacher Ratio	Percentage of Students Receiving Free/Reduced Meals	
		Osceola	Statewide
3,056	16.7	62.7%	49.6%
3,048	16.9	67.4%	53.5%
3,237	16.3	68.4%	56.0%
3,319	16.3	70.7%	57.6%
3,384	16.5	70.4%	57.5%
3,452	16.6	64.1%	54.2%
3,562	16.4	64.6%	51.3%
3,632	16.8	65.0%	58.1%
3,732	16.8	78.6%	61.2%
3,730	17.7	82.1%	69.4%

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

Fiscal Year	Minimum Salary ⁽¹⁾	Maximum Salary ⁽¹⁾	Osceola Average Salary ⁽²⁾	Statewide Average Salary ⁽²⁾
2009	\$ 37,500	\$ 65,685	\$ 44,639	\$ 46,930
2010	37,650	66,185	45,070	46,708
2011	37,800	66,485	45,574	45,732
2012	38,036	66,485	45,457	46,479
2013	38,036	66,485	44,965	46,583
2014	39,445	67,894	46,606	47,780
2015	39,500	67,935	46,211	47,950
2016	39,500	68,685	46,103	48,179
2017	40,100	69,285	44,679	47,858
2018	40,100	70,085	45,135	48,168

Sources:

- ⁽¹⁾ District records
- ⁽²⁾ Florida Department of Education
 Education Information and Accountability Services



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

	Current		Unweighted Full-Time Equivalent Enrollment Data				
	Square Footage	Student Capacity	2017-18	2016-17	2015-16	2014-15	2013-14
Elementary Schools (Placed in Service)							
Boggy Creek (1982)	102,514	878	682	651	682	714	746
Central Avenue (1934)	131,504	1,016	706	635	653	712	736
Chestnut (2005)	124,829	1,088	670	677	689	752	697
Cypress (1991)	107,250	800	693	753	735	726	718
Deerwood (1990)	130,214	990	533	571	571	672	651
East Lake (2010)	115,349	1,092	930	1,046	1,001	974	920
Flora Ridge (2007)	119,433	1,062	976	864	839	921	949
Hickory Tree (1983)	120,787	954	917	807	720	716	653
Highlands (1959)	136,722	1,075	859	821	826	938	916
Kissimmee (2000)	130,485	1,118	996	937	873	996	1,036
Koa (2009)	107,654	898	663	684	708	759	783
Lakeview (1985)	111,571	808	704	689	654	649	656
Michigan Avenue (1971)	96,379	738	626	642	648	645	634
Mill Creek (1986)	140,975	1,120	955	989	998	975	868
Narcoossee (2009)	118,167	1,010	1,004	926	849	767	717
Neptune (2007)	118,664	1,066	994	973	975	984	907
Partin Settlement (2002)	127,119	895	887	799	832	791	854
Pleasant Hill (1986)	137,787	1,056	822	823	883	890	891
Poinciana Academy of Fine Arts (2001)	142,990	890	664	658	681	765	749
Reedy Creek (1980)	337,614	1,179	1,060	975	969	967	909
Saint Cloud (2005)	126,129	1,098	1,027	969	980	970	971
Sunrise (2005)	125,941	1,176	912	891	890	1,001	928
Thacker Avenue (1963)	144,994	928	827	846	874	891	850
Ventura (1987)	135,229	1,084	854	883	888	946	919
Total Elementary Schools			19,961	19,509	19,417	20,121	19,658
Middle Schools (Placed in Service)							
Denn John (1973)	132,318	1,431	881	827	948	1,022	1,140
Discovery (2000)	260,098	1,732	1,001	981	1,026	1,138	1,193
Horizon (1993)	174,959	1,733	1,299	1,273	1,239	1,220	1,213
Kissimmee (1995)	179,542	1,853	1,331	1,194	1,249	1,258	1,300
Narcoossee (2000)	185,085	1,586	1,205	1,177	1,178	1,090	1,092
Neptune (1987)	186,575	1,660	1,472	1,442	1,330	1,296	1,369
Parkway (1986)	153,050	1,268	948	860	858	938	1,018
Saint Cloud (1974)	140,938	1,725	1,378	1,258	1,191	1,172	1,139
Total Middle Schools			9,515	9,012	9,019	9,134	9,464
High Schools (Placed in Service)							
Celebration (2001)	344,881	2,865	2,515	2,407	2,309	2,155	2,005
Gateway (1981)	305,573	3,074	2,437	2,468	2,454	2,417	2,421
Harmony (2004)	328,951	2,457	2,346	2,145	1,926	1,822	1,782
Liberty (2007)	307,299	2,319	1,963	1,967	1,963	1,914	1,873
Osceola (1962)	327,629	3,076	2,744	2,678	2,676	2,543	2,477
PATHS Technical Education Center (1990)	163,079	1,479	537	555	593	460	641
Poinciana (1991)	403,167	2,509	1,859	1,718	1,685	1,548	1,416
Saint Cloud (1962)	279,794	2,431	2,367	2,261	2,304	2,214	2,073
Zenith School (2017)	93,083	901	496	489			
Total High Schools			17,264	16,688	15,910	15,073	14,688
Multilevel Schools (Placed in Service)							
Celebration School KG-8 (1995)	219,212	1,936	1,450	1,392	1,343	1,279	1,280
Harmony Community School K-8 (2007)	111,404	1,047	1,000	954	885	830	855
Osceola County School for the Arts (2002)	177,157	1,068	879	950	906	911	859
Westside School K-8 (2009)	189,687	1,868	1,653	1,497	1,518	1,487	1,351
Total Multilevel Schools			4,982	4,793	4,652	4,507	4,345
Total K-12 Schools			51,722	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
720	718	702	698	711
711	686	608	610	661
671	683	664	680	982
755	727	728	797	789
676	698	636	685	976
867	859	764		
1,122	1,071	994	967	950
620	604	607	514	563
963	905	755	735	767
843	835	801	725	726
816	863	860	881	
645	637	636	685	717
618	608	635	700	688
786	867	908	978	997
748	734	620	1,129	1,127
886	882	828	737	660
790	818	782	857	971
880	936	935	951	1,039
714	707	704	615	916
730	763	813	784	1,150
924	921	901	836	832
814	817	827	799	895
791	729	777	685	589
967	917	897	977	1,004
<u>19,057</u>	<u>18,985</u>	<u>18,382</u>	<u>18,025</u>	<u>18,710</u>
1,169	1,181	1,156	1,148	1,132
1,219	1,291	1,376	1,398	1,471
1,158	1,199	1,209	1,163	1,472
1,307	1,215	1,182	1,119	1,151
1,069	1,041	892	666	663
1,385	1,399	1,281	1,423	1,449
1,011	929	871	897	889
1,180	1,230	1,349	1,204	1,200
<u>9,498</u>	<u>9,485</u>	<u>9,316</u>	<u>9,018</u>	<u>9,427</u>
1,995	1,864	1,860	1,694	1,654
2,317	2,241	2,287	2,324	2,377
1,806	1,858	1,832	1,880	1,859
1,898	2,052	2,146	2,062	1,974
2,285	2,080	1,963	1,945	2,147
681	694	681	684	691
1,447	1,348	1,230	1,203	1,366
2,057	1,886	1,747	1,683	1,753
<u>14,486</u>	<u>14,023</u>	<u>13,746</u>	<u>13,475</u>	<u>13,821</u>
1,282	1,319	1,172	1,197	1,284
799	800	921	930	747
852	828	740	736	498
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>47,497</u>	<u>46,799</u>	<u>45,758</u>	<u>44,587</u>	<u>44,487</u>

SINGLE AUDIT SECTION



This page left intentionally blank.

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018**

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	\$ 7,584,874	
National School Lunch Program	10.555	15001 15003	26,272,377	
Summer Food Service Program for Children	10.559	14006 14007 15006 15007	769,198	
Total United States Department of Agriculture			34,626,449	
United States Department of Commerce				
Indirect:				
Department of Commerce National Institute of Standards and Technology (NIST) Measurement and Engineering Research and Standards				
	11.609	N/A	6,081	
Total United States Department of Commerce			6,081	
United States Department of Defense				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	99,239	
Army Junior Reserve Officers Training Corps	None	N/A	219,776	
Marines Junior Reserve Officers Training Corps	None	N/A	58,125	
Navy Junior Reserve Officers Training Corps	None	N/A	76,338	
Total United States Department of Defense			453,478	
United States Department of Education				
Direct:				
Federal Pell Grant Program	84.063	N/A	1,198,849	
Teacher and Leader Incentive	84.374A		105,963	
			117,614	
Total Direct:			1,422,426	
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	263	11,127,440	\$ 488,509
Special Education - Preschool Grants	84.173	267	237,846	
Total Special Education Cluster			11,365,286	
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191 193	684,119	
Migrant Education - State Grant Program	84.011	217	38,738	
Title I Grants to Local Educational Agencies	84.010	212 222 223 226 228	16,988,848	2,855,476
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	214	36,731	
Career and Technical Education - Basic Grants to States	84.048	161	963,852	
Education for Homeless Children and Youth	84.196	127	143,301	
Charter Schools	84.282	298	817,769	548,067
Twenty-First Century Community Learning Centers	84.287	244	1,598,351	503,202
English Language Acquisition State Grants	84.365	102	1,506,940	24,231
Supporting Effective Instruction State Grants	84.367	224	2,324,761	45,760
Title I School Improvement	84.377		996,402	
Total Indirect			37,465,098	4,465,245
Total United States Department of Education			38,887,524	4,465,245
Total Expenditures of Federal Awards			\$ 73,973,532	\$ 4,465,245

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 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.



**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, 2018, 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 3, 2018. 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 3, 2018.

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.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 3, 2018



**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, 2018. 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, 2018.

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.

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

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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 3, 2018, 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.

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.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 3, 2018

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2018

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

84.027, 84.173	Special Education Cluster
84.365	English Language Acquisition State Grants
84.367	Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$2,219,206

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, 2018

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, 2018

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 \$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). 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 \$4.1 million more on its food service program in fiscal year 2018, compared to fiscal year 2017 and excess net cash resources decreased during fiscal year 2018. At June 30, 2018, the District had excess net cash resources of \$8,857,138 based on total net cash resources (\$19,623,060), less the average 3 months' 2017-18 fiscal year expenditures (\$10,765,922).

Partial Corrective Action Taken:

The District adopted a plan to spend down \$11.5 million of its net cash resources at the end of the 2017 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 2018 fiscal year through participation in the Community Eligible Provision Program.

Planned Corrective Action:

The District adopted a new \$9.0 million plan for School Nutrition Services to spend down its excess net cash resources. This plan includes \$3.2 million in equipment purchases, \$4.0 million in alterations or improvements to existing school food service facilities, \$1.1 million to add food preparation/serving staff and administrative staff, and \$780,400 to improve the quality of food, provide staff training, and other miscellaneous items.



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, 2018, and have issued our report thereon dated December 3, 2018.

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 3, 2018, 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. Partial corrective action has been taken to address Finding 2016-001 identified in the two preceding annual financial audit reports. The current 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, 2018.

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 3, 2018



IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Sarah Graber, who is being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Osceola County Public Schools, which is a district school board of the State of Florida;
2. Osceola County Public Schools adopted Ordinance No. 2018-21, implementing an impact fee; and
3. Osceola County Public Schools has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Sarah Graber

 Sarah Graber, Chief Financial Officer

STATE OF FLORIDA
COUNTY OF OSCEOLA

SWORN TO AND SUBSCRIBED before me on this 16th day of December, 2018.

Cynthia Stevens

 NOTARY PUBLIC
 Print Name Cynthia Stevens

Personally known or produced identification

Type of identification produced: _____

My Commission Expires:

5-21-2019



CYNTHIA STEVENS
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF209979
Expires 5/21/2019