

**Bellalago Educational Facilities
Benefit District**

Board Meeting

April 29, 2020

11:30 a.m.



**Bellalago Charter Academy
3651 Pleasant Hill Road
Kissimmee, FL 34746**

Bellalago Educational Facilities Benefit District

Wednesday, April 29, 2020

11:30 a.m.

Bellalago Charter Academy

3651 Pleasant Hill Road

Kissimmee, FL 34746

Meeting Agenda

Introduction - Call to Order

Board Matters

- 1 Approval of the August 14, 2019 Board Meeting Minutes
- 2 Approval of Resolution 2020-1 Ratifying and Confirming Board Appointments
- 3 Annual Audited Financial Statements for Fiscal Year 2018-19
- 4 Approval of Capital Project Funding
- 5 Approval of Proposed Budget for Fiscal Year 2020-21

Other Business

- 1 Audience Comments
- 2 Supervisor Requests
- 3 Counsel Requests
- 4 Manager Requests

Adjournment

Bellalago Educational Facilities Benefit District

April 29, 2020

Board Matters Agenda Item 1

Approval of the August 14, 2019 Board Meeting Minutes

Executive Summary:

Requesting approval of the August 14, 2019 Board Meeting Minutes

**MINUTES OF THE BOARD OF DIRECTORS OF
BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT
WEDNESDAY, AUGUST 14, 2019 AT 11:00 A.M.
BELLALAGO WELCOME CENTER**

PRESENT: Migdalia Gonzalez, School District of Osceola County, Jasper Thompson, Osceola County, Lisa Lynch, School District of Osceola County, Rhonda Blake, Osceola County and Matt Young, Taylor Morrison.

Also present were Angela G. Barner, Benefit District Manager, Christopher Roe, Bryant Miller Olive and Jonathan Rasmussen, Principal for Bellalago Charter Academy.

General Meeting

Introduction

The meeting was called to order by Migdalia Gonzalez at 11:16 a.m.

Board Matters

1. Approval of May 29, 2019 minutes

A motion to approve the May 29, 2019 Board Meeting Minutes was made by Jasper Thompson and seconded by Lisa Lynch. The motion passed 4-0.

2. Approval of Resolution 2019-4 Approving the 2019-2020 Assessment Roll

A motion to approve Resolution 2019-4 – Approving the 2019-2020 Assessment Roll, was made by Jasper Thompson and seconded by Lisa Lynch. The motion passed 4-0.

3. Approval of Resolution 2019-4 Approving the 2019-2020 Annual Budget

A motion to approve Resolution 2019-4 Approving the 2019-2020 Annual Budget, was made by Lisa Lynch and seconded by Rhonda Blake. The motion passed 4-0.

4. Approval of Resolution 2019-6 Revising Election Procedures

A motion to approve Resolution 2019-6 Revising Election Procedures, was made by Lisa Lynch and seconded by Rhonda Blake. The motion passed 4-0.

Other Business

Audience Request - None.

Supervisors Request - None.

Manager Request –

Angela Barner requested permission to amend the budget at the end of the fiscal year to agree with actual revenue and expenditures.

A motion to allow a year end budget amendment to agree with actual revenue and expenditures was made by Lisa Lynch and seconded by Jasper Thompson. Motion passed 4-0.

Counsel Request –

Attorney Chris Gardner explained that the board membership was expanded from 5 to 7 members and there are currently 2 vacancies.

A motion to appoint Jonathan Rasmussen to Seat 2 of the Bellalago EFBD Board of Supervisors was made by Jasper Thompson and seconded by Lisa Lynch. Motion passed 4-0.

Adjournment

A motion to adjourn the BEFBD District meeting was made by Rhonda Blake and seconded by Lisa Lynch. The motion passed 5-0.

Meeting adjourned at 12:04 p.m.

Bellalago Educational Facilities Benefit District

April 29, 2020

Board Matters Agenda Item 2

Approval of Resolution 2020-1 Ratifying and Confirming Board Appointments

Executive Summary:

Request approval of Resolution 2020-1 Ratifying and Confirming Board Appointments:

Seat 1 - Richard Rosello

Seat 2 - Jonathan Rasmussen

Seat 3 - Vacant

Seat 4 - Migdalia Gonzalez (School District Appointee)

Seat 5 - Yuling Liu (School District Appointee)

Seat 6 - Jasper Thompson (County Appointee)

Seat 7 - Rhonda Blake (County Appointee)

RESOLUTION 2020-1

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT, OSCEOLA COUNTY, FLORIDA, RATIFYING AND CONFIRMING THE APPOINTMENT OF RICHARD ROSELLO AND JONATHAN RASMUSSEN TO THE BOARD OF SUPERVISORS OF THE DISTRICT; PROVIDING FOR APPLICABILITY AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT AS FOLLOWS:

SECTION 1. AUTHORITY. This Resolution of the Board of Supervisors (the "Board") of the Bellalago Educational Facilities Benefit District (the "District") is adopted pursuant to the Amended and Restated Interlocal Agreement between the School Board of Osceola County and the City of Kissimmee dated September 15, 2003, as amended, and County Ordinance No. 03-15, as amended from time to time and as currently codified in Article III, Chapter 21 of the Code of Ordinances of Osceola County, Florida (collectively, the "District Charter"), Chapters 189 and 1013, Florida Statutes, and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared as follows:

(A) Matt Young was elected to Seat 1 of the Board through landowner election on August 14, 2019.

(B) Mr. Young resigned from the Board in February 2020.

(C) Section 21-56 of the District Charter provides that the then-existing Board shall fill vacant supervisor seats through appointment and that appointees shall serve until the expiration of the term for which they were appointed.

(D) In light of Mr. Young's resignation, the Board has determined to appoint Richard Rosello to Seat 1 for the duration of the current term for Seat 1 which expires May 2023.

(E) At the District meeting conducted on August 14, 2019, the Board appointed Jonathan Rasmussen to the then-vacant Seat 2 of the Board

(F) The Board wishes to provide hereunder for filling the vacancy in Seat 1 created by Mr. Young's resignation in accordance with the District Charter, and to ratify and confirm the appointment of Jonathan Rasmussen to Seat 2 of the Board.

SECTION 3. APPOINTMENT OF RICHARD ROSELLO AND JONATHAN RASMUSSEN.

(A) The Board hereby appoints Richard Rosello to Seat 1 of the Board for the duration of the current term which expires in May 2023.

(B) The Board hereby ratifies and confirms appointment of Jonathan Rasmussen to Seat 2 of the Board for the duration of the current term which expires in May 2021.

(C) Mr. Rosello and Mr. Rasmussen have taken the oath of office attached hereto as Appendix A.

(D) As of the date hereof, the Board members are as follows:

- Seat 1: Richard Rosello
- Seat 2: Jonathan Rasmussen
- Seat 3: Vacant
- Seat 4: Migdalia Gonzalez (School District Appointee)
- Seat 5: Yuling Liu (School District Appointee)
- Seat 6: Jasper Thompson (County Appointee)
- Seat 7: Rhonda Blake (County Appointee)

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SECTION 4. APPLICABILITY AND EFFECTIVE DATE. This Resolution shall be liberally construed to effect the purposes hereof and shall take effect immediately upon its adoption.

DULY ADOPTED this 25th day of March, 2020.

**BOARD OF SUPERVISORS OF THE
BELLALAGO EDUCATIONAL FACILITIES
BENEFIT DISTRICT**

[SEAL]

By: _____
Chair

ATTEST:

Secretary

APPENDIX A

**OATH OF OFFICE FOR
BOARD OF SUPERVISORS OF THE
BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT**

I, _____, a citizen of the State of Florida and of the United States of America, and being employed by or an officer of the Bellalago Educational Facilities Benefit District and responsible for public funds as such employee or officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida.

Signature

Date

Bellalago Educational Facilities Benefit District

April 29, 2020

Board Matters Agenda Item 3

Annual Audited Financial Statements for Fiscal Year 2018-19

Executive Summary:

The audited financial statements for the fiscal year ended 9/30/2019 reflect:

It is the opinion of the auditors that the statements are presented fairly,
in all material respects. There were no audit recommendations.

Governmental Funds Balance Sheet:

Total Governmental Funds Assets \$2,482,918

Total Governmental Funds Liabilities \$321,198

Total Governmental Funds Fund Balances \$2,161,720

Governmental Funds Statement of Revenue, Expenditures & Change in Fund Balances:

Total Governmental Funds Revenues \$2,560,970

Total Governmental Funds Expenditures \$2,201,988

Total Governmental Funds Fund Balances \$2,161,720

**BELLALAGO
EDUCATIONAL FACILITIES
BENEFIT DISTRICT**

**Financial Statements
and
Supplemental Information**

September 30, 2019

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INDEPENDENT AUDITORS' REPORT

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American Institute of
Certified Public
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Florida Institute of
Certified Public
Accountants

To the Board of Supervisors
Bellalago 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 Bellalago 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 Bellalago Educational Facilities Benefit District, as of September 30, 2019, 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.

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 26 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 10, 2020, on our consideration of the Bellalago 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 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 Bellalago Educational Facilities Benefit 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 Bellalago Educational Facilities Benefit District's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 10, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Bellalago Educational Facilities Benefit District (the "District"), a component of the School District of Osceola County, Florida ("School District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2019, 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 assets exceeded liabilities and deferred inflows of the District at the close of the most recent fiscal year by \$1,002,044.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,161,720.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,120,074.
- During the current fiscal year, total long-term debt obligations decreased by \$945,000.

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, liabilities and deferred inflows, with the difference between them 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, rental income, 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, which is a component unit of The School District of Osceola County, Florida. The School District of Osceola County, Florida, includes the operations of the District in its operations.

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.

Government funds

Government 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 three 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, capital outlay fund, and debt service fund, all 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 and can be found on page 26 of this report.

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 second 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 from 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

The District was created as a dependent special district in accordance with Section 189.4041, Florida Statutes, as amended, by Ordinance No. 03-15, enacted by the County on September 15, 2003, pursuant to an Interlocal Agreement between the County and the School District dated as of September 15, 2003, in accordance with the Educational Facilities Act. The District encompasses approximately 1,940.5 acres of land located in an unincorporated area of the County. The boundaries of the District are contiguous with the boundaries of a planned community being developed by Avatar Properties, Inc. (the “Developer”). At the time the District was established, all of the land within the District was owned by the Developer. The Developer has consented to the formation of the District and to the imposition of assessments on the District lands. The District will include approximately 2,350 single family units and 100 multifamily units. Up to 550 additional units (for a total of 3,000 residential units) have been approved within the District, representing an additional 250 single-family units and 300 multifamily units.

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, and the Interlocal Agreement, 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, assets exceeded liabilities and deferred inflows by \$1,002,044 at September 30, 2019, while assets exceeded liabilities and deferred inflows by \$233,374 at September 30, 2018.

Changes in the District’s net position (deficit) for the years ended September 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Current and other assets	\$ 2,482,918	\$ 2,231,037	\$ 251,881
Capital assets, net of accumulated depreciation	17,509,104	18,049,133	(540,029)
Total assets	<u>19,992,022</u>	<u>20,280,170</u>	<u>(288,148)</u>
Current and other liabilities	321,198	428,299	(107,101)
Long-term liabilities outstanding	18,237,861	19,158,028	(920,167)
Total liabilities	<u>18,559,059</u>	<u>19,586,327</u>	<u>(1,027,268)</u>
Deferred inflows	430,919	460,469	(29,550)
Net position (deficit) consisted of:			
Invested in capital assets, net of related debt	\$ (1,159,676)	\$ (1,569,364)	\$ 409,688
Restricted	1,041,646	1,235,236	(193,590)
Unrestricted	1,120,074	567,502	552,572
Total net position	<u>\$ 1,002,044</u>	<u>\$ 233,374</u>	<u>\$ 768,670</u>

The District’s net position includes investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets were used to benefit the students of Bellalago Charter Academy; consequently, these assets are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining net position represents resources that are not subject to external restrictions on how they may be used.

Changes in the District's revenues for the years ended September 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Revenues:			
General revenues:			
Assessment income	\$ 776,075	\$ 737,356	\$ 38,719
School Board income	1,042,222	1,030,954	11,268
Local income	707,437	343,513	363,924
Interest income	35,236	16,480	18,756
Total revenues	<u>\$ 2,560,970</u>	<u>\$ 2,128,303</u>	<u>\$ 432,667</u>

Through a funding agreement between the District, the School District of Osceola County, Florida, The Foundation for Osceola Education, Inc. and Avatar Properties Inc., the District receives charter school capital outlay funding. Overall, assessment income increased 5%, school board income increased 1%, and local income increased 106%. The increase in local income pertains to capital outlay funding.

Changes in the District's expenses were as follows:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Expenses			
Interest expenses	\$ 755,660	\$ 777,362	\$ (21,702)
Board expenses	48,302	50,256	(1,954)
General administration	20,000	20,000	-
Debt service	14,706	12,456	2,250
Facilities acquisition and construction	953,632	565,911	387,721
Total expenses	<u>\$ 1,792,300</u>	<u>\$ 1,425,985</u>	<u>\$ 366,315</u>

The increase in facilities acquisition and construction pertains to capital projects at Bellalago Charter Academy, which was funded with capital outlay funding.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. 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 \$2,161,720.

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 \$1,120,074. It increased by \$552,572 during the current fiscal year.

General Fund Budgetary Highlights

Budgeted revenues and expenses were amended to actual mainly due to transfer between funds.

Capital Asset and Debt Administration

Capital asset. The District's investment in capital assets, net of accumulated depreciation and related debt, for its governmental activities as of September 30, 2019, amounted to (\$1,159,676) compared to (\$1,569,364) at September 30, 2018. The change of \$409,688 from 2018 to 2019 consisted of net debt payments \$920,167, depreciation expense (\$540,029) and change in deferred inflow \$29,550. This investment in capital assets includes buildings, land improvements, furniture, fixtures, and equipment.

Debt. At the end of the current fiscal year, the District had bonds payable – net of bond discount and accumulated amortization – in the amount of \$18,237,861. The required debt service payment for fiscal 2020 is \$1,745,875, including principal of \$975,000 and interest of \$770,875.

Economic Factors

Assessments are levied to homeowners within the boundaries of the District to support the debt obligations and operating expenses of the District. This assessment is fully disclosed to homeowners and is levied on the county's annual tax roll. Assessment income decreased by approximately 5% for fiscal 2019 when compared to the fiscal 2018. An increase in assessment income is anticipated for the upcoming fiscal year. During fiscal 2019, overall state capital outlay funding increased by 106% and is not expected to increase in fiscal 2020.

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, Bellalago Educational Facilities Benefit District c/o The School District of Osceola County, FL, 817 Bill Beck Blvd., Kissimmee, FL 34744.

Bellalago Educational Facilities Benefit District

STATEMENT OF NET POSITION

September 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents - restricted	\$ 1,282,207
Due from other agency	488,180
Assessments receivable	<u>712,531</u>
Total current assets	2,482,918
Capital assets, net	<u>17,509,104</u>
Total assets	<u><u>\$ 19,992,022</u></u>
LIABILITIES AND NET POSITION	
Current liabilities	
Accrued interest	<u>\$ 321,198</u>
Total current liabilities	<u>321,198</u>
Long-term liabilities	
Bonds payable, due in one year	975,000
Bonds payable, due after one year	<u>17,262,861</u>
Total long-term liabilities	<u>18,237,861</u>
Total liabilities	<u>18,559,059</u>
Deferred inflow of resources	
Deferred amount on debt refunding	<u>430,919</u>
Net position:	
Net investment in capital assets	(1,159,676)
Restricted	1,041,646
Unrestricted	<u>1,120,074</u>
Total net position	<u>1,002,044</u>
Total liabilities and net position	<u><u>\$ 19,992,022</u></u>

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

Bellalago Educational Facilities Benefit District

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

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	\$ 755,660	\$ -	\$ -	\$ -	\$ (755,660)
Board expenses	48,302	-	-	-	(48,302)
General administration	20,000	-	-	-	(20,000)
Debt service	14,706	-	-	-	(14,706)
Facilities acquisition and construction	953,632	-	-	-	(953,632)
Total governmental activities	<u>\$ 1,792,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,792,300)</u>
		General revenues:			
		Assessment income			776,075
		School Board income			1,042,222
		Local income			707,437
		Interest income			35,236
		Total general revenues			<u>2,560,970</u>
		Change in net position			768,670
		Net position at September 30, 2018			<u>233,374</u>
		Net position at September 30, 2019			<u>\$ 1,002,044</u>

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

Bellalago Educational Facilities Benefit District

**BALANCE SHEET –
GOVERNMENTAL FUNDS**

September 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents - restricted	\$ 407,543	\$ 874,664	\$ -	\$ 1,282,207
Due from other agency	-	-	488,180	488,180
Due from other funds	-	-	-	-
Assessments receivable	712,531	-	-	712,531
Total assets	<u>\$ 1,120,074</u>	<u>\$ 874,664</u>	<u>\$ 488,180</u>	<u>\$ 2,482,918</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Accrued interest	-	321,198	-	321,198
Total liabilities	<u>-</u>	<u>321,198</u>	<u>-</u>	<u>321,198</u>
Fund balances:				
Restricted for:				
Debt service	-	553,466	-	553,466
Capital projects	-	-	488,180	488,180
Unassigned	1,120,074	-	-	1,120,074
Total fund balances	<u>1,120,074</u>	<u>553,466</u>	<u>488,180</u>	<u>2,161,720</u>
Total liabilities and fund balances	<u>\$ 1,120,074</u>	<u>\$ 874,664</u>	<u>\$ 488,180</u>	<u>\$ 2,482,918</u>

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

Bellalago Educational Facilities Benefit District

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

September 30, 2019

Fund balances - total governmental funds		\$ 2,161,720
The net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Building, net of \$6,970,688 accumulated depreciation	\$ 16,329,529	
Land	1,010,800	
Land improvements net of \$507,062 accumulated depreciation	157,676	
Improvements other than buildings	9,828	
Furniture, fixtures and equipment, net of \$1,253,344 accumulated depreciation	<u>1,271</u>	17,509,104
Deferred amount on refunding (gain) are not recognized in the fund level statements but are included in the government-wide statements.		
		(430,919)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	(18,600,000)	
Bond discount, net of accumulated amortization	<u>362,139</u>	<u>(18,237,861)</u>
Total net position of governmental activities		<u>\$ 1,002,044</u>

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

Bellalago Educational Facilities Benefit District

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

For the Year Ended September 30, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Assessment income	\$ 699,599	\$ 76,476	\$ -	\$ 776,075
School board income	926,017	-	116,205	1,042,222
Local income	707,437	-	-	707,437
Interest income	18,609	16,627	-	35,236
Total revenues	<u>2,351,662</u>	<u>93,103</u>	<u>116,205</u>	<u>2,560,970</u>
Expenditures				
Current:				
Board expenses	48,302	-	-	48,302
Fiscal agent fee	20,000	-	-	20,000
Facilities acquisition and construction	-	-	388,771	388,771
Administrative expenses	-	-	-	-
Dues, fees and issuance costs	-	-	-	-
Maintenance of plant	-	-	-	-
Debt service:				
Interest expense	-	785,209	-	785,209
Bond issuance costs	14,706	-	-	14,706
Principal payments	-	945,000	-	945,000
Total expenditures	<u>83,008</u>	<u>1,730,209</u>	<u>388,771</u>	<u>2,201,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,268,654</u>	<u>(1,637,106)</u>	<u>(272,566)</u>	<u>358,982</u>
Other financing sources (uses):				
Transfers in	-	1,716,082	-	1,716,082
Transfers out	<u>(1,716,082)</u>	<u>-</u>	<u>-</u>	<u>(1,716,082)</u>
Total other financing sources (uses)	<u>(1,716,082)</u>	<u>1,716,082</u>	<u>-</u>	<u>-</u>
Net change in fund balances	552,572	78,976	(272,566)	358,982
Fund balances at September 30, 2018	<u>567,502</u>	<u>474,490</u>	<u>760,746</u>	<u>1,802,738</u>
Fund balances at September 30, 2019	<u>\$ 1,120,074</u>	<u>\$ 553,466</u>	<u>\$ 488,180</u>	<u>\$ 2,161,720</u>

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

Bellalago Educational Facilities Benefit District

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

For the Year Ended September 30, 2019

Net change in fund balances - total government funds		\$ 358,982
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Current year depreciation	<u>\$ (540,029)</u>	(540,029)
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	\$ 945,000	
Current year amortization of bond discount	<u>(24,833)</u>	920,167
The systemic recognition of the change in deferred inflows is not recognized as income in the fund level statements. In the government-wide statements, it increases net position.		<u>29,550</u>
Change in net position of governmental activities		<u><u>\$ 768,670</u></u>

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

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Bellalago Educational Facilities Benefit District (the "District"), a component unit of the School District of Osceola County, Florida, is organized pursuant to Chapter 125 and 1013 of the Florida Statutes and was established under Ordinance No. 03-15 on September 15, 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 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, liabilities and deferred inflows/outflows of resources, 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 are 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.

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

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. All of the District's 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.

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Capital Projects Fund - to account for all resources for the leasing or acquisition of capital facilities by the District to the extent funded by capital grants or revenue bonds.

The governmental fund financial statements present fund balances based on provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which the District adopted. 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.

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Cash and cash equivalents

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

6. Capital assets

Capital assets, which include property 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 estimated fair market values at the 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	15 – 50
Furniture, fixtures and equipment	5 – 50
Land improvements	15 – 20

7. Restricted net position

Certain proceeds of the District's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted net position on the statement of net position and balance sheet because their use is limited by applicable bond covenants.

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.

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. 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.

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, 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.

10. Revenue sources and deferred revenue

Revenues for operations are received primarily from non-ad valorem assessments. Income received for recognitions in the future periods are recorded as deferred revenue.

11. 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.

12. New GASB pronouncements

In June 2017, the GASB issued Accounting Standards Update (ASU) No. 87, *Leases*, which will require lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. The new guidance is effective for reporting periods beginning after December 15, 2019. Early adoption is permitted. The District is evaluating the potential effect ASU No. 87 will have on its financial statements.

13. 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 10, 2020.

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE B - CASH AND CASH EQUIVALENTS, INVESTMENTS

As of September 30, 2019, the District's cash and cash equivalents include cash deposits and money market funds of \$1,282,207.

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 custodial credit risk consist of money market mutual funds contained in brokerage accounts which are not FDIC insured.

At September 30, 2019, the District exceeded FDIC insured limits by \$1,282,207. 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.
- 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, 2019, the District has recurring fair value measurements in money market funds of \$1,282,207, valued using a matrix pricing model (Level 2 inputs).

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE C - CAPITAL ASSETS

Changes in capital assets by category are as follows for the year ended September 30, 2019:

	Balance at September 30, 2018	Transfers and Additions	Transfers and Deletions	Balance at September 30, 2019
Capital assets, non depreciable:				
Land	\$ 1,010,800	\$ -	\$ -	\$ 1,010,800
Improvements other than building	9,828	-	-	9,828
Total assets, non depreciable	1,020,628	-	-	1,020,628
Capital assets, depreciable:				
Buildings	23,300,217	-	-	23,300,217
Land improvements	664,738	-	-	664,738
Furniture, fixtures and equipment	1,255,869	-	1,254	1,254,615
Total assets, depreciable	25,220,824	-	1,254	25,219,570
Less accumulated depreciation:				
Buildings	6,459,388	511,300	-	6,970,688
Land improvements	479,422	27,640	-	507,062
Furniture, fixtures and equipment	1,253,509	1,089	1,254	1,253,344
Total accumulated depreciation	8,192,319	540,029	1,254	8,731,094
Total governmental activities				
Capital assets, net	\$ 18,049,133	\$ (540,029)	\$ -	\$ 17,509,104

Total depreciation expense of \$540,029 for the year was charged to the facilities acquisition and construction function of the District.

NOTE D - LONG-TERM DEBT

The following is a summary of changes in long-term obligations of the District at September 30, 2019:

In 2004, Series 2004A Revenue Bonds were issued in the amount of \$14,345,000. Beginning May 2006, annual installments of principal and beginning November 2004 semi-annual interest payments at 6.03% to 7.41% were due through 2033. The bonds were payable solely from and secured by revenues of the District, which include special assessments, prepaid impact fees, school district match payments and charter school capital outlay payments.

In 2005, Series 2004B Revenue Bonds were issued in the amount of \$13,720,000. Beginning May 2006 annual installments of principal and beginning May 2005 semi-annual interest payments at 5.8% were due through 2034. The bonds are payable from and secured by special assessments to be levied, lease payments made pursuant to a lease agreement between The Foundation for Osceola Education, Inc. and the District, and payments made by the School District of Osceola County, Florida pursuant to a funding agreement.

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE D - LONG-TERM DEBT (continued)

These bonds were issued to provide funds to finance the acquisition and construction of the second phase of the Bellalago Charter Academy.

In May 2014, the District issued \$23,150,000 in Series 2014 Revenue Bonds, with an average interest rate of 1.000% to 4.730%, to refund and defease \$23,535,000 of outstanding Series 2004A and 2004B Revenue Bonds. The net proceeds of \$24,984,040 (including reserve funding of \$867,537, a discount of \$496,648 and payment of \$234,448 in underwriting fees, insurance, and other issuance costs) were immediately used to redeem the Series 2004A and 2004B Revenue Bonds. As a result, \$23,535,000 of Series 2004A and 2004B Revenue Bonds were considered to be in-substance defeased and the liability for these certificates was removed from the government-wide financial statements. The Series 2014 bonds were issued to reduce the total debt service payments from the 2004A and 2004B bonds over the next 15 years by \$6,181,793 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,974,421. The bonds are payable solely from and secured by revenues of the District, which include special assessments, school district match payments and charter school capital outlay payments. These bonds were issued to fund a deposit to the Debt Service Fund and to pay a portion of the acquisition and capital maintenance of Bellalago Charter Academy.

The 2014 debt refinancing resulting in a gain on refunding of \$590,976 which is not recognized in the fund level statements but is deferred and included in the government-wide statement as deferred inflow. The deferred gain is amortized over the life of the debt through 2034. The 2019 amortization of \$29,550 was charged against interest expense, as described in Note A-8. Accumulated amortization totaled \$160,507 at September 30, 2019.

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

Governmental Activities	<u>September 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>September 30, 2019</u>
Revenue Bonds:				
2014	\$ 19,545,000	\$ -	\$ (945,000)	\$ 18,600,000
Less unamortized bond discount	<u>(386,972)</u>	<u>-</u>	<u>24,833</u>	<u>(362,139)</u>
	<u>\$ 19,158,028</u>	<u>\$ -</u>	<u>\$ (920,167)</u>	<u>\$ 18,237,861</u>

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE D - LONG-TERM DEBT (continued)

The annual requirements to amortize all debt outstanding as of September 30, 2019 are as follows:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 975,000	\$ 770,875	\$ 1,745,875
2021	1,005,000	741,625	1,746,625
2022	1,040,000	707,706	1,747,706
2023	1,080,000	670,266	1,750,266
2024-2028	6,105,000	2,680,031	8,785,031
2029-2033	7,575,000	1,245,738	8,820,738
2034	<u>820,000</u>	<u>37,720</u>	<u>857,720</u>
	18,600,000	6,853,961	25,453,961
Less unamortized discount:	<u>(362,139)</u>	<u>-</u>	<u>(362,139)</u>
	<u>\$ 18,237,861</u>	<u>\$ 6,853,961</u>	<u>\$ 25,091,822</u>

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Lease agreement

Effective May 1, 2004, the District entered into a lease agreement with the Foundation for Osceola Education, Inc. (the "Foundation") for the Bellalago school facilities. The lease is effective from July 1, 2004 through June 30, 2033. Lease income for the facilities are from charter school capital outlay funds and certain capital repair reserve funds received by the Foundation and are due on the fifteenth day of each month. Amounts received annually are contingent on student enrollment and per student allocated amounts approved by the legislature. For the year ended September 30, 2019, the District recorded \$707,437 of lease income, which is reported in local income in the accompanying financial statements. The due from other agency of \$488,180 at September 30, 2019 represents cumulative amounts due from the charter academy for reserve funding.

2. Ground lease

The District entered into an agreement with The School District of Osceola County, Florida (the "Board") effective May 1, 2004 for the lease of the land owned by the District to the Board for a term of 40 years or the life expectancy of the permanent facilities constructed thereon, whichever is longer. Rent shall be \$1 per year for the term of the lease.

Bellalago Educational Facilities Benefit District

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

NOTE E - COMMITMENTS AND CONTINGENCIES (continued)

The District entered into a sublease agreement effective May 1, 2004 with the Board to lease the land back from the Board for the same term as the above lease at rent of \$1 per year for the term of the lease. The land was recorded in the Statement of Net Position under Capital assets at fair market value of \$1,010,800.

3. 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, 2019, no legal actions or proceedings existed.

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to property loss, torts, and errors and omissions. The School District of Osceola County has general liability insurance against claims for personal injury, bodily injury, death or property damage and umbrella coverage that covers the charter school.

REQUIRED SUPPLEMENTAL INFORMATION

Bellalago Educational Facilities Benefit District

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

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues	\$ 2,032,245	\$ 2,351,662	\$ 2,351,662	\$ -
Expenditures				
Current:				
Board expenses	48,224	48,302	48,302	-
Administration expenses	16,206	14,706	14,706	-
Fiscal agent fee	20,000	20,000	20,000	-
Total expenditures	84,430	83,008	83,008	-
Excess of revenues over expenditures	1,947,815	2,268,654	2,268,654	-
Other financing uses:				
Transfers in	-	-	-	-
Transfers out	(1,730,208)	(1,716,082)	(1,716,082)	-
Total other financing uses	(1,730,208)	(1,716,082)	(1,716,082)	-
Net change in fund balance	217,607	552,572	552,572	-
Fund balance at September 30, 2018	567,502	567,502	567,502	-
Fund balance at September 30, 2019	\$ 785,109	\$ 1,120,074	\$ 1,120,074	\$ -

See Independent Auditors' Report



**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**

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Thomas F. Regan
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American Institute of
Certified Public
Accountants

Florida Institute of
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To The Board of Supervisors
Bellalago 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 Bellalago 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, 2019, 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 10, 2020.

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 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 10, 2020



MANAGEMENT LETTER

Partners

W. Ed Moss, Jr.
Joe M. Krusick
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To the Board of Supervisors
Bellalago Educational Facilities Benefit District
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of Bellalago 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, 2019, and have issued our report thereon dated February 10, 2020.

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 10, 2020, 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. No recommendations were made or violations reported 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. Bellalago 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

Section 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 218.503(1), Florida Statutes.

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 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Board of Supervisors, the School District of Osceola County, Florida, 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 10, 2020



INDEPENDENT ACCOUNTANTS' REPORT

Partners

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

We have examined Bellalago 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, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District's compliance is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the District's compliance with Section 218.415, Florida Statutes. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the compliance requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the District complied with compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019, in all material respects.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 10, 2020

Current Year Comments and Recommendations

For the year ended September 30, 2019, there are no management recommendations.

Bellalago Educational Facilities Benefit District

April 29, 2020

Board Matters Agenda Item 4

Approval of Capital Project Funding

Executive Summary:

Request approval to fund capital projects:

Building Enclosure for Storage \$143,259

E-Rate Technology Project \$35,000

Current funds in BEFBD Capital Projects Reserves for BCA:

\$606,939.40

Reserve balance after funding projects:

\$428,680.40



New Project Request

Final Project Approval

Number: 299
Current Step: *Project Approval (Step 1 of 3)*
Administrator Responsible: **Michael Allen**

Date Submitted: 10.02.2019 01:53PM
Step 3 of 3

Facility: Bellalago Academy
Project Name: BELA- Enclose End of Building for Storage
FISH/Building #: Building 2 & 3
District Priority: **Operational Request**

Requestor: *Millie Torres*
Title: *Assistant Principal*

Desired Project Timing
Start Date: 10.02.2019
Completion Date: 10.18.2019

Proposed Project Schedule
Start Date:
Completion Date:

Scope of Work *(The originally submitted Scope of Work has been updated by Facilities Services):*

Justification:
Storage space needed.

This request has been reviewed and the estimated cost to complete the project is **\$163,101.00**

If the Funding Source and Budget Strip has not been provided, please provide them below.
Budget Strip: 8B1.0932.1000000.8100.5100
Funding Source: Operational Funds (Provide budget strip below)

Please note that approval of this NPR requires the Chief Business & Finance Officer's signature and a budget strip in order to be processed.

Comments:

Assistant Superintendent Signature

Date: _____
Printed Name: _____
Signature: _____
Funding Source: _____

Chief Business and Finance Officer Signature

Date: _____
Printed Name: _____
Signature: _____
Funding Source: _____

OSCEOLA COUNTY SCHOOL DISTRICT

BELA- Enclose End of Bldg. Storage Project - SOW Summary

Estimator: Robert Brown
Project Manager: Mark Lockard

1. Temporary protected of existing conditions by using ½" plywood, plastic, drop clothes
2. Saw cutting existing concrete slab, saw cutting wall areas as needed
3. Demolition of existing slab on grade for new foundation
4. Excavate soils at new foundation areas
5. Demolition existing aluminum ceiling, demo carport ceiling system
6. Core drill existing concrete slab foundation, CMU walls, Tie Beams or columns to install new rebar
7. Furnish and install new (24"w x 12"d) concrete foundation 3000 psi; including rebar and forms
8. CMU block work, rebar installed to close in new storage areas, fill cells, construct walls per building code
9. Grout, 8" bond beams and lintels, CMU wall Cap, grout pumping CMU walls
10. Backfill excavated soils at new storage room areas
11. Furnish and install new 6" concrete slab on grade, with #4 rebar, 3000 psi; including float concrete finish
12. Install new control joint at new CMU storage wall, at floor to wall joint, PVC T shaped
13. Apply stucco finish to interior & exterior of new CMU walls installed, smooth finish stucco to match existing on exterior of building
14. Primer 1 coat, Paint 2 coats all walls, to match existing conditions, exterior & interior walls
15. Polish concrete floors, wax floors, apply 2 coats concrete sealer at storage room areas, to match existing conditions
16. Install New Data/elec. Receptacles or switches in new storage room areas, new Lighting system, as needed (Allowance)
17. New underground plumbing, in wall ruffing, overhead waterlines, hardware, fixtures and accessories at storage room for new plumbing system (Allowance)
18. Additional HVAC, Modify/Relocate existing HVAC - ducts and registers for new storage room areas (Allowance)
19. Modify, adjust or add new fire sprinklers drops, fire alarm strobe system (Allowance)
20. Install new exterior single door & hardware, steel knockdown frame, 3'6"w x 80"h, per FL bldg. code
21. Overhead Door, commercial, heavy duty steel door (8'w x 8'h)
22. Install 2 ea. New wall louvers, wall vent (4' w x 4'h min.)
23. Install temporary protected by using a combination of rubber matting, qtr.-inch plywood, drop cloth and plastic materials
24. Install temporary protected by using a combination of rubber matting, qtr.-inch plywood, drop cloth and plastic materials
25. Refurbish existing damaged conditions due to construction travel and materials storage areas
26. Dumping, Hauling of dispose materials offsite

BELA- Enclose End of Building for Storage Project
Pictures of the end of the 200 and 300 building.









BELA- Enclose End of Bldg Storage Project						
A	D	E	F	G	H	I
	B+C		D-E		F-G	E+G
Description	Revised Budget	Total Assigned	Available	Planned	Variance	Estimated Cost to Complete
Project Total	143,259	-	143,259	143,259	-	143,259
-20 Design	9,762	-	9,762	9,762	-	9,762
Planning	1,952		1,952	1,952	-	1,952
Design	7,810		7,810	7,810	-	7,810
-25 Preconstruction	-		-	-	-	-
-30 Construction ⁽¹⁾	107,383	-	107,383	107,383	-	107,383
-30-01 Site	-		-	-	-	-
-30-02 Roofing	-		-	-	-	-
-30-03 Structural	-	-	-	-	-	-
-30-04 Exterior	97,621		97,621	97,621	-	97,621
-30-05 Interior	-		-	-	-	-
-30-06 Mechanical	-		-	-	-	-
-30-07 Electrical	-		-	-	-	-
-30-08 Plumbing	-		-	-	-	-
-30-09 Life Safety	-		-	-	-	-
-30-10 Technology	-		-	-	-	-
-30-11 Conveyances	-		-	-	-	-
-30-12 Specialties	-		-	-	-	-
-30-13 General Requirements	3,905		3,905	3,905	-	3,905
-30-14 General Conditions	4,881		4,881	4,881	-	4,881
-30-15 Bond, Insurance, GLI	976		976	976	-	976
-30-16 CM Fee	-		-	-	-	-
-40 Miscellaneous	26,114	-	26,114	26,114	-	26,114
ODP	-		-	-	-	-
Builder's Risk	-		-	-	-	-
Sales Tax Savings from ODP	-		-	-	-	-
FF&E	-		-	-	-	-
Portables	-		-	-	-	-
Moving	-		-	-	-	-
Environmental	-		-	-	-	-
Utilities	-		-	-	-	-
Material Testing	-		-	-	-	-
IT Equipment	-		-	-	-	-
Security Guard Service	-		-	-	-	-
Security (cameras, sonitrol, card access)	-		-	-	-	-
Network/Cables	-		-	-	-	-
Roofing Consultant	-		-	-	-	-
Building Envelope Commissioning	-		-	-	-	-
HVAC Commissioning	1,220		1,220	1,220	-	1,220
Signage	488		488	488	-	488
Printing	-		-	-	-	-
Program Management Fees (if applicable)	-		-	-	-	-
Audit	-		-	-	-	-
Project Reserve	24,405		24,405	24,405	-	24,405
Project Total	143,259	\$ -	\$ 143,259	\$ 143,259	\$ -	\$ 143,259

Estimated Total Cost: ⁽²⁾ \$ 143,259	Estimated GMP: \$ 107,383	over/under: \$ -
--	----------------------------------	-------------------------

⁽¹⁾ Construction cost based on recent trend in market conditions

⁽²⁾ This is a portion of the overall Capital Renewal Budget

BELA- Enclose End of Bldg Storage Project - Estimated Budget				Updated: 11/7/2019		
RS Means 2019 Cost Data - Current quarter, Orlando, FL city cost index						
WBS DESCRIPTION	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
STORAGE ROOM DEMOLITION						
Selective Demolition, demo existing slab on grade for new foundation	320.00	SF	\$0.67	\$214.40	\$64.32	\$278.72
Saw cutting existing concrete slab, saw cutting wall areas as needed	184.00	LF	\$1.15	\$211.60	\$63.48	\$275.08
Remove/excavate soils at new foundation areas	47.41	CY	\$7.50	\$355.56	\$106.67	\$462.22
Demolition existing aluminum ceiling, demo carport ceiling system	1,575.00	SF	\$0.75	\$1,181.25	\$354.38	\$1,535.63
Allowance for general labor, 1 Carpenter	40.00	MH	\$38.00	\$1,520.00	\$456.00	\$1,976.00
Allowance for general labor, general cleanup	40.00	MH	\$32.00	\$1,280.00	\$384.00	\$1,664.00
Allowance for debris removal from site; includes labor, material and equipment	11.85	SY	\$2.75	\$32.59	\$9.78	\$42.37
Allowance for debris removal from site; includes labor, material and equipment, 20 CY dumpster	2.00	MO	\$475.00	\$950.00	\$285.00	\$1,235.00
					SUBTOTAL	\$7,469.02
The proposed SOW at the Storage Room areas are based on PM site visit, Pictures and PM notes. Estimator priced out 20 CY site dumpster for 2 months.						
STORAGE ROOM CONCRETE						
Core drill existing concrete slab foundation, CMU walls, Tie Beams or columns to install new rebar	8.00	MH	\$32.00	\$256.00	\$76.80	\$332.80
Import fill at new storage room areas; soil cement or equal	47.41	CY	\$14.00	\$663.70	\$199.11	\$862.81
Backfill excavated soils at new storage room areas	53.33	SY	\$2.75	\$146.67	\$44.00	\$190.67
CMU block work, rebar installed to close in new storage areas, fill cells, construct walls per building code	1,120.00	SF	\$15.20	\$17,024.00	\$5,107.20	\$22,131.20
Foundation wall, CMU block work, rebar installed to close in storage room areas, fill cells, construct walls per building code	160.00	SF	\$6.39	\$1,022.40	\$306.72	\$1,329.12
Grout, bond beams and lintels, CMU wall Cap, grout pumping cmu walls 8" deep	97.00	LF	\$2.27	\$220.19	\$66.06	\$286.25
Furnish and install new (24"w x 12"d) concrete foundation 3000 psi; including rebar and forms	160.00	SF	\$9.92	\$1,587.20	\$476.16	\$2,063.36
Furnish and install new 6" concrete slab on grade, with #4 rebar, 3000 psi; including float concrete finish	200.00	SF	\$6.50	\$1,300.00	\$390.00	\$1,690.00
Install new control joint at new CMU storage wall, at floor to wall joint, PVC T shaped	160.00	LF	\$2.11	\$337.60	\$101.28	\$438.88
Short load, Concrete ready mix, pump mix, place and finish, 3000 PSI	2.00	EA	\$350.00	\$700.00	\$210.00	\$910.00
Equipment rental, concrete pumping rental	2.00	Days	\$240.00	\$480.00	\$144.00	\$624.00
Allowance for general labor, general cleanup	16.00	MH	\$32.00	\$512.00	\$153.60	\$665.60
					SUBTOTAL	\$31,524.69
Concrete drill existing concrete slab & walls to install new rebar and tie into new CMU walls, including Fill cells.						

BELA- Enclose End of Bldg Storage Project - Estimated Budget				Updated: 11/7/2019		
RS Means 2019 Cost Data - Current quarter, Orlando, FL city cost index						
WBS DESCRIPTION						
STORAGE ROOM FINISHES	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
Apply stucco finish to interior & exterior of new CMU walls installed, smooth finish stucco to match existing on exterior of building	255.11	SY	\$12.17	\$3,104.70	\$931.41	\$4,036.11
Primer 1 coat all walls, hard ceilings areas, to match existing conditions, exterior & interior walls	2,464.00	SF	\$0.27	\$665.28	\$199.58	\$864.86
Paint 2 coats all walls, hard ceilings areas, to match existing conditions, exterior & interior walls	2,464.00	SF	\$0.55	\$1,355.20	\$406.56	\$1,761.76
Primer/Paint single door, 2 coats at front entrance areas, to match existing conditions	1,232.00	SF	\$0.85	\$1,047.20	\$314.16	\$1,361.36
Polish concrete floors, Paint concrete floors, wax floors, apply 2 coats concrete sealer at storage room areas, to match existing conditions	1,419.00	SF	\$1.15	\$1,631.85	\$489.56	\$2,121.41
Install new ceiling tiles and grid system to match existing conditions, add support cable as needed	1,419.00	SF	\$6.00	\$8,514.00	\$2,554.20	\$11,068.20
Allowance for general cleanup	16.00	MH	\$32.00	\$512.00	\$153.60	\$665.60
				SUBTOTAL		\$21,879.30
Stucco plaster smooth textured coat on interior and exterior walls. Prime/Paint all areas damaged from construction work to make conditions match original look.						
STORAGE ROOM ELECTRICAL	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
Install New Data/elec. Receptacles or switches in new storage areas, new Lighting system, New GFI as needed	1,419.00	SF	\$3.00	\$4,257.00	\$1,277.10	\$5,534.10
Allowance for general cleanup	8.00	MH	\$32.00	\$256.00	\$76.80	\$332.80
				SUBTOTAL		\$5,866.90
New electrical installed and connected to existing electrical meter/panel as needed. Including equipment, materials and labor.						
STORAGE ROOM HVAC	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
Additional HVAC, Modify/Relocate existing HVAC - ducts and registers for new storage room areas	1,419.00	SF	\$9.00	\$12,771.00	\$3,831.30	\$16,602.30
Allowance for general cleanup	8.00	MH	\$32.00	\$256.00	\$76.80	\$332.80
				SUBTOTAL		\$17,663.10
General HVAC, Modify & Relocate existing HVAC duct & vents as needed.						

BELA- Enclose End of Bldg Storage Project - Estimated Budget				Updated: 11/7/2019		
RS Means 2019 Cost Data - Current quarter, Orlando, FL city cost index						
WBS DESCRIPTION						
STORAGE ROOM FIRE SPRINKLERS	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
Modify, adjust or add new fire sprinklers drops, fire alarm strobe system	1,419.00	SF	\$2.34	\$3,313.79	\$994.14	\$4,307.93
Allowance for general cleanup	8.00	MH	\$32.00	\$256.00	\$76.80	\$332.80
				SUBTOTAL		\$4,640.73
General Fire Sprinkler work. Modify, relocate and adjust existing Fire Sprinkler System as needed due to construction remodeling work.						
STORAGE ROOM OPENINGS	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
Install new exterior single door & hardware, steel knockdown frame, 3'6"w x 80"h, per FL bldg. code	1.00	EA	\$650.00	\$650.00	\$195.00	\$845.00
Overhead Door, commercial, heavy duty steel door (8'w x 8'h)	1.00	EA	\$1,560.00	\$1,560.00	\$468.00	\$2,028.00
Install wall louver, wall vent	2.00	EA	\$425.00	\$850.00	\$255.00	\$1,105.00
Allowance for general cleanup	8.00	MH	\$32.00	\$256.00	\$76.80	\$332.80
				SUBTOTAL		\$4,310.80
Install new doors with frame and hardware. Install louver wall mounted for ventilation.						
TEMPORARY PROTECTION	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
Install temporary protected by using a combination of rubber matting, qtr.-inch plywood, drop cloth and plastic materials	700.00	SF	\$0.73	\$511.00	\$153.30	\$664.30
Allowance for debris removal from site; includes labor, material and equipment	77.78	SY	\$2.75	\$213.89	\$64.17	\$278.06
Allowance for final cleanup	16.00	MH	\$32.00	\$512.00	\$153.60	\$665.60
				SUBTOTAL		\$1,607.96
Interior & Exterior of construction areas will be protected by using a combination of rubber matting, qtr.-inch plywood, drop cloth and plastic material. Estimator to price out install and removal once work is completed.						
REFURBISH AND/OR RECONDITION ALL DISTURBED AREAS	Qty	UOM	Unit Price	SUBTOTAL	KTR MARKUP	TOTAL
Excavate all disturbed asphalt, soils, sod, travel areas; existing areas will be milled & prepared for new install	600.00	SF	\$0.45	\$270.00	\$81.00	\$351.00
Install new sod in all disturbed sod travel areas, bluegrass sod 1" deep; re-sodded to match existing conditions (APPROX. 1000 SF AREA)	1.00	LS	\$518.00	\$518.00	\$155.40	\$673.40
Steam clean, pressure cleaning, all tile floors in bldg., walkways and exterior patio areas to make like new	1,000.00	SF	\$0.27	\$270.00	\$81.00	\$351.00
Allowance for debris removal from site; includes labor, material and equipment	1.00	EA	\$475.00	\$475.00	\$142.50	\$617.50
Allowance for general cleanup	16.00	MH	\$32.00	\$512.00	\$153.60	\$665.60
				SUBTOTAL		\$2,658.50
Refurbish existing damaged conditions due to construction travel and materials storage areas. Make all existing areas to match existing look.						
					TOTAL	\$97,620.99
DESIGN REQUIREMENTS	This information will be added on the first page or Detail Budget page.					
Estimator will figure additional engineering and structural design cost per standard construction rates, cost is already covered. Refer to eBuilder and include actual minnumn costs to date and enter data on the Detail Budget sheet (first page of this worksheet) under "Design".						

**Bellalago Charter Academy
E-Rate Technology Project**

Item	Description	Cost
AC for Data Closets	Install/repair/replace AC in data closets 4-114, 4-221, 5-106, 6-112, 6-223 at \$10,000 per data closet. Estimated cost is for a 1 1/2 ton AC unit in each closet.	\$ 50,000.00
Data Closet Prep	Replace/rework the IDF wall rack in 4-114 to support new equipment. Install NEMA 520 outlet in 6-223 data closet.	\$ 6,000.00
Purchase of E-Rate Equipment	Purchase new switchgear and upgrade UPS battery backups in all data closets with E-Rate funding to reduce the cost to the school to about 85% of the original cost. Estimated equipment without discount would be almost \$160,000.00!	\$ 35,000.00
Purchase of Non E-Rate Equipment	Additional hardware that is not E-Rate eligible but needed for successful implementation of this project. This includes ineligible UPS to support intercom and associated UPS/switch hardware that cannot be purchased using E-Rate funds.	\$ 15,000.00
	Total	\$ 106,000.00

Bellalago Educational Facilities Benefit District

April 29, 2020

Board Matters Agenda Item 5

Approval of Proposed Budget for Fiscal Year 2020-21

Executive Summary:

Requesting approval of the Proposed (Preliminary) Budget for Fiscal Year 2020-21

Bellalago Educational Facilities Benefit District

Fiscal Year 2020-21 Preliminary Budget

General Fund

Uses	Function	2019-2020 Final	2020-2021 Preliminary	Difference
ESTIMATED REVENUES				
Federal Direct	3100			0.00
Federal Through State & Local	3200			0.00
State Sources	3300			0.00
Local Sources	3400	2,422,693.62	2,479,888.65	57,195.03
Total Estimated Revenues		2,422,693.62	2,479,888.65	57,195.03
APPROPRIATIONS				
Current:				
Instruction	5000			0.00
Pupil Personnel Services	6100			0.00
Instructional Media Services	6200			0.00
Instruction and Curriculum Development Services	6300			0.00
Instructional Staff Training Services	6400			0.00
Instruction Related Technology	6500			0.00
Board	7100	49,065.90	49,325.00	259.10
General Administration	7200			0.00
School Administration	7300			0.00
Facilities Acquisition and Construction	7400			0.00
Fiscal Services	7500	20,000.00	20,000.00	0.00
Food Services	7600			0.00
Central Services	7700			0.00
Pupil Transportation Services	7800			0.00
Operation of Plant	7900			0.00
Maintenance of Plant	8100			0.00
Administrative Technology Services	8200			0.00
Community Services	9100			0.00
Debt Service: (Function 9200)				
Retirement of Principal	7100			0.00
Interest	7200			0.00
Dues, Fees and Issuance Costs	7300	12,456.00	12,460.00	4.00
Miscellaneous Expenditures	7900			0.00
Capital Outlay:				
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
Total Estimated Appropriations		81,521.90	81,785.00	263.10
Excess (Deficiency) of Revenues Over (Under) Expenditures		2,341,171.72	2,398,103.65	56,931.93
OTHER SOURCES (USES)				
Loans Incurred	3720			0.00
Proceeds from the Sale of Capital Assets	3730			0.00
Loss Recoveries	3740			0.00
Proceeds of Forward Supply Contract	3760			0.00
Special Facilities Construction Advances	3770			0.00
Transfers In	3600			0.00
Transfers Out	9700	(1,733,687.53)	(1,732,492.21)	1,195.32
Total Other Financing Sources (Uses)		(1,733,687.53)	(1,732,492.21)	1,195.32
FUND BALANCE				
Net Change in Fund Balances		607,484.19	665,611.44	58,127.25
Fund Balance - Beginning of Year	2800	785,109.63	785,109.63	0.00
Adjustment to Fund Balance	2891			
Fund Balance - End of Year	2700	1,392,593.82	1,450,721.07	58,127.25

Bellalago Educational Facilities Benefit District
Fiscal Year 2020-21 Preliminary Budget

General Fund

Supporting Schedule of Estimated Revenues, Appropriations and Other Sources / Uses

<i>Estimated Revenues:</i>		
Source	Description	Amount
Bellalago Academy	Charter school capital outlay	750,585.00
Bellalago Residents	EFBD assessments, net of 4% discount	800,430.88
School Board	Debt Service	928,872.77
Total Revenues:		2,479,888.65

<i>Expenditures:</i>		
Vendor	Description	Amount
Function 7100:		
Ennead LLC	Assessment preparation fees	3,950.00
Moss, Krusick & Associates, LLC	Audit	10,300.00
	Director's liability insurance	5,000.00
Department of Economic Opportunity	Registration	175.00
Orlando Sentinel	Posting of public meetings	800.00
Bryant Miller & Olive	Legal counsel	10,000.00
Bruce Vickers Tax Collector	Tax collector collection fees	16,500.00
Osceola County Property Appraiser	County assessment fee	2,600.00
Function 7500:		
The School District of Osceola County	District Management Fee	20,000.00
Function 9200:		
US Bank	Trustee fees - 20014 Series	9,960.00
DAC	Disclosure report	2,500.00
The PFM Group	Arbitrage Calculation	-
Total Expenditures:		81,785.00

<i>Other Sources:</i>		
From	Description	Amount
		-
Total Other Sources:		-

<i>Other Uses:</i>		
To	Description	Amount
Debt Service Fund	Transfers Out to meet debt service requirements	1,732,492.21
Total Other Uses:		1,732,492.21
Balance:		665,611.44

Bellalago Educational Facilities Benefit District

Fiscal Year 2020-21 Preliminary Budget

Debt Service

Uses	Function	2019-2020 Final	2020-2021 Preliminary	Difference
ESTIMATED REVENUES				
Federal Direct	3100			0.00
Federal Through State & Local	3200			0.00
State Sources	3300			0.00
Local Sources	3400			0.00
Total Revenues		0.00	0.00	0.00
APPROPRIATIONS				
Current:				
Instruction	5000			0.00
Pupil Personnel Services	6100			0.00
Instructional Media Services	6200			0.00
Instruction and Curriculum Development Services	6300			0.00
Instructional Staff Training Services	6400			0.00
Instruction Related Technology	6500			0.00
Board	7100			0.00
General Administration	7200			0.00
School Administration	7300			0.00
Facilities Acquisition and Construction	7400			0.00
Fiscal Services	7500			0.00
Food Services	7600			0.00
Central Services	7700			0.00
Pupil Transportation Services	7800			0.00
Operation of Plant	7900			0.00
Maintenance of Plant	8100			0.00
Administrative Technology Services	8200			0.00
Community Services	9100			0.00
Debt Service: (Function 9200)				
Retirement of Principal	7100	975,000.00	1,005,000.00	30,000.00
Interest	7200	758,687.53	727,492.21	(31,195.32)
Dues, Fees and Issuance Costs	7300			0.00
Miscellaneous Expenditures	7900			0.00
Capital Outlay:				
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
Total Expenditures		1,733,687.53	1,732,492.21	(1,195.32)
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,733,687.53)	(1,732,492.21)	1,195.32
OTHER SOURCES (USES)				
Loans Incurred	3720			0.00
Proceeds from the Sale of Capital Assets	3730			0.00
Loss Recoveries	3740			0.00
Proceeds of Forward Supply Contract	3760			0.00
Special Facilities Construction Advances	3770			0.00
Transfers In	3600	1,733,687.53	1,732,492.21	(1,195.32)
Transfers Out	9700			0.00
Total Other Financing Sources (Uses)		1,733,687.53	1,732,492.21	(1,195.32)
SPECIAL ITEMS				
				0.00
FUND BALANCE				
Net Change in Fund Balances		0.00	0.00	0.00
Fund Balance - Beginning of Year	2800	474,489.51	474,489.51	0.00
Adjustment to Fund Balance	2891			
Fund Balance - End of Year	2700	474,489.51	474,489.51	0.00

Bellalago Educational Facilities Benefit District
Fiscal Year 2020-21 Preliminary Budget

Debt Service

Supporting Schedule of Estimated Revenue, Appropriations and Other Sources / Uses

Estimated Revenues:

Source	Description	Amount
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Total Revenues: _____ -

Appropriations:

Vendor	Description	Amount
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Debt Service	November 2020 interest - 2014 Series	61,802.09
Debt Service	May 2021 principal - 2014 Series	1,005,000.00
Debt Service	May 2021 interest - 2014 Series	370,812.51
Debt Service	November 2021 interest - 2014 Series	294,877.61

Total Expenditures: _____ 1,732,492.21

Other Sources:

From	Description	Amount
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General Fund	Transfer in to meet debt service requirements	1,732,492.21
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Total Transfers In: _____ 1,732,492.21

Other Uses:

To	Description	Amount
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Total Transfers Out: _____ -

Balance: _____ -