

**FLORA RIDGE
EDUCATIONAL FACILITIES
BENEFIT DISTRICT**

**Financial Statements
and
Supplemental Information**

September 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Flora Ridge Educational Facilities Benefit District
Kissimmee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Flora Ridge Educational Facilities Benefit District (the "District"), a component unit of the School District of Osceola County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Flora Ridge Educational Facilities Benefit 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 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Flora Ridge Educational Facilities Benefit District, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021, on our consideration of the Flora Ridge Educational Facilities Benefit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Flora Ridge Educational Facilities Benefit District's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 5, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Flora Ridge Educational Facilities Benefit District (the "District"), a component of the School District of Osceola County, Florida, 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 September 30, 2020, to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the District's financial activities, (c) identify changes in the District's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the basic financial statements found on pages 9 – 14.

Financial Highlights

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year by \$5,779,519 (net deficit).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$511,338.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$181,216.
- During the current fiscal year, total long-term debt obligations decreased by \$195,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) 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 and liabilities, with the difference between the two 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 on the change in the District's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying 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 funding).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by assessment collections and interest earnings. The governmental activities of the District include, but are not limited to, principal and interest payments on outstanding debt issues and operating expenses of the Board.

The government-wide financial statements include only the District itself.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the District are presented in governmental funds only.

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 fund financial statements 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.

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

The District maintains two 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 and debt service fund, both of which are considered to be major funds.

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

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

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. The notes to the financial statements can be found starting on page 15 of this report.

Educational Facilities Act

The District is the first educational facilities benefit district to be created under Section 1013.355 *et seq.*, Florida Statutes, as amended (the “Educational Facilities Act”), which was enacted in 2002 to assist in financing the construction and maintenance of educational facilities through public/private cooperation and to provide alternative mechanisms and incentives to allow for sharing costs of educational facilities necessary to accommodate new growth and development among public agencies and benefited private development interests. The Educational Facilities Act, among other things, permits the exercise of the following powers (i) the formation of an educational facilities benefit district to finance and construct educational facilities within the district’s boundaries; (ii) the leasing as lessor or lessee to or from any person, firm, corporation, association, or body, public or private, any projects of the type that the district is authorized to undertake and facilities or property of any nature for use of the district to carry out the purposes of the Educational Facilities Act; (iii) the levy of non-ad valorem assessments to finance such educational facilities; and (iv) the borrowing of money and issuance of bonds or other evidence of indebtedness for periods not longer than 30 years guaranteed by such non-ad valorem assessments and other legally available sources of funds. Creation of an educational facilities benefit district is conditioned upon the consent of the district school board, all local general purpose governments within whose jurisdiction any portion of the educational facilities benefit district is located, and all landowners within the district.

The Educational Facilities Act provides for the following funds to be provided to an educational facilities benefit district annually: (i) educational facilities impact fee revenue collected for new development within the educational facilities benefit district; and (ii) for construction and capital maintenance costs not covered by the funds provided pursuant to clause (i), an annual amount contributed by the district school board equal to one-half of the remaining costs of construction and capital maintenance of the educational facility; provided that construction costs in excess of the cost-per-student criteria established for the School Infrastructure Thrift (“SIT”) Program in Section 1013.72(2), Florida Statutes, shall be funded exclusively by the district.

The District

In accordance with the Act, the District was created as a dependent special district by Ordinance No. 2447 enacted by the City Commission of the City of Kissimmee on January 27, 2003, as amended by Ordinance No. 2478, enacted by the City Commission of the City of Kissimmee on July 29, 2003, and by an Amended and Restated Interlocal Agreement dated as of July 29, 2003, between the City and The School Board of Osceola County, Florida, the governing body of the School District of Osceola County, Florida.

The District initially included approximately 400 acres of land located in the City of Kissimmee. During fiscal year ended September 30, 2014, the District annexed an additional 568.2 acres of a certain adjacent parcels (“Bronson Parcel”). There are currently two major landowners within the District: Epoch Flora Ridge and JTD Land at Cypress Ridge, LLC (collectively, the “Landowners”). The District lies within the boundaries of a 1,134 acre planned community being developed by Flora Ridge Development, (the “Developer”). The Developer, Landowners, and individual landowners have consented, for themselves, their successors and assigns, to the formation of the District and to the imposition of assessments on the District lands. As currently planned, the District will include approximately 3,605 single-family units and 350 multi-family units. The District issued Capital Improvement Revenue Bonds, Series 2007, primarily to finance a portion of the construction of Flora Ridge Elementary School. The special assessments that secured the District’s Series 2007 bonds were levied on the land currently within the boundaries of the District, excluding the special assessments levied on the Bronson Parcel. Likewise, special assessments securing the District’s Series 2017 bonds will be levied on the land currently within the boundaries of the District, excluding the special assessments levied on the Bronson Parcel. The special assessments levy on the Bronson Parcel will be used to reimburse the School District of Osceola County for its portion of the cost to construct Flora Ridge Elementary School.

Board of Supervisors

The Educational Facilities Act provides that the governing board of an educational facilities benefit district shall include representation of the district school board, each cooperating local general purpose government, and the landowners within the district. The governing body of the District is its Board of Supervisors (the "Board"), which is composed of seven Supervisors (the "Supervisors"). Pursuant to the Educational Facilities Act, the Ordinance, as amended, and the Interlocal Agreement, as amended, the County has appointed two members, the School Board has appointed two members, and the Developer has appointed the remaining three members of the Board. Pursuant to the Ordinance, following the initial appointments, landowner representatives shall be elected on a one-acre/one-vote basis with each acre or fraction thereof subject to Special Assessments representing one vote.

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, liabilities exceeded assets by \$5,779,519 and \$6,012,329 at September 30, 2020 and 2019, respectively.

Changes in the District's net position for the years ended September 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current assets	\$ 634,192	\$ 583,285	\$ 50,907
Total assets	<u>634,192</u>	<u>583,285</u>	<u>50,907</u>
Deferred outflows	<u>65,508</u>	<u>69,458</u>	<u>(3,950)</u>
Current liabilities	122,854	118,557	4,297
Long-term liabilities outstanding	<u>6,356,365</u>	<u>6,546,515</u>	<u>(190,150)</u>
Total liabilities	<u>6,479,219</u>	<u>6,665,072</u>	<u>(185,853)</u>
Net position	<u>\$ (5,779,519)</u>	<u>\$ (6,012,329)</u>	<u>\$ 232,810</u>
Net position (deficit) consisted of:			
Unrestricted	<u>\$ (5,779,519)</u>	<u>\$ (6,012,329)</u>	<u>\$ 232,810</u>
Total net position	<u>\$ (5,779,519)</u>	<u>\$ (6,012,329)</u>	<u>\$ 232,810</u>

Net deficit increased as expenses exceeded revenues by \$232,810 during the year. A 2003 school funding agreement provided that ownership of the District's property would be transferred to The School District of Osceola County upon completion. It was completed during the year ended September 30, 2008, and the school building and land, which had a combined value of \$18,101,123, were transferred to the School District of Osceola County. The underlying debt incurred to develop and construct the property remained with the District and is reported in these financial statements as unrestricted net assets, as the debt is no longer capital related.

Changes in the District's revenues for the years ended September 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Revenues:			
General revenues:			
Assessment income	\$ 550,830	\$ 636,149	\$ (85,319)
Interest income	4,528	11,452	(6,924)
Total revenue	<u>\$ 555,358</u>	<u>\$ 647,601</u>	<u>\$ (92,243)</u>

Changes in the District's expenses were as follows:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Expenses:			
Board expenses	\$ 37,068	\$ 52,286	\$ (15,218)
Administrative expenses	6,750	7,000	(250)
Fiscal agent fee	20,000	20,000	-
Amortization of bond discount	4,850	3,990	860
Interest expense	253,880	258,863	(4,983)
Total expenses	<u>\$ 322,548</u>	<u>\$ 342,139</u>	<u>\$ (19,591)</u>

Financial Analysis of the Government's Funds

As noted earlier, Flora Ridge Educational Facilities Benefit 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. The 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 a combined ending fund surplus of \$511,338.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$181,216. During the current fiscal year, the fund balance of the District's general fund decreased by \$52,178.

General Fund Budgetary Highlights

Actual revenues exceeded budgeted revenues by approximately \$27,000, and actual expenditures were less than budgeted expenditures by approximately \$12,000.

Capital Asset and Debt Administration

Capital Assets. Capital assets including buildings and fixed equipment, furniture, fixtures, and computer software totaling \$18,101,123 were transferred to The School District of Osceola County during the year ended September 30, 2008.

Debt. On December 21, 2017, the District refunded the \$7,000,000, 5.3%, Series 2007 bonds with Capital Improvement Revenue Refunding Bonds, Series 2017 (Series 2017A-1 & 2017A-2), totaling \$7,000,000 and payable in annual installments of principal and semi-annual interest payments at 4%, through 2037.

At the end of the current fiscal year, the District had Series 2017 bonds payable – net of bond discount and accumulated amortization – in the amount of \$6,356,365. The required debt service payment for fiscal 2021 is \$456,850 including principal of \$210,000 and interest of \$246,850.

Economic Factors

Assessments are levied to homeowners within the boundaries of the District to support the debt obligations and operating expenses of the District. These assessments are fully disclosed to homeowners and are levied on the county's annual tax roll. For the fiscal year ended September 30, 2020, the District collected \$550,830 in 2019 assessments. The assessments levied on the 2020 tax roll are \$843,945.

Request 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 Finance Director, Flora Ridge Educational Facilities Benefit District c/o The School District of Osceola County, FL, 817 Bill Beck Blvd., Kissimmee, FL 34744.

Flora Ridge Educational Facilities Benefit District

STATEMENT OF NET POSITION (DEFICIT)

September 30, 2020

	<u>Governmental Activities</u>
Assets	
Current assets:	
Cash and cash equivalents - restricted	\$ 634,192
Total current assets	<u>634,192</u>
Deferred outflows, related to debt refinancing	<u>65,508</u>
Liabilities and net position (deficit)	
Current liabilities:	
Accounts payable	20,000
Accrued interest	102,854
Total current liabilities	<u>122,854</u>
Long-term liabilities:	
Bonds payable, due within one year	210,000
Bonds payable, due after one year	6,146,365
Total long-term liabilities	<u>6,356,365</u>
Total liabilities	<u>6,479,219</u>
Net position (deficit):	
Unrestricted	(5,779,519)
Total net position (deficit)	<u>\$ (5,779,519)</u>

The accompanying notes are an integral part of these financial statements.

Flora Ridge Educational Facilities Benefit District

STATEMENT OF ACTIVITIES

Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Interest expense	253,880	\$ -	\$ -	\$ -	\$ (253,880)
Board expenses	37,068	-	-	-	(37,068)
Administrative expenses	6,750	-	-	-	(6,750)
Fiscal agent fee	20,000	-	-	-	(20,000)
Amortization of bond discount	4,850	-	-	-	(4,850)
Total governmental activities	\$ 322,548	\$ -	\$ -	\$ -	(322,548)
		General revenues:			
				Assessment income	550,830
				Interest income	4,528
				Total general revenues	555,358
		Change in net position			232,810
		Net position (deficit) at September 30, 2019			(6,012,329)
		Net position (deficit) at September 30, 2020			\$ (5,779,519)

The accompanying notes are an integral part of these financial statements.

Flora Ridge Educational Facilities Benefit District

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents - restricted	\$ 201,216	\$ 432,976	\$ 634,192
Total assets	<u>\$ 201,216</u>	<u>\$ 432,976</u>	<u>\$ 634,192</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 20,000	\$ -	\$ 20,000
Accrued interest	-	102,854	102,854
Total liabilities	<u>20,000</u>	<u>102,854</u>	<u>122,854</u>
Fund balances:			
Restricted for:			
Debt service	-	330,122	330,122
Unassigned:	<u>181,216</u>	<u>-</u>	<u>181,216</u>
Total fund balances	<u>181,216</u>	<u>330,122</u>	<u>511,338</u>
Total liabilities and fund balances	<u>\$ 201,216</u>	<u>\$ 432,976</u>	<u>\$ 634,192</u>

The accompanying notes are an integral part of these financial statements.

Flora Ridge Educational Facilities Benefit District

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

September 30, 2020

Fund balances - total governmental funds		\$	511,338
The net position reported for governmental activities in the statement of net position is different because:			
Long-term liabilities, including bonds payable, deferred inflows/outflows, and are not due and payable in the current period and therefore are not reported in the funds.			
Deferred outflows bond refinancing loss	\$	65,508	
Bonds payable		(6,420,000)	
Bond discount, net of accumulated amortization		<u>63,635</u>	<u>(6,290,857)</u>
Total net position (deficit) of governmental activities			<u>\$ (5,779,519)</u>

The accompanying notes are an integral part of these financial statements.

Flora Ridge Educational Facilities Benefit District

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS**

Year Ended September 30, 2020

	General	Debt Service	Total Governmental Funds
Revenues			
Assessment income	\$ 550,830	\$ -	\$ 550,830
Interest income	1,702	2,827	4,529
Total revenues	<u>552,532</u>	<u>2,827</u>	<u>555,359</u>
Expenditures			
Current:			
Board expenses	37,068	-	37,068
Fiscal agent fee	20,000	-	20,000
Debt service:			
Interest expense	-	249,931	249,931
Dues, fees and issuance costs	6,750	-	6,750
Principal payment	-	195,000	195,000
Total expenditures	<u>63,818</u>	<u>444,931</u>	<u>508,749</u>
Excess (deficit) of revenues over (under) expenditures	<u>488,714</u>	<u>(442,104)</u>	<u>46,610</u>
Other financing sources (uses):			
Transfers in	-	540,892	540,892
Transfers out	(540,892)	-	(540,892)
Total other financing sources (uses)	<u>(540,892)</u>	<u>540,892</u>	<u>-</u>
Net change in fund balances	(52,178)	98,788	46,610
Fund balances at September 30, 2019	<u>233,394</u>	<u>231,334</u>	<u>464,728</u>
Fund balances at September 30, 2020	<u>\$ 181,216</u>	<u>\$ 330,122</u>	<u>\$ 511,338</u>

The accompanying notes are an integral part of these financial statements.

Flora Ridge Educational Facilities Benefit District

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

Year Ended September 30, 2020

Net change in fund balances - total government funds \$ 46,610

The change in net position reported for governmental activities in the statement of activities is different because:

The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayment on long term debt	195,000	
Current year amortization of deferred outflows	(3,950)	
Current year amortization of bond discount	<u>(4,850)</u>	<u>186,200</u>

Change in net position of governmental activities \$ 232,810

The accompanying notes are an integral part of these financial statements.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Flora Ridge Educational Facilities Benefit District (the “District”), a component unit of the School District of Osceola County, Florida, is organized pursuant to Chapter 189 and 1013 of the Florida Statutes and was established under Ordinance No. 2447 on July 29, 2003. The purpose of the District is to provide for the timely construction and maintenance of school facilities. The District is an alternative mechanism that allows for the sharing of educational facilities costs that is necessary to accommodate new growth and development. The governing body of the District is the Board of Supervisors.

The District is considered a component unit of The School District of Osceola County, Florida. 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 (GASB) *Statement 14 as amended by Statement 39* and further amended by *Statement 61, The Financial Reporting Entity: Omnibus*.

The application of these criteria provide for identification of any entities for which the District’s elected officials are financially accountable with a financial benefits and burden relationship present, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the District.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the District. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the District does not engage in any business type activities.

Net position, the difference between assets and liabilities, as presented in the statement of net position, are generally subdivided into three categories: amounts invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costs the District has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2. Government-wide and fund financial statements – continued

Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the District's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The general and debt service funds were deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The District's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The District reports the following major governmental funds:

General Fund - the general operating fund of the District. It is used to account for all financial resources traditionally associated with the activities of the District which are not required to be accounted for in another fund.

Debt Service Fund - to account for the resources accumulated and payments made for principal and interest on the revenue bonds issued by the District.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

3. Measurement focus, basis of accounting, and financial statement presentation – continued

The governmental fund financial statements present fund balances based on the provisions of GASB Statement No. 54, Fund Balance and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the District may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

Nonspendable: This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional or enabling legislation.

Committed: This classification includes amounts that can be used for specific purposes voted through formal action of the Board of Directors. The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.

Assigned: This classification includes amounts that the Board of Directors intends to use for a specific purpose but they are neither restricted nor committed.

Unassigned: This classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the general fund.

The District would typically use restricted fund balances first, followed by committed funds, and then assigned funds, and finally unassigned funds, as they become available. The District reserves the right to selectively spend unassigned funds first to defer the use of other classified funds. The details of the fund balances are included in the Government Funds Balance Sheet on page 11.

4. Budgetary basis of accounting

Budgets are adopted on a basis consistent with the State of Florida budget laws which are consistent with generally accepted accounting principles (GAAP). An annual appropriated budget is adopted for the general fund.

5. Cash and cash equivalents

Cash and cash equivalents include amounts in demand deposits and in liquid, short-term government bond fund investments. Income from investments is recorded in the respective funds when earned.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

6. Capital assets

Capital assets, which include property, construction in progress, and equipment, are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their acquisition value on date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but rather are expensed in the period incurred.

Interest expense incurred is capitalized during the construction period of the asset.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Lives</u>
Buildings	50
Furniture, fixtures, and equipment	5 – 10
Land Improvements	20

During fiscal year ended September 30, 2008, the District transferred the school building and land, which had a combined value of \$18,101,123, to The School District of Osceola County.

7. Restricted net position

Certain proceeds of the District’s revenue bonds, as well as certain resources set aside for their repayment would be classified as restricted net position on the statement of net position because their use is limited by applicable bond covenants; however, such debt proceeds reported in these financial statements are classified as unrestricted as the debt is no longer capital related.

8. Deferred outflows/inflows of resources

In addition to assets and liabilities, the statement of financial net position reports separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The District has one item that qualifies for reporting in this category, which is the deferred amount on debt refunding. A deferred amount on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

9. Revenue source

Revenues for operations will be received primarily from non-ad valorem assessments.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

10. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Interfund transfers

The purpose of interfund transfers is to cover receipts and payments made from the general fund on behalf of other funds. During the year ended September 30, 2020, the general fund transferred \$540,892 to the debt service fund for payment of principal and interest expenses related to the 2017 revenue bonds.

12. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

13. New GASB pronouncements

The GASB issued Statement No. 84, Fiduciary Activities, which establishes criteria for the identification of fiduciary activities and provides guidance on reporting those activities. An activity meeting the criteria should be reported in a fiduciary fund. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The new guidance is effective for fiscal 2021.

The GASB issued Statement No. 87, Leases, which establishes new guidance for lease accounting for lessees and lessors and eliminates the classification of leases into operating or capital leases. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Lessees will recognize a lease liability and an intangible right to use lease asset. Lessors will recognize a lease receivable and a deferred inflow of resources. The new guidance is effective for fiscal 2022.

The District is evaluating the effect of these new standards on its financial statements.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

14. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the time these statements were available to be issued on February 5, 2021.

NOTE B – CASH, CASH EQUIVALENTS, INVESTMENTS

As of September 30, 2020, the District's cash and cash equivalents include cash deposits and money market funds of \$634,192. In accordance with GASB No. 40, the District's exposure to risk is disclosed as follows:

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of a depository financial institution's failure, the Districts' deposits may not be returned. The District does not have a formal custodial credit risk policy. The District's financial instruments that are exposed to concentrations of custodial credit risk consist of government bond fund investments contained in brokerage accounts which are not FDIC insured. At September 30, 2020, the District exceeded FDIC insured limits by \$634,192. The District has not experienced any losses in such accounts.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board of Supervisors for the District has approved the following types of investments:

- The Local Government Surplus Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes.
- Direct obligations of the U.S. Treasury.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes.

Interest Rate Risk - Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The District's policy to limit exposure to declines in fair values of its investment portfolio is to only invest in certain instruments approved by the Board of Supervisors.

Fair Value Measurements - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 of the fair value hierarchy are inputs valued using quoted prices in active markets for identical assets; Level 2 inputs are valued using other significant observable inputs; Level 3 inputs are valued using significant unobservable inputs. As of September 30, 2020, the District has recurring fair value measurements in money market funds of \$634,192, valued using a matrix pricing model (Level 2 inputs).

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE C – LONG-TERM DEBT

The following is a summary of changes in long-term debt obligations of the District at September 30, 2020:

	September 30, 2019	Additions	Deletions	September 30, 2020
Governmental Activities:				
Revenue Bonds:				
2017A-1	\$ 3,970,000	\$ -	\$ (130,000)	\$ 3,840,000
2017A-2	2,645,000	-	(65,000)	2,580,000
Unamortized bond discount:				
2017A-1	(56,521)	-	4,002	(52,519)
2017A-2	(11,964)	-	848	(11,116)
	<u>\$ 6,546,515</u>	<u>\$ -</u>	<u>\$ (190,150)</u>	<u>\$ 6,356,365</u>

During the year ended September 30, 2007, Series 2007 Revenue Bonds were issued in the amount of \$7,460,000. Beginning May 2010, annual installments of principal, and beginning May 2007, semi-annual interest payments at 5.3%, are due through 2037. The bonds are payable solely from and secured by revenues of the District, which include special assessments and other available sources of funds.

On December 21, 2017, the District refunded the Series 2007 Revenue bonds and refinanced them with Capital Improvement Revenue Refunding Bonds, Series 2017A-1 (Senior Bonds) and Series 2017A-2 (Subordinate Bonds), in the amount of \$4,230,000 and \$2,770,000, respectively. Beginning May 2018, annual installments of principal and semi-annual interest payments at 4%, are due through 2037.

The net proceeds from the Series 2017 bonds of \$6,924,374 (including discount of \$75,626) plus reserve funds were immediately used to redeem the Series 2007 bond and to pay \$344,125 in underwriting fees, legal fees, insurance, and other costs. As a result, \$7,000,000 of the Series 2007 bond was considered to be in-substance defeased and the liability for this certificate was removed from the government-wide financial statements. The Series 2017 bonds were issued to reduce the total debt service payments over the next 20 years by \$1,406,378, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$428,507.

The 2017 debt refinancing resulting in a loss on refunding of \$76,700 which is not recognized in the fund level statements but is deferred and included in the government-wide statement as deferred outflow. The deferred loss is amortized over the life of the debt through 2037. Amortization expense of the loss of \$3,950 for fiscal 2020 was charged against interest expense. Accumulated amortization totaled \$11,991 at September 30, 2020.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE C – LONG-TERM DEBT (continued)

The annual requirements to amortize all debt outstanding as of September 30, 2020 are as follows:

Year ending September 30	Principal	Interest	Total
2021	\$ 210,000	\$ 246,850	\$ 456,850
2022	220,000	241,056	461,056
2023	240,000	234,881	474,881
2024	255,000	227,569	482,569
2025	275,000	219,559	494,559
2026-2030	1,685,000	941,619	2,626,619
2031-2035	2,360,000	555,128	2,915,128
2036-2037	<u>1,175,000</u>	<u>74,857</u>	<u>1,249,857</u>
	6,420,000	2,741,519	9,161,519
Less: unamortized discount	<u>(63,635)</u>	<u>-</u>	<u>(63,635)</u>
	<u>\$ 6,356,365</u>	<u>\$ 2,741,519</u>	<u>\$ 9,097,884</u>

NOTE D – RISKS AND UNCERTAINTIES

Legal issues

In the normal course of conducting its operations, the District may become party to various legal actions and proceedings. As of September 30, 2020, no legal actions or proceedings existed.

COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

Flora Ridge Educational Facilities Benefit District

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (BUDGET AND ACTUAL) – GENERAL FUND**

Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ 525,650	\$ 525,650	\$ 552,532	\$ 26,882
Total revenues	<u>525,650</u>	<u>525,650</u>	<u>552,532</u>	<u>-</u>
Expenditures				
Current:				
Board expenses	48,887	48,887	37,068	11,819
Fiscal agent fee	20,000	20,000	20,000	-
Administrative expenses	6,750	6,750	6,750	-
Total expenditures	<u>75,637</u>	<u>75,637</u>	<u>63,818</u>	<u>11,819</u>
Excess of revenues over expenditures	<u>450,013</u>	<u>450,013</u>	<u>488,714</u>	<u>38,701</u>
Other financing sources (uses):				
Transfers in	-	1,754	-	(1,754)
Transfers out	<u>(444,931)</u>	<u>(540,893)</u>	<u>(540,892)</u>	<u>1.00</u>
Total other financing sources (uses)	<u>(444,931)</u>	<u>(539,139)</u>	<u>(540,892)</u>	<u>(1,753)</u>
Net change in fund balance	5,082	(89,126)	(52,178)	36,948
Fund balance at September 30, 2019	<u>233,394</u>	<u>233,394</u>	<u>233,394</u>	<u>-</u>
Fund balance at September 30, 2020	<u>\$ 238,476</u>	<u>\$ 144,268</u>	<u>\$ 181,216</u>	<u>\$ 36,948</u>

See Independent Auditors' Report

REQUIRED SUPPLEMENTAL INFORMATION



**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**

To The Board of Supervisors
Flora Ridge Educational Facilities Benefit District
Kissimmee, 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 and each major fund of Flora Ridge Educational Facilities Benefit District (the "District"), a component unit of the School District of Osceola County, Florida, as of and for the year ended September 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 February 5, 2021.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, 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

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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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 5, 2021



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MANAGEMENT LETTER

To the Board of Supervisors
Flora Ridge Educational Facilities Benefit District
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of Flora Ridge Educational Facilities Benefit District (the "District"), which is a component unit of the School District of Osceola County, Florida as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 5, 2021.

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; and Chapter 10.550, 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*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 5, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)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. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor general, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Flora Ridge Educational Facilities Benefit District was organized pursuant to Chapter 189 and 1013 of the Florida Statutes and was established under Ordinance No. 2447.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor general, require us to apply appropriate procedures and communicate the results of our determination as to 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, we determined that the District did not meet any of the condition described in Section 215.503(1), Florida Statutes.

Financial Condition and Management (continued)

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), 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, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 5, 2021



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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors
Flora Ridge Educational Facilities Benefit District
Kissimmee, Florida

We have examined Flora Ridge Educational Facilities Benefit District's (the "District") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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 aforementioned requirements for the year ended September 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 5, 2021

Current Year Comments and Recommendations

There were no items required to be reported in the current year.