

School Board of Polk County, Florida

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2020



**WE'RE A "B" SCHOOL
DISTRICT ... AGAIN!**

**Congratulations and thank you
to our students, staff and
supporters!**



**POLK COUNTY
PUBLIC SCHOOLS**

STUDENTS FIRST

Jacqueline M. Byrd
Superintendent



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of

The School District of
Polk County, Florida

For the

Fiscal Year Ended June 30, 2020



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST

Issued by:

Jacqueline Byrd
Superintendent of Schools

Prepared by:

Division of Business Services
Michael J. Perrone, Associate Superintendent, Chief Financial Officer
Lisa Hester, Director, Accounting

The School District of Polk County, Florida
1915 Floral Avenue
Bartow, Florida 33831



POLK COUNTY
PUBLIC SCHOOLS

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF POLK COUNTY
For the Fiscal Year Ended June 30, 2020**

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Introductory Section



POLK COUNTY
PUBLIC SCHOOLS
STUDENTS FIRST



BOARD MEMBERS

Lori Cunningham
Board Chair
District 2

Billy Townsend
District 1

Sarah Fortney
District 3

Sara Beth Reynolds
District 4

Kay Fields
District 5

Lynn Wilson
District 6

Lisa Miller
District 7

C. Wesley Bridges, II
General Counsel

ADMINISTRATION

Jacqueline M. Byrd
Superintendent

January 21, 2021

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

The Comprehensive Annual Financial Report (“CAFR”) of the School District of Polk County, Florida (the “District”) for fiscal year ended June 30, 2020 is hereby submitted. These financial statements are presented in conformity with generally accepted accounting principles (“GAAP”) and are audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States by the Florida Auditor General.

Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the District’s management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The District’s financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The objective of the independent audit is to provide reasonable assurance that the financial statements of the District for fiscal year ended June 30, 2020 are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; assessing significant estimates made by management; and evaluating the overall financial statement presentation. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the District’s financial statements, for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

STUDENTS FIRST



1915 S. Floral Ave.
Bartow, FL 33830



P.O. Box 391
Bartow, FL 33831



863-534-0500



polkschoolsfl.com

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"), which should be read in conjunction with the financial statements. The District's MD&A can be found immediately following the report of the independent auditor.

Profile of the District

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

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

The District provides a full range of educational services, including Pre-K, K-12, exceptional student education, career and vocational education, and adult education. During the fiscal year ending 2020, the District operated 122 traditional schools, including 68 elementary, five elementary/middle, nine elementary/middle/secondary, twenty middle, four middle/secondary, and sixteen secondary schools. The District is also financially accountable for a legally separate non-profit corporation organized as a foundation for the benefit of the District. This entity is reported separately within the District's financial statements. There are 30 charter schools as well. Additional information on these legally separate entities can be found in the notes to the financial statements.

Polk County is the seventh (7th) largest school district in Florida and is the twenty-eighth (28th) largest school district in the United States with approximately 106,347 K-12 students (as a perspective, there are over 14,000 independent school districts in the United States).

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

Report at the end of each fiscal year. This is more restrictive than the legal level of budgetary control which is at the function level.

Local Economy

Major industries with headquarters or divisions located within the District's boundaries include retail, healthcare, insurance, transportation, and phosphate processing. State and local governments also have a presence in the area that provides a large employment base. The majority of industries have experienced a decrease in annual growth in their job base, with Leisure and Hospitality seeing the largest decrease, a 4.5% drop. Education/health services and Trade decreased 2.9% and 2.6% respectively. The County's available labor force was approximately 305,207 for July 2020, as reported by the Florida Department of Economic Opportunity, BLS.

The unemployment rate for Polk County was at a 10-year high in November 2010 at 12.6%. Since then, it has been trending downward to a low of 3.1% in December 2019. As COVID-19 took hold, the unemployment rate spiked to 14.0% in April 2020, and then to a high of 17.6% in May 2020. As of October 2020, it was down to 7.3%. The civilian labor force also decreased by approximately 1,357 workers from October 2019 to October 2020, as reported by the U.S. Bureau of Labor Statistics.

Local revenue for school support is derived almost entirely from ad-valorem property taxes, which are directly tied to property values. The Central Florida Development Council reported the median sales price for a single-family home for the 1st quarter of 2020 rose from \$190,000 to \$207,000 compared to the 1st quarter of 2019. This represents a 9% increase. As certified by the Polk County Property Appraiser, the 2020 tax roll increased from \$40.8 billion to \$44.8 billion, a 10% increase from last year's value.

The inflation rate has decreased from 1.6% in June 2019, to 0.6% in June 2020, as reported by the U.S. Bureau of Labor Statistics.

The Florida Consumer Sentiment Index (formerly the Consumer Confidence Index), which measures consumer perceptions about current economic conditions on a scale from 2 to 150, decreased from 100.2 in July 2019 to 80.5 in July 2020, as reported by The University of Florida Bureau of Economic and Business Research ("BEBR").

Long-term Financial Planning

The assigned/unassigned ending fund balance in the general fund for the 2019-2020 fiscal year is 6.4% of revenues in the general fund. This meets the policy guidelines set by the Board for budgetary and planning purposes, which states the contingency fund/unreserved/undesignated fund balance in the general should not be less than 5.0% of total general fund revenues.

The population within the District's boundaries for calendar year 2020 is estimated by BEBR to be at 715,090, a growth rate of 18.8% over the 2010 census. During the 5-year period from 2016-2020, student enrollment grew by 7.6%, excluding enrollment at the adult schools and technical centers. By the end of fiscal year 2020, student enrollment was 106,947. For the upcoming fiscal year, enrollment is projected to increase by approximately 2,423 students, or 2.2%, and remain at a constant growth rate of approximately 1-2% over the next several years.

In November 2002, the voters of Florida amended the State Constitution to limit class-size. Reductions in class-size have been mandated since fiscal year 2003-04, although school districts had until fiscal year 2010-11 to fully comply. The amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of

the following three grade groupings: pre-kindergarten through grade three, 18 students; grades four through eight, 22 students; and grades nine through twelve, 25 students.

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

The District has continued to rely on re-locatable buildings to provide additional classroom space at most school campuses throughout Polk County. In addition to meeting class-size reduction requirements, individual re-locatable classrooms are utilized to address immediate needs related to student enrollment, displaced students because of renovations or remodeling in process, or for use as administrative/office space. Currently, there are 794 re-locatable classrooms and 14 modular buildings in the District, which provide 15,911 stations for students. Repairs and renovations to portables are subject to approval by the Facilities Division, which has set an informal threshold of \$10,000 to help identify when a re-locatable must be reviewed for possible replacement versus renovation.

With approximately 45% of the District's total building square footage constructed prior to 1978, there is an annual need to undertake remodeling and renovation projects. With respect to the 2019-2020 District's Five-Year Facilities Work Program Plan, costs related to new construction and remodeling are estimated at \$315.4 million over the next four years. District capital outlay revenues include state sources, such as school bonds, and local sources, including the capital improvement property tax, half-cent sales tax, sales tax revenue bonds, and impact fees.

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

NEW SCHOOLS SCHEDULE				
SCHOOL	OPEN/AVAIL	CONST START	DESIGN START	PROP ACQ
Elementary (SW Lakeland)	TBD	TBD	TBD	Completed
Elementary 23 "B" (SE Winter Haven)	TBD	TBD	TBD	TBD
Middle School (Davenport)	TBD	TBD	TBD	Completed
Elementary School (Davenport)	TBD	TBD	TBD	Completed
Middle School (SW Lakeland)	TBD	TBD	TBD	Completed
High School 26 "BBB" (Davenport)	TBD	TBD	TBD	TBD

Even though class-size reduction requirements continue, the State has eliminated funding construction related to this requirement and has significantly reduced other capital outlay funds. As far as local capital funding, School Impact Fees saw a low of \$4.3 million in 2018, but increased to \$30.8 million in 2019, and \$40.3 million in 2020. The local half-cent sales tax revenue was \$45.4 million in 2018, increasing to \$51.9 million in 2019, with a slight decrease to \$49.6 million in 2020.

In projecting the District's student growth, charter schools provide an extra degree of uncertainty. Charter schools are public schools funded through Florida's program of public education and are intended to expand the capacity of the local school system, while offering unique opportunities for students. These schools are either new schools ("start-up charters") or schools that are converted from an existing public school ("conversion

charters”). By the end of fiscal year 2020, there were 30 charter schools operating within the district (of which nine were conversion charter schools) reflecting approximately 16,329 students. For a site to become a charter school, a sponsor, which in the case of Polk County is the District, must approve an application submitted by the charter school. In addition, for an existing District school to convert to charter status, at least 50% of the teachers and parents must support such conversion. The State funds each charter school based on the number of students it serves. Funds provided by the State are first distributed to the District, which then disburses the funds to each charter school.

Health insurance costs to the District have risen considerably in the past few years, primarily due to the number of high cost claims. To ensure continued financial solvency of the self-funded health insurance plan, the Board increased its monthly per member contribution by \$60, or approximately \$9 million, for the 2020 health plan. With this increase, the Board currently contributes \$714 per month per employee towards healthcare benefits. The Board is again increasing their contributions per member another \$60 per month, bringing the total contribution to \$774 per month per employee for the 2020-21 fiscal year. As of June 30, 2020, the net position of the health insurance plan increased by \$3,757,650.

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

Goal 1

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

Goal 2

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

Goal 3

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

Goal 4

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

Goal 5

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


Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County Public Schools for its comprehensive financial report for the fiscal year ended June 30, 2019. This is the ninth consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,


Jacqueline Byrd
Superintendent of Schools


Michael J. Perrone
Associate Superintendent,

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA

Principal Officials - Elected

**Board Members – Terms of Office
As of July 1, 2020**

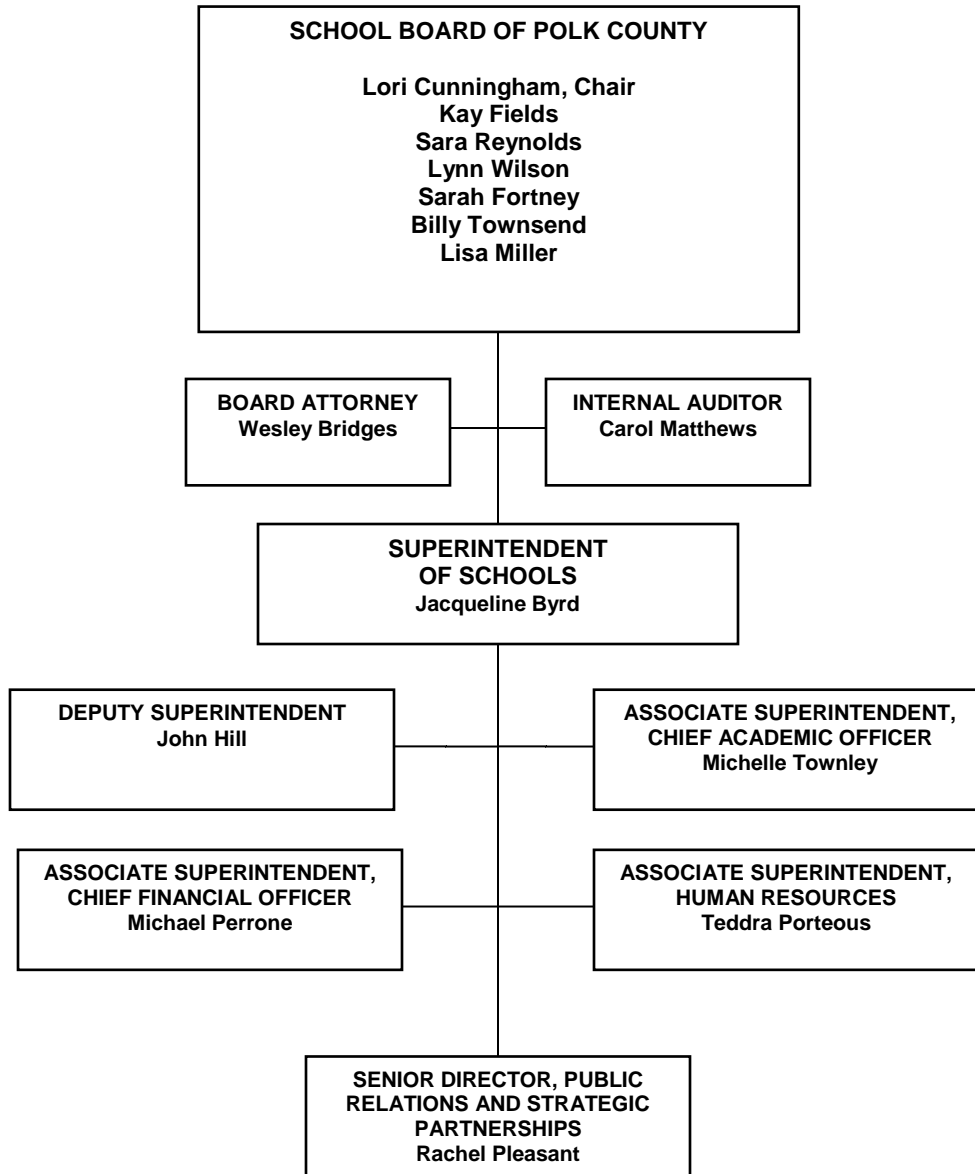
Mrs. Lori Cunningham, Chair Member from District 2 Present term began Present term expires Began as a Board member	November, 2016 November, 2020 November, 2004
Mr. Billy Townsend Member from District 1 Present term began Present term expires Began as a Board member	November, 2016 November, 2020 November,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

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA

**Other Principal Officials - Appointed
As of July 1, 2020**

<u>Name</u>	<u>Title</u>
Jacqueline Byrd	Superintendent of Schools
John Hill	Deputy Superintendent
Michelle Townley	Associate Superintendent, Chief Academic Officer
Michael Perrone	Associate Superintendent, Chief Financial Officer
Teddra Porteous	Associate Superintendent, Human Resource Services
Rachel Pleasant	Senior Director, Public Relations and Strategic Partnerships

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
ORGANIZATIONAL CHART
As of July 1, 2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**The School Board of Polk County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST



INDEPENDENT AUDITORS' REPORT

The Honorable Members of the
School District of Polk County, Florida
Bartow, 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 School District of Polk County, Florida (the "District"), as of and for the year ended June 30, 2020, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the fiduciary fund, which represents 8.10% of the assets and 23.12% 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, which represent 100% of the transactions and account balances of the aggregate discretely presented component units. Those financial statements are audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the fiduciary funds and the discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

The Honorable Members of the
School District of Polk County, Florida

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 25, and the required supplementary information on pages 88 - 91 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 management's discussion and analysis and 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. The introductory section, combining and individual fund 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 basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the financial statements.

The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial

The Honorable Members of the
School District of Polk County, Florida

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the effectiveness of the District's 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.



CliftonLarsonAllen LLP

Lakeland, Florida
January 21, 2021

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

As management of the School District of Polk County, Florida (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$713.6 million (*net position*).
- The District's total net position increased by \$30.7 million due to revenues exceeding expenditures.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$460.7 million, an increase of \$44.5 million compared to the prior fiscal year. Approximately 11.4 percent of this total amount, \$52.7 million, is *available for spending* at the District's discretion (assigned and unassigned fund balance).
- At the end of the current fiscal year, assigned and unassigned fund balance for the general fund was \$52.7 million, or 6.2 percent of total general fund expenditures.
- The District's total long-term liabilities, net of premiums and discounts, increased by \$18.5 million, or 1.9 percent during the current fiscal year.
- The District's total capital assets, net of accumulated depreciation, remained virtually unchanged at \$1.0 billion. This is a result of depreciation offsetting current year asset acquisitions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

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

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

Government-wide Financial Statements

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

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

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

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

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

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

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation to be more familiar. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are established for various purposes and the fund financial statements allow for the demonstration of sources and uses and/or budgetary compliance associated therewith. All funds of the District can be divided into three categories:

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

Governmental Funds

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

This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of spendable resources is a clear and appropriate focus of any analysis of a government. Because the focus is narrower than that of government-wide financial statements, it is useful to compare it to the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The District maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Other Capital Projects Fund, and Other Federal Programs

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

Fund, which are considered to be major funds. Data from the other 11 governmental funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

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

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

Fiduciary (Agency) Fund

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

Notes to the Financial Statements

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

Other Information

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was \$713.6 million at the close of the most recent fiscal year.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

**District's Net Position
Governmental Activities
June 30, 2019 and June 30, 2020
(in thousands of dollars)**

	Governmental Activities	
	2020	2019
Current and other assets	\$ 580,776	\$ 515,562
Noncurrent assets	-	0
Capital assets	1,074,650	1,042,207
Total assets	1,655,426	1,557,769
Deferred outflows of resources	174,205	203,401
Total assets and deferred outflows	\$ 1,829,631	\$ 1,761,170
Long-term liabilities outstanding	\$ 967,831	\$ 949,350
Other Liabilities	88,626	67,287
Total Liabilities	1,056,457	1,016,637
Deferred inflows of resources	59,620	61,658
Total liabilities and deferred inflows	\$ 1,116,077	\$ 1,078,295
Net position:		
Net Investment in capital assets	\$ 696,724	\$ 669,794
Restricted	389,446	371,159
Unrestricted	(372,616)	(358,078)
Total net position	\$ 713,554	\$ 682,875

By far, the largest of the District's net position (97.6 percent) reflects its \$697 million investment in capital assets (e.g., land, land improvements, buildings, furniture, equipment, motor vehicles, and software), less any related debt to acquire or construct those assets that remains outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position, \$389.4 million (54.6 percent), represent resources that are subject to external restrictions on how they may be used--primarily for the acquisition and construction of facilities. The remaining balance, *unrestricted net position*, of (\$372.6 million), is negative due to \$377.2 million of pension related liabilities, deferred outflows, and deferred inflows, which resulted from adoption of an accounting standard in fiscal 2015.

Compared to the prior fiscal year ending balances, net investment in capital assets increased by \$26.9 million and restricted net position increased by \$18.3 million. Unrestricted net position decreased by \$14.5 million.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

Total net position increased \$30.7 million compared to the prior fiscal year-end, driven by the following:

- Operational property taxes, which were included in general revenues, increased by \$6.5 million (3.7 percent) during the fiscal year, while property taxes for capital improvements and debt service, which were also included in general revenues, increased by \$4.2 million (7.5 percent) during the fiscal year. Increases were generally derived from increases in taxable property value.
- General revenues through non-specific program grants, including the Florida Education Finance Program ("FEFP"), increased by \$34.8 million (5.1 percent) during the fiscal year. This increase was driven by an increase in the State portion of the FEFP.
- Discretionary sales tax revenue and impact fees, which were included in general revenues, increased \$9.2 million (29 percent) during the year, which reflects the continued turnaround in the state and local economy.
- Program revenues through operating and capital grants decreased by \$7.5 million
- Increases in expenses totaling \$72.4 million (7.0 percent) included an increase in instructional services (\$34 million) and general administration (\$32 million).

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

District's Changes in Net Position
Governmental Activities
June 30, 2019 and June 30, 2020
(in thousands of dollars)

	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for services	\$ 4,025	\$ 4,659
Operating grants and contributions	52,921	57,600
Capital grants and contributions	7,960	10,802
General Revenues:		
Property taxes-operational	181,854	175,403
Property taxes-capital	59,536	55,363
Local sales tax	50,907	50,197
Grants and contributions not restricted to specific programs	721,445	686,695
Other	70,990	45,331
Total revenues	1,149,638	1,086,050
Expenses and special item:		
Instructional services	\$ 677,891	643,843
Instructional support services	116,799	102,526
Student transportation services	29,380	34,350
Operation and maintenance of plant	83,618	82,112
School administration	50,695	48,737
General administration	96,189	64,201
Food services	58,056	59,938
Community services and other	3,601	3,651
Unallocated interest on long-term debt	2,225	6,723
Unallocated depreciation expense *	505	516
Total expenses and special item	1,118,959	1,046,597
Change in net position	30,679	39,453
Net position - beginning	682,875	643,565
Net position - ending	\$ 713,554	\$ 683,018

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$460.7 million, an increase of \$44.5 million when compared to the prior fiscal year. Approximately 3.1 percent (\$14.5 million) of the ending fund balance represents inventories and prepaid items that are nonspendable. Approximately 85.4 percent (\$393.6 million) are amounts which are restricted for State categorical programs, Federal and State grants, food service, debt service and capital projects. Assigned fund balance amounts are approximately 0.2 percent (\$1 million) of the ending fund balance and reflect amounts that are set aside for school operations. The remaining 11.2 percent (\$51.7 million) is spendable and has not been restricted or assigned for other purposes. However, unassigned fund balance includes funds that will be re-appropriated in the next fiscal year for carryovers and encumbrances.

General Fund The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the General Fund had a fund balance of \$81.1 million. Of this, about 63.7 percent (\$51.7 million) was unassigned. The remaining 36.3 percent (\$29.4 million) of the overall fund balance in the General Fund was nonspendable, restricted, or assigned. As a measure of the General Fund's liquidity, it may be useful to compare its unassigned fund balance and its total fund balance to total General Fund expenditures. These figures were 6.0 percent and 9.5 percent, respectively.

The fund balance of the District's General Fund increased by \$24.9 million during the current fiscal year. Key factors affecting fund balance include the following:

- Total revenues of the General Fund increased by \$47.4 million. The largest contributor consisted of \$27.5 million increase in State source revenues, known as the Florida Education Finance Program.
- Expenditures in the General Fund increased by \$29.7 million – primarily a result of increased instructional services (\$22 million) and Instructional Related Technology (\$4 million).
- Although expenditures exceeded revenues by \$28.8 million, this was partially offset by \$53.7 million of other financing sources – primarily due to transfers in from the Capital Project Funds for maintenance related expenditures.

Other Federal Programs Other Federal Programs account for and reports on activities of Federal programs other than Federal stimulus and food service. At the end of the current fiscal year, the total fund balance for Other Federal Programs Fund was less than \$0.1 million. The fund balance of the Other Federal Programs Fund was virtually unchanged during the current fiscal year.

Other Capital Projects Other Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and debt service. At the end of the current fiscal year, the total fund balance for Other Capital Projects Fund was \$312.1 million. The fund balance of the Other Capital Projects Fund increased by \$13.9 million during the current fiscal year.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

General Fund Budgetary Highlights

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

- \$3.9 million decrease in revenue projections due to state revenue sources being lower than expected.
- \$28.1 million increase in expenditure allocations due to increases in various expenditures across the board, particularly in capital outlay and pupil personnel expenditure allocations. A portion of these increases were funded by transfers from capital outlay funds.

The final budget projected a net decrease in fund balance of (\$37.4 million). However, due to the following actual results, actual fund balance increased by \$24.9 million:

- Revenues were \$16.3 million more than budgetary estimates, which was primarily due to more than expected local source revenues.
- Expenditures were \$65.1 million less than budgetary estimates, primarily due to the lapsing of appropriated expenditures.
- Other financing sources were less than budgetary estimates by \$19.2 million, which was primarily caused by the timing of general fund maintenance project costs--i.e., transfers to the General Fund take place when expenditures occur.

Capital Asset and Debt Administration

Capital Assets The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2020, amounted to \$1.1 billion. This investment in capital assets, net of accumulated depreciation, consists of 95.8 percent real property, such as land, building and fixed equipment, improvements other than buildings, and construction in progress. The remainder, which reflected 4.2 percent of the total, consisted of tangible property, such as furniture, fixtures, equipment, and vehicles. The District's investment in capital assets, net of accumulated depreciation, indicated no percentage change compared to the balance at prior fiscal year end.

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

- Construction continued on a new high school as well as remodeling of an elementary school. In addition, renovations are underway on an existing campus. As a result of new projects, commitments remaining at fiscal year-end on existing construction contracts totaled \$137 million.

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

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

	<u>2020</u>	<u>2019</u>
Land	\$ 111,778	\$ 100,574
Construction in progress	59,089	15,443
Improvements other than buildings	16,327	16,438
Buildings and fixed equipment	842,704	871,975
Furniture, fixtures, and equipment	20,065	13,026
Motor vehicles	23,491	22,973
Audio visual materials and computer software	1,196	1,778
Total	<u>\$ 1,074,650</u>	<u>\$ 1,042,207</u>

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

Long-term Debt At the end of the current fiscal year, the District had total bonded debt outstanding of \$193.7 million. This included \$3.7 million of State school bonds issued on behalf of the District by the State Board of Education and backed by the full faith and credit of the State of Florida, as well as, \$160 million of sales tax bonds secured by a local option half cent sales tax. Additionally, the District had \$169.8 million in certificates of participation in which the annually appropriated lease payments on the part of the District are the pledged revenue stream. The increase in long-term debt is primarily attributable to the increase in net pension liability.

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

	<u>2020</u>	<u>2019</u>
Sales tax revenue bonds	\$ 160,025	\$ 192,566
Certificates of participation	169,838	174,740
Bonds payable	29,980	
State school bonds	3,680	4,050
Revenue Anticipation Note	6,000	
Derivative instruments	-	11,255
Swap - upfront payments	-	2,006
Compensated absences	42,123	40,378
Est. liability for claims	20,429	19,650
Net pension liability	501,854	458,554
OPEB liability	33,902	46,151
Total	<u>\$ 967,831</u>	<u>\$ 949,350</u>

The District maintains an insured rating of "A+" from Fitch regarding certificates of participation with the understanding that the timely payment on the debt is insured by Financial Security Assurance, Inc. The District maintains an "AA-" from Fitch concerning unlimited general obligation.

State statutes limit the amount of debt service on the certificates of participation to 75 percent of the local capital improvement tax receipts on certificates of participation entered into after June 30, 2009. If the debt

THE SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020

limitation was applied to the District, it would be \$48.3 million, which provides a debt service margin of \$27.8 million when compared to the District's \$20.5 million debt service on the certificates of participation during the 2020-21 fiscal year.

Sales tax proceeds that can be applied towards sales tax bonds are estimated to be \$48.5 million, which provides a debt service margin of \$32.2 million when compared to the District's \$16.3 million debt service on sales tax bonds during the 2020-21 fiscal year.

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

Economic Factors and Next Year's Budget

- The current local unemployment rate for the District is 13.6 percent, which is an increase from the 4.0 percent reported for calendar year 2019.
- The District's regional consumer price index increased 0.3 percent from June 2019 to June 2020.
- The State's consumer confidence index for June 2020 decreased to 82.7.

Such factors, which reflect the continued turnaround in the local economy, were considered in preparing the District's budget for the 2019-20 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST

THE SCHOOL DISTRICT OF POLK COUNTY

**STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Units</u>
ASSETS		
Cash	\$ 26,215,430	\$ 26,680,229
Investments	495,153,910	5,844,846
Accounts and interest receivable	1,433,439	17,168,548
Due from other governmental agencies	43,248,515	12,871,928
Inventories	12,097,468	-
Prepaid items	2,626,315	2,948,320
Other assets	-	479,275
Capital Assets (net of accumulated depreciation):		
Land	111,777,704	4,315,305
Land improvements	-	543,274
Construction in progress	59,089,353	2,884,727
Improvements other than buildings	16,326,627	1,052,383
Buildings and fixed equipment	842,704,328	38,530,131
Furniture, fixtures and equipment	20,064,881	4,058,494
Motor vehicles	23,491,537	4,434,550
Audio visual materials and computer software	1,196,034	5,401
Total assets	<u>1,655,425,541</u>	<u>121,817,411</u>
Deferred outflows of resources:		
Pensions	170,297,757	23,445,290
Other Postemployment Benefits	3,907,593	-
Total assets and deferred outflows of resources	<u>\$ 1,829,630,891</u>	<u>\$ 145,262,701</u>
LIABILITIES		
Accounts payable	\$ 18,204,801	\$ 3,129,003
Construction and retainage payable	8,403,325	-
Salaries and wages payable	25,136,436	651,391
Payroll deductions and withholdings	4,726,535	-
Accrued interest payable	6,027,628	-
Due to other governmental agencies	25,914,001	245,303
Sales tax payable	105	-
Unearned revenue	212,023	188,824
Other liabilities	-	1,776,297
Noncurrent liabilities:		
Due within one year	43,131,725	7,414,450
Due in more than one year	924,699,102	115,800,419
Total liabilities	<u>1,056,455,681</u>	<u>129,205,687</u>
Deferred inflows of resources:		
Pension	45,599,678	5,956,280
Other Postemployment Benefits	14,020,805	-
Total liabilities and deferred inflows of resources	<u>\$ 1,116,076,164</u>	<u>\$ 135,161,967</u>
NET POSITION		
Net Investment in capital assets	696,724,459	14,132,385
Restricted for:		
State required carryover programs	11,975,960	-
Debt service	18,690,444	-
Capital Projects	346,680,521	-
Food service	6,869,882	-
Endowment - nonexpendable	-	1,754,887
Other purposes	5,229,145	3,562,593
Unrestricted	(372,615,684)	(9,349,131)
Total net position	<u>\$ 713,554,727</u>	<u>\$ 10,100,734</u>

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
Instructional services	\$ 677,891,812	\$ 2,904,109	\$ -	\$ -
Instructional support services	116,799,177	-	-	-
Student transportation services	29,379,678	364,480	-	-
Operation and maintenance of plant	83,617,856	-	-	7,355,592
School administration	50,694,628	-	-	-
General administration	96,188,654	-	-	-
Food services	58,056,281	756,025	52,921,353	-
Community services and other	3,601,032	-	-	-
Unallocated interest on long-term debt	2,225,383	-	-	604,431
Unallocated depreciation expense *	503,794	-	-	-
Total governmental activities	<u>\$ 1,118,958,295</u>	<u>\$ 4,024,614</u>	<u>\$ 52,921,353</u>	<u>\$ 7,960,023</u>
Component units:				
Polk Education Foundation and Charter Schools	<u>\$ 139,100,327</u>	<u>\$ 3,918,888</u>	<u>\$ 9,425,269</u>	<u>\$ 2,279,447</u>

General Revenues:
 Property taxes, levied for operational purposes
 Property taxes, levied for capital projects
 Local sales taxes
 Grants and contributions not restricted
 to specific programs
 Investment earnings
 Miscellaneous
 Impact Fees
 Total general revenues
 Change in net position
 Net position - beginning - restated
 Net position - ending

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

The accompany notes are an integral part of these statements.

**Net (Expense) Revenue and
Changes in Net Position**

<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Units</u>
\$ (674,987,703)	\$ -
(116,799,177)	-
(29,015,198)	-
(76,262,264)	-
(50,694,628)	-
(96,188,654)	-
(4,378,903)	-
(3,601,032)	-
(1,620,952)	-
(503,794)	-
(1,054,052,305)	-
-	(123,476,723)
181,853,548	-
59,536,248	-
50,907,170	-
721,445,141	115,136,159
9,522,811	238,532
22,343,536	3,278,554
39,123,158	-
1,084,731,612	118,653,245
30,679,307	(4,823,478)
682,875,420	14,924,212
\$ 713,554,727	\$ 10,100,734

THE SCHOOL DISTRICT OF POLK COUNTY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General	Other Federal Programs	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 12,339,096	\$ -	\$ 3,826,670	\$ 5,902,197	\$ 22,067,963
Investments	88,288,619	-	307,662,034	56,028,492	451,979,145
Accounts and interest receivable	546,693	497,423	1,544	18,575	1,064,235
Due from other governmental agencies	7,179,851	22,413,707	9,164,868	4,490,089	43,248,515
Due from other funds	21,884,951	-	-	-	21,884,951
Inventories	8,639,418	-	-	3,458,050	12,097,468
Prepaid Items	2,625,712	603	-	-	2,626,315
Total assets	<u>\$ 141,504,340</u>	<u>\$ 22,911,733</u>	<u>\$ 320,655,116</u>	<u>\$ 69,897,403</u>	<u>\$ 554,968,592</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,341,644	\$ 915,009	\$ 469,621	\$ 344,533	\$ 6,070,807
Construction contracts and retainage payable	309,428	-	8,093,897	-	8,403,325
Salaries and wages payable	25,109,958	17,188	-	9,290	25,136,436
Payroll deductions and withholdings	4,726,529	(4)	-	10	4,726,535
Due to other funds	41,607	21,882,598	1,544	809	21,926,558
Due to other governmental agencies	25,843,420	24,655	-	39,234	25,907,309
Sales tax payable	35	-	-	70	105
Unearned revenue	-	-	-	212,023	212,023
Matured interest payable	-	-	-	1,882,774	1,882,774
Total liabilities	<u>60,372,621</u>	<u>22,839,446</u>	<u>8,565,062</u>	<u>2,488,743</u>	<u>94,265,872</u>
Fund balances					
Nonspendable:					
Inventories	8,639,418	-	-	3,458,050	12,097,468
Prepaid amounts	2,625,712	603	-	-	2,626,315
Restricted:					
Federal & state grants	-	71,684	-	6,524,845	6,596,529
State required carryover programs	11,975,959	-	-	-	11,975,959
Debt service	-	-	-	22,835,298	22,835,298
Capital projects	-	-	312,090,054	34,590,467	346,680,521
Other	5,229,145	-	-	-	5,229,145
Assigned:					
Other	974,812	-	-	-	974,812
Unassigned					
Total fund balances	<u>81,131,719</u>	<u>72,287</u>	<u>312,090,054</u>	<u>67,408,660</u>	<u>460,702,720</u>
Total liabilities and fund balances	<u>\$ 141,504,340</u>	<u>\$ 22,911,733</u>	<u>\$ 320,655,116</u>	<u>\$ 69,897,403</u>	<u>\$ 554,968,592</u>

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2020**

Total Fund Balances - Governmental Funds \$ 460,702,720

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 1,074,650,464

The deferred outflows and deferred inflows related to pensions are applied to future periods and, therefore, are not reported in governmental funds.

Deferred outflows related to pensions:	170,297,757	
Deferred inflows related to pensions:	<u>(45,599,678)</u>	
	124,698,079	124,698,079

The deferred outflows and deferred inflows related to Other Postemployment Benefits (OPEB) for benefits committed to both active and inactive employees other than pensions.

Deferred outflows related to OPEB	3,907,593	
Deferred inflows related to OPEB	<u>(14,020,805)</u>	
	(10,113,212)	(10,113,212)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. This is the net position in internal funds, net of investment in capital assets. 15,163,373

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. This is the long-term liabilities, less claims payable included in internal service funds. (947,401,843)

Accrued interest on long-term liabilities is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds. This is the amount of accrued interest in excess of the matured interest payable recorded in governmental funds. (4,144,854)

Total Net Position - Governmental Activities \$ 713,554,727

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General	Other Federal Programs	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local sources:					
Ad valorem taxes	\$ 181,853,548	\$ -	\$ -	\$ 59,536,248	\$ 241,389,796
Local sales tax	-	-	50,907,170	-	50,907,170
Impact fees	-	-	39,234,410	-	39,234,410
Food services	-	-	-	756,025	756,025
Other	26,880,840	25,881	5,345,545	1,537,567	33,789,833
Total local sources	208,734,388	25,881	95,487,125	61,829,840	366,077,234
State sources:					
Florida education finance program	483,036,072	-	-	-	483,036,072
Categorical programs	120,726,804	-	-	-	120,726,804
Workforce development	7,714,426	-	-	-	7,714,426
Food services	-	-	-	752,096	752,096
Charter school capital outlay	-	-	3,962,957	-	3,962,957
Other	1,371,473	89,123	-	3,940,537	5,401,133
Total state sources	612,848,775	89,123	3,962,957	4,692,633	621,593,488
Federal sources:					
Federal grants direct	1,090,321	13,775,590	-	1,071,310	15,937,221
Federal grants through state and local	4,119,364	86,966,428	-	52,169,257	143,255,049
Other	-	-	-	1,542,491	1,542,491
Total federal sources	5,209,685	100,742,018	-	54,783,058	160,734,761
Total revenues	826,792,848	100,857,022	99,450,082	121,305,531	1,148,405,483
EXPENDITURES					
Current:					
Instruction	578,906,333	46,558,124	-	115,156	625,579,613
Student personnel services	36,674,550	7,465,556	-	73,293	44,213,399
Instructional media services	7,402,527	1,019,823	-	-	8,422,350
Instruction and curriculum development services	5,099,230	9,398,565	-	65,944	14,563,739
Instructional staff training services	2,689,354	21,720,424	-	261,887	24,671,665
Instructional related technology	14,110,330	3,312,504	-	-	17,422,834
Board	2,284,615	1,635	-	-	2,286,250
General administration	3,209,547	2,558,798	-	-	5,768,345
School administration	46,624,749	33,583	-	-	46,658,332
Non capitalizable facilities acquisition and construction	13,640,731	145	1,306,217	2,774,451	17,721,544
Fiscal services	2,818,911	105,008	-	-	2,923,919
Food services	61,125	317,608	-	53,294,354	53,673,087
Central services	11,877,230	1,544,645	-	39	13,421,914
Student transportation services	36,337,779	459,901	-	3,711	36,801,391
Operation of plant	52,758,920	2,116,470	-	271,768	55,147,158
Maintenance of plant	22,337,888	670,659	-	91,738	23,100,285
Administrative technology services	6,650,688	60,541	-	-	6,711,229
Community services and other	438,043	2,877,048	-	-	3,315,091
Debt service:					
Principal retirement	-	-	-	16,994,000	16,994,000
Interest	-	-	-	13,210,480	13,210,480
Dues, fees and other	-	-	-	671,355	671,355
Capital outlay:					
Facilities acquisition and construction	2,536,996	1,555	58,662,800	6,605,239	67,806,590
Other capital outlay	9,141,261	706,925	-	340,781	10,188,967
Total expenditures	855,600,807	100,929,517	59,969,017	94,774,196	1,111,273,537
Excess (deficiency) of revenues over (under) expenditures	(28,807,959)	(72,495)	39,481,065	26,531,335	37,131,946
OTHER FINANCING SOURCES (USES):					
Issuance of refunding bonds	-	-	-	87,860,666	87,860,666
Premium on sale of refunding bonds	-	-	-	2,547	2,547
Issuance of debt	-	-	-	6,000,000	6,000,000
Payments to refunded bond escrow agent	-	-	-	(87,462,449)	(87,462,449)
Loss Recoveries	314,689	-	-	-	314,689
Transfers in	53,525,643	-	-	25,992,889	79,518,532
Transfers out	(93,250)	-	(25,612,862)	(53,120,654)	(78,826,766)
Total other financing sources and uses	53,747,082	-	(25,612,862)	(20,727,001)	7,407,219
Net change in fund balances	24,939,123	(72,495)	13,868,203	5,804,334	44,539,165
Fund balances - beginning	56,192,596	144,782	298,221,851	61,604,326	416,163,555
Fund balances - ending	\$ 81,131,719	\$ 72,287	\$ 312,090,054	\$ 67,408,660	\$ 460,702,720

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	44,539,165
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 depreciation expense. This is the amount by which depreciation expense (\$45,694,361) less than capitalized expenditures of (\$78,248,745) during the current period.		32,554,384
The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs by the book value of assets sold.		(111,252)
Long-term debt proceeds (\$78,397,000) provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the statement of net position. Repayment (\$90,804,000) 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 represents the net long-term debt reduction in excess of other financing sources/uses in governmental funds.		12,407,000
Premiums and discounts on debt issued are reported in the governmental funds in the year debt is issued, but are deferred and amortized over the life of the debt in the statement of activities. This is the amount of additions to premiums and discounts, net of amortization during the current period.		(10,573,362)
Upfront payments associated with interest rate swaps/swaptions are reported in governmental funds in the year debt is issued, but are deferred and amortized over the term of the swap/swaption in the statement of activities. This is the amount terminated during the current period.		13,260,971
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:		(3,518,998)
Interest accrual for long-term debt.		(6,175,100)
Derivatives		(52,283,773)
Net pension liability		249,839
Postemployment health care benefits		(1,745,247)
Compensated absences		
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.		<u>2,075,680</u>
Change in Net Position of Governmental Activities	\$	<u>30,679,307</u>

THE SCHOOL DISTRICT OF POLK COUNTY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local sources:				
Ad valorem taxes	\$ 179,853,551	\$ 179,853,551	\$ 181,853,548	\$ 1,999,997
Other	10,439,140	11,104,372	26,880,840	15,776,468
Total local sources	190,292,691	190,957,923	208,734,388	17,776,465
State sources:				
Florida education finance program	487,362,333	483,036,071	483,036,072	1
Categorical programs	121,369,064	121,225,157	120,726,804	(498,353)
Workforce development	7,514,426	7,514,426	7,514,426	-
Other	1,563,209	1,422,756	1,571,473	148,717
Total state sources	617,809,032	613,198,410	612,848,775	(349,635)
Federal sources:				
Federal direct	1,010,000	1,010,000	1,090,321	80,321
Federal through state and local	5,250,000	5,290,993	4,119,364	(1,171,629)
Total federal sources	6,260,000	6,300,993	5,209,685	(1,091,308)
Total revenues	814,361,723	810,457,326	826,792,848	16,335,522
EXPENDITURES				
Current:				
Instruction	584,388,769	593,280,751	578,906,333	14,374,418
Student personnel services	33,535,404	41,867,825	36,674,550	5,193,275
Instructional media services	8,739,508	8,919,244	7,402,527	1,516,717
Instruction and curriculum development services	5,047,752	5,433,783	5,099,230	334,553
Instruction staff training services	960,483	3,391,944	2,689,354	702,590
Instruction related technology	7,438,040	15,239,933	14,110,330	1,129,603
Board	2,160,969	2,822,558	2,284,615	537,943
General administration	3,615,278	3,960,627	3,209,547	751,080
School administration	46,357,653	48,004,701	46,624,749	1,379,952
Non capitalizable facilities acquisition and construction	23,110,366	25,599,281	13,640,731	11,958,550
Fiscal services	3,715,971	3,472,136	2,818,911	653,225
Food service	63,724	73,713	61,125	12,588
Central services	11,899,565	13,087,324	11,877,230	1,210,094
Student transportation	33,861,622	34,592,157	36,337,779	(1,745,622)
Operation of plant	73,896,752	59,910,179	52,758,920	7,151,259
Maintenance of plant	30,970,754	27,698,156	22,337,888	5,360,268
Administrative technology services	6,436,816	7,279,091	6,650,688	628,403
Community services	203,835	587,605	438,043	149,562
Capital outlay:				
Facilities acquisition and construction	3,594,831	8,411,161	2,536,996	5,874,165
Other capital outlay	12,644,487	17,109,039	9,141,261	7,967,778
Total expenditures	892,642,579	920,741,208	855,600,807	65,140,401

THE SCHOOL DISTRICT OF POLK COUNTY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures	<u>(78,280,856)</u>	<u>(110,283,882)</u>	<u>(28,807,959)</u>	<u>81,475,923</u>
OTHER FINANCING SOURCES (USES)				
Loss Recoveries	-	-	314,689	314,689
Transfers in	57,665,223	73,002,014	53,525,643	(19,476,371)
Transfers out	-	<u>(93,250)</u>	<u>(93,250)</u>	-
Total other financing sources and uses	<u>57,665,223</u>	<u>72,908,764</u>	<u>53,747,082</u>	<u>(19,161,682)</u>
Net change in fund balances	(20,615,633)	(37,375,118)	24,939,123	62,314,241
Fund balances - beginning	<u>56,192,597</u>	<u>56,192,597</u>	<u>56,192,596</u>	<u>(1)</u>
Fund balances - ending	<u>\$ 35,576,964</u>	<u>\$ 18,817,479</u>	<u>\$ 81,131,719</u>	<u>\$ 62,314,240</u>

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**OTHER FEDERAL PROGRAMS FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Other	\$ 29,317	\$ 29,863	\$ 25,881	\$ (3,982)
Total local sources	29,317	29,863	25,881	(3,982)
State sources:				
Other	-	90,000	89,123	(877)
Total state sources	-	90,000	89,123	(877)
Federal sources:				
Federal direct	9,328,767	20,421,156	13,775,590	(6,645,566)
Federal through state and local	105,225,022	124,985,582	86,966,428	(38,019,154)
Total federal sources	114,553,789	145,406,738	100,742,018	(44,664,720)
Total revenues	114,583,106	145,526,601	100,857,022	(44,669,579)
EXPENDITURES				
Current:				
Instruction	52,168,629	69,253,636	46,558,124	22,695,512
Student personnel services	9,412,863	10,713,895	7,465,556	3,248,339
Instructional media services	795,761	1,201,940	1,019,823	182,117
Instruction and curriculum development services	13,722,727	13,369,333	9,398,565	3,970,768
Instruction staff training services	29,449,049	28,364,823	21,720,424	6,644,399
Instruction related technology	83,770	7,231,975	3,312,504	3,919,471
Board	398	1,635	1,635	-
General administration	3,306,676	3,741,913	2,558,798	1,183,115
School administration	101,257	34,047	33,583	464
Non capitalizable facilities acquisition and construction	249,775	145	145	-
Fiscal services	79,790	150,112	105,008	45,104
Food service	60,596	365,084	317,608	47,476
Central services	1,681,842	2,325,919	1,544,645	781,274
Student transportation	434,982	698,947	459,901	239,046
Operation of plant	364,450	2,454,899	2,116,470	338,429
Maintenance of plant	1,620,230	1,253,312	670,659	582,653
Administrative technology services	540	60,541	60,541	-
Community services	84,475	2,928,289	2,877,048	51,241
Capital outlay:				
Facilities acquisition and construction	97,923	-	1,555	(1,555)
Other capital outlay	867,373	1,376,156	706,925	669,231
Total expenditures	114,583,106	145,526,601	100,929,517	44,597,084
Excess (deficiency) of revenues over (under) expenditures	-	-	(72,495)	(72,495)
Net change in fund balances	-	-	(72,495)	(72,495)
Fund balances - beginning	144,782	144,782	144,782	-
Fund balances - ending	\$ 144,782	\$ 144,782	\$ 72,287	\$ (72,495)

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 4,147,467
Investments	43,174,765
Accounts receivable	369,204
Due from other funds	41,607
Total current assets	<u>47,733,043</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	1,948,956
Total assets	<u>\$ 49,681,999</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 12,133,994
Due to other agencies	6,692
Estimated liability for claims	7,558,724
Total current liabilities	<u>19,699,410</u>
Noncurrent liabilities:	
Estimated liability for claims	12,870,260
Total liabilities	<u>\$ 32,569,670</u>
NET POSITION	
Net investment in capital assets	\$ 1,948,956
Unrestricted	15,163,373
Total net position	<u>\$ 17,112,329</u>

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES:	
Premium revenue from other funds	\$ 119,130,993
Other revenue	769,122
Total operating revenues	<u>119,900,115</u>
OPERATING EXPENSES:	
Purchased services	7,650,376
Energy services	16,013
Materials and supplies	174,678
Depreciation	73,188
Claims	111,589,012
Total operating expenses	<u>119,503,267</u>
Operating loss	<u>396,848</u>
NON-OPERATING REVENUE(EXPENSES):	
Interest	897,741
Loss recoveries	1,399,669
Total non-operating revenue	<u>2,297,410</u>
Loss before transfers	2,694,258
Transfers in	907,275
Transfers out	<u>(1,599,041)</u>
Change in net position	2,002,492
Total net position - beginning	<u>15,109,837</u>
Total net position - ending	<u><u>\$ 17,112,329</u></u>

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from interfund services provided	\$ 120,160,873
Payment to suppliers	(5,958,417)
Payments for interfund services used	(110,766,844)
Other receipts (payments)	782,756
Net cash used by operating activities	<u>4,218,368</u>
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfers from other funds	907,275
Transfers to other funds	(1,612,674)
Net cash used by noncapital and related financing activities	<u>(705,399)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from disposition of capital assets	1,399,669
Net cash provided by capital and related financing activities	<u>1,399,669</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of investments	(2,629,790)
Interest and dividends earned on investments	897,737
Net cash provided by investing activities	<u>(1,732,053)</u>
Net decrease in cash and cash equivalents	3,180,585
Cash and cash equivalents - beginning of year	<u>966,882</u>
Cash and cash equivalents - end of year	<u>\$ 4,147,467</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating loss	\$ 396,848
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	73,188
Change in assets and liabilities:	
Accounts receivable	1,043,514
Accounts payable	1,925,492
Estimated liability for claims	779,326
Total adjustments	<u>3,821,520</u>
Net cash used by operating activities	<u>\$ 4,218,368</u>

The accompanying notes are an integral part of these statements.

THE SCHOOL DISTRICT OF POLK COUNTY

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2020

	Agency Fund
ASSETS	
Cash	\$ 1,521,344
Investments	8,420,068
Accounts receivable	50,358
Inventory	552,086
Total assets	<u>\$ 10,543,856</u>
LIABILITIES	
Accounts payable	\$ 51,796
Due to student organizations	10,492,060
Total liabilities	<u>\$ 10,543,856</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (the "GASB") Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600 and amended by Statement No. 61 – *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. The application of these criteria provides for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

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

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

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

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

Polk Education Foundation
1530 Shumate Drive
Bartow, FL 33830

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

A. Reporting Entity (continued)

Charter Schools – Charter Schools are separate, not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. Each Charter School operates under a charter approved by its sponsor, the Polk County District School Board. The District used guidance provided by the Florida Department of Education for inclusion of the charter schools in the District's reporting entity, in part due to exclusion being considered misleading. In addition, they create a financial burden on the District because the charter schools' full time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. An audit of each Charter School for the fiscal year ended June 30, 2020, is required and is filed at the District's administrative office.

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

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

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

Berkley Elementary Charter School
5240 Berkley Road
Auburndale, FL 33823

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

Berkley Accelerated Middle
5316 Berkley Road
Auburndale, FL 33823

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

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

Lakeland Montessori Middle
800 E. Palmetto
Lakeland, FL 33801

Cypress Junction Montessori
220 5th Street SW
Winter Haven, FL 33880

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

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

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

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

Magnolia Montessori Academy
1540 New Jersey Rd
Lakeland, FL 33803

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

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

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

A. Reporting Entity (continued)

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

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

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

Ridgeview Global Studies Academy
1000 Dunson Rd
Davenport, FL 33896

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

Victory Ridge Academy
501 Burns Ave
Winter Haven, FL 33853

B. Basis of Presentation

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

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

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

Fund Financial Statements – Governmental fund financial statements are prepared using the current financial resources measurement focus, whereas, the proprietary and fiduciary fund financial statements are prepared using the economic resources measurement focus. Agency funds have no measurement focus. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major governmental funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

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

Other Federal Programs Fund – accounts for and reports on activities of Federal programs other than food service. Revenue sources in this fund primarily consist of Title I, Title II and IDEA grant receipts.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

B. Basis of Presentation (continued)

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

Additionally, the District reports the following fund types:

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

Fiduciary (Agency) Fund – accounts for resources held by the schools, which are collected for and used by student and school athletic, class, and club activities.

C. Basis of Accounting

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

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

C. Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The major operating revenues of the District's internal service funds are from charges for employee health insurance premiums

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

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

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

D. Deposits and Investments

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

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

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

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

E. Interfund Receivables and Payables

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

F. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. All inventories are stated on a moving-average basis except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used (consumption method), rather than when purchased. Prepaid items consist of payment of items which will benefit future accounting periods and are recognized when incurred (consumption method), such as property insurance.

G. Capital Assets

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

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

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

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

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

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets are:</u>	<u>Years</u>
Improvements Other Than Buildings	20
Buildings and Fixed Equipment	50
Furniture, Fixtures & Equipment	5-7
Motor Vehicles	10
Audio Visual Material and Comp Software	3-5

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense) until that time. The District has three items that qualify for reporting in this category. They are unamortized loss on debt refunding, pensions, and other postemployment benefits ("OPEB"), reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

I. Long Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

The District entered into interest rate swap agreements to hedge interest rates on outstanding debt. The fair values of these instruments are reflected on the government-wide financial statements. On the fund level financial statements, up-front premium payments received are recognized as other financing sources. In addition, the net interest expenditures resulting from agreements are recorded in the financial statements. On February 3, 2020 all hedging derivatives have been terminated.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments.

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

J. State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education ("Department") under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent ("FTE") students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

J. State Revenue Sources (continued)

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

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the general fund. A portion of the fund balance of the general fund is reserved for the unexpended balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay ("PECO") money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. A schedule of revenue from State sources for the current year is presented in a subsequent note.

K. Property Taxes - Revenue Recognition

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

Property taxes consist of ad-valorem taxes on real and personal property within the District. The Polk County Property Appraiser determines property values and property taxes are collected by the Polk County Tax Collector.

The Board adopted the 2019 tax levy on September 17, 2019. Taxes become an enforceable lien on property as of January 1; tax bills are mailed in October; and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

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

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

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

L. Federal Revenue Sources

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

M. Use of Estimates

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

N. Pensions

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

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

O. Other Postemployment Benefits

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

P. Impact of Recently Issued Accounting Principles

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

The GASB issued Statement No. 84, *Fiduciary Activities*, effective for periods beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management is evaluating the effect of this standard on the District.

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

P. Impact of Recently Issued Accounting Principles (Continued)

Recently Issued Accounting Pronouncements – Adopted

The GASB issued Statement No. 95, Postponements of the Effective Dates of Certain Authoritative Guidance, effective immediately. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The District has implemented this Statement for fiscal year 2020.

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

The governmental funds balance sheet includes a reconciliation between total fund balances-governmental funds and total net position-governmental activities reported on the statement of net position. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds”.

The details of this \$947,401,843 difference are as follows:

Bonds Payable, Including Premium	\$	193,684,970
Revenue Anticipation Note		6,000,000
Certificates of Participation, Net of Discount and Deferred Amount		169,837,710
Compensated Absences Payable		42,123,376
Net Pension Liability		501,853,478
Other Post-Employment Benefits		33,902,309
Net adjustment to reduce Total Fund Balances-Total		
Governmental Funds to Total Net Position-Governmental Activities	\$	947,401,843

3. BUDGETARY COMPLIANCE ACCOUNTABILITY

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each function (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the Annual Financial Report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year’s appropriations.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

3. BUDGETARY COMPLIANCE ACCOUNTABILITY (continued)

- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund-function level. The School Board made several supplemental budgetary appropriations throughout the year. Supplemental budgetary appropriations are presented in budget and actual comparison statements by original budget and final budget amounts.

4. INVESTMENTS

As of June 30, 2020, the district has the following investments and maturities:

Investment	Average Maturity	Fair Value	Valuation Measurement Method/Level
Money Market Funds			
Bank of Central Florida Insured Cash Sweep Purchases	No Maturity	\$ 6,166,704	Amortized Costs
Fidelity Prime Money Market Portfolio Class I	5 Days	15,617,350	Amortized Costs
Federated Prime Cash Obligations Money Market Fund (Held by Fifth Third Bank)	41 Days	335,793	Amortized Costs
Wells Fargo Heritage Money Market Fund	45 Days	2,709,496	Amortized Costs
Synovus Money Markets	No Maturity	39,619,502	Amortized Costs
Total Money Market Funds		64,448,845	
Other Investments			
Florida Public Assets for Liquidity Management (FL PALM)	53 Days	631,959	Net Asset Value
FL Cooperative Liquid Assets Security Systems (FLCLASS)	50 Days	10,510,346	Net Asset Value
Florida Fixed Income Trust-CP Pool	64 Days	180,821,316	Net Asset Value
Ultra-short Income Portfolio (Held by Morgan Stanley)	82 Days	42,150,897	Net Asset Value
Florida Fixed Income -Enhanced Cash Pool	128 Days	132,552,634	Net Asset Value
		366,667,152	
State Board of Administration - Debt Service Account	6 Months	90,315	Fair Value Level 1
Metropolitan Life Insurance Company Contract	5 Years 7 Months	12,433,503	Fair Value Level 2
United States Treasury Notes	3 to 5 years	34,289,558	Fair Value Level 2
Trust Fund Investment US Bank United States Treasury Notes	6 months	10,251,097	Fair Value Level 2
Federal Agency Notes - Various	3 to 5 Years	3,830,108	Fair Value Level 2
Corporate Notes - Various	3 to 10 Years	11,563,400	Fair Value Level 2
		72,457,981	
		\$ 503,573,978	
Investments are reflected in the financial statements as follows:			
Governmental Funds		\$ 451,979,145	
Internal Service Funds		43,174,765	
Governmental Activities		495,153,910	
Fiduciary Funds		8,420,068	
		\$ 503,573,978	

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

4. INVESTMENTS (continued)

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

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

Interest Rate Risk

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

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

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book-entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a secured vault. The District does not have a formal investment policy that addresses custodial credit risk.

The District has \$11.6 million of underlying securities in corporate notes that are held by the investment's counterparty, not in the name of the District.

Credit Risk

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

4. INVESTMENTS (continued)

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

As of June 30, 2020, the District's investment in United States Treasury Notes and Federal Agency Notes are rated AA+ by S&P and Aaa by Moody's. The Trust Fund Investment US Bank United States Treasury notes was rated Aaa by Moody's.

As of June 30, 2020, the Ultra Short Income Portfolio Class I Bond Fund held by Morgan Stanley was rated AAAf/S1 by Fitch. Fidelity Prime Money Market Portfolio Class I, held by Wells Fargo Securities, was rated AAAM by S&P. The Florida Cooperative Liquid Assets Security System ("FLCLASS") and the Florida Public Assets for Liquidity Management ("FL PALM"), which is an intergovernmental Investment Pool, was rated AAAM by S&P. The Federated Prime Cash Obligation Money Market, held by Fifth Third Bank, was rated AAAM by S&P and the Florida Fixed Income Trust, which is an inter-local governmental agreement in the Cash Pool and an Enhanced Cash Pool was rated AAAf/S1 by Fitch.

As of June 30, 2020, the District's investment in various corporate notes was rated by S&P between AA and BBB+ and by Moody's between A1 and A3.

Concentration of Credit Risk

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

The District is not at risk for the corporate notes held by the District, which represent 2.30 percent of total investments. The remainder of the investments are issued or explicitly guaranteed by the United States Government or are in mutual funds, external investment pool, other pooled investments or are less than 5 percent of total investments, which do not require disclosure for concentration credit risk.

Foreign Currency Risk

The District's has no exposure to foreign currency.

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

5. ACCOUNTS RECEIVABLE

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

6. CHANGES IN CAPITAL ASSETS

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 100,573,813	\$ 11,203,891	\$ -	\$ 111,777,704
Construction in Progress	15,442,903	44,408,973	762,523	59,089,353
Total capital assets, not being depreciated	<u>116,016,716</u>	<u>55,612,864</u>	<u>762,523</u>	<u>170,867,057</u>
Capital assets, being depreciated:				
Improvements Other Than Buildings	57,413,772	1,578,938	-	58,992,710
Buildings and Fixed Equipment	1,531,754,282	4,805,888	-	1,536,560,170
Furniture, Fixtures, and Equipment	82,059,376	11,989,452	5,058,530	88,990,298
Motor Vehicles	81,777,054	5,008,728	6,466,918	80,318,864
Audio Visual Materials and Computer Software	11,727,193	15,398	133,834	11,608,757
Total capital assets, being depreciated	<u>1,764,731,677</u>	<u>23,398,404</u>	<u>11,659,282</u>	<u>1,776,470,799</u>
Less accumulated depreciation for:				
Improvements Other Than Buildings	40,975,370	1,690,713	-	42,666,083
Buildings and Fixed Equipment	659,779,543	34,076,299	-	693,855,842
Furniture, Fixtures, and Equipment	69,033,277	4,844,736	4,952,596	68,925,417
Motor Vehicles	58,803,652	4,489,665	6,465,990	56,827,327
Audio Visual Materials and Computer Software	9,949,219	592,948	129,444	10,412,723
Total accumulated depreciation	<u>838,541,061</u>	<u>45,694,361</u>	<u>11,548,030</u>	<u>872,687,392</u>
Total capital assets, being depreciated, net	<u>926,190,616</u>	<u>(22,295,957)</u>	<u>111,252</u>	<u>903,783,407</u>
Governmental Activities Capital assets, net	<u>\$ 1,042,207,332</u>	<u>\$ 33,316,907</u>	<u>\$ 873,775</u>	<u>\$ 1,074,650,464</u>

Depreciation expense was charged to functions as follows:

Instructional	\$24,999,306
Student Personnel Services	1,766,863
Media Services	336,575
Curriculum Development	581,999
Instructional Training	985,933
Instructional Technology Support	696,254
Board	91,364
General Administration	230,446
School Administration	1,864,568
Facilities & Construction	1,041,872
Fiscal Services	117,391
Food Services	2,144,893
Central Services	5,302,150
Student Transportation	1,474,943
Operation of Plant	2,232,103
Maintenance of Plant	923,234
Administrative Technology Support	268,195
Community Services	132,478
Unallocated	503,794
Total Depreciation Expense	<u>\$ 45,694,361</u>

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION

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

Series 2004-QZAB/COPS

The District entered into a financing arrangement on June 8, 2004, characterized as a lease-purchase agreement, with the Financing Corporation for the School Board of Polk County, Florida, whereby the District secured financing through Qualified Zone Academy Bonds (“QZABs”) for technology improvements. The financing was accomplished through the issuance of Qualified Zone Academy Bonds-Certificates of Participation, Series 2004, totaling \$3,561,000, to be repaid from the proceeds of rents paid by the District. As a condition of this 2004 financing arrangement, the District gave title to the equipment to the Financing Corporation. The initial term of the lease is for the period commencing on June 8, 2004, and ending on the earlier of: (a) the date on which the Series 2004 QZAB/Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) June 7, 2020 (both dates inclusive). The technology equipment covered by the ground lease is leased back to the District.

If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to make accelerated payments or surrender the equipment included under the Ground Lease Agreement for the benefit of the securers of the QZAB/Certificates for a period of time specified by the arrangement, which may be up to approximately 16 years from the date of inception of the arrangement.

The District technology equipment included in the ground lease under this arrangement includes approximately 5,442 computers and monitors.

The Series 2004-QZAB/COPS matured on June 7, 2020 and required the District to make annual payments into an escrow account from 2005 through 2009 at \$403,617 per year. The total amount paid into escrow in the form of a sinking fund (\$2,018,084) with interest earnings which was sufficient to pay off the principal due on term certificates maturing in 2020, considering the subsidy. The escrow/sinking fund is included in Investments. The QZABs are financial instruments that provide a different kind of subsidy in the form of a tax credit to a bank, in this case, Wachovia Bank, N.A., which holds the QZABs. The District was eligible for this program since the schools which participated had at least 35 percent or more of their students eligible for free or reduced lunch under the National School Lunch Act, and the District had established a partnership with a business, Gateway, who provided the 10 percent matching in online training classes for teachers and students.

Series 2009C-QSCB/COPS

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION (continued)

inclusive). The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District.

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

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

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

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

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

Series 2010A

The District entered into a financing arrangement on March 9, 2010 to advance refund the Certificates of Participation, Series 1999A. The refunding was accomplished through the issuance of Certificates of Participation, Series 2010A, totaling \$51,315,000, to be repaid by the proceeds of rents paid by the District.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION (continued)

As a condition of the financing arrangement associated with the Series 2010A Certificates, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. By a master lease-purchase agreement, the properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. The initial term of the lease is for the period commencing on March 9, 2010, and ending on the earlier of: (a) the date on which the Series 2010A Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) January 1, 2024 (both dates inclusive).

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

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

The net proceeds of the Series 2010A Certificates were used to currently refund the Series 1999A Certificates.

The lease payments are payable by the District, semiannually, on the fifteenth (15th) day proceeding January 1st and July 1st, at interest rates ranging from 3.00 to 4.25 percent.

Series 2010C-QSCB/COPS

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

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION (continued)

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

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

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

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

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

Series 2019A

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION (continued)

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

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

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

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

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

Series 2019B

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

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION (continued)

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

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

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

The Refunding Certificates of Participation, Series 2019A and 2019B reduced the present value of future debt service payments. The savings were available due to improved municipal bond market conditions (i.e., lower interest rates) during the year. The effect of the refunding is summarized as follows:

Refunding Bonds Title and Series:	Refunding Certificates of Participation, Series 2015A and 2015B
Original Bond Title and Series:	Refunding Certificates of Participation, Series 2019A and 2019B
Original Bonds Amount:	\$73,924,347
Closing Date:	February 3, 2020
Net Interest Rate:	5.00%
Refunding Bonds Issued:	\$72,350,000
Premium:	\$15,156,759
Discount:	\$220,137
Issuance & Insurance Costs:	\$351,217
Net Proceeds:	\$87,813,666
Cash Flow Savings:	\$1,406,392
Economic Gain on Refunding:	\$1,276,049
Number of Years Affected:	7
Bond Type	Advance

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION (continued)

Series 2016A

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

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

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

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

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

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

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

Series 2017A

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

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

7. CERTIFICATES OF PARTICIPATION (continued)

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

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

The following is a summary of Certificates of Participation payable:

	<u>Balance at 6/30/20</u>
<u>COPS from Direct Borrowings of Debt:</u>	
Series 2009C QSCB, \$20,543,000, Issued 12/30/2009	20,543,000
Series 2010C QSCB, \$21,223,000, Issued 11/22/2010	21,223,000
Series 2019A (Refinances 2015A), \$42,360,000, Issued 10/30/2015	36,835,000
Series 2019B (Refinance 2015B), \$42,850,000, Issued 10/30/2015	35,515,000
Series 2016A (Partial Refinance 2012B), \$33,725,000, Issued 04/04/2016	17,845,000
Series 2017A (Partial Refinance 2010A), \$26,331,000, Issued 06/30/2017	24,997,000
Total Certificates of Participation	\$ 156,958,000

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, 2020:

Fiscal Year Ended	Certificates of Participation from		
	Direct Borrowings of Debt		
<u>June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	17,177,668	12,778,000	4,399,668
2022	17,517,641	13,188,000	4,329,641
2023	17,545,719	13,543,000	4,002,719
2024	17,408,688	13,748,000	3,660,688
2025-2029	89,039,756	82,478,000	6,561,756
2030-2033	21,223,000	21,223,000	-
Grand Totals	\$ 179,912,472	\$ 156,958,000	\$ 22,954,472

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

8. BONDS AND NOTES PAYABLE

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

State School Bonds

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

Sales Tax Bonds

These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1010, Florida Statutes, Chapter 212, Part I, Florida Statutes, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to a Local Option Half-Cent Sales Tax passed by Polk County voters which commenced January 1, 2019 for a period not to exceed fifteen (15) years. Sales tax received for the current year was \$50,907,170. For the fiscal year, the amount of interest on Sales Tax Bonds was \$6,556,580.

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

Revenue Anticipation Note

This Note is issued pursuant to the Constitution and laws of the State of Florida, including, particularly, Section 1011.14, Florida Statutes, and other applicable provisions of the law (the “Act”) and is issued pursuant to and subject to the terms and conditions of the resolution of the District related thereto adopted on October 22, 2019 (the “Resolution”). The principal and interest is payable solely from certain ad valorem tax revenues and other legally available revenues received by the District during the period in which this Note is outstanding in accordance with Section 1011.14, Florida Statutes, all as more particularly described in the Resolution (the “Sources of Payment”).

Upon written notice provided no less than five business days in advance thereof, this Note is subject to prepayment at the option of the School Board, in whole or in part, on any Business Day, and if in part, in inverse order of maturity of the Note corresponding to the due dates of the principal of the Note (treating mandatory sinking fund installments as separate maturities for such purpose), at a prepayment price equal to the principal amount or portion thereof to be prepaid, plus the interest accrued to the optional prepayment date without premium.

Unless this Note shall mature prior to a mandatory redemption date, or shall be optionally redeemed, this Note is subject to mandatory sinking fund redemption in part on each date set forth below in the amounts set forth below at a redemption price of par plus the interest accrued to the redemption date; provided that to the extent the principal amount hereunder is less than the aggregate amount set forth below, the principal amount due on each mandatory redemption date as set forth below, the principal amount due on each mandatory redemption date as set forth below shall be proportionately reduced:

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
10/23/2020	\$1,200,000
10/22/2021	\$1,200,000
10/21/2022	\$1,200,000
10/20/2023	\$1,200,000
10/19/2024	\$1,200,000

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

8. BONDS AND NOTES PAYABLE (continued)

The following is a summary of bonds payable at June 30, 2020:

Series 2010-A, \$365,000, Issued 10/14/10, Matures Serially to 01/01/21, Interest Rates Ranging from 4.0 to 5.0 Percent. Payable in Future Annual Installments Ranging from \$45,000 to \$50,000, Semiannual Interest Payments Range from \$1,250 to \$3,275.	\$ 50,000
Series 2011-A, \$440,000, Issued 01/05/12, Matures Serially to 01/01/23, Interest Rates Ranging from 2.0 to 5.0 Percent. Payable in Future Annual Installments Ranging from \$20,000 to \$35,000, Semiannual Interest Payments Range from \$525 to \$2,850.	95,000
Series 2014-A, \$900,000, Issued 05/22/14, Matures Serially to 01/01/25, Interest Rates Ranging from 2.0 to 5.0 Percent. Payable in Future Annual Installments Ranging from \$82,000 to \$110,000, Semiannual Interest Payments Range from \$1,230 to \$15,605.	488,000
Series 2017-A, \$1,035,000, Issued 04/29/17. This refunds 2006-A, Matures Serially to 01/01/26, Interest Rate of 3.0 to 5.0 Percent, Payable in Future Annual Installments Ranging from \$46,000 to \$86,000, Semi-Annual Interest Payments Range from \$2,150 to \$12,950.	421,000
Series 2019-A, \$2,752,000, Issued 01/27/19. This refunds 2009-A, Matures Serially to 01/01/29, Interest Rate of 5.0 Percent, Payable in Future Annual Installments Ranging from \$173,000 to \$412,000, Semi-Annual Interest Payments Range from \$10,300 to \$68,800.	2,579,000
Series 2020-A, \$47,000, Issued 01/14/20. This Matures Serially to 01/01/22, Interest Rate of 5.0 Percent, Payable in Future Annual Installments Ranging from \$29,265 to \$21,000, Semi-Annual Interest Payments Range from \$1,175 to \$500.	<u>47,000</u>
Total State School Bonds	<u>\$ 3,680,000</u>

Sales Tax Bonds:

	Balance at 6/30/2020
Series 2019, \$160,025,000, issued 6/06/19 matures serially to 10/01/33; interest rate is 5.0 percent; payable in a future annual installments ranging from \$8,165,000 to \$15,395,000, semiannual interest payments ranging from \$384,875 to \$4,000,625.	\$ 160,025,000
Total Sales Tax Bonds	<u>160,025,000</u>
Total Bonds Payable	<u>\$ 163,705,000</u>

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

8. BONDS AND NOTES PAYABLE (continued)

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

<u>State School Bonds</u>			
Fiscal Year			
Ended			
<u>June-30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 621,650	\$ 443,000	\$ 178,650
2022	576,460	420,000	156,460
2023	568,885	433,000	135,885
2024	545,810	431,000	114,810
2025	528,780	434,000	94,780
2026-2029	1,711,800	1,519,000	192,800
Total	<u>\$ 4,553,385</u>	<u>\$ 3,680,000</u>	<u>\$ 873,385</u>

<u>Sales Tax Bonds</u>			
Fiscal Year			
Ended			
<u>June-30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 15,962,125	\$ 8,165,000	\$ 7,797,125
2022	15,953,625	8,575,000	7,378,625
2023	15,944,125	9,005,000	6,939,125
2024	15,927,750	9,450,000	6,477,750
2025	15,918,375	9,925,000	5,993,375
2026-2030	79,389,500	57,580,000	21,809,500
2031-2034	63,232,125	57,325,000	5,907,125
Total	<u>\$ 222,327,625</u>	<u>\$ 160,025,000</u>	<u>\$ 62,302,625</u>

State School Bonds	\$ 3,680,000
Sales Tax Bonds	<u>160,025,000</u>
Sub Total Bonds	\$ 163,705,000
Plus Unamortized Bond Premium/Discount	<u>29,979,970</u>
Total Bonds Payable	<u>\$ 193,684,970</u>

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

9. CHANGES IN LONG-TERM LIABILITIES

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

Description	BALANCE			BALANCE 6/30/2020	DUE WITHIN ONE YEAR	DUE AFTER ONE YEAR
	7/1/2019	ADDITIONS	DEDUCTIONS			
Certificates of Participation (COP)	\$ 174,995,000	\$ 72,350,000	\$ 90,387,000	\$ 156,958,000	\$ 12,778,000	\$ 144,180,000
COP-Prem/Discount	(254,516)	14,936,622	1,802,396	12,879,710	1,847,488	11,032,222
Bonds Payable	164,075,000	47,000	417,000	163,705,000	8,608,000	155,097,000
Bonds Payable-Prem/Discount	32,540,834	2,493	2,563,357	29,979,970	2,517,931	27,462,039
Revenue Anticipation Note	-	6,000,000	-	6,000,000	6,000,000	-
Derivative Instruments	11,254,558	-	11,254,558	-	-	-
Borrowing – Swap Upfront Payment	2,006,413	-	2,006,413	-	-	-
Compensated Absences Payable	40,378,129	5,663,156	3,917,909	42,123,376	3,821,582	38,301,794
Estimated Liability for Claims	19,649,658	1,592,024	812,698	20,428,984	7,558,724	12,870,260
Net Pension Liability	458,553,930	43,299,548	-	501,853,478	-	501,853,478
Other Postemployment Benefits	46,151,237	5,108,338	17,357,266	33,902,309	-	33,902,309
Total	\$ 949,350,243	\$ 148,999,181	\$ 130,518,597	\$ 967,830,827	\$ 43,131,725	\$ 924,699,102

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

10. ESTIMATED ARBITRAGE REBATE

The District is not aware of any arbitrage at June 30, 2020.

11. DERIVATIVE INSTRUMENTS

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

12. FUND BALANCE REPORTING

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

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

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

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

Nonspendable

The District has inventories and prepaid items totaling \$14,723,783 that are classified as nonspendable.

Spendable

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

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

Federal Laws, Florida Statutes, and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, special revenues, debt service, and capital projects. The funds have been included in the restricted category of fund balance. The restricted fund balances total \$393,317 million and represents \$11,976 million in State required carryover programs (Advanced Placement - \$1.4 million, School Recognition - \$0.4 million, Career Academy Certification - \$3.1 million, Lottery - \$1.5 million, Digital Classrooms - \$0.3 million, International Baccalaureate - \$0.9 million, Class size red - \$1.2 million, SAI - \$1 million, Enhancements - \$1.7 million, and Instructional Materials - \$0.5 million), \$5.2 million in State and Local grants (including Fin Aid - \$0.1 million, Turn around sup - \$2.3 million, Drivers Education and Safety Trust - \$0.7 million, Fuel Tax - Paving – \$1.2 million, Americorp - \$0.5 million, workforce CTE - \$0.1 million and Polk County Board of County Commissioners - \$0.3 million), \$71,684 in other Federal projects, \$6,525 million in food service, \$22,835 million in debt service, and \$346,680 million in capital projects.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

12. FUND BALANCE REPORTING (continued)

- **Assigned for School Operations**

The District has set aside certain spendable fund balance for school operations. At year-end, the assigned fund balance is \$974,812 for school operations. The assigned fund balance for school operations includes other grants.

- **Unassigned**

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

The unassigned fund balance for the General Fund is \$51,686,673.

Description	Major			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Other Federal Programs	Other Capital Projects		
Fund Balances:					
Nonspendable:					
Inventories	\$ 8,639,418	\$ -	\$ -	\$ 3,458,050	\$ 12,097,468
Prepaid Amounts	\$ 2,625,712	603	-	-	2,626,315
Restricted:					
State Required Carryover	11,975,959	-	-	-	11,975,959
Federal & State Grants	-	71,684	-	-	71,684
Food Service	-	-	-	6,524,845	6,524,845
State & Local Grants	5,229,145	-	-	-	5,229,145
Debt Service	-	-	-	22,835,298	22,835,298
Capital Projects	-	-	312,090,054	34,590,467	346,680,521
Assigned:					
School Operations	974,812	-	-	-	974,812
Unassigned	51,686,673	-	-	-	51,686,673
Total Fund Balances	\$ 81,131,719	\$ 72,287	\$ 312,090,054	\$ 67,408,660	\$ 460,702,720

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Fund	Interfund	
	Receivables	Payables
Major:		
General Fund	\$ 21,884,951	\$ 41,607
Special Revenue	-	21,882,598
Capital Projects		
Other Capital Projects	-	1,544
Non-major:		
Governmental	-	809
Internal Service	41,607	-
Total	<u>\$ 21,926,558</u>	<u>\$ 21,926,558</u>

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

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General Fund	\$ 53,525,643	\$ 93,250
Capital Projects		
Other Capital Projects	-	25,612,862
Non-major:		
Governmental	25,992,889	53,120,654
Internal Service	907,275	1,599,041
Total	<u>\$ 80,425,807</u>	<u>\$ 80,425,807</u>

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. RESERVE FOR ENCUMBRANCES

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

The Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the 2020-2021 fiscal year budget as a result of purchase orders outstanding at June 30, 2020.

Funds	Significant* Outstanding Encumbrances
Major:	
General	\$ 13,539,667
Capital Projects:	
Other Capital Projects	145,397,224
Non-major:	
Governmental	290,000
Internal Service	200,000
Total	\$ 159,426,891

*Outstanding encumbrances \$100,000 and greater

15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2019 tax roll for fiscal year 2019-2020:

	<u>MILLAGES</u>		<u>TAXES</u>	
	<u>Maximum Authorized</u>	<u>Levied</u>	<u>Levied (100%)</u>	<u>Collected</u>
<u>GENERAL FUND</u>				
Non-voted School Tax:				
Required Local Effort	3.838	3.838	\$156,790,124	\$150,518,519
Discretionary Local Effort	0.748	0.748	30,557,325	29,335,032
Prior Years	-	-	-	1,999,997
 <u>CAPITAL PROJECTS FUNDS</u>				
Non-voted Tax:				
Local Capital Improvements	1.50	1.50	61,278,058	59,393,595
Prior Years	-	-	-	142,653
Total	6.086	6.086	\$248,625,507	\$241,389,796

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS

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

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

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

A. FRS Pension Plan

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

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

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

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

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

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

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

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

Contributions The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. Contribution rates during the 2019-20 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	8.47
FRS, Elected County Officers	3.00	48.82
FRS, Senior Management Service	3.00	25.41
DROP - Applicable to Members of the Above Classes	0.00	14.60
FRD, Reemployed Retiree	(2)	(2)

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

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

The District's contributions to the Plan totaled \$31,499,730 for fiscal year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$339,194,888 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-2019 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2019, the District's proportionate share was .984926250 percent, which was a decrease of 0.022837533 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$83,042,372 related to the FRS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related pensions from the following sources:

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,118,619	\$ 210,501
Change of assumptions	87,119,842	-
Net difference between projected and actual earnings on FRS pension plan investments	-	18,766,031
Changes in proportion and difference between District FRS contributions and proportionate share of contributions	817,169	10,165,495
District FRS contributions subsequent to the measurement date	31,499,730	-
	<hr/>	<hr/>
Total	\$ 139,555,360	\$ 29,142,027
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The deferred outflows of resources resulting from District contributions to the Plan subsequent to the measurement date, totaling \$31,499,730, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. 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>
2021	\$ 29,009,884
2022	6,881,432
2023	21,500,543
2024	16,786,696
2025	3,894,188
Thereafter	840,860
	<hr/>
	\$ 78,913,603
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SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

Actuarial Assumptions The total pension liability in the July 1, 2019 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
Discount Rate	6.90 percent

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate (Property)	11%	6.7%	6.1%	11.7%
Private Equity	10%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Total Fund	100%			
Assumed Inflation - Mean			2.6%	1.7%

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

Discount Rate The discount rate used to measure the total pension liability was 6.90 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2018 valuation was updated from 7.0 percent to 6.9 percent.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.9 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension liability	\$ 586,355,009	\$ 339,194,888	\$ 132,774,380

Pension Plan Fiduciary Net Position Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Payable to the Pension Plan on June 30, 2020, the District reported a payable of \$6,370,396 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2020.

B. HIS Pension Plan

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

Benefits Provided For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$8,177,603 for the fiscal year ended June 30, 2020.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions On June 30, 2020, the District reported a net pension liability of \$162,658,588 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and update procedures were used to determine liabilities as of July 1, 2019. The District's proportionate share of the net pension liability was based on the District's 2018-2019 fiscal year contributions relative to the total 2018-2019 fiscal year contributions of all participating members. On June 30, 2019 the District's proportionate share was 1.453736711 percent, which was a decrease of .010819325 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$12,475,390, related to the HIS Plan. In addition, the District reported as deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,975,670	\$ 199,170
Change of assumptions	18,834,328	13,294,388
Net difference between projected and actual earnings on FRS pension plan investments	104,961	-
Changes in proportion and difference between District FRS contributions and proportionate share of contributions	1,649,835	2,964,092
District FRS contributions subsequent to the measurement date	8,177,603	-
	<hr/>	<hr/>
Total	\$ 30,742,397	\$ 16,457,650

The deferred outflows of resources resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$8,177,603, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 2,863,905
2022	2,392,212
2023	1,202,751
2024	(1,413,090)
2025	59,843
Thereafter	1,001,523
	\$ 6,107,144

Actuarial Assumptions The total pension liability in the July 1, 2019, 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
Discount Rate	3.50 percent

Mortality rates were based on the Generations RP-2000 with Projected Scale BB.

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

Discount Rate The discount rate used to measure the total pension liability was 3.50 percent, which is an decrease from 3.87 percent used in the preceding measurement date. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.50 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<u>1% Decrease 2.50%</u>	<u>Current Discount Rate 3.50%</u>	<u>1% Increase 4.50%</u>
District's proportionate share of the net pension liability	\$ 185,683,119	\$ 162,658,590	\$ 143,481,764

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

Pension Plan Fiduciary Net Position Detailed information about the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Payable to the Pension Plan On June 30, 2020, the District reported a payable of \$105,749 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2020.

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

	<u>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net pension liabilities	\$ 339,194,889	\$ 162,658,588	\$ 501,853,477
Deferred outflows of resources related to defined benefit plans	139,555,360	30,742,397	170,297,757
Deferred inflows of resources related to defined benefit plans	29,142,027	16,457,651	45,599,678
Pension expense	83,042,372	12,475,390	95,517,762

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (“Investment Plan”). The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the investment member’s accounts during the 2019-2020 fiscal year were as follows:

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

16. STATE RETIREMENT PROGRAMS (continued)

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, 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 \$6,280,614 for the fiscal year ended June 30, 2020.

The District's Investment Plan pension payable totaled \$1,751,635 for the fiscal year ended June 30, 2020.

The District's contributions to the Investment Plan totaled \$7,803,566 for the year ended June 30, 2020. Employee contributions to the Investment Plan totaled \$2,549,877 for the year ended June 30, 2020.

17. DEFERRED COMPENSATION PLAN

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

18. CONSTRUCTION CONTRACT COMMITMENTS

LOCATION	Contracted Amount	Completed Amount	Committed Amount
District Wide	\$ 615,179	\$ 52,902	\$ 562,277
District Wide	975,722	873,581	102,141
Oscar Pope EI	75,000	52,650	22,350
Kathleen MS	511,091	134,249	376,842
Bartow HS - Phase 1	15,990,934	11,006,793	4,984,141
Davenport EI	28,758,097	17,268,854	11,489,243
Mulberry HS	48,199,779	3,095,944	45,103,835
Northeast Polk 19-AAA	94,607,604	7,022,823	87,584,781
Westwood MS	4,879,420	711,896	4,167,524
Eastside EI	6,622,074	443,504	6,178,570
Bartow HS - Phase 2	1,714,008	804,859	909,149
Elementary School 20-A	1,095,758	818,069	277,689
Ben Hill Griffin EI	395,280	306,454	88,826
Elementary School 20-B	1,095,758	819,218	276,540
Total	\$ 205,535,704	\$ 43,411,796	\$ 162,123,908

19. SCHEDULE OF STATE REVENUE SOURCES

The District's principal source of revenues is the State, which provided approximately 54 percent of revenues in the 2019-20 fiscal year. The following is a schedule of State revenue sources and amounts:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 483,036,072
Class Size Reduction	114,167,917
Workforce Development	7,714,426
Other Categorical Programs	6,558,888
Capital & Debt Service	3,997,066
Charter School Capital Outlay	3,962,957
Miscellaneous	363,527
Florida State License Tax	934,588
Discretionary Lottery Funds	104,220
Food Service Supplement	752,096
TOTAL STATE REVENUE SOURCES	\$ 621,591,757

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

20. ALTERNATIVE RETIREMENT PLAN

Effective August 1, 1995, the District established an Alternative to Social Security Plan for all part-time temporary employees. This plan is authorized under Internal Revenue Code ("IRC") Section 3121(b)(7)(f) as an alternative plan to Social Security for all employees not eligible for state retirement coverage under this plan, which is administered under IRC Section 457(b). Neither the Board nor the employees contribute the 6.2% FICA Tax to Social Security. Instead, the employees contribute 7.5%, on a pre-tax basis, into the alternative plan, where it is available to the employees at retirement or termination, in accordance with the provisions of IRC Section 457(b). The plan is coordinated and administered by MidAmerica Administrative & Retirement Solutions. The underlying investment provider is American United Life Insurance Company (AUL). Employee contributions to the plan during the 2019-2020 fiscal year totaled \$196,889 and the related 6.2% FICA tax savings to the Board was \$162,761.

21. OPERATING LEASES

Expenditures for operating leases during 2019-2020 totaled \$13,679,380. These leases are generally for a one-year period, but for the most part are automatically renewable unless notice is given to the contrary. The leases cover copy machines, computer software, land, data-processing equipment, facility rentals, and other miscellaneous items. While the cost of operating leases for 2020-2021 is budgeted as \$10,382,678, the amount for later years is indeterminate because of plans to replace rental portables with permanent facilities.

22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

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

General Information about the OPEB Plan

Plan Description. The other postemployment benefits plan ("OPEB Plan") is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health plan for medical and prescription. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Active employees receive health insurance at no cost. Retiree's over the age of 65 transfer to Florida Schools Retiree Benefits Consortium (FSRBC), while retirees under the age of 65 will begin paying a monthly health plan premium based on their level of coverage. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare ("Medicare") program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended by action from the Board. The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefits (OPEB) or the net OPEB obligation. Contribution requirements of the District are established and may be amended through the Board. The plan is currently being funded on a pay-as-you-go basis. No trust or agency fund has been established for the plan. The plan does not issue a separate financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75.

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

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE (continued)

Employees Covered by Benefit Terms. At June 30, 2019, the following employees were covered:

Inactive Employees or Beneficiaries Currently Receiving Benefits	404
Active Employees	11,435
Total	11,839

Total OPEB Liability

The District's total OPEB liability of \$33,902,309 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Salary increases	3.6-8.0 percent, average, including inflation
Discount rate	3.13 percent
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.50 percent and gradually decreasing to an ultimate trend rate of 3.99 percent plus 0.39 percent increase for excise tax
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates are the same as used in the July 1, 2019 actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class Members, and non-K-12 Instructional Regular Class Members. These rates were taken from the adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Changes in demographic assumptions developed in a statewide experience study conducted by the Florida Retirement System covering the period 2013 through 2018 and adopted for its July 1, 2019 valuation.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE (continued)

Changes in the Total OPEB Liability	
Balance at 6/30/19	\$ 46,151,237
Changes for the year:	
Service Cost	2,217,303
Interest	1,687,938
Differences Between Expected and Actual Experience	1,203,097
Changes in Assumptions or Other Inputs	(13,876,444)
Benefit Payments	(3,480,822)
Net Changes	<u>(12,248,928)</u>
Balance at 6/30/20	<u>\$ 33,902,309</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.62 percent in 2018 to 3.13 percent in 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13 percent) or 1 percentage point higher (4.13 percent) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB Liability	\$ 36,569,440	\$ 33,902,309	\$ 31,547,058

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

	1% Decrease (5.50%)	Healthcare Cost Trend Rates Current Discount Rate (6.50%)	1% Increase (7.50%)
Total OPEB Liability	\$ 30,055,519	\$ 33,902,309	\$ 38,641,830

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

22. OTHER POSTEMPLOYMENT BENEFITS PAYABLE (continued)

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$2,565,033. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB 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	\$ 1,092,721	\$ -
Change of assumptions or other inputs	-	14,020,805
Transactions subsequent to the measurement date	<u>2,814,872</u>	<u>-</u>
Total	<u><u>\$ 3,907,593</u></u>	<u><u>\$ 14,020,805</u></u>

The amount reported as deferred outflows of resources related to OPEB, totaling \$2,814,872, resulting from transactions subsequent to the measurement date and before the end of the fiscal year, will be included as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ (1,340,208)
2022	(1,340,208)
2023	(1,340,208)
2024	(1,340,208)
2025	(1,340,208)
Thereafter	<u>(6,227,044)</u>
Total	<u><u>\$ (12,928,084)</u></u>

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

23. RISK MANAGEMENT PROGRAMS

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

Premiums for the various coverages are calculated based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The total liabilities and net position at June 30, 2020 were \$47,733,043, made up of net position of \$15,163,373 and the estimated liability for unpaid claims and other accounts payable. This estimated liability for unpaid claims (not covered by excess insurance) in the amount of \$20,428,984 at June 30, 2020 is based on estimates provided by actuaries. The workers compensation, general liability and fleet liability portion of the District's total estimated liability is reported at present value using a 2% interest rate assumption.

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

	Beginning-of-Fiscal-Year Claims Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End-of-Fiscal- Year Claims Liability
2018-2019	\$ 20,580,012	\$ 107,294,332	\$ (108,224,686)	\$ 19,649,658
2019-2020	\$ 19,649,658	\$ 111,546,169	\$ (110,766,843)	\$ 20,428,984

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

The District purchased property insurance coverage with a limit of \$50 million with key deductibles of \$100,000 for all perils excluding named windstorm or flood damages if the property is located in Flood Zones A & V. In addition, the equipment breakdown (boiler & machinery) deductible is \$10,000. The named windstorm maximum deductible out-of-pocket is \$20 million for 2020. The flood deductible is \$100,000. For Flood Zones A & V, the deductible is \$500,000 per building and \$500,000 contents per building.

The administrator for the general and fleet liability self-insurance program and the worker's compensation program is John Eastern from July 1, 2019 to June 30, 2020. Florida Blue administers the District's group medical plan portion, as well as the prescription plan portion of the self-insured group health program.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

24. CONTINGENT LIABILITIES

GRANTS:

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

LAWSUITS:

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

POLK COUNTY PUBLIC SCHOOLS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2020</u>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 2,217,303	\$ 2,137,175
Interest	1,687,938	1,660,825
Difference Between Expected and Actual Experience	1,203,097	-
Changes of Assumptions or Other Inputs	(13,876,444)	(164,102)
Benefit Payments	<u>(3,480,822)</u>	<u>(3,995,770)</u>
Net Change in Total OPEB Liability	(12,248,928)	(361,872)
Total OPEB Liability - Beginning, as Restated	<u>46,151,237</u>	<u>46,513,109</u>
Total OPEB Liability - Ending	<u><u>\$ 33,902,309</u></u>	<u><u>\$ 46,151,237</u></u>
Covered-Employee Payroll	\$ 442,797,495	\$ 443,267,378
Total OPEB Liability as a Percentage of Covered-Employee Payroll	7.66%	10.41%

* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

POLK COUNTY PUBLIC SCHOOLS, FLORIDA
STATE RETIREMENT PROGRAMS
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of the Net Pension Liability
Florida Retirement Pension Plan System
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the FRS net pension liability	0.984926250%	1.007763783%	1.001097797%	1.029955435%	1.097838884%	1.104389771%	1.117915580%
District's proportionate share of the FRS net pension liability	\$ 339,194,888	\$ 303,543,675	\$ 296,118,011	\$ 260,064,556	\$ 141,800,616	\$ 67,384,017	\$ 192,443,026
District's covered payroll	\$ 492,457,337	\$ 478,426,152	\$ 464,416,622	\$ 459,070,936	\$ 445,311,752	\$ 397,471,489	\$ 428,706,063
District's proportionate share of the FRS net pension liability as a percentage of its covered payroll	68.88%	63.45%	63.76%	56.65%	31.84%	16.95%	44.89%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	88.54%

Schedule of District Contributions
Florida Retirement System
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 31,499,730	\$ 30,539,821	\$ 28,720,458	\$ 26,061,040	\$ 25,117,106	\$ 24,190,823	\$ 15,043,772
Contributions in relation to the contractually required contribution	31,499,730	30,539,821	28,720,458	26,061,040	25,117,106	24,190,823	15,043,772
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 492,693,497	\$ 492,457,337	\$ 478,426,152	\$ 464,416,622	\$ 459,070,936	\$ 445,311,752	\$ 397,471,489
Contributions as a percentage of covered payroll	6.39%	6.20%	6.00%	5.61%	5.47%	5.43%	3.78%

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

(2) Covered payroll includes all salaries and wages on which premium contributions are based in the FRS Defined Benefit Contribution Plans.

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

POLK COUNTY PUBLIC SCHOOLS, FLORIDA
STATE RETIREMENT PROGRAMS
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of Net Pension Liability
Health Insurance Subsidy Program
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the HIS net pension liability	1.453736711%	1.464556036%	1.456262136%	1.486864795%	1.463739376%	1.459028367%	1.475547971%
District's proportionate share of the HIS net pension liability	\$ 162,658,590	\$ 155,010,255	\$ 155,710,266	\$ 173,287,932	\$ 149,651,081	\$ 136,422,713	\$ 128,465,852
District's covered payroll	\$ 492,457,337	\$ 478,426,452	\$ 464,418,622	\$ 459,070,936	\$ 445,311,752	\$ 397,471,489	\$ 428,706,063
District's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.03%	32.40%	33.53%	37.75%	33.61%	34.32%	29.97%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	1.78%

Schedule of District Contributions
Health Insurance Subsidy Program
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,177,603	\$ 8,072,459	\$ 7,942,324	\$ 7,706,959	\$ 7,621,130	\$ 4,998,140	\$ 4,833,522
Contributions in relation to the contractually required contribution	8,177,603	8,072,459	7,942,324	7,706,959	7,621,130	4,998,140	4,833,522
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 492,693,497	\$ 492,457,337	\$ 478,426,152	\$ 464,418,622	\$ 459,070,936	\$ 445,311,752	\$ 397,471,489
Contributions as a percentage of covered payroll	1.66%	1.64%	1.66%	1.66%	1.66%	1.12%	1.22%

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

(2) Covered payroll includes all salaries and wages on which premium contributions are based in the FRS Defined Benefit Contribution Plans.

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2020, total OPEB liability decreased from the prior fiscal year as a result of changes to benefits and assumptions as discussed below:

Changes of Assumptions

The discount rate was changed from 3.62 percent as of the beginning of the measurement period to 3.13 percent as of June 30, 2019 (based on the Long-Term Municipal Bond rate). This change decreased the total OPEB Liability.

2. Schedule of the District's Share of the Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions

The long-term expected rate of return decreased from 7.0 percent to 6.9 percent, and the active member mortality assumptions were updated

3. Schedule of the District's Share of the Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions

The municipal rate used to determine total pension liability decreased from 3.87% to 3.50%.

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



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST

THE SCHOOL DISTRICT OF POLK COUNTY

**OTHER CAPITAL PROJECTS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Federal Sources:				
Federal Direct	\$ -	\$ -	\$ -	\$ -
Total federal sources	-	-	-	-
Local sources:				
Local sales tax	48,560,563	48,560,563	50,907,170	2,346,607
Interest income	18,037,735	39,037,735	39,234,410	196,675
Other	-	-	5,345,545	5,345,545
Total local sources	66,598,298	87,598,298	95,487,125	7,888,827
State sources:				
Charter school capital outlay funding	3,585,286	3,962,957	3,962,957	-
Total state sources	3,585,286	3,962,957	3,962,957	-
Total revenues	70,183,584	91,561,255	99,450,082	7,888,827
EXPENDITURES:				
Current:				
Non-capitalized facilities acquisition and construction	-	-	1,306,217	(1,306,217)
Capital outlay:				
Facilities acquisition and construction	102,194,837	359,968,069	58,662,800	301,305,269
Total expenditures	102,194,837	359,968,069	59,969,017	299,999,052
Excess (deficiency) of revenues over (under) expenditures	(32,011,253)	(268,406,814)	39,481,065	307,887,879
OTHER FINANCING SOURCES (USES):				
Transfers out	(15,630,743)	(29,009,539)	(25,612,862)	3,396,677
Total other financing sources and uses	(15,630,743)	(29,009,539)	(25,612,862)	3,396,677
Net change in fund balances	(47,641,996)	(297,416,353)	13,868,203	311,284,556
Fund balances - beginning	298,949,235	298,949,235	298,221,851	(727,384)
Fund balances - ending	\$ 251,307,239	\$ 1,532,882	\$ 312,090,054	\$ 310,557,172

See accompanying report of independent auditor.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



POLK COUNTY
PUBLIC SCHOOLS
STUDENTS FIRST

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Debt Service Funds

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

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

Nonmajor Governmental Funds

Capital Projects Funds

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

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

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue			Debt Service			
	Food Services	Miscellaneous Special Revenue	Total	State Board of Education Bonds	Other Debt Service	ARRA Debt Service	Total
ASSETS							
Cash	\$ 1,705,777	\$ 71,748	\$ 1,777,525	\$ -	\$ 1,902,944	\$ -	\$ 1,902,944
Investments	3,829,417	1,237	3,830,654	90,315	41,022	22,684,600	22,815,937
Accounts and interest receivable	21,922	-	21,922	-	-	-	-
Due from other governmental agencies	1,501,613	-	1,501,613	-	-	-	-
Inventories	3,458,050	-	3,458,050	-	-	-	-
Total assets	<u>\$ 10,516,779</u>	<u>\$ 72,985</u>	<u>\$ 10,589,764</u>	<u>\$ 90,315</u>	<u>\$ 1,943,966</u>	<u>\$ 22,684,600</u>	<u>\$ 24,718,881</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and contracts payable	\$ 273,256	\$ 72,985	\$ 346,241	\$ -	\$ -	\$ -	\$ -
Salaries and wages payable	9,290	-	9,290	-	-	-	-
Payroll deductions and withholdings	10	-	10	-	-	-	-
Due to other funds	-	-	-	-	6	803	809
Due to other governmental agencies	39,234	-	39,234	-	-	-	-
Sales tax payable	71	-	71	-	-	-	-
Unearned revenue	212,023	-	212,023	-	-	-	-
Matured interest payable	-	-	-	177	1,882,597	-	1,882,774
Total liabilities	<u>533,884</u>	<u>72,985</u>	<u>606,869</u>	<u>177</u>	<u>1,882,603</u>	<u>803</u>	<u>1,883,583</u>
Fund balances:							
Nonspendable:							
Inventories	3,458,050	-	3,184,697	-	-	-	-
Restricted:							
Debt service	-	-	-	90,138	61,363	22,683,797	22,835,298
Capital outlay	-	-	-	-	-	-	-
Food services	6,524,845	-	6,798,198	-	-	-	-
Total fund balances	<u>9,982,895</u>	<u>-</u>	<u>9,982,895</u>	<u>90,138</u>	<u>61,363</u>	<u>22,683,797</u>	<u>22,835,298</u>
Total liabilities and fund balances	<u>\$ 10,516,779</u>	<u>\$ 72,985</u>	<u>\$ 10,589,764</u>	<u>\$ 90,315</u>	<u>\$ 1,943,966</u>	<u>\$ 22,684,600</u>	<u>\$ 24,718,881</u>

See accompanying report of independent auditor.

(Continued)

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Capital Projects				Total	Total Nonmajor Governmental Funds
	Capital Outlay Bond Issue	Public Education Capital Outlay	Capital Outlay and Debt Service	Local Capital Improvement		
ASSETS						
Cash	\$ 17,677	\$ 79,197	\$ 2,113,623	11,231	\$ 2,221,728	\$ 5,902,197
Investments	-	27,855	4,866,202	24,487,844	29,381,901	56,028,492
Accounts and interest receivable	-	-	-	(3,347)	(3,347)	18,575
Due from other governmental agencies	-	1,285,728	7,484	1,695,264	2,988,476	4,490,089
Inventories	-	-	-	-	-	3,458,050
Total assets	<u>\$ 17,677</u>	<u>\$ 1,392,780</u>	<u>\$ 6,987,309</u>	<u>\$ 26,190,992</u>	<u>\$ 34,588,758</u>	<u>\$ 69,897,403</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and contracts payable	\$ -	\$ -	\$ 35	(1,743)	\$ (1,708)	\$ 344,533
Salaries and wages payable	-	-	-	-	-	9,290
Payroll deductions and withholdings	-	-	-	-	-	10
Due to other funds	-	-	-	-	-	809
Due to other governmental agencies	-	-	-	-	-	39,234
Sales tax payable	-	-	-	-	-	71
Unearned revenue	-	-	-	-	-	212,023
Matured interest payable	-	-	-	-	-	1,882,774
Total liabilities	<u>-</u>	<u>-</u>	<u>35</u>	<u>(1,743)</u>	<u>(1,708)</u>	<u>2,488,744</u>
Fund balances:						
Nonspendable:						
Inventories	-	-	-	-	-	3,458,050
Restricted:						
Debt service	-	-	-	-	-	22,835,298
Capital outlay	17,677	1,392,780	6,987,274	26,192,735	34,590,466	34,590,466
Food services	-	-	-	-	-	6,524,845
Total fund balances	<u>17,677</u>	<u>1,392,780</u>	<u>6,987,274</u>	<u>26,192,735</u>	<u>34,590,466</u>	<u>67,408,659</u>
Total liabilities and fund balances	<u>\$ 17,677</u>	<u>\$ 1,392,780</u>	<u>\$ 6,987,309</u>	<u>\$ 26,190,992</u>	<u>\$ 34,588,758</u>	<u>\$ 69,897,403</u>

See accompanying report of independent auditor.

(Continued)

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue			Debt Service				Total
	Food Services	Miscellaneous Special Revenue	Total	State Board of Education Bonds	Sections 1011.14 & 1011.15 F.S Loans	Other Debt Service	ARRA Debt Service	
REVENUES								
Local sources:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food services	756,025	-	756,025	-	-	-	-	-
Other	101,970	1,750	103,720	-	-	120,697	651,178	771,875
Total local sources	857,995	1,750	859,745	-	-	120,697	651,178	771,875
State sources:								
Food services	752,096	-	752,096	-	-	-	-	-
Other	-	-	-	604,431	-	-	-	604,431
Total state sources	752,096	-	752,096	604,431	-	-	-	604,431
Federal sources:								
Federal direct	-	-	-	-	-	-	1,071,310	1,071,310
Federal through State and Local:								
Food services	52,169,257	-	52,169,257	-	-	-	-	-
Miscellaneous	-	1,542,491	1,542,491	-	-	-	-	-
Total federal through state and local	52,169,257	1,542,491	53,711,748	-	-	-	-	-
Total federal sources	52,169,257	1,542,491	53,711,748	-	-	-	1,071,310	1,071,310
Total revenues	53,779,348	1,544,241	55,323,589	604,431	-	120,697	1,722,488	2,447,616
EXPENDITURES								
Current:								
Instruction	-	115,156	115,156	-	-	-	-	-
Student personnel services	-	73,293	73,293	-	-	-	-	-
Instruction and curriculum development services	-	65,944	65,944	-	-	-	-	-
Instructional staff training services	-	261,887	261,887	-	-	-	-	-
Non capitalizable facilities acquisition and construction	-	-	-	-	-	-	-	-
Food services	53,294,354	-	53,294,354	-	-	-	-	-
Central services	-	39	39	-	-	-	-	-
Student transportation services	-	3,711	3,711	-	-	-	-	-
Operation of plant	-	271,768	271,768	-	-	-	-	-
Maintenance of plant	-	91,738	91,738	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	417,000	-	16,577,000	-	16,994,000
Interest	-	-	-	192,371	69,717	11,418,332	1,530,060	13,210,480
Dues, fees and other	-	-	-	49,995	31,250	472,808	6,196	560,249
Capital outlay:								
Facilities acquisition and construction	-	610,239	610,239	-	-	-	-	-
Other capital outlay	290,315	50,466	340,781	-	-	-	-	-
Total expenditures	53,584,669	1,544,241	55,128,910	659,366	100,967	28,468,140	1,536,256	30,764,729
Excess (deficiency) of revenues over (under) expenditures	194,679	-	194,679	(54,935)	-	(28,347,443)	186,232	(28,317,113)
OTHER FINANCING SOURCES (USES):								
Issuance of refunding bonds	-	-	-	47,000	-	87,813,666	-	87,860,666
Premium on sale of refunding bonds	-	-	-	2,547	-	-	-	2,547
Issuance of debt	-	-	-	-	31,250	-	-	31,250
Payments to refunded bond escrow agent	-	-	-	-	-	(87,462,449)	-	(87,462,449)
Transfers in	93,250	-	93,250	-	69,717	24,448,885	1,381,037	25,899,639
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	93,250	-	93,250	49,547	100,967	24,800,102	1,381,037	26,331,653
Net change in fund balances	287,929	-	287,929	(5,388)	-	(3,547,341)	1,567,269	(1,985,460)
Fund balances - beginning	9,694,966	-	9,694,966	95,526	-	3,608,704	21,116,528	24,820,758
Fund balances - ending	\$ 9,982,895	\$ -	\$ 9,982,895	\$ 90,138	\$ -	\$ 61,363	\$ 22,683,797	\$ 22,835,298

See accompanying report of independent auditor.

(Continued)

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Capital Projects					Total	Total Nonmajor Governmental Funds
	Capital Outlay Bond Issue	Sections 1011.14 & 1011.15 F.S Loans	Public Education Capital Outlay	Capital Outlay and Debt Service	Local Capital Improvement		
REVENUES							
Local sources:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 59,536,248	\$ 59,536,248	\$ 59,536,248
Food services	-	-	-	-	-	-	756,025
Other	-	-	68	119,142	542,762	661,972	1,537,567
Total local sources	-	-	68	119,142	60,079,010	60,198,220	61,829,840
State sources:							
Food services	-	-	-	-	-	-	752,096
Other	-	-	-	3,336,106	-	3,336,106	3,940,537
Total state sources	-	-	-	3,336,106	-	3,336,106	4,692,633
Federal sources:							
Federal direct	-	-	-	-	-	-	1,071,310
Federal through State and Local:							
Food services	-	-	-	-	-	-	52,169,257
Miscellaneous	-	-	-	-	-	-	1,542,491
Total federal through state and local	-	-	-	-	-	-	53,711,748
Total federal sources	-	-	-	-	-	-	54,783,058
Total revenues	-	-	68	3,455,248	60,079,010	63,534,326	121,305,531
EXPENDITURES							
Current:							
Instruction	-	-	-	-	-	-	115,156
Student personnel services	-	-	-	-	-	-	73,293
Instruction and curriculum development services	-	-	-	-	-	-	65,944
Instructional staff training services	-	-	-	-	-	-	261,887
Non capitalizable facilities acquisition and construction	-	-	-	2,774,451	-	2,774,451	2,774,451
Food services	-	-	-	-	-	-	53,294,354
Central services	-	-	-	-	-	-	39
Student transportation services	-	-	-	-	-	-	3,711
Operation of plant	-	-	-	-	-	-	271,768
Maintenance of plant	-	-	-	-	-	-	91,738
Debt service:							
Principal retirement	-	-	-	-	-	-	16,994,000
Interest	-	-	-	-	-	-	13,210,480
Dues, fees and other	-	-	-	4,015	107,091	111,106	671,355
Capital outlay:							
Facilities acquisition and construction	-	5,968,750	-	-	26,250	5,995,000	6,605,239
Other capital outlay	-	-	-	-	-	-	340,781
Total expenditures	-	5,968,750	-	2,778,466	133,341	8,880,557	94,774,196
Excess (deficiency) of revenues over (under) expenditures	-	(5,968,750)	68	676,782	59,945,669	54,653,769	26,531,335
OTHER FINANCING SOURCES (USES):							
Issuance of refunding bonds	-	-	-	-	-	-	87,860,666
Premium on sale of refunding bonds	-	-	-	-	-	-	2,547
Issuance of debt	-	5,968,750	-	-	-	5,968,750	6,000,000
Payments to refunded bond escrow agent	-	-	-	-	-	-	(87,462,449)
Transfers in	-	-	-	-	-	-	25,992,889
Transfers out	-	-	(2,262,036)	-	(50,858,618)	(53,120,654)	(53,120,654)
Total other financing sources and uses	-	5,968,750	(2,262,036)	-	(50,858,618)	(47,151,904)	(20,727,001)
Net change in fund balances	-	-	(2,261,968)	676,782	9,087,051	7,501,865	5,804,334
Fund balances - beginning	17,677	-	3,654,750	6,310,491	17,105,684	27,088,602	61,604,326
Fund balances - ending	\$ 17,677	\$ -	\$ 1,392,782	\$ 6,987,273	\$ 26,192,735	\$ 34,590,467	67,408,660

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**NON MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Food Services			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Food services	\$ 1,120,000	\$ 1,120,000	\$ 756,025	\$ (363,975)
Other	30,000	30,000	101,970	71,970
Total local sources	<u>1,150,000</u>	<u>1,150,000</u>	<u>857,995</u>	<u>(292,005)</u>
State sources:				
Food services	720,000	720,000	752,096	32,096
Total state sources	<u>720,000</u>	<u>720,000</u>	<u>752,096</u>	<u>32,096</u>
Federal sources:				
Federal through State/Local	-	-	-	-
Food services	58,573,780	58,573,780	52,169,257	(6,404,523)
Total federal sources	<u>58,573,780</u>	<u>58,573,780</u>	<u>52,169,257</u>	<u>(6,404,523)</u>
Total revenues	<u>60,443,780</u>	<u>60,443,780</u>	<u>53,779,348</u>	<u>(6,664,432)</u>
EXPENDITURES:				
Current:				
Instruction	-	-	-	-
Student personnel services	-	-	-	-
Instructional media services	-	-	-	-
Instruction and curriculum development	-	-	-	-
Instruction staff training	-	-	-	-
School administration	-	-	-	-
Food services	58,082,827	58,176,077	53,294,354	4,881,723
Central services	-	-	-	-
Student transportation services	-	-	-	-
Operation of plant	-	-	-	-
Maintenance of plant	-	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	674,000	674,000	290,315	383,685
Total expenditures	<u>58,756,827</u>	<u>58,850,077</u>	<u>53,584,669</u>	<u>5,265,408</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,686,953</u>	<u>1,593,703</u>	<u>194,679</u>	<u>(1,399,024)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	93,250	93,250	-
Total other financing sources and uses	<u>-</u>	<u>93,250</u>	<u>93,250</u>	<u>-</u>
Net change in fund balance	1,686,953	1,686,953	287,929	(1,399,024)
Fund balance - beginning	9,694,966	9,694,966	9,694,966	-
Fund balance - ending	<u>\$ 11,381,919</u>	<u>\$ 11,381,919</u>	<u>\$ 9,982,895</u>	<u>\$ (1,399,024)</u>

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**NON MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Miscellaneous Special Revenue			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Food services	\$ -	\$ -	\$ -	\$ -
Other	-	-	1,750	1,750
Total local sources	-	-	1,750	1,750
State sources:				
Food services	-	-	-	-
Total state sources	-	-	-	-
Federal sources:				
Federal through State/Local	5,203,780	7,962,881	1,542,491	(6,420,390)
Food services	-	-	-	-
Total federal sources	5,203,780	7,962,881	1,542,491	(6,420,390)
Total revenues	5,203,780	7,962,881	1,544,241	(6,418,640)
EXPENDITURES:				
Current:				
Instruction	668,150	937,650	115,156	822,494
Student personnel services	267,296	338,937	73,293	265,644
Instructional media services	6,071	6,071	-	6,071
Instruction and curriculum development	175,445	185,697	65,944	119,753
Instruction staff training	680,529	1,221,201	261,887	959,314
School administration	48,587	56,702	-	56,702
Food services	75,781	75,781	-	75,781
Central services	7,134	7,134	39	7,095
Student transportation services	37,679	37,679	3,711	33,968
Operation of plant	3,209,069	1,839,736	271,768	1,567,968
Maintenance of plant	-	91,738	91,738	-
Capital outlay:				
Facilities acquisition and construction	-	2,476,911	610,239	1,866,672
Other capital outlay	28,039	687,644	50,466	637,178
Total expenditures	5,203,780	7,962,881	1,544,241	6,418,640
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

DEBT SERVICE FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	State Board of Education Bonds Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Other	\$ -	\$ -	\$ -	\$ -
Total local sources	-	-	-	-
State sources:				
Other	639,345	639,345	604,431	(34,914)
Total state sources	639,345	639,345	604,431	(34,914)
Federal Sources:				
Federal direct	-	-	-	-
Total federal sources	-	-	-	-
Total revenues	639,345	639,345	604,431	(34,914)
EXPENDITURES:				
Principal retirement	454,000	454,000	417,000	37,000
Interest	185,345	185,345	192,371	(7,026)
Dues, fees and other	-	-	49,995	(49,995)
Miscellaneous	-	-	-	-
Total expenditures	639,345	639,345	659,366	(20,021)
Excess (deficiency) of revenues over (under) expenditures	-	-	(54,935)	(54,935)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Premium on sale of bonds	-	-	2,547	2,547
Issuance of refunding bonds	-	-	47,000	47,000
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources and uses	-	-	49,547	49,547
Net change in fund balances	-	-	(5,388)	(5,388)
Fund balances - beginning	95,526	95,526	95,526	-
Fund balances - ending	\$ 95,526	\$ 95,526	\$ 90,138	\$ (5,388)

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Sections 1011.14 & 1011.15 F.S. Loan			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Other	\$ -	\$ -	\$ -	\$ -
Total local sources	-	-	-	-
State sources:				
Other	-	-	-	-
Total state sources	-	-	-	-
Federal Sources:				
Federal direct	-	-	-	-
Total federal sources	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Principal retirement	-	-	-	-
Interest	-	-	69,717	(69,717)
Dues, fees and other	-	31,250	31,250	-
Miscellaneous	-	-	-	-
Total expenditures	-	31,250	100,967	(69,717)
Excess (deficiency) of revenues over (under) expenditures	-	(31,250)	(100,967)	(69,717)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	31,250	31,250	-
Premium on sale of bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	69,717	69,717
Total other financing sources and uses	-	31,250	100,967	69,717
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Other Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Other	\$ -	\$ -	\$ 120,697	\$ 120,697
Total local sources	-	-	120,697	120,697
State sources:				
Other	-	-	-	-
Total state sources	-	-	-	-
Federal Sources:				
Federal direct	-	-	-	-
Total federal sources	-	-	-	-
Total revenues	-	-	120,697	120,697
EXPENDITURES:				
Principal retirement	16,217,000	16,217,000	16,577,000	(360,000)
Interest	6,718,252	12,206,571	11,418,332	788,239
Dues, fees and other	22,498	351,347	472,808	(121,461)
Miscellaneous	-	-	-	-
Total expenditures	22,957,750	28,774,918	28,468,140	306,778
Excess (deficiency) of revenues over (under) expenditures	(22,957,750)	(28,774,918)	(28,347,443)	427,475
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Premium on sale of bonds	-	-	-	-
Issuance of refunding bonds	-	87,813,666	87,813,666	-
Payments to refunded bond escrow agent	-	(86,728,153)	(87,462,449)	(734,296)
Transfers in	22,957,750	27,689,405	24,448,885	(3,240,520)
Total other financing sources and uses	22,957,750	28,774,918	24,800,102	(3,974,816)
Net change in fund balances	-	-	(3,547,341)	(3,547,341)
Fund balances - beginning	3,608,704	3,608,704	3,608,704	-
Fund balances - ending	\$ 3,608,704	\$ 3,608,704	\$ 61,363	\$ (3,547,341)

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

DEBT SERVICE FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ARRA Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Other	\$ -	\$ -	\$ 651,178	\$ 651,178
Total local sources	-	-	651,178	651,178
State sources:				
Other	-	-	-	-
Total state sources	-	-	-	-
Federal Sources:				
Federal direct	1,141,798	1,141,798	1,071,310	(70,488)
Total federal sources	1,141,798	1,141,798	1,071,310	(70,488)
Total revenues	1,141,798	1,141,798	1,722,488	580,690
EXPENDITURES:				
Principal retirement	-	-	-	-
Interest	1,530,060	1,530,060	1,530,060	-
Dues, fees and other	5,700	5,700	6,196	(496)
Miscellaneous	-	-	-	-
Total expenditures	1,535,760	1,535,760	1,536,256	(496)
Excess (deficiency) of revenues over (under) expenditures	(393,962)	(393,962)	186,232	580,194
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Premium on sale of bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	2,416,009	2,416,009	1,381,037	(1,034,972)
Total other financing sources and uses	2,416,009	2,416,009	1,381,037	(1,034,972)
Net change in fund balances	2,022,047	2,022,047	1,567,269	(454,778)
Fund balances - beginning	21,116,528	21,116,528	21,116,528	-
Fund balances - ending	\$ 23,138,575	\$ 23,138,575	\$ 22,683,797	\$ (454,778)

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Sections 1011.14 & 1011.15 F.S Loans			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Total state sources	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Non-capitalized facilities acquisition and construction	-	-	-	-
Debt service:				
Dues, fees and other	-	-	-	-
Capital outlay				
Facilities acquisition and construction	-	5,968,750	5,968,750	-
Total expenditures	-	5,968,750	5,968,750	-
Excess (deficiency) of revenues over (under) expenditures	-	(5,968,750)	(5,968,750)	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Issuance of debt	-	5,968,750	5,968,750	-
Total other financing sources and uses	-	5,968,750	5,968,750	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Public Education Capital Outlay Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Capital outlay distributed to district	-	-	68	68
Interest on undistributed CO & DS	-	-	-	-
Total state sources	-	-	68	68
Total revenues	-	-	68	68
EXPENDITURES:				
Current				
Non-capitalized facilities acquisition and construction	-	-	-	-
Debt service:				
Dues, fees and other	-	-	-	-
Capital outlay				
Facilities acquisition and construction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	68	68
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,654,936)	(3,654,936)	(2,262,036)	1,392,900
Issuance of debt	-	-	-	-
Total other financing sources and uses	(3,654,936)	(3,654,936)	(2,262,036)	1,392,900
Net change in fund balances	(3,654,936)	(3,654,936)	(2,261,968)	1,392,968
Fund balances - beginning	3,654,936	3,654,936	3,654,750	(186)
Fund balances - ending	\$ -	\$ -	\$ 1,392,782	\$ 1,392,782

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Capital Outlay & Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other	-	-	119,142	119,142
Total local sources	-	-	119,142	119,142
State sources:				
Capital outlay distributed to district	2,500,000	2,500,000	3,324,608	824,608
Interest on undistributed CO & DS	40,000	40,000	11,499	(28,501)
Total state sources	2,540,000	2,540,000	3,336,107	796,107
Total revenues	2,540,000	2,540,000	3,455,249	915,249
EXPENDITURES:				
Current				
Non-capitalized facilities acquisition and construction	-	-	-	-
Debt service:				
Dues, fees and other	-	4,015	4,015	-
Capital outlay				
Facilities acquisition and construction	2,112,166	3,570,791	2,774,451	796,340
Total expenditures	2,112,166	3,574,806	2,778,466	796,340
Excess (deficiency) of revenues over (under) expenditures	427,834	(1,034,806)	676,783	1,711,589
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	427,834	(1,034,806)	676,783	1,711,589
Fund balances - beginning	6,310,491	6,310,491	6,310,491	-
Fund balances - ending	\$ 6,738,325	\$ 5,275,685	\$ 6,987,274	\$ 1,711,589

See accompanying report of independent auditor.

THE SCHOOL DISTRICT OF POLK COUNTY

**CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Local Capital Improvement			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 58,826,936	\$ 58,826,936	\$ 59,536,248	\$ 709,312
Other	-	-	542,762	542,762
Total local sources	<u>58,826,936</u>	<u>58,826,936</u>	<u>60,079,010</u>	<u>1,252,074</u>
State sources:				
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>58,826,936</u>	<u>58,826,936</u>	<u>60,079,010</u>	<u>1,252,074</u>
EXPENDITURES:				
Current				
Non-capitalized facilities acquisition and construction	-	-	-	-
Debt Service				
Dues, fees and other	-	107,091	107,091	-
Capital outlay				
Facilities acquisition and construction	-	26,250	26,250	-
Total expenditures	<u>-</u>	<u>133,341</u>	<u>133,341</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,826,936</u>	<u>58,693,595</u>	<u>59,945,669</u>	<u>1,252,074</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(61,990,804)	(67,816,583)	(50,858,618)	16,957,965
Issuance of debt	-	-	-	-
Total other financing sources and uses	<u>(61,990,804)</u>	<u>(67,816,583)</u>	<u>(50,858,618)</u>	<u>16,957,965</u>
Net change in fund balances	(3,163,868)	(9,122,988)	9,087,051	18,210,039
Fund balances - beginning	<u>17,116,822</u>	<u>17,116,822</u>	<u>17,105,684</u>	<u>(11,138)</u>
Fund balances - ending	<u>\$ 13,952,954</u>	<u>\$ 7,993,834</u>	<u>\$ 26,192,735</u>	<u>\$ 18,198,901</u>

See accompanying report of independent auditor.



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST

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Internal Service Funds

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

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

THE SCHOOL DISTRICT OF POLK COUNTY**PROPRIETARY FUNDS****COMBINING STATEMENT OF NET POSITION****FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities	
	Workers' Compensation	General Liability/ Fleet Liability
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ 311,044
Investments	14,086,372	5,739,241
Accounts receivable	26,220	-
Due from other funds	41,607	-
Total current assets	<u>14,154,199</u>	<u>6,050,285</u>
Noncurrent Assets:		
Buildings	-	-
Improvements other than buildings	-	17,519
Furniture, fixtures, and equipment	1,752	-
Total noncurrent assets	<u>1,752</u>	<u>17,519</u>
Total assets	<u>14,155,951</u>	<u>6,067,804</u>
LIABILITIES		
Current liabilities:		
Accounts payable	8,221	-
Due to other agencies	-	-
Estimated liability for claims	2,379,470	1,689,420
Total current liabilities	<u>2,387,691</u>	<u>1,689,420</u>
Noncurrent liabilities:		
Estimated liability for claims	4,051,530	2,876,580
Total noncurrent liabilities	<u>4,051,530</u>	<u>2,876,580</u>
Total liabilities	<u>6,439,221</u>	<u>4,566,000</u>
NET POSITION		
Net investment in capital assets	1,752	17,519
Unrestricted	7,714,978	1,484,285
Total net position	<u>\$ 7,716,730</u>	<u>\$ 1,501,804</u>

See accompanying report of independent auditor.

(Continued)

Internal Service Funds		
Errors & Omissions/ Boiler & Machinery	Group Health Insurance	Total
\$ 79,123	\$ 3,757,300	\$ 4,147,467
1,949,477	21,399,675	43,174,765
-	342,984	369,204
-	-	41,607
<u>2,028,600</u>	<u>25,499,959</u>	<u>47,733,043</u>
-	1,877,985	1,877,985
-	3,777	21,296
-	47,923	49,675
-	1,929,685	1,948,956
<u>2,028,600</u>	<u>27,429,644</u>	<u>49,681,999</u>
-	12,125,773	12,133,994
-	6,692	6,692
-	3,489,834	7,558,724
<u>-</u>	<u>15,622,299</u>	<u>19,699,410</u>
-	5,942,150	12,870,260
-	5,942,150	12,870,260
<u>-</u>	<u>21,564,449</u>	<u>32,569,670</u>
-	1,929,685	1,948,956
2,028,600	3,935,510	15,163,373
<u>\$ 2,028,600</u>	<u>\$ 5,865,195</u>	<u>\$ 17,112,329</u>

THE SCHOOL DISTRICT OF POLK COUNTY

**PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities	
	Workers' Compensation	General Liability/ Fleet Liability
OPERATING REVENUES:		
Premium revenue from other funds	\$ 1,668,693	\$ 1,700,000
Other revenue	-	-
Total operating revenues	<u>1,668,693</u>	<u>1,700,000</u>
OPERATING EXPENSES:		
Purchased services	1,514,682	313,039
Energy services	-	-
Materials and supplies	172,628	-
Other	2,927,174	1,414,547
Depreciation	1,065	1,036
Total operating expenses	<u>4,615,549</u>	<u>1,728,622</u>
Operating income/(loss)	<u>(2,946,856)</u>	<u>(28,622)</u>
NON-OPERATING REVENUE(EXPENSE):		
Interest	431,832	164,086
Loss Recoveries	1,367,497	32,172
Total non-operating revenue	<u>1,799,329</u>	<u>196,258</u>
Income (loss) before transfers	(1,147,527)	167,636
TRANSFERS IN	-	300,000
TRANSFERS OUT	<u>(733,521)</u>	<u>(358,980)</u>
Change in net position	(1,881,048)	108,656
Total net position - beginning	<u>9,597,778</u>	<u>1,393,148</u>
Total net position - ending	<u>\$ 7,716,730</u>	<u>\$ 1,501,804</u>

See accompanying report of independent auditor.

(Continued)

Internal Service Funds		
Errors & Omissions/ Boiler & Machinery	Group Health Insurance	Total
\$ -	\$ 115,762,300	119,130,993
-	769,122	769,122
-	116,531,422	119,900,115
-	5,822,655	7,650,376
-	16,013	16,013
-	2,050	174,678
-	107,247,291	111,589,012
-	71,087	73,188
-	113,159,096	119,503,267
-	3,372,326	396,848
30,868	270,955	897,741
-	-	1,399,669
30,868	270,955	2,297,410
30,868	3,643,281	2,694,258
-	607,275	907,275
-	(506,540)	(1,599,041)
30,868	3,744,016	2,002,492
1,997,732	2,121,179	15,109,837
\$ 2,028,600	\$ 5,865,195	17,112,329

THE SCHOOL DISTRICT OF POLK COUNTY

**PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities	
	Workers' Compensation	General Liability/ Fleet Liability
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interfund services provided	\$ 1,662,740	\$ 1,700,000
Payment to suppliers	(1,880,364)	(313,037)
Payments for interfund services used	(3,547,809)	(1,436,506)
Other receipts (payments)	-	-
Net cash provided (used) by operating activities	<u>(3,765,433)</u>	<u>(49,543)</u>
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:		
Transfers from other funds	-	300,000
Transfers to other funds	(733,520)	(358,980)
Net cash provided (used) by noncapital and related financing activities	<u>(733,520)</u>	<u>(58,980)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Disposition of Capital Assets	1,367,497	32,172
Net cash provided (used) by capital and related financing activities	<u>1,367,497</u>	<u>32,172</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	2,501,560	(196,823)
Interest and dividends earned on investments	431,829	164,085
Net cash provided (used) by investing activities	<u>2,933,389</u>	<u>(32,738)</u>
Net increase (decrease) in cash and cash equivalents	(198,067)	(109,089)
Cash and cash equivalents - Beginning of year	198,067	420,133
Cash and cash equivalents - End of year	<u>\$ -</u>	<u>\$ 311,044</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (2,946,856)	\$ (28,622)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	1,065	1,036
Change in assets and liabilities:		
Accounts receivable	(5,954)	-
Accounts payable	(150,209)	-
Due to other agencies	-	-
Due to other funds	-	-
Estimated liability for claims adjust expense	(663,479)	(21,957)
Total adjustments	<u>(818,577)</u>	<u>(20,921)</u>
Net cash provided (used) by operating activities	<u>\$ (3,765,433)</u>	<u>\$ (49,543)</u>

See accompanying report of independent auditor.

(Continued)

Internal Service Funds		
Errors & Omissions/ Boiler & Machinery	Group Health Insurance	Total
\$ -	\$ 116,798,133	\$ 120,160,873
-	(3,765,016)	(5,958,417)
-	(105,782,529)	(110,766,844)
-	782,756	782,756
-	8,033,344	4,218,368
-	607,275	907,275
-	(520,174)	(1,612,674)
-	87,101	(705,399)
-	-	1,399,669
-	-	1,399,669
(185,196)	(4,749,331)	(2,629,790)
30,868	270,955	897,737
(154,328)	(4,478,376)	(1,732,053)
(154,328)	3,642,069	3,180,585
233,451	115,231	966,882
\$ 79,123	\$ 3,757,300	\$ 4,147,467
\$ -	\$ 3,372,326	\$ 396,848
-	71,087	73,188
-	1,049,468	1,043,514
-	2,075,701	1,925,492
-	-	-
-	-	-
-	1,464,762	779,326
-	4,661,018	3,821,520
\$ -	\$ 8,033,344	\$ 4,218,368

Agency Fund

The Agency Fund accounts for resources held by the District as custodian for others.

- **School Activity Fund** - Accounts for and reports on the school's activity funds.

THE SCHOOL DISTRICT OF POLK COUNTY

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	School Activity Fund			
	Balances July 1, 2019	Additions	Deductions	Balances June 30, 2020
ASSETS				
Cash	\$ 1,392,531	\$ 89,013,605	\$ 88,884,792	\$ 1,521,344
Investments	8,208,015	34,363,328	34,151,275	8,420,068
Accounts receivable	241,375	119,178	310,195	50,358
Inventory	524,597	27,489	-	552,086
Total assets	<u>\$ 10,366,518</u>	<u>\$ 123,523,600</u>	<u>\$ 123,346,262</u>	<u>\$ 10,543,856</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ -	\$ 31,152	\$ 31,152	\$ -
Accounts payable	37,282	18,734,680	18,720,792	51,170
Sales tax payable	733	23,853	23,960	626
Due to student organizations	10,328,503	163,557	-	10,492,060
Due to Budgetary Funds	-	1,418	1,418	-
Total liabilities	<u>\$ 10,366,518</u>	<u>\$ 18,954,660</u>	<u>\$ 18,777,322</u>	<u>\$ 10,543,856</u>

Component Units

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

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Dale R. Fair Babson Park Elementary School	Berkley Accelerated Middle School	Berkley Elementary School	Edward W. Bok Academy
ASSETS				
Cash	\$ -	\$ 885,041	\$ 1,678,235	\$ -
Certificates of Deposit	-	-	-	-
Investments	-	-	739,824	-
Accounts Receivable	46,013	1,976	85,015	339,493
Due from Other Funds	1,120,358	372,514	-	6,938
Prepaid Items	-	130,665	-	-
Other Assets	-	-	35,744	8,400
Capital Assets:				
Land	-	215,000	-	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	-
Improvements Other Than Buildings	94,700	-	90,729	49,097
Buildings and Systems	-	4,201,464	-	2,160,717
Furniture, Fixtures, and Equipment	49,125	22,884	30,938	45,798
Motor Vehicles	-	-	193,297	8,470
Computer Software	-	-	-	-
Total Assets	<u>1,310,196</u>	<u>5,829,544</u>	<u>2,853,782</u>	<u>2,618,913</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	786,148	608,390	1,317,256	877,133
Total Assets and Deferred Outflows of Resources	<u>\$ 2,096,344</u>	<u>\$ 6,437,934</u>	<u>\$ 4,171,038</u>	<u>\$ 3,496,046</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 204,031	\$ 324,808	-
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	406,802	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	166,697	187,264	218,971	128,805
Due in More Than One Year	-	5,729,019	-	-
Net Pension Liability	2,179,710	1,685,218	3,758,070	2,244,110
Total Liabilities	<u>2,346,407</u>	<u>8,212,334</u>	<u>4,301,849</u>	<u>2,372,915</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	240,690	159,460	270,145	169,325
NET POSITION				
Net Investment in Capital Assets	143,825	(1,476,935)	314,964	2,264,082
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	(634,578)	(456,925)	(715,920)	(1,310,276)
Total Net Position	<u>(490,753)</u>	<u>(1,933,860)</u>	<u>(400,956)</u>	<u>953,806</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,096,344</u>	<u>\$ 6,437,934</u>	<u>\$ 4,171,038</u>	<u>\$ 3,496,046</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Edward W. Bok Academy North	Compass Charter Middle School	Cypress Junction Montessori	Discovery Academy of Lake Alfred
ASSETS				
Cash	\$ -	\$ 654,602	\$ 380,458	\$ 1,420,365
Certificates of Deposit	-	-	-	-
Investments	-	-	-	781,690
Accounts Receivable	45,835	96	8,174	593,185
Due from Other Funds	374,098	32,189	-	65,932
Prepaid Items	-	551	7,799	-
Other Assets	-	-	7,953	21,463
Capital Assets:	-	-	-	-
Land	62,000	-	-	1,870,537
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	583,264
Improvements Other Than Buildings	-	-	19,259	-
Buildings and Systems	383,000	-	-	14,809,706
Furniture, Fixtures, and Equipment	161,207	2,246	137,793	579,249
Motor Vehicles	-	364,501	-	1,113,210
Computer Software	-	-	-	-
Total Assets	<u>1,026,140</u>	<u>1,054,185</u>	<u>561,436</u>	<u>21,838,601</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	405,589	200,773	-	2,571,164
Total Assets and Deferred Outflows of Resources	<u>\$ 1,431,729</u>	<u>\$ 1,254,958</u>	<u>\$ 561,436</u>	<u>\$ 24,409,765</u>
LIABILITIES				
Accounts Payable	-	\$ 105,881	\$ 15,935	\$ 485,854
Due to Other Governmental Agencies	-	21,490	-	-
Salaries and Wages Payable	-	-	90,950	-
Unearned Revenue	-	6,500	5,309	-
Other Liabilities	-	-	-	157,128
Noncurrent Liabilities:	-	-	-	-
Due Within One Year	42,495	-	10,717	1,725,636
Due in More Than One Year	678,784	-	10,888	17,038,751
Net Pension Liability	349,137	561,612	-	5,486,793
Total Liabilities	<u>1,070,416</u>	<u>695,483</u>	<u>133,799</u>	<u>24,894,162</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	22,854	106,618	-	413,439
NET POSITION				
Net Investment in Capital Assets	161,207	366,747	157,052	2,403,403
Restricted for:	-	-	-	-
Endowment - Nonexpendable	-	-	-	-
Other Purposes	96,233	-	60,148	106,506
Unrestricted	81,019	86,110	210,437	(3,407,745)
Total Net Position	<u>338,459</u>	<u>452,857</u>	<u>427,637</u>	<u>(897,836)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,431,729</u>	<u>\$ 1,254,958</u>	<u>\$ 561,436</u>	<u>\$ 24,409,765</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Discovery High School	Hartridge Academy	Hillcrest Elementary School	Janie Howard Wilson Elementary School
ASSETS				
Cash	\$ 255,486	\$ 1,195,257	\$ -	\$ -
Certificates of Deposit	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	15,392,454	7,897	55,231	56,974
Due from Other Funds	67,409	-	2,242,889	1,556,681
Prepaid Items	709	114,372	-	-
Other Assets	159,148	13,260	-	-
Capital Assets:				
Land	-	-	-	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	-
Improvements Other Than Buildings Buildings and Systems	-	161,294	8,742	-
Furniture, Fixtures, and Equipment	141,144	11,595	163,295	26,855
Motor Vehicles	-	89,393	-	-
Computer Software	-	-	-	-
Total Assets	<u>16,016,350</u>	<u>1,593,068</u>	<u>2,470,157</u>	<u>1,640,510</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	-	-	1,007,737	617,243
Total Assets and Deferred Outflows of Resources	<u>\$ 16,016,350</u>	<u>\$ 1,593,068</u>	<u>\$ 3,477,894</u>	<u>\$ 2,257,753</u>
LIABILITIES				
Accounts Payable	\$ 230,182	\$ 204,228	\$ -	\$ 723
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	226,422	-	175,113	83,613
Due in More Than One Year	15,759,217	-	-	-
Net Pension Liability	-	-	2,863,455	1,606,127
Total Liabilities	<u>16,215,821</u>	<u>204,228</u>	<u>3,038,568</u>	<u>1,690,463</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	-	-	398,099	369,735
NET POSITION				
Net Investment in Capital Assets	(452,041)	262,282	172,037	26,855
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	252,570	1,126,558	(130,810)	170,700
Total Net Position	<u>(199,471)</u>	<u>1,388,840</u>	<u>41,227</u>	<u>197,555</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 16,016,350</u>	<u>\$ 1,593,068</u>	<u>\$ 3,477,894</u>	<u>\$ 2,257,753</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Lake Wales Senior High School	Lakeland Montessori Schoolhouse	Lakeland Montessori Middle	Language & Literacy Academy for Learning
ASSETS				
Cash	\$ -	\$ 1,928,872	\$ 620,056	\$ 369,419
Certificates of Deposit	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	86,277	31,839	2,632	-
Due from Other Funds	1,179,828	-	-	-
Prepaid Items	2,095	-	-	-
Other Assets	-	2,228	-	-
Capital Assets:				
Land	-	306,000	-	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	-
Improvements Other Than Buildings	465,870	-	-	130,932
Buildings and Systems	-	982,588	-	-
Furniture, Fixtures, and Equipment	255,989	13,284	5,107	15,289
Motor Vehicles	21,714	-	-	-
Computer Software	-	-	-	5,401
Total Assets	<u>2,011,773</u>	<u>3,264,811</u>	<u>627,795</u>	<u>521,041</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	1,877,697	-	-	794,967
Total Assets and Deferred Outflows of Resources	<u>\$ 3,889,470</u>	<u>\$ 3,264,811</u>	<u>\$ 627,795</u>	<u>\$ 1,316,008</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 131,787	\$ 25,348	\$ 35,121
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	-	-	22,474
Unearned Revenue	-	78,525	1,706	-
Other Liabilities	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	328,344	24,904	-	786,629
Due in More Than One Year	-	769,606	-	353,871
Net Pension Liability	5,418,200	-	-	740,461
Total Liabilities	<u>5,746,544</u>	<u>1,004,822</u>	<u>27,054</u>	<u>1,938,556</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	394,987	-	-	48,026
NET POSITION				
Net Investment in Capital Assets	743,573	717,442	5,107	151,622
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	(2,995,634)	1,542,547	595,634	(822,196)
Total Net Position	<u>(2,252,061)</u>	<u>2,259,989</u>	<u>600,741</u>	<u>(670,574)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,889,470</u>	<u>\$ 3,264,811</u>	<u>\$ 627,795</u>	<u>\$ 1,316,008</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Magnolia Montessori Academy	McKeel Schools System	Navigator Academy of Leadership	New Beginnings High School
ASSETS				
Cash	\$ 343,863	\$ 6,519,998	\$ 479,260	\$ 1,351,947
Certificates of Deposit	-	597,002	-	-
Investments	-	-	-	-
Accounts Receivable	14,752	157,749	-	-
Due from Other Funds	-	126,410	135,147	210,251
Prepaid Items	-	-	100	170,009
Other Assets	-	154,221	-	-
Capital Assets:				
Land	-	607,178	-	-
Land Improvements	-	441,196	-	102,078
Construction in Progress	17,960	2,130,293	-	-
Improvements Other Than Buildings Buildings and Systems	14,203	-	-	-
Furniture, Fixtures, and Equipment	-	6,517,326	-	-
Motor Vehicles	2,079	2,088,636	230,702	56,183
Computer Software	-	2,022,001	-	150,499
Total Assets	<u>392,857</u>	<u>21,362,010</u>	<u>845,209</u>	<u>2,040,967</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	-	5,941,430	-	992,799
Total Assets and Deferred Outflows of Resources	<u>\$ 392,857</u>	<u>\$ 27,303,440</u>	<u>\$ 845,209</u>	<u>\$ 3,033,766</u>
LIABILITIES				
Accounts Payable	\$ 52,410	\$ 599,485	\$ 30,235	\$ 128,760
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	-	-	-
Unearned Revenue	15,475	21,711	-	-
Other Liabilities:				
Noncurrent Liabilities:				
Due Within One Year	63,337	1,614,516	46,463	274,040
Due in More Than One Year	78,066	18,001,701	288,982	217,897
Net Pension Liability	-	-	-	1,713,079
Total Liabilities	<u>209,288</u>	<u>21,856,582</u>	<u>365,680</u>	<u>2,333,776</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	-	2,149,880	-	252,074
NET POSITION				
Net Investment in Capital Assets	34,242	7,984,062	132,240	200,858
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	173,920	-	-
Unrestricted	149,327	(4,861,004)	347,289	247,058
Total Net Position	<u>183,569</u>	<u>3,296,978</u>	<u>479,529</u>	<u>447,916</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 392,857</u>	<u>\$ 27,303,440</u>	<u>\$ 845,209</u>	<u>\$ 3,033,766</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Victory Ridge Academy	Polk Avenue Elementary School	Polk Pre-Collegiate Academy	Ridgeview Global Studies Academy
ASSETS				
Cash	\$ 2,340,874		\$ 877,833	\$ 2,697,479
Certificates of Deposit	-		-	-
Investments	-		-	-
Accounts Receivable	114,467	66,540	6,917	-
Due from Other Funds	4,272,672	1,049,321	6,785	52,506
Prepaid Items	-		14,240	-
Other Assets	50,329		-	-
Capital Assets:				-
Land	-	-	-	1,254,590
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	153,210
Improvements Other Than Buildings	-	17,557	-	-
Buildings and Systems	352,611	-	-	9,122,719
Furniture, Fixtures, and Equipment	(172,387)	48,422	979	141,658
Motor Vehicles	70,760	-	-	400,705
Computer Software	-	-	-	-
Total Assets	<u>7,029,326</u>	<u>1,181,840</u>	<u>906,754</u>	<u>13,822,867</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	1,633,195	830,170	124,610	2,858,989
Total Assets and Deferred Outflows of Resources	<u>\$ 8,662,521</u>	<u>\$ 2,012,010</u>	<u>\$ 1,031,364</u>	<u>\$ 16,681,856</u>
LIABILITIES				
Accounts Payable	\$ 416,853	\$ -	\$ 16,213	\$ 69,309
Due to Other Governmental Agencies	-	-	223,813	-
Salaries and Wages Payable	-	-	131,165	-
Unearned Revenue	-	-	59,598	-
Other Liabilities	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	529,444	100,665	-	680,375
Due in More Than One Year	4,525,096	-	-	11,419,699
Net Pension Liability	3,216,175	2,328,265	345,165	6,433,265
Total Liabilities	<u>8,687,568</u>	<u>2,428,930</u>	<u>775,954</u>	<u>18,602,648</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows of resources	267,998	195,962	32,661	464,327
NET POSITION				
Net Investment in Capital Assets	250,984	65,979	979	(498,605)
Restricted for:				
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	28,770
Unrestricted	(544,029)	(678,861)	221,770	(1,915,284)
Total Net Position	<u>(293,045)</u>	<u>(612,882)</u>	<u>222,749</u>	<u>(2,385,119)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 8,662,521</u>	<u>\$ 2,012,010</u>	<u>\$ 1,031,364</u>	<u>\$ 16,681,856</u>

See accompanying independent auditors

THE SCHOOL DISTRICT OF POLK COUNTY**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Polk Education Foundation and Business Partnership, Inc.	TOTALS Component Units
ASSETS		
Cash	\$ 2,681,184	\$ 26,680,229
Certificates of Deposit	-	597,002
Investments	3,726,330	5,247,844
Accounts Receivable	55,032	17,168,548
Due from Other Funds	-	12,871,928
Prepaid Items	2,507,780	2,948,320
Other Assets	26,529	479,275
Capital Assets:		
Land	-	4,315,305
Land Improvements	-	543,274
Construction in Progress	-	2,884,727
Improvements Other Than Buildings	-	1,052,383
Buildings and Systems	-	38,530,131
Furniture, Fixtures, and Equipment	424	4,058,494
Motor Vehicles	-	4,434,550
Computer Software	-	5,401
Total Assets	<u>8,997,279</u>	<u>121,817,411</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows of Resources	-	23,445,290
Total Assets and Deferred Outflows of Resources	<u>\$ 8,997,279</u>	<u>\$ 145,262,701</u>
LIABILITIES		
Accounts Payable	\$ 51,840	\$ 3,129,003
Due to Other Governmental Agencies	-	245,303
Salaries and Wages Payable	-	651,391
Unearned Revenue	-	188,824
Other Liabilities	-	1,776,297
Noncurrent Liabilities:		
Due Within One Year	-	7,414,450
Due in More Than One Year	-	74,871,577
Net Pension Liability	-	40,928,842
Total Liabilities	<u>51,840</u>	<u>129,205,687</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows of resources	-	<u>5,956,280</u>
NET POSITION		
Net Investment in Capital Assets	424	14,132,385
Restricted for:		
Endowment - Nonexpendable	1,754,887	1,754,887
Other Purposes	3,097,016	3,562,593
Unrestricted	4,093,112	(9,349,131)
Total Net Position	<u>8,945,439</u>	<u>10,100,734</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 8,997,279</u>	<u>145,262,701</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Dale R. Fair Babson Park Elementary School	Berkley Accelerated Middle School	Berkley Elementary School	Edward W. Bok Academy
EXPENSES				
Instruction	\$ 2,805,456	\$ 2,552,790	\$ 4,694,815	\$ 2,940,885
Pupil Personnel Services	45,155	75,425	228,504	150,358
Instructional Media	81,154	-	48,131	734
Instruction and Curriculum Development	142,098	-	-	95,165
Instructional Staff Training	13,396	32,066	36,871	21,549
Instruction-Related Technology	6,258	-	-	81,730
Board	10,500	21,314	7,154	10,000
General Administration	15,793	-	35,154	20,076
School Administration	516,362	467,256	472,448	632,410
Facilities Acquisition and Construction	12,375	-	6,797	138,246
Fiscal Services	-	73,675	69,032	-
Food Services	-	600	420,858	-
Central Services	-	36,109	19,603	-
Pupil Transportation	164,807	126,468	255,852	448,176
Operation of Plant	208,597	344,631	542,784	719,979
Maintenance of Plant	-	-	-	72
Community Services	41,137	-	53,493	7,945
Interest	-	370,439	-	-
Other Operating Expenses	-	-	-	-
Total Expenses	<u>\$ 4,063,088</u>	<u>\$ 4,100,773</u>	<u>\$ 6,891,496</u>	<u>\$ 5,267,325</u>
PROGRAM REVENUES				
Charges for Services	\$ 117,032	\$ -	\$ 221,083	\$ -
Operating Grants and Contributions	185,222	47,988	299,381	197,699
Capital Grants and Contributions	-	240,001	-	-
Net Program Expenses	<u>\$ (3,760,834)</u>	<u>\$ (3,812,784)</u>	<u>\$ (6,371,032)</u>	<u>\$ (5,069,626)</u>
GENERAL REVENUES				
Federal	\$ -	\$ -	\$ -	\$ -
State and Local Sources	3,520,370	3,207,362	5,033,402	4,442,360
Grants and Contributions not restricted to specific programs	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	28,734	257,612	665,202	187,967
Total General Revenues	<u>\$ 3,549,104</u>	<u>\$ 3,464,974</u>	<u>\$ 5,698,604</u>	<u>\$ 4,630,327</u>
Change in Net Position	(211,730)	(347,810)	(672,428)	(439,299)
Net Position - Beginning	(279,023)	(1,586,050)	271,472	1,393,105
Net Position - Ending	<u>\$ (490,753)</u>	<u>\$ (1,933,860)</u>	<u>\$ (400,956)</u>	<u>\$ 953,806</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Edward W. Bok Academy North	Compass Charter Middle School	Cypress Junction Montessori	Discovery Academy of Lake Alfred
EXPENSES				
Instruction	\$ 1,754,817	\$ 735,834	\$ 929,459	\$ 4,140,838
Pupil Personnel Services	72,139	304	-	752,961
Instructional Media	-	-	-	96,819
Instruction and Curriculum Development	9,438	-	-	-
Instructional Staff Training	3,071	4,150	21,991	153,115
Instruction-Related Technology	81,057	-	-	-
Board	10,000	10,998	23,175	29,745
General Administration	14,040	-	1,470	82,358
School Administration	342,997	228,765	325,084	1,240,309
Facilities Acquisition and Construction	159,742	-	-	344,292
Fiscal Services	-	24,592	12,535	68,645
Food Services	-	-	4,263	755,173
Central Services	-	1,246	-	16,588
Pupil Transportation	219,923	290,217	54,435	1,222,020
Operation of Plant	263,301	23,151	247,844	422,111
Maintenance of Plant	-	-	-	-
Community Services	540	-	-	-
Interest	-	-	-	864,881
Other Operating Expenses	-	35,471	-	-
Total Expenses	<u>\$ 2,931,065</u>	<u>\$ 1,354,728</u>	<u>\$ 1,620,256</u>	<u>\$ 10,189,855</u>
PROGRAM REVENUES				
Charges for Services	\$ -	\$ -	\$ 120,879	\$ 110,631
Operating Grants and Contributions	306,143	139,263	109,393	1,074,288
Capital Grants and Contributions	-	-	98,597	-
Net Program Expenses	<u>\$ (2,624,922)</u>	<u>\$ (1,215,465)</u>	<u>\$ (1,291,387)</u>	<u>\$ (9,004,936)</u>
GENERAL REVENUES				
Federal	\$ 151,553	\$ -	\$ -	\$ -
State and Local Sources	2,890,315	1,106,738	1,332,374	6,762,191
Grants and Contributions not restricted to specific programs	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	283	56,600	-	837,347
Total General Revenues	<u>\$ 3,042,151</u>	<u>\$ 1,163,338</u>	<u>\$ 1,332,374</u>	<u>\$ 7,599,538</u>
Change in Net Position	417,229	(52,127)	40,987	(1,405,398)
Net Position - Beginning	(78,770)	504,984	386,650	507,562
Net Position - Ending	<u>\$ 338,459</u>	<u>\$ 452,857</u>	<u>\$ 427,637</u>	<u>\$ (897,836)</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Discovery High School	Hartridge Academy	Hillcrest Elementary School	Janie Howard Wilson Elementary School
EXPENSES				
Instruction	\$ 3,002,992	\$ 1,130,004	\$ 3,947,243	\$ 2,183,697
Pupil Personnel Services	596,897	-	59,074	41,189
Instructional Media	-	-	113,359	29,207
Instruction and Curriculum Development	-	-	195,305	183,167
Instructional Staff Training	73,936	1,416	97,874	11,412
Instruction-Related Technology	-	-	56,466	8,796
Board	7,210	29,308	10,500	10,500
General Administration	80,884	-	22,678	13,670
School Administration	667,038	205,579	530,240	537,111
Facilities Acquisition and Construction	-	-	2,731	-
Fiscal Services	39,104	-	-	-
Food Services	3,251	-	-	-
Central Services	93,444	75,363	-	-
Pupil Transportation	251,868	41,387	137,883	201,771
Operation of Plant	1,459,222	271,947	316,179	240,982
Maintenance of Plant	-	26,636	-	1,367
Community Services	-	-	16,812	-
Interest	-	-	-	-
Other Operating Expenses	-	-	-	-
Total Expenses	<u>\$ 6,275,846</u>	<u>\$ 1,781,640</u>	<u>\$ 5,506,344</u>	<u>\$ 3,462,869</u>
PROGRAM REVENUES				
Charges for Services	\$ 18,465	\$ -	\$ 111,284	\$ 49,353
Operating Grants and Contributions	237,531	173,924	326,061	263,243
Capital Grants and Contributions	417,882	-	-	-
Net Program Expenses	<u>\$ (5,601,968)</u>	<u>\$ (1,607,716)</u>	<u>\$ (5,068,999)</u>	<u>\$ (3,150,273)</u>
GENERAL REVENUES				
Federal	\$ -	\$ -	\$ -	\$ -
State and Local Sources	5,480,039	1,505,216	4,882,880	3,082,188
Grants and Contributions not restricted to specific programs	165,386	-	-	-
Investment Earnings	-	181	-	-
Miscellaneous	-	17,889	1,696	6,039
Total General Revenues	<u>\$ 5,645,425</u>	<u>\$ 1,523,286</u>	<u>\$ 4,884,576</u>	<u>\$ 3,088,227</u>
Change in Net Position	43,457	(84,430)	(184,423)	(62,046)
Net Position - Beginning	(242,928)	1,473,270	225,650	259,601
Net Position - Ending	<u>\$ (199,471)</u>	<u>\$ 1,388,840</u>	<u>\$ 41,227</u>	<u>\$ 197,555</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Lake Wales Senior High School	Lakeland Montessori Schoolhouse	Lakeland Montessori Middle	Language & Literacy Academy for Learning
EXPENSES				
Instruction	\$ 7,107,229	\$ 636,848	\$ 194,133	\$ 2,324,858
Pupil Personnel Services	689,170	6,143	5,236	18,054
Instructional Media	5,355	-	-	-
Instruction and Curriculum Development	227,653	-	-	-
Instructional Staff Training	86,172	-	4,727	-
Instruction-Related Technology	10,439	-	-	-
Board	15,000	10,421	6,868	10,345
General Administration	54,377	-	-	62,261
School Administration	1,529,476	254,848	76,155	-
Facilities Acquisition and Construction	90,560	-	-	120,000
Fiscal Services	-	-	-	17,677
Food Services	-	-	-	98,161
Central Services	-	16,667	7,458	3,525
Pupil Transportation	778,046	-	80	403,436
Operation of Plant	1,003,250	157,444	91,349	107,546
Maintenance of Plant	28,095	-	-	38,270
Community Services	403,674	-	-	-
Interest	-	43,220	-	61,802
Other Operating Expenses	49,933	-	-	765,459
Total Expenses	<u>\$ 12,078,429</u>	<u>\$ 1,125,591</u>	<u>\$ 386,006</u>	<u>\$ 4,031,394</u>
PROGRAM REVENUES				
Charges for Services	\$ 322,417	\$ 519,204	\$ -	\$ -
Operating Grants and Contributions	525,114	138,005	70,524	94,759
Capital Grants and Contributions	-	-	-	517,217
Net Program Expenses	<u>\$ (11,230,898)</u>	<u>\$ (468,382)</u>	<u>\$ (315,482)</u>	<u>\$ (3,419,418)</u>
GENERAL REVENUES				
Federal	\$ 12,285	\$ -	\$ -	\$ -
State and Local Sources	10,624,702	856,002	385,135	2,912,859
Grants and Contributions not restricted to specific programs	-	-	-	-
Investment Earnings	-	612	128	-
Miscellaneous	87,977	1,476	-	-
Total General Revenues	<u>\$ 10,724,964</u>	<u>\$ 858,090</u>	<u>\$ 385,263</u>	<u>\$ 2,912,859</u>
Change in Net Position	(505,934)	389,708	69,781	(506,559)
Net Position - Beginning	(1,746,127)	1,870,281	530,960	(164,015)
Net Position - Ending	<u>\$ (2,252,061)</u>	<u>\$ 2,259,989</u>	<u>\$ 600,741</u>	<u>\$ (670,574)</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Magnolia Montessori Academy	McKeel Schools System	Navigator Academy of Leadership	New Beginnings High School
EXPENSES				
Instruction	\$ 631,502	\$ 15,596,833	\$ 2,514,485	\$ 1,513,844
Pupil Personnel Services	11,528	588,758	4,428	712,900
Instructional Media	-	118,894	1,279	-
Instruction and Curriculum Development	-	-	-	165,591
Instructional Staff Training	-	156,689	13,047	73,895
Instruction-Related Technology	-	668,998	1,250	-
Board	7,175	36,286	1,374	17,954
General Administration	-	67,753	-	80,685
School Administration	167,202	2,198,151	647,502	2,556,226
Facilities Acquisition and Construction	-	-	-	106,277
Fiscal Services	-	801,865	835	61,977
Food Services	-	1,557,053	113,023	4,389
Central Services	14,000	-	-	108,979
Pupil Transportation	-	1,799,564	-	304,710
Operation of Plant	187,644	2,864,232	1,132,291	1,361,741
Maintenance of Plant	-	617,709	-	-
Community Services	8,726	261,439	39,444	1,287
Interest	-	190,423	13,721	7,322
Other Operating Expenses	-	-	78,661	-
Total Expenses	<u>\$ 1,027,777</u>	<u>\$ 27,524,647</u>	<u>\$ 4,561,340</u>	<u>\$ 7,077,777</u>
PROGRAM REVENUES				
Charges for Services	\$ 220,551	\$ 1,818,101	\$ 60,342	\$ -
Operating Grants and Contributions	70,775	948,811	439,693	292,611
Capital Grants and Contributions	-	-	-	524,938
Net Program Expenses	<u>\$ (736,451)</u>	<u>\$ (24,757,735)</u>	<u>\$ (4,061,305)</u>	<u>\$ (6,260,228)</u>
GENERAL REVENUES				
Federal	\$ -	\$ -	\$ -	\$ -
State and Local Sources	712,589	24,441,753	4,539,834	5,503,619
Grants and Contributions not restricted to specific programs	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	47,830	222,545	-	79,197
Total General Revenues	<u>\$ 760,419</u>	<u>\$ 24,664,298</u>	<u>\$ 4,539,834</u>	<u>\$ 5,582,816</u>
Change in Net Position	23,968	(93,437)	478,529	(677,412)
Net Position - Beginning	159,601	3,390,415	1,000	1,125,328
Net Position - Ending	<u>\$ 183,569</u>	<u>\$ 3,296,978</u>	<u>\$ 479,529</u>	<u>\$ 447,916</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Victory Ridge Academy	Polk Avenue Elementary School	Polk Pre-Collegiate Academy	Ridgeview Global Studies Academy
EXPENSES				
Instruction	\$ 3,034,422	\$ 3,462,677	\$ 539,487	\$ 8,281,516
Pupil Personnel Services	2,223,670	40,485	28,272	430,694
Instructional Media	-	26,520	-	147,028
Instruction and Curriculum Development	-	133,596	-	28,428
Instructional Staff Training	5,105	9,418	1,746	-
Instruction-Related Technology	-	14,013	-	-
Board	37,660	10,500	11,564	19,650
General Administration	85,653	17,664	-	35,516
School Administration	882,150	589,640	142,685	856,350
Facilities Acquisition and Construction	28,519	1,555	-	251,583
Fiscal Services	84,450	-	20,779	64,283
Food Services	30,690	-	-	709,900
Central Services	-	-	1,201	1,899
Pupil Transportation	176,271	124,036	30,036	474,328
Operation of Plant	671,706	253,792	214,506	723,550
Maintenance of Plant	-	589	-	-
Community Services	-	-	-	146,827
Interest	199,745	-	-	384,452
Other Operating Expenses	-	-	-	-
Total Expenses	<u>\$ 7,460,041</u>	<u>\$ 4,684,485</u>	<u>\$ 990,276</u>	<u>\$ 12,556,004</u>
PROGRAM REVENUES				
Charges for Services	\$ -	\$ 79,876	\$ -	\$ 149,670
Operating Grants and Contributions	423,447	298,326	32,396	810,356
Capital Grants and Contributions	207,400	-	71,507	201,905
Net Program Expenses	<u>\$ (6,829,194)</u>	<u>\$ (4,306,283)</u>	<u>\$ (886,373)</u>	<u>\$ (11,394,073)</u>
GENERAL REVENUES				
Federal	\$ 6,689,107	\$ -	\$ -	\$ -
State and Local Sources	-	3,993,684	991,874	9,910,342
Grants and Contributions not restricted to specific programs	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	206,568	17,890	-	305,548
Total General Revenues	<u>\$ 6,895,675</u>	<u>\$ 4,011,574</u>	<u>\$ 991,874</u>	<u>\$ 10,215,890</u>
Change in Net Position	66,481	(294,709)	105,501	(1,178,183)
Net Position - Beginning	(359,526)	(318,173)	117,248	(1,206,936)
Net Position - Ending	<u>\$ (293,045)</u>	<u>\$ (612,882)</u>	<u>\$ 222,749</u>	<u>\$ (2,385,119)</u>

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF POLK COUNTY

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ending June 30, 2020**

	Polk Education Foundation and Business Partnership, Inc.	TOTALS Component Units
EXPENSES		
Instruction	\$ -	\$ 76,656,664
Pupil Personnel Services	-	6,781,344
Instructional Media	-	668,480
Instruction and Curriculum Development	-	1,180,441
Instructional Staff Training	-	821,646
Instruction-Related Technology	-	929,007
Board	-	365,201
General Administration	-	690,032
School Administration	-	16,065,984
Facilities Acquisition and Construction	-	1,262,677
Fiscal Services	-	1,339,449
Food Services	-	3,697,361
Central Services	-	396,082
Pupil Transportation	-	7,505,314
Operation of Plant	-	13,829,779
Maintenance of Plant	-	712,738
Community Services	-	981,324
Interest	-	2,136,005
Other Operating Expenses	2,151,275	3,080,799
Total Expenses	<u>\$ 2,151,275</u>	<u>\$ 139,100,327</u>
PROGRAM REVENUES		
Charges for Services	\$ -	\$ 3,918,888
Operating Grants and Contributions	1,920,316	9,425,269
Capital Grants and Contributions	-	2,279,447
Net Program Expenses	<u>\$ (230,959)</u>	<u>\$ (123,476,723)</u>
GENERAL REVENUES		
Federal	\$ -	\$ 6,852,945
State and Local Sources	-	108,117,828
Grants and Contributions not restricted to specific programs	-	165,386
Investment Earnings	237,611	238,532
Miscellaneous	250,154	3,278,554
Total General Revenues	<u>\$ 487,765</u>	<u>\$ 118,653,245</u>
Change in Net Position	256,806	(4,823,478)
Net Position - Beginning	8,688,633	14,924,212
Net Position - Ending	<u>\$ 8,945,439</u>	<u>\$ 10,100,734</u>

See accompanying independent auditors' report.



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST

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Statistical Section

(UNAUDITED)



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST

District Statistics

This part of the Polk County School Board's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Government activities:					
Net investment in capital assets	\$ 696,724	\$ 669,794	\$ 849,717	\$ 822,501	\$ 797,167
Restricted	389,446	371,159	140,890	127,208	105,187
Unrestricted	<u>(372,616)</u>	<u>(358,078)</u>	<u>(347,043)</u>	<u>(296,766)</u>	<u>(252,998)</u>
Total governmental activities net position	713,554	682,875	643,564	652,943	649,356
Business-type activities:					
Unrestricted	-	-	-	398	290
Total primary government	<u>\$ 713,554</u>	<u>\$ 682,875</u>	<u>\$ 643,564</u>	<u>\$ 653,341</u>	<u>\$ 649,646</u>

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

Source: District Records

Fiscal Year				
2015	2014	2013	2012	2011
\$ 765,624	\$ 752,300	\$ 756,128	\$ 761,407	\$ 781,310
109,845	120,340	125,960	124,599	116,197
<u>(253,284)</u>	<u>11,509</u>	<u>2,777</u>	<u>10,170</u>	<u>31,676</u>
622,185	884,149	884,865	896,176	929,183
122	-	-	-	-
<u>\$ 622,307</u>	<u>\$ 884,149</u>	<u>\$ 884,865</u>	<u>\$ 896,176</u>	<u>\$ 929,183</u>

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

TABLE 2

(accrual basis of accounting)
(amounts in thousands)
(unaudited)

	Fiscal Year			
	2020	2019	2018	2017
GOVERNMENTAL ACTIVITIES				
EXPENSES				
Instructional services	\$ 677,891	\$ 643,843	\$ 631,644	\$ 593,877
Instructional support services	116,799	102,526	100,814	93,061
Student transportation services	29,380	34,350	36,464	30,558
Operation and maintenance of plant	83,618	82,112	73,057	70,149
School administration	50,695	48,737	47,568	45,929
General administration	96,189	64,201	52,499	58,518
Food services	58,056	59,938	57,653	56,311
Community services and other	3,601	3,651	3,321	2,598
Interest on long term debt	2,225	6,723	8,599	12,995
Unallocated fiscal charges on long-term debt and depreciation expense	505	516	547	1,075
Total primary government expenses	<u>1,118,959</u>	<u>1,046,597</u>	<u>1,012,166</u>	<u>965,071</u>
PROGRAM REVENUES				
Charges for services:				
Instructional services	2,904	2,965	2,774	2,552
Student transportation services	364	552	560	586
Food services	757	1,142	1,907	2,157
Operating grants and contributions	52,921	57,600	52,075	51,939
Capital grants and contributions	7,960	10,802	5,888	6,882
Total primary government program revenues	<u>64,906</u>	<u>73,061</u>	<u>63,204</u>	<u>64,116</u>
Total primary government net (expenses) revenues	<u>(1,054,053)</u>	<u>(973,536)</u>	<u>(948,962)</u>	<u>(900,955)</u>
GENERAL REVENUES				
Property taxes levied for operational purposes	181,854	175,403	170,105	162,002
Property taxes levied for capital projects	59,536	55,363	50,873	45,862
Local sales taxes	50,907	50,197	45,161	43,048
Unrestricted grants and contributions	721,445	686,695	663,408	630,276
Investment earnings	9,523	6,220	2,467	1,290
Miscellaneous	22,344	8,306	12,473	22,064
Impact Fees	39,123	30,663		
Total primary government general revenues	<u>1,084,732</u>	<u>1,012,847</u>	<u>944,487</u>	<u>904,542</u>
CHANGE IN NET POSITION				
Total governmental activities	<u>30,679</u>	<u>39,311</u>	<u>(4,475)</u>	<u>3,587</u>
BUSINESS-TYPE ACTIVITIES				
EXPENSES	-	-	108	637
PROGRAM REVENUES				
Charges for services	-	-	234	744
CHANGE IN NET POSITION				
Total business-type activities	<u>-</u>	<u>-</u>	<u>126</u>	<u>107</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 30,679</u>	<u>\$ 39,311</u>	<u>\$ (4,349)</u>	<u>\$ 3,694</u>

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

Source: District Records

		Fiscal Year					
2016	2015	2014	2013	2012	2011		
\$ 554,005	\$ 536,529	\$ 531,412	\$ 514,670	\$ 501,427	\$ 538,107		
90,111	83,923	84,267	82,988	83,720	91,279		
31,946	33,256	35,115	34,588	36,358	36,143		
66,475	66,575	66,916	65,724	92,047	78,757		
42,959	39,702	39,775	40,108	40,310	43,096		
50,970	53,496	43,475	32,606	33,190	34,456		
52,535	49,440	48,350	44,617	43,949	45,588		
2,335	2,821	2,836	2,857	3,194	3,327		
15,789	12,998	16,288	19,050	19,908	19,776		
241	642	578	246	186	189		
<u>907,366</u>	<u>879,382</u>	<u>869,012</u>	<u>837,454</u>	<u>854,289</u>	<u>890,718</u>		
3,662	2,807	2,227	2,145	2,346	1,888		
572	532	509	516	470	505		
2,820	4,740	6,427	6,990	7,304	8,649		
49,120	43,618	38,673	35,599	34,978	35,862		
5,672	6,864	3,388	3,392	3,372	11,212		
<u>61,846</u>	<u>58,561</u>	<u>51,224</u>	<u>48,642</u>	<u>48,470</u>	<u>58,116</u>		
<u>(845,520)</u>	<u>(820,821)</u>	<u>(817,788)</u>	<u>(788,812)</u>	<u>(805,819)</u>	<u>(832,602)</u>		
162,423	155,374	155,565	147,333	158,902	173,763		
42,918	40,529	38,597	36,886	38,651	41,306		
40,757	38,290	43,260	34,082	32,341	30,459		
607,096	598,347	572,735	544,989	524,209	600,709		
1,393	796	775	1,220	696	2,904		
18,104	17,241	9,880	14,255	18,013	11,494		
<u>872,691</u>	<u>850,577</u>	<u>820,812</u>	<u>778,765</u>	<u>772,812</u>	<u>860,635</u>		
27,171	29,756	3,024	(10,047)	(33,007)	28,033		
391	82	-	-	-	-		
560	203	-	-	-	-		
169	121	-	-	-	-		
<u>\$ 27,340</u>	<u>\$ 29,877</u>	<u>\$ 3,024</u>	<u>\$ (10,047)</u>	<u>\$ (33,007)</u>	<u>\$ 28,033</u>		

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

TABLE 3

(accrual basis of accounting)

(amounts in thousands)

(unaudited)

Fiscal Year Ending June 30,	Sales Tax Revenue Bonds				Coverage
	Sales Tax	Debt Service			
		Principal	Interest		
2020	\$ 50,907	\$ -	\$ 6,556	12.9%	
2019	50,197	25,530	402	51.7%	
2018	45,161	24,720	1,195	57.4%	
2017	43,048	23,940	1,964	60.2%	
2016	40,757	23,270	2,823	64.0%	
2015	38,290	21,220	4,541	67.3%	
2014	35,882	20,235	6,257	73.8%	
2013	34,082	19,340	7,151	77.7%	
2012	32,341	18,525	7,970	81.9%	
2011	30,459	17,765	8,728	87.0%	

Source: District Records

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

TABLE 4

(accrual basis of accounting)

(amounts in thousands)

(unaudited)

Fiscal Year Ending June 30,	Property Tax		Sales Tax	Total
	General Purposes	Capital Projects		
2020	\$ 179,854	\$ 59,394	\$ 50,907	\$ 290,155
2019	175,403	55,363	50,197	280,963
2018	170,105	50,873	45,161	266,139
2017	162,001	45,862	43,048	250,911
2016	162,423	42,918	40,757	246,098
2015	155,374	40,529	38,290	234,193
2014	155,565	38,597	35,882	230,044
2013	147,333	36,886	34,082	218,301
2012	158,902	38,651	32,341	229,894
2011	173,763	41,306	30,459	245,528

Source: District Records

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

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

	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$ 11,265	\$ 13,301	\$ 9,972	\$ 9,354	\$ 9,148
Restricted	17,205	12,997	10,257	14,838	10,679
Assigned	975	452	442	336	1,588
Unassigned	51,687	29,443	33,527	36,153	42,409
Total general fund	<u>\$ 81,132</u>	<u>\$ 56,193</u>	<u>\$ 54,198</u>	<u>\$ 60,681</u>	<u>\$ 63,824</u>
All Other Governmental Funds					
Nonspendable, reported in:					
Special revenue funds	\$ 3,458	\$ 2,554	\$ 2,452	\$ 2,198	\$ 1,678
Restricted, reported in:					
Special revenue funds	6,597	7,285	5,770	6,474	6,421
Capital projects funds	346,681	325,310	101,045	86,328	71,583
Debt service funds	22,835	24,821	20,160	17,882	15,554
Total all other governmental funds	<u>\$ 379,571</u>	<u>\$ 359,970</u>	<u>\$ 129,427</u>	<u>\$ 112,882</u>	<u>\$ 95,236</u>

Note: GASB Statement 54 Fund Balance Reporting and Governmental Fund Type Definitions was implemented for the 2010-11 fiscal year.

Source: District Records

Fiscal Year				
2015	2014	2013	2012	2011
\$ 10,382	\$ 7,220	\$ 7,259	\$ 7,653	\$ 7,664
6,508	5,901	9,632	12,580	8,237
1,177	691	582	2,850	10,449
44,984	45,981	42,479	52,230	53,049
<u>\$ 63,051</u>	<u>\$ 59,793</u>	<u>\$ 59,952</u>	<u>\$ 75,313</u>	<u>\$ 79,399</u>
\$ 1,468	\$ 1,237	\$ 1,175	\$ 1,270	\$ 1,332
5,930	8,075	9,842	9,930	8,063
83,680	95,180	99,548	127,646	170,725
13,272	11,695	8,653	7,086	4,520
<u>\$ 104,350</u>	<u>\$ 116,187</u>	<u>\$ 119,218</u>	<u>\$ 145,932</u>	<u>\$ 184,640</u>

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

	Fiscal Year				
	2020	2019	2018	2017	2016
REVENUES					
Local sources:					
Ad valorem taxes	\$ 241,390	\$ 230,766	\$ 220,978	\$ 207,864	\$ 205,341
Local sales tax	50,907	50,197	45,161	43,048	40,757
Impact Fees	39,234	30,807	4,334	13,545	10,325
Food services	756	1,142	1,907	2,157	2,820
Interest income	8,625	5,115	2,133	1,043	928
Other	25,163	11,823	10,872	11,007	10,814
Total local sources	<u>366,075</u>	<u>329,850</u>	<u>285,385</u>	<u>278,664</u>	<u>270,985</u>
State sources:					
Florida education finance program	483,036	455,521	430,572	420,095	400,711
Public education capital outlay	66	3,377	2,163	3,271	2,162
Food services	752	737	752	720	676
Grants and other	137,739	143,470	131,127	131,369	129,445
Total state sources	<u>621,593</u>	<u>603,105</u>	<u>564,614</u>	<u>555,455</u>	<u>532,994</u>
Federal sources:					
Food services	-	56,863	51,324	51,219	48,444
Federal grants direct	15,937	17,266	18,634	16,840	15,025
Federal grants through state and local	144,800	77,863	86,799	65,583	65,426
Total federal sources	<u>160,737</u>	<u>151,992</u>	<u>156,757</u>	<u>133,642</u>	<u>128,895</u>
Total revenues	<u>1,148,405</u>	<u>1,084,947</u>	<u>1,006,756</u>	<u>967,761</u>	<u>932,874</u>
EXPENDITURES					
Current:					
Instructional services:	625,580	605,887	592,456	556,426	533,801
Instructional support services:					
Student personnel services	44,214	40,103	40,068	38,215	38,302
Instructional media services	8,422	8,275	8,873	8,077	8,050
Instruction and curriculum development services	14,564	13,719	13,229	12,461	13,259
Instructional staff training services	24,672	24,227	22,555	19,976	17,215
Instructional related technology	17,423	10,466	10,081	9,429	10,577
Total instructional support services	<u>109,295</u>	<u>96,790</u>	<u>94,806</u>	<u>88,158</u>	<u>87,403</u>
Student transportation services	<u>36,801</u>	<u>37,798</u>	<u>35,742</u>	<u>34,288</u>	<u>32,964</u>
Operation and maintenance of plant:					
Operation of plant	55,147	54,890	46,326	44,545	44,030
Maintenance of plant	23,100	22,849	23,680	21,987	20,233
Total operation and maintenance of plant	<u>78,247</u>	<u>77,739</u>	<u>70,006</u>	<u>66,532</u>	<u>64,263</u>
School administration	<u>46,658</u>	<u>45,797</u>	<u>44,462</u>	<u>42,984</u>	<u>41,258</u>
General administration:					
Central services	13,422	14,882	13,138	12,528	12,413
Board	2,286	1,815	1,909	2,324	2,018
General administration	5,768	5,668	6,161	5,792	5,315
Fiscal services	2,924	3,261	3,232	2,884	3,121
Administrative technology services	6,711	6,652	5,862	5,942	6,009
Total general administration	<u>31,111</u>	<u>32,278</u>	<u>30,302</u>	<u>29,470</u>	<u>28,876</u>

Source: District Records

Fiscal Year					
2015	2014	2013	2012	2011	
\$ 195,903	\$ 194,161	\$ 184,219	\$ 197,553	\$ 215,069	
38,290	35,881	34,082	32,341	30,459	
8,494	7,379	5,133	3,764	2,738	
4,740	6,446	6,989	7,304	8,649	
540	572	702	543	1,796	
12,107	13,482	13,102	18,138	12,357	
<u>260,074</u>	<u>257,921</u>	<u>244,227</u>	<u>259,643</u>	<u>271,068</u>	
386,495	368,371	339,640	313,381	438,439	
1,881	-	-	-	7,855	
631	634	653	707	734	
130,037	130,433	128,619	127,261	13,287	
<u>519,044</u>	<u>499,438</u>	<u>468,912</u>	<u>441,349</u>	<u>460,315</u>	
42,959	38,038	34,947	34,271	35,128	
15,825	14,749	15,721	15,513	15,014	
70,973	61,667	63,562	70,575	136,834	
<u>129,757</u>	<u>114,454</u>	<u>114,230</u>	<u>120,359</u>	<u>186,976</u>	
<u>908,875</u>	<u>871,813</u>	<u>827,369</u>	<u>821,351</u>	<u>918,359</u>	
528,291	510,130	491,148	468,983	508,593	
37,182	36,456	31,996	31,602	34,874	
8,338	8,725	8,561	8,245	11,347	
13,765	17,064	16,589	16,405	16,351	
16,189	9,455	11,718	13,002	18,582	
8,680	9,085	10,098	8,980	5,202	
<u>84,154</u>	<u>80,785</u>	<u>78,962</u>	<u>78,234</u>	<u>86,356</u>	
<u>32,785</u>	<u>33,999</u>	<u>33,601</u>	<u>33,051</u>	<u>34,683</u>	
43,103	42,344	44,262	43,936	48,873	
21,652	21,666	18,817	16,501	20,844	
<u>64,755</u>	<u>64,010</u>	<u>63,079</u>	<u>60,437</u>	<u>69,717</u>	
<u>39,124</u>	<u>38,215</u>	<u>38,366</u>	<u>37,670</u>	<u>40,648</u>	
11,493	10,885	10,909	10,505	15,771	
1,904	1,975	2,039	2,372	2,398	
4,790	4,844	6,065	5,379	6,689	
3,173	3,169	2,995	3,017	3,267	
5,927	5,489	5,081	5,054	4,833	
<u>27,287</u>	<u>26,362</u>	<u>27,089</u>	<u>26,327</u>	<u>32,958</u>	

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

	Fiscal Year				
	2020	2019	2018	2017	2016
EXPENDITURES					
Non-capitalizable facilities acquisition and construction	17,722	12,211	7,373	8,990	11,174
Food services	53,673	56,849	54,239	53,220	50,985
Community services and other	3,315	3,430	3,125	2,449	2,255
Debt Service:					
Principal retirement	16,994	41,447	37,870	36,237	35,484
Interest	13,210	7,062	8,233	9,447	12,185
Fiscal charges	671	1,168	91	755	507
Capital outlay					
Facilities acquisitions & construction	67,807	20,587	11,097	15,763	35,377
Other capital outlay	10,189	11,725	8,561	10,402	7,401
Total expenditures	<u>1,111,273</u>	<u>1,050,768</u>	<u>998,363</u>	<u>955,121</u>	<u>943,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,131</u>	<u>34,179</u>	<u>8,393</u>	<u>12,640</u>	<u>(11,059)</u>
OTHER FINANCING SOURCES (USES):					
Long term bonds issued	-	160,025	-	-	-
Premium on sale of bonds	-	34,182	-	-	-
Issuance of refunding bonds	87,861	2,752	-	26,891	118,935
Premium on sale of refunding bonds	3	435	-	85	-
Issuance of debt	6,000	-	-	-	-
Payments to refunded bond escrow agent	(87,462)	-	-	(26,229)	(118,528)
Proceeds from capital leases	-	-	-	-	-
Insurance loss recoveries	315	-	601	-	1,199
Transfers in	79,519	96,635	85,342	81,080	77,260
Transfers out	(78,828)	(95,669)	(84,275)	(79,964)	(76,148)
Total other financing sources and uses	<u>7,408</u>	<u>198,360</u>	<u>1,668</u>	<u>1,863</u>	<u>2,718</u>
Net change in fund balances	<u>\$ 44,539</u>	<u>\$ 232,539</u>	<u>\$ 10,061</u>	<u>\$ 14,503</u>	<u>\$ (8,341)</u>
Debt service as a percentage of non-capital expenditures	2.93%	4.76%	4.71%	4.92%	5.29%

Source: District Records

Fiscal Year				
2015	2014	2013	2012	2011
11,261	10,757	8,630	11,525	8,183
49,471	46,674	42,792	40,630	43,121
2,742	2,694	2,700	3,017	3,147
34,366	32,775	31,408	30,077	28,749
14,544	16,941	18,139	18,998	19,743
153	75	872	1,210	1,210
18,239	7,743	26,277	43,073	92,108
11,554	5,835	6,577	12,673	18,089
<u>918,726</u>	<u>876,995</u>	<u>869,640</u>	<u>865,905</u>	<u>987,305</u>
<u>(9,851)</u>	<u>(5,182)</u>	<u>(42,271)</u>	<u>(44,554)</u>	<u>(68,946)</u>
-	-	-	-	21,223
-	140	-	48	55
46,179	900	81,255	440	44,485
200	-	-	-	-
-	-	-	-	-
(47,061)	(268)	(81,255)	(487)	(43,636)
1,133	-	-	-	-
7	19	7	183	11
87,407	94,287	81,788	82,405	77,136
<u>(86,593)</u>	<u>(93,086)</u>	<u>(80,334)</u>	<u>(80,830)</u>	<u>(75,514)</u>
<u>1,272</u>	<u>1,992</u>	<u>1,461</u>	<u>1,759</u>	<u>23,760</u>
<u>\$ (8,579)</u>	<u>\$ (3,190)</u>	<u>\$ (40,810)</u>	<u>\$ (42,795)</u>	<u>\$ (45,186)</u>
5.50%	5.76%	5.92%	6.06%	5.53%

**SCHOOL DISTRICT OF POLK COUNTY
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

**TABLE 7
 (amounts in thousands)
 (unaudited)**

Fiscal Year Ended June 30,	Taxable Value for the School District						
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Other (1) Property	Tangible Property	Less: Exemptions
2020	\$ 34,680,388	\$ 5,463,586	\$ 3,130,348	\$ 2,202,537	\$ 4,108,453	\$ 7,412,557	\$ 15,911,875
2019	31,491,549	5,224,663	2,885,916	2,174,082	3,885,577	7,241,148	14,727,845
2018	28,148,924	4,932,713	2,659,652	2,033,639	3,785,351	6,743,583	13,233,779
2017	25,612,576	4,547,618	2,022,272	2,071,902	3,537,946	6,074,402	12,292,797
2016	23,771,417	4,236,898	1,766,486	1,956,536	3,347,595	6,176,176	11,521,005
2015	21,763,759	4,043,575	1,618,218	1,837,079	3,194,730	5,859,292	10,286,736
2014	19,419,786	3,966,947	1,562,888	1,710,091	3,141,635	5,869,626	9,125,755
2013	17,793,857	3,904,128	1,527,154	1,701,901	3,093,822	5,686,296	8,289,198
2012	19,307,684	3,745,586	1,529,632	1,781,720	3,076,148	5,797,920	8,670,916
2011	21,309,497	4,053,497	1,603,475	2,015,876	3,117,828	5,739,919	9,410,489

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

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

Source: Florida Department of Revenue

<u>Net Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Taxable Value</u>	<u>Net Assessed Value as a Percentage of of Estimated Taxable Value</u>
41,085,994	6.0860	\$ 57,101,226	71.95%
38,175,090	6.2510	53,020,095	72.00%
35,070,083	6.5140	48,404,657	72.45%
31,573,919	6.7970	43,967,539	71.81%
29,734,103	7.1490	41,350,735	71.91%
28,029,917	7.2080	38,400,400	72.99%
26,545,218	7.5470	35,752,837	74.25%
25,417,960	7.4920	33,783,998	75.24%
26,567,774	7.6700	35,317,184	75.23%
28,429,603	7.7920	37,751,839	75.31%

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

TABLE 8
(unaudited)

	Fiscal Year				
	2020	2019	2018	2017	2016
District School Board:					
Required Local Effort	3.8380	3.9980	4.2660	4.5490	4.9010
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Improvement	1.5000	1.5000	1.5000	1.5000	1.5000
Total District School Board	6.0860	6.2460	6.5140	6.7970	7.1490
Other County-Wide:					
Board of County Commissioners	7.1565	7.1565	6.7815	6.7815	6.7815
Total County-Wide	13.2425	13.4025	13.2955	13.5785	13.9305
Non-County Wide:					
Board of County Commissioners					
Public Library Service	0.2109	0.2109	0.2109	0.2109	0.2109
Parks & Recreation (unincorporated)	0.5619	0.5619	0.5619	0.5619	0.5619
Municipalities:					
Auburndale	4.2515	4.2515	4.2657	4.2657	4.2657
Bartow	3.2768	3.5378	3.6541	3.8044	3.8387
Davenport	7.5000	7.5000	7.5000	7.5000	7.5000
Eagle Lake	7.6516	7.6516	7.6516	7.6516	7.6516
Fort Meade	7.8899	6.8704	6.8704	6.2458	5.6484
Frostproof	6.9705	7.3045	7.4978	7.7716	8.0587
Haines City	7.5895	7.5895	7.5895	7.5895	7.7900
Lake Alfred	7.2390	7.2390	7.2390	7.2390	7.4890
Lake Wales	6.9339	7.0438	7.0438	7.3273	7.3638
Lakeland	5.4644	5.4644	5.5644	5.5644	5.5644
Mulberry	6.4400	6.4400	6.5900	6.7900	7.2900
Polk City	6.0000	7.2500	7.4877	8.0000	8.2500
Winter Haven	6.7900	6.7900	5.7900	5.7900	5.7900

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

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

Source: Polk County Property Appraiser

Fiscal Year				
2015	2014	2013	2012	2011
4.9600	5.2990	5.2440	5.4220	5.2940
0.7480	0.7480	0.7480	0.7480	0.7480
0.0000	0.0000	0.0000	0.0000	0.2500
0.0000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	1.5000	1.5000	1.5000
7.2080	7.5470	7.4920	7.6700	7.7920
6.8665	6.8665	6.8665	6.8665	6.8665
14.0745	14.4135	14.3585	14.5365	14.6585
0.2109	0.2109	0.2109	0.2109	0.2109
0.4219	0.4219	0.4219	0.4219	0.4219
4.2657	4.2657	4.2657	3.8393	3.8393
3.9075	3.9960	3.9962	3.9962	3.9962
7.5000	7.7500	7.7500	6.9900	6.0000
7.6516	7.6516	7.6516	7.6516	7.6516
5.6484	5.6484	5.6484	3.3509	3.3509
8.0587	8.0587	7.8209	7.8209	7.8209
7.7900	7.7900	7.9900	6.9900	6.9900
7.5890	7.5890	7.5890	6.9990	6.5800
8.3638	8.5866	8.5119	7.9998	7.3277
4.6644	4.6644	4.6644	4.1644	4.1644
7.6500	8.4000	8.9000	8.9000	8.9000
8.6000	8.6547	8.6547	8.6547	8.6547
5.7900	5.7900	5.7900	5.7900	5.7900

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

Fiscal Year							
		2020			2011		
Taxpayer	Rank	Taxable Value	Percentage of Total Assessed Value	Rank	Taxable Value	Percentage of Total Assessed Value	
Duke Energy/Progress Energy	1	\$ 1,162,534	2.16%	1	\$ 1,018,695	2.88%	
Tampa Electric	2	947,914	1.76%	2	477,880	1.35%	
Mosaic/Streamsong/Stillwater	3	782,347	1.45%	3	446,871	1.27%	
Publix Super Markets	4	464,893	0.86%	4	270,725	0.77%	
Walmart	5	392,377	0.73%	9	109,367	0.31%	
Carlton Arms	6	254,895	0.47%				
Invitation Homes	7	234,740	0.44%				
Frontier/Verizon	8	194,221	0.36%	5	238,625	0.68%	
Coca Cola	9	174,834	0.32%	6	182,294	0.52%	
Florida Southeast Connection LLC	10	130,677	0.24%				
Calpine Construction Finance				7	166,233	0.47%	
Gulfstream Natural Gas				8	163,937	0.46%	
Brighthouse				10	99,203	0.28%	
Total		\$ 4,739,432	8.80%		\$ 3,173,830	8.99%	

Source:
 Polk County Property Appraiser

Source: Polk County Property Appraiser

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

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Collected in Fiscal Year		
		Current Tax Collections (1)	Percent of Levy	Delinquent Collections (1)	Total Collections (1)	Percent of Levy
2020	\$ 248,625,507	\$ 239,247,146	96.23%	\$ 2,142,650	\$ 241,389,796	97.09%
2019	237,554,259	228,164,079	96.05%	2,601,537	230,765,616	97.14%
2018	228,438,645	219,061,681	95.90%	1,916,099	220,977,780	96.73%
2017	214,850,226	206,273,679	96.01%	1,590,497	207,864,176	96.75%
2016	212,412,071	203,903,763	95.99%	1,437,488	205,341,251	96.67%
2015	201,717,120	193,648,970	96.00%	2,253,762	195,902,732	97.12%
2014	200,060,667	192,371,754	96.16%	1,789,519	194,161,273	97.05%
2013	190,589,618	182,918,037	95.97%	1,301,006	184,219,043	96.66%
2012	203,981,107	196,437,667	96.30%	1,115,156	197,552,823	96.85%
2011	221,523,468	213,602,226	96.42%	1,466,588	215,068,814	97.09%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Source: District Records

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

TABLE 11

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

Fiscal Year	Governmental Activities (A)						Percentage of Personal Income (B)	Per Capita (B)
	Sales Tax Revenue Bonds	State Board of Education Bonds	Capital Leases	Certificates Of Participation	Notes Payable	Total Primary Government		
2020	\$ 160,025	\$ 3,680	\$ -	\$ 156,958	6,000	326,663	N/A	N/A
2019	192,363	4,252	-	174,741	-	371,356	N/A	N/A
2018	26,429	5,164	-	186,972	-	218,565	0.92%	325
2017	52,049	5,974	281	199,047	-	257,351	1.14%	389
2016	76,888	7,254	568	207,595	-	292,305	1.32%	452
2015	101,057	9,320	845	212,118	431	323,771	1.52%	511
2014	117,360	11,275	-	221,967	1,653	352,255	1.73%	565
2013	137,595	13,640	-	230,922	2,974	385,131	1.82%	627
2012	156,935	15,790	-	239,562	4,231	416,518	1.92%	686
2011	175,460	17,930	-	247,862	5,413	446,665	2.21%	739

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

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

Source: District Records

**SCHOOL DISTRICT OF POLK COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020
TABLE 12
(unaudited)**

Jurisdiction	General Obligation Bonded Debt Outstanding	Direct Debt		Direct and Overlapping Debt	
		Percentage Applicable to This Governmental Unit	Amount Applicable to This Governmental Unit	Percentage Applicable to Polk County	Amount Applicable to Polk County
Polk County Board of County Commissioners	\$ 125,216,221	100%	\$ 125,216,221	100%	\$ 125,216,221
Polk County District School Board	-	100%	383,590,875	100%	-
Totals	<u>\$ 125,216,221</u>		<u>\$ 508,807,096</u>		<u>\$ 125,216,221</u>

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

Sources: District Records
Polk County Clerk of the Circuit Court

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

Fiscal Year	Taxable Assessed Value (A)	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (B)
2020	\$ 41,085,994	\$ 21,438,752	0.5493
2019	38,175,090	17,218,320	0.4748
2018	35,070,083	17,401,051	0.5223
2017	31,540,752	16,539,022	0.5520
2016	29,698,656	16,990,132	0.6022
2015	28,029,917	17,240,555	0.6474
2014	26,545,218	17,229,290	0.6832
2013	25,417,960	17,183,587	0.7116
2012	26,567,774	17,177,448	0.6806
2011	28,429,603	17,718,778	0.6561

(A) Assessed Value is in Thousands.

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

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

Source: Florida Department of Revenue and District Records

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

Fiscal Year	Population (A)	Personal Income (1) (C)	Per Capita Personal Income (A)	Unemployment Rate (B)
2019	690,606	N/A	N/A	4.1%
2018	673,028	\$ 23,867,592	\$ 35,463	3.5%
2017	661,645	22,636,860	34,213	4.6%
2016	646,989	22,126,377	34,199	5.8%
2015	633,052	21,348,413	33,723	6.2%
2014	623,174	20,347,877	32,652	7.9%
2013	613,950	21,115,582	34,393	8.2%
2012	606,888	21,693,818	35,746	9.8%
2011	604,792	20,228,478	33,447	11.6%
2010	602,095	19,150,836	31,807	12.2%

(1) Personal Income in thousands.

Sources:

(A) University of Florida Bureau of Economic and Business Research

(B) Central Florida Development Council

(C) Personal income is derived from multiplying Per Capita Personal Income times Population

Note: 2020 data was not available at time of publishing.

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

Employer	Calendar Year					
	2019			2010		
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
Polk County School Board	13,235	1	4.31%	14,000	1	5.08%
Publix Super Markets	12,500	2	4.07%	9,300	2	3.38%
Lakeland Regional Medical Center	5,575	3	1.81%	4,600	5	1.67%
Polk County Government	4,567	4	1.49%	5,100	3	1.85%
Walmart	4,250	5	1.38%	4,700	4	1.71%
Geico	3,700	6	1.20%	2,050	9	0.74%
City of Lakeland	2,800	7	0.91%	2,500	8	0.91%
Winter Haven Hospital	2,200	8	0.72%	2,500	7	0.91%
Watson Clinic	1,857	9	0.60%	-	-	-
Advent Health	1,550	10	0.50%	-	-	-
State of Florida	-	-	-	4,300	6	1.56%
Mosaic	-	-	-	1,950	10	0.71%
	<u>52,234</u>		<u>16.99%</u>	<u>51,000</u>		<u>18.52%</u>

Note: 2020 data was not available at time of publishing.

Sources: Polk County CAFR 2019



POLK COUNTY
PUBLIC SCHOOLS

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

	Fiscal Years				
	2020	2019	2018	2017	2016
Schools					
Elementary					
Locations	66	65	66	66	66
Square feet	6,181,996	6,069,905	6,293,636	6,515,678	6,102,843
Capacity	51,213	385,816	51,419	53,928	50,714
Enrollment	37,520	40,622	40,226	41,975	40,540
Middle					
Locations	20	20	20	20	20
Square feet	2,812,996	2,804,098	2,825,675	2,800,879	2,654,893
Capacity	24,542	24,179	22,578	21,803	24,321
Enrollment	15,793	17,123	17,867	16,084	16,409
Senior High					
Locations	14	14	15	15	15
Square feet	4,367,695	4,351,929	4,344,534	4,297,686	4,302,843
Capacity	35,438	34,771	33,106	32,237	33,846
Enrollment	25,489	25,798	25,923	25,523	25,537
Other (A)					
Locations	13	13	12	12	11
Square feet	1,567,074	1,268,049	1,067,481	1,143,280	988,116
Capacity	11,208	7,912	6,445	7,385	6,212
Enrollment	5,432	6,642	4,637	5,694	4,302
Conversion Charter (B)					
Locations	9	9	9	9	9
Square feet	1,177,484	1,165,534	1,163,225	1,160,446	1,160,446
Capacity	9,242	8,883	8,483	8,360	8,685
Enrollment	8,013	7,942	7,749	7,982	7,744
Administrative / Support Services					
Locations	19	13	15	16	17
Square feet	595,259	1,268,049	571,682	591,512	593,317
Total Enrollment in District Facilities	92,247	98,127	96,402	97,258	94,532

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

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

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

Source: District Records

Fiscal Years

2015	2014	2013	2012	2011
66	67	67	67	67
6,108,489	6,273,582	6,264,516	6,281,975	6,311,927
50,686	51,616	51,126	51,507	51,853
40,379	38,619	40,168	40,167	40,337
20	19	19	19	19
2,653,573	2,607,658	2,630,298	2,641,924	2,639,634
22,894	22,997	23,480	23,884	21,071
16,659	15,635	15,655	16,006	15,338
16	15	16	16	16
4,285,656	4,295,866	4,306,621	4,323,615	4,394,670
34,150	34,223	34,461	34,432	34,863
25,014	24,086	21,912	22,312	22,117
11	10	10	10	10
987,396	914,943	914,042	921,463	771,564
6,184	5,861	5,851	5,893	5,575
4,339	4,045	4,204	3,976	3,980
9	9	9	9	9
1,162,582	1,162,538	1,163,607	1,167,797	1,167,797
8,439	8,439	8,405	8,318	8,184
7,351	7,153	7,138	6,904	6,758
17	18	17	17	17
593,333	664,623	557,797	569,433	570,691
93,742	89,538	89,077	89,365	88,530

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

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>
2020	\$ 40,972	\$ 64,072	\$ 47,397
2019	40,972	64,072	47,857
2018	41,272	62,872	48,199
2017	40,672	62,872	47,368
2016	40,672	62,872	47,368
2015	40,000	59,300	46,323
2014	36,750	58,175	45,181
2013	35,750	56,175	42,671
2012	35,000	55,175	41,849
2011	35,000	55,175	42,838

Note: Includes only 10 Month Teachers
Performance Pay Schedule

Source: District Records



POLK COUNTY
PUBLIC SCHOOLS

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Days Meals Served:	131	180	174	178	180
Student Lunches Served:					
Paid Lunches (regular)	-	-	440,716	522,762	633,470
Reduced Lunches (regular)	-	-	29,460	47,065	106,093
Free Lunches (regular)	8,515,869	11,666,364	10,608,564	10,740,732	10,421,805
Total Student Lunches Served	8,515,869	11,666,364	11,078,740	11,310,559	11,161,368
Daily Average Student Lunches Served	65,007	64,813	63,671	63,542	62,008
Student Breakfasts Served:					
Paid Breakfasts (regular)	-	-	113,894	150,768	139,378
Reduced Breakfasts (regular)	-	-	8,377	12,374	25,546
Free Breakfasts (regular)	4,249,798	5,853,353	5,285,375	5,446,493	5,306,261
Total Student Breakfasts Served	4,249,798	5,853,353	5,407,646	5,609,635	5,471,185
Daily Average Student Breakfasts Served	32,441	32,519	31,078	31,515	30,395
LUNCH PRICES:					
Elementary	\$0.00	\$2.00	\$2.00	\$2.00	\$2.00
Middle	\$0.00	\$2.30	\$2.30	\$2.30	\$2.30
High	\$0.00	\$2.60	\$2.60	\$2.60	\$2.60
BREAKFAST PRICES:					
Elementary	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00
Secondary	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00
Free and Reduced Percentages:					
Paid	-	-	3.4%	4.0%	4.6%
Reduced	-	-	0.2%	0.4%	0.8%
Free	100.0%	100.0%	96.4%	95.7%	94.6%

Source: District Records

Fiscal Year				
2015	2014	2013	2012	2011
180	180	179	180	180
1,148,306	1,297,759	1,439,256	1,631,888	2,113,892
306,398	478,147	755,136	756,400	817,978
9,198,230	8,125,512	7,525,884	7,736,169	7,953,136
10,652,934	9,901,418	9,720,276	10,124,457	10,885,006
59,183	55,008	54,303	56,247	60,472
173,192	250,749	232,618	250,740	314,675
71,598	121,221	210,856	206,980	229,219
4,645,245	3,880,971	3,538,062	3,539,847	3,751,738
4,890,035	4,252,941	3,981,536	3,997,567	4,295,632
27,167	23,627	22,243	22,209	23,865
\$2.00	\$2.00	\$1.80	\$1.70	\$1.70
\$2.30	\$2.30	\$2.10	\$2.00	\$2.00
\$2.60	\$2.30	\$2.10	\$2.00	\$2.00
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
8.5%	10.9%	12.2%	13.3%	16.0%
2.4%	4.2%	7.1%	6.8%	6.9%
89.1%	84.8%	80.7%	79.8%	77.2%

Compliance Section



POLK COUNTY
PUBLIC SCHOOLS

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DISTRICT SCHOOL BOARD OF POLK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period 07/01/2019 to 06/30/2020

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	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	14002	\$ 11,760,252	\$ -
National School Lunch Program	10.555	14001, 14003	38,539,010	-
Summer Food Service Program for Children	10.559	14006, 14007	1,771,555	-
Total Child Nutrition Cluster			<u>52,070,817</u>	-
Child Food Care Program	10.558	14001	98,440	-
Total United States Department of Agriculture			<u>52,169,257</u>	-
United States Department of Labor:				
Indirect:				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	362,162	-
Total United States Department of Labor			<u>362,162</u>	-
United States Department of Education:				
Direct:				
Federal Pell Grant Program	84.063	N/A	2,703,354	-
Magnet Schools Assistance	84.165	N/A	2,790,600	-
Safe and Drug-Free Schools and Communities - National Programs	84.184	N/A	378,347	-
State Fiscal Stabilization Fund-Investing in Innovation Fund, Recovery Act	84.411A	N/A	44	-
Total Direct			<u>5,872,345</u>	-
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	24,690,606	1,637,394
Special Education - Preschool Grants	84.173	266, 267	284,531	-
Total Special Education Cluster			<u>24,975,137</u>	<u>1,637,394</u>
Adult Education - Basic Grants to States	84.002	191, 193	1,012,299	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	42,718,614	789,866
Migrant Education - State Grants Program	84.011	217	1,103,197	-
Career and Technical Education - Basic Grants to States	84.048	161	1,227,799	20,063
Title IV Student Support and Academic Enrichment	84.186A	241	1,907,659	-
Education for Homeless Children and Youth	84.196	127	119,459	-
Charter Schools	84.282	298	711,441	711,441
Twenty First Century Community Learning Centers	84.287	244	6,310	-
Special Education - State Personnel Development	84.323	361	40,762	-
English Language Acquisition State Grants	84.365	102,104	1,026,579	-
Improving Teacher Quality State Grants	84.367	224	3,988,030	277,092
School Improvement Cohort 4	84.377A	126	751,386	-
Hurricane Relief Act - Immediate Aid to Restart School Operations	84.938B	107	1,941,266	17,298
Total Indirect			<u>81,529,938</u>	<u>3,453,154</u>
Total United States Department of Education			<u>87,402,283</u>	<u>3,453,154</u>

DISTRICT SCHOOL BOARD OF POLK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period 07/01/2019 to 06/30/2020

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Direct:				
Head Start	93.600	N/A	7,842,022	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	135,170	
Total United States Department of Health and Human Services			7,977,192	-
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	12.U01	N/A	858,674	-
Marine Corps Junior Reserve Officers Training Corps	12.U02	N/A	66,593	-
Air Force Junior Reserve Officers Training Corps	12.U03	N/A	92,859	-
Navy Junior Reserve Officers Training Corps	12.U04	N/A	72,194	-
Total United States Department of Defense:			1,090,320	-
Total Expenditures of Federal Awards			\$ 149,001,214	\$ 3,453,154

- Notes:
- (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.
 - (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
 - (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
 - (4) Noncash Assistance - National School Lunch Program. Includes \$4,324,388.09 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
 - (5) Head Start. Expenditures include \$4,002,875.85 for program year 2019, and \$3,839,145.89 for program year 2020.



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

The Honorable Members of the
School District of Polk County, Florida
Bartow, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of School District of Polk County, Florida (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 21, 2021. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units and the fiduciary fund, as described on our report on the District's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a significant deficiency.

The Honorable Members of the
School District of Polk County, Florida

Compliance and Other Matters

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

Purpose of this Report.

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



CliftonLarsonAllen LLP

Lakeland, Florida
January 21, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Members of the
School District of Polk County, Florida
Bartow, Florida

Report on Compliance for Each Major Federal Program

We have audited the School District of Polk County, Florida's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance, and is described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002 that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Honorable Members of the
School District of Polk County, Florida

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
January 21, 2021

**SCHOOL DISTRICT OF POLK COUNTY, FL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster
84.367	Improving Teacher Quality State Grants
93.600	Head Start

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

Auditee qualified as low-risk auditee? x yes _____ no

**SCHOOL DISTRICT OF POLK COUNTY, FL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

2020 – 001 – Time and Attendance Reporting

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Our audit procedures included testing the payroll documentation. Our tests indicated that employees' timecards or personal leave forms did not always contain documentation of approval by supervisors or principals.

Criteria or specific requirement: Federal Wage and Hour Guidelines under the Fair Labor Standards Act (FLSA) require employers to report enough hours to cover regularly scheduled working times for non-exempt employees (paraeducators, secretaries, school nutrition assistants, custodians, etc.) for which they are being compensated. In regards to personal leave, to meet the requirements of Florida Statute 1012.61 2 (b), leave forms must be neatly, clearly, and accurately prepared in ink in their entirety, by the employee requesting leave and be signed and dated by both the employee and the supervisor.

Context: CLA reviewed the payroll documentation for one week at one school for a sample of 24 employees. In the sample of 24 employees reviewed, there were 4 instances with insufficient documentation of timecard approval, and 2 instances with insufficient documentation related to leave forms.

Effect: Improper documented review of timecards and leave by employee or supervisor could lead to misstatement of hours worked. Unrecorded absences result in excess cost to the District by either overuse of paid leave during employment or payout of excess leave at termination.

Cause: There were no signatures identified by employee or supervisor to indicate the accuracy of the time worked. The personal leave form was not completed in a timely manner or employee leave was not approved prior to absence.

Repeat Finding: No

Recommendation: We recommend Principal or Supervisor shall sign, in ink, each employees' weekly timecard since payroll expenses are the Districts largest expense. Payroll clerks shall notify the principal or supervisor of discrepancies in time reporting. To meet the requirements of Florida Statute 1012.61 2 (b), leave forms must be neatly, clearly, and accurately prepared in ink in their entirety, by the employee requesting leave and be signed and dated by both the employee and the supervisor.

Views of responsible officials and planned corrective actions: It is the current procedure of the Polk County School Board for the Principal or Supervisor to sign, in ink, each employees' weekly timecard. Payroll clerks notify the principal or supervisor of discrepancies in time reporting. Leave forms must be neatly, clearly, and accurately prepared in ink in their entirety, including the reason for sick leave, bereavement leave or personal leave without pay, by the employee requesting leave and be signed and dated by both the employee and the supervisor. The District has provided written documentation and instructions regarding these procedures and will once again communicate with the schools and departments to ensure there is a clear understanding and compliance. In addition, the District is implementing KRONOS, a time management system, It is currently in its pilot phase, but once fully implemented will automate this process.

**SCHOOL DISTRICT OF POLK COUNTY, FL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs

2020 – 002 Subrecipient Monitoring

Federal agency: U.S. Department of Education

Federal program title: Special Education – Grants to States

CFDA Number: 84.027

Pass-Through Agency: Florida Department of Education

Pass-Through Number(s): 262, 263

Award Period: July 1, 2019 through June 30, 2020

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: A pass-through entity (PTE) must clearly identify to a subrecipient: (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.331(a)(1); (2) all requirements imposed by the PTE on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.331(a)(2)); and (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the Federal award (e.g., financial, performance, and special reports) (2 CFR section 200.331(a)(3)).

Condition: The District did not provide subawards that include all of the requirements of 2 CFR section 200.331(a)(1) to subrecipients.

Questioned costs: None

Context: In our subrecipient monitoring testing, we tested six charter schools. We noted the District provides an allocation letter to each subrecipient, but the letter does not include all of the elements of a subaward required by 2 CFR section 200.331(a) sufficient for the PTE to comply with Federal statutes, regulations, and the terms and conditions of the award. Specific elements of the subaward that were not communicated to the subrecipient include the following:

- Subrecipient's unique entity identifier
- Federal Award Identification Number (FAIN)
- Federal Award Date of award to the recipient by the Federal Agency
- CFDA Number and Name
- Identification of whether the award is R&D
- Indirect Cost Rate of the Federal Award

Cause: The District's policies and procedures do not include a requirement to provide a subaward with all required elements of 2 CFR section 200.331(a) when each charter school is notified of their allocation of Federal funding.

**SCHOOL DISTRICT OF POLK COUNTY, FL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Effect: The lack of controls in place could result in noncompliance with Federal statutes, regulations, and the terms and conditions of the award.

Repeat Finding: No

Recommendation: We recommend the District provide subaward agreements to all subrecipients that include the applicable requirements of 2 CFR 200.331(a).

Views of responsible officials: The District will provide subaward agreements to all subrecipients that include the applicable requirements of 2 CFR 200.331(a).



MANAGEMENT LETTER

Honorable Chairman and Members of the
School District of Polk County, Florida
Bartow, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the School District of Polk County, Florida (the "District") as of and for the fiscal year ended June 30, 2020, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 21, 2021. We did not audit the financial statements of the discretely presented component units nor the fiduciary fund; those financial statements were audited by other auditors.

Auditors' Responsibility

We conducted our audit 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; 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Independent Accountants' Report on compliance with local government investment policies; and the Schedule of Findings and Questioned Costs. Disclosures in those reports, which are dated January 21, 2021, 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 audit report. The prior year finding was not corrected as shown in Appendix B and was a repeat finding in 2020 as noted in Appendix A.

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 to identify the specific condition(s) met. In connection with our audit, the results of our tests did not indicate that the District met 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 for the District. 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 review of financial information provided by same.

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. Our current year finding and recommendation is listed as Appendix A to this Management Letter.

Transparency

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we communicate 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 has an effect on the financial statements that is less than material but 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, 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.



CliftonLarsonAllen LLP

Lakeland, Florida
January 21, 2021

APPENDIX A

Prior Year Findings and Recommendations		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
2019-001 Budgetary Control	Management Comment/Deficiency in Internal Control			X See 2020-003

2020-003 – Budgetary Control

Criteria

A budget is a financial tool to ensure an organization can fulfill its mission. For a budget to be effective, it must be followed and updated if circumstances change mid-year. Section 1011.06, Florida Statutes requires that district school boards approve expenditures that exceeds budget by amending the budget at the next scheduled public meeting.

Condition

The State Board of Education Bonds Fund, the Sections 1011.14 & 1011.15 F.S. Loans Fund, and the ARRA Debt Service Fund had total expenditures exceeding the approved budget by \$20,021, \$69,717, and \$496, respectively, for the year ended June 30, 2020.

Cause

Expenditure overages were not identified by management prior to being incurred. Best practice would be to bring unanticipated expenses and identified funding sources to the board in the form of a budget amendment to be formally adopted in a timely manner.

Effect

Expenditures exceeded the budget and the budget was not amended in a timely manner in accordance with Section 1011.06, Florida Statutes.

Recommendation

We recommend that the District routinely reviews budget to actual reports. If it appears a budget amendment is needed, an amendment should be provided to the board in a timely manner for approval.

Management's Response

The District has procedures in place to review actual expenditures to a budget on a quarterly basis at a fund level. The current process considers fund balance in the calculation. Due to presentation fund balance is reflected on budgetary reports and included in the grant total of budget to actuals. The District will amend this process in two ways: 1.) It will be performed monthly. 2.) It will transfer amounts from fund balance as needed to cover expenditures. This procedure will also be included in the year end checklist to ensure budget to actual amounts are in compliance with Florida Statutes 1011.06. The District will have this reconciliation completed no later than August 15th of each year to ensure that a final amendment is brought to the board and approved in a timely manner.

APPENDIX B

Prior Year Findings and Recommendations		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
2019-001 Budgetary Control	Management Comment/Deficiency in Internal Control			X See 2020-003



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Members of the
School District of Polk County, Florida
Bartow, Florida

We have examined the School District of Polk County, Florida's (the "District"), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended June 30, 2020. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended June 30, 2020.

This report is intended solely for the information and use of the District and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
January 21, 2021