

**FLORA RIDGE
EDUCATIONAL FACILITIES
BENEFIT DISTRICT**

**Financial Statements
and
Supplemental Information**

September 30, 2023

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INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information 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, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of year ended September 30, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 4 through 9 and 27 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 29, 2024, 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 financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an

audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 29, 2024

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, 2023, 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 10 – 15.

Financial Highlights

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year by \$4,968,878 (net deficit).
- As of the close of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$674,558.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$215,193.
- During the current fiscal year, total long-term debt obligations decreased by \$240,000.

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 10 and 11 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 12 – 15 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 16 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 of Kissimmee on January 27, 2003, as amended by Ordinance No. 2478 dated as of July 29, 2003, and by an Amended and Restated Interlocal Agreement dated as of July 29, 2003, between the City and 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 certain adjacent parcels (“the Bronson Parcel”). There are currently three major developers within the District: Sonceto (Kissimmee) Owner LLC; CRP/Epoch Flora Ridge MFII Owner LLC and PR Kissimmee Active Adult who are developing multi-family apartment units. As of the end of FY 2023, the District includes 1,995 single family units, 932 townhomes, 312 condominiums and multi-family apartment complexes. The District issued Capital Improvement Revenue Bonds, Series 2007, primarily to finance a portion of the construction of Flora Ridge Elementary School. These bonds were refunded with the District’s Series 2017 Senior and Subordinate Capital Improvement Revenue Refunding Bonds, which are secured by the special assessment levied on the units within the boundaries of the District, excluding the units on the Bronson Parcel. The special assessments levied on the Bronson Parcel are used to reimburse the School District of Osceola County for its portion of the construction cost of 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 City 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 \$4,968,878 and \$5,271,350 at September 30, 2023 and 2022, respectively.

Changes in the District’s net position for the years ended September 30, 2023 and 2022 were as follows:

	2023	2022	Change
Current assets	\$ 781,374	\$ 702,108	\$ 79,266
Total assets	781,374	702,108	79,266
Deferred outflows	53,658	57,608	(3,950)
Current liabilities	106,816	97,867	8,949
Long-term liabilities outstanding	5,697,094	5,933,199	(236,105)
Total liabilities	5,803,910	6,031,066	(227,156)
Net position	\$ (4,968,878)	\$ (5,271,350)	\$ 302,472
Net position (deficit) consisted of:			
Unrestricted	\$ (4,968,878)	\$ (5,271,350)	\$ 302,472
Total net position	\$ (4,968,878)	\$ (5,271,350)	\$ 302,472

Net deficit decreased as revenues exceeded expenses by \$302,472 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, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenues:			
General revenues:			
Assessment income	\$ 581,349	\$ 573,067	\$ 8,282
Interest income	33,145	2,100	31,045
Total revenue	<u>\$ 614,494</u>	<u>\$ 575,167</u>	<u>\$ 39,327</u>

Changes in the District's expenses were as follows:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Expenses:			
Board expenses	\$ 43,775	\$ 42,770	\$ 1,005
Administrative expenses	9,500	7,000	2,500
Fiscal agent fee	20,000	20,000	-
Amortization of bond discount	3,895	3,894	1
Interest expense	234,852	242,433	(7,581)
Total expenses	<u>\$ 312,022</u>	<u>\$ 316,097</u>	<u>\$ (4,075)</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 \$674,558.

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 \$215,193. During the current fiscal year, the fund balance of the District's general fund increased by \$10,667.

General Fund Budgetary Highlights

Actual revenues equaled budgeted revenues, and actual expenditures met budgeted expenditures.

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% average coupon, 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 \$5,697,094. The required debt service payment for fiscal 2024 is \$482,569 including principal of \$255,000 and interest of \$227,569.

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, 2023, the District collected \$581,349 in 2022 assessments. The assessments levied on the 2023 tax roll are \$946,219.

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, 2023

	<u>Governmental Activities</u>
Assets	
Current assets:	
Cash and cash equivalents - restricted	\$ 781,374
Total current assets	<u>781,374</u>
Deferred outflows, related to debt refinancing	<u>53,658</u>
Liabilities and net position (deficit)	
Current liabilities:	
Accounts payable	12,928
Accrued interest	93,888
Total current liabilities	<u>106,816</u>
Long-term liabilities:	
Bonds payable, due within one year	255,000
Bonds payable, due after one year	5,442,094
Total long-term liabilities	<u>5,697,094</u>
Total liabilities	<u>5,803,910</u>
Net position (deficit):	
Unrestricted	(4,968,878)
Total net position (deficit)	<u>\$ (4,968,878)</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, 2023

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	\$ 234,852	\$ -	\$ -	\$ -	\$ (234,852)
Board expenses	43,775	-	-	-	(43,775)
Administrative expenses	9,500	-	-	-	(9,500)
Fiscal agent fee	20,000	-	-	-	(20,000)
Amortization of bond discount	3,895	-	-	-	(3,895)
Total governmental activities	<u>\$ 312,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(312,022)</u>
General revenues:					
					581,349
					33,145
					<u>614,494</u>
					302,472
					<u>(5,271,350)</u>
					<u>\$ (4,968,878)</u>

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

Flora Ridge Educational Facilities Benefit District

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents - restricted	\$ 228,121	\$ 553,253	\$ 781,374
Total assets	<u>\$ 228,121</u>	<u>\$ 553,253</u>	<u>\$ 781,374</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 12,928	\$ -	\$ 12,928
Accrued interest	-	93,888	93,888
Total liabilities	<u>12,928</u>	<u>93,888</u>	<u>106,816</u>
Fund balances:			
Restricted for:			
Debt service	-	459,365	459,365
Unassigned:	215,193	-	215,193
Total fund balances	<u>215,193</u>	<u>459,365</u>	<u>674,558</u>
Total liabilities and fund balances	<u>\$ 228,121</u>	<u>\$ 553,253</u>	<u>\$ 781,374</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, 2023

Fund balances - total governmental funds		\$	674,558
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	\$	53,658	
Bonds payable		(5,750,000)	
Bond discount, net of accumulated amortization		<u>52,906</u>	<u>(5,643,436)</u>
 Total net position (deficit) of governmental activities			 <u>\$ (4,968,878)</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, 2023

	General	Debt Service	Total Governmental Funds
Revenues			
Assessment income	\$ 581,349	\$ -	\$ 581,349
Interest income	11,772	21,373	33,145
Total revenues	593,121	21,373	614,494
Expenditures			
Current:			
Board expenses	43,775	-	43,775
Fiscal agent fee	20,000	-	20,000
Debt service:			
Interest expense	-	230,902	230,902
Dues, fees and issuance costs	9,500	-	9,500
Principal payment	-	240,000	240,000
Total expenditures	73,275	470,902	544,177
Excess (deficit) of revenues over (under) expenditures	519,846	(449,529)	70,317
Other financing sources (uses):			
Transfers in	8,668	517,847	526,515
Transfers out	(517,847)	(8,668)	(526,515)
Total other financing sources (uses)	(509,179)	509,179	-
Net change in fund balances	10,667	59,650	70,317
Fund balances at September 30, 2022	204,526	399,715	604,241
Fund balances at September 30, 2023	\$ 215,193	\$ 459,365	\$ 674,558

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, 2023

Net change in fund balances - total government funds \$ 70,317

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	240,000	
Current year amortization of deferred outflows	(3,950)	
Current year amortization of bond discount	<u>(3,895)</u>	<u>232,155</u>

Change in net position of governmental activities \$ 302,472

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

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

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, 2023

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, 2023

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 12.

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, 2023

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, 2023

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, 2023, the general fund transferred \$517,847 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 pronouncement implemented

The GASB issued Statement No. 101, Compensated Absences, which establishes requirements for governments to recognize a liability for compensated absences. The new guidance is effective fiscal 2025 but was early adopted for fiscal 2024. It had no impact on the District's financial statements.

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 29, 2024.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE B – CASH, CASH EQUIVALENTS, INVESTMENTS

As of September 30, 2023, the District's cash and cash equivalents include cash deposits and money market funds of \$781,374. 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, 2023, the District exceeded FDIC insured limits by \$781,374. 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, 2023, the District has recurring fair value measurements in money market funds of \$781,374, valued using a matrix pricing model (Level 2 inputs).

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE C – LONG-TERM DEBT

The following is a summary of changes in long-term debt obligations of the District at September 30, 2023:

	September 30, 2022	Additions	Deletions	September 30, 2023
Governmental Activities:				
Revenue Bonds:				
2017A-1	\$ 3,560,000	\$ -	\$ (155,000)	\$ 3,405,000
2017A-2	2,430,000	-	(85,000)	2,345,000
Unamortized bond discount:				
2017A-1	(46,879)	-	3,215	(43,664)
2017A-2	(9,922)	-	680	(9,242)
	<u>\$ 5,933,199</u>	<u>\$ -</u>	<u>\$ (236,105)</u>	<u>\$ 5,697,094</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 2023 was charged against interest expense. Accumulated amortization totaled \$23,841 at September 30, 2023.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE C – LONG-TERM DEBT (continued)

The annual requirements to amortize all debt outstanding as of September 30, 2023 are as follows:

Year ending September 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 255,000	\$ 227,569	\$ 482,569
2025	275,000	219,559	494,559
2026	295,000	210,684	505,684
2027-2031	1,800,000	878,125	2,678,125
2032-2036	2,520,000	457,323	2,977,323
2037	<u>605,000</u>	<u>25,473</u>	<u>630,473</u>
	5,750,000	2,018,733	7,768,733
Less: unamortized discount	<u>(52,906)</u>	<u>-</u>	<u>(52,906)</u>
	<u>\$ 5,697,094</u>	<u>\$ 2,018,733</u>	<u>\$ 7,715,827</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, 2023, no legal actions or proceedings existed.

REQUIRED SUPPLEMENTAL INFORMATION

Flora Ridge Educational Facilities Benefit District

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

Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$ 541,515	\$ 584,814	\$ 593,121	\$ 8,307
Total revenues	<u>541,515</u>	<u>584,814</u>	<u>593,121</u>	<u>\$ 8,307</u>
Expenditures				
Current:				
Board expenses	49,846	43,775	43,775	-
Fiscal agent fee	20,000	20,000	20,000	-
Administrative expenses	6,750	9,500	9,500	-
Total expenditures	<u>76,596</u>	<u>73,275</u>	<u>73,275</u>	<u>-</u>
Excess of revenues over expenditures	<u>464,919</u>	<u>511,539</u>	<u>519,846</u>	<u>8,307</u>
Other financing sources (uses):				
Transfers in	-	-	8,667	8,667
Transfers out	<u>(458,483)</u>	<u>(517,847)</u>	<u>(517,847)</u>	<u>-</u>
Total other financing sources (uses)	<u>(458,483)</u>	<u>(517,847)</u>	<u>(509,180)</u>	<u>8,667</u>
Net change in fund balance	6,436	(6,308)	10,666	16,974
Fund balance at September 30, 2022	<u>204,526</u>	<u>204,526</u>	<u>204,526</u>	<u>-</u>
Fund balance at September 30, 2023	<u>\$ 210,962</u>	<u>\$ 198,218</u>	<u>\$ 215,192</u>	<u>\$ 16,974</u>

See Independent Auditor's Report



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

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, each major fund, and the aggregate remaining fund information 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, 2023, 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 29, 2024.

Report on 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 or significant deficiencies may exist that were not identified.

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 29, 2024



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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, 2023, and have issued our report thereon dated February 29, 2024.

Auditor's 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 Auditor's 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 29, 2024, 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 conditions 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 us to communicate 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 29, 2024



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INDEPENDENT ACCOUNTANT'S 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, 2023. 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.

We are required to be independent of the District, and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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 29, 2024

Current Year Comments and Recommendations

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