

**Bellalago Educational Facilities  
Benefit District**

**Board Meeting**

**June 15, 2022**

**11:00 a.m.**



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

NOTICE OF A MEETING OF THE BOARD OF SUPERVISORS OF  
THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT

Pursuant to Section 189.417(1), Florida Statutes, all interested parties are hereby notified that the Board of Supervisors of the Bellalago Educational Facilities Benefit District (the "District"), a dependent special district of Osceola County, Florida, will conduct a District meeting on June 15, 2022 at 11:00 a.m. at the Bellalago Charter Academy, 3651 Pleasant Hill Road, Kissimmee, Florida 34746. The District Board of Supervisors will meet for general District purposes, including funding capital & maintenance projects at Bellalago Charter and the adoption of a tentative budget for the District's fiscal year commencing October 1, 2022. This meeting may be continued to a certain date and time set at the meeting. Additional information is available from the District Manager at (407) 870-4907. Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Manager at (407) 870-4907 at least five calendar days prior to the meeting.

# **Bellalago Educational Facilities Benefit District**

Wednesday, June 15, 2022

11:00 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 4, 2021 Board Meeting Minutes
- 2 Resolution 2022-1 Appointing Board Members
- 3 Resolution 2022-2 Appointing District Manager
- 4 Resolution 2022-3 Approving HVAC Upgrades and Replacements Project
- 5 Resolution 2022-4 Approving a Proposed Budget for FY 2022-23
- 6 Resolution 2022-5 Approving Digital Assurance Certification LLC Contract Addendum #1
- 7 FY 2020-21 Annual Audited Financial Statements

### **Other Business**

- 1 Audience Comments
  - 2 Supervisor Requests
  - 3 Counsel Requests
  - 4 Manager Requests
- Schedule next meeting in August to approve assessment roll and final budget  
(Assessment roll due to Osceola County 8/22/2022)

### **Adjournment**

# **Bellalago Educational Facilities Benefit District**

**June 15, 2022**

## **Board Matters Agenda Item 1**

Approval of the August 4, 2021 Board Meeting Minutes

### **Executive Summary:**

Requesting approval of the August 4, 2021 Board Meeting Minutes

**MINUTES OF THE BOARD OF DIRECTORS OF  
BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT  
WEDNESDAY, AUGUST 4, 2021 AT 11:00 A.M.  
BELLALAGO CHARTER ACADEMY  
3651 PLEASANT HILL ROAD, KISSIMMEE, FL 34746**

**PRESENT:** Migdalia Gonzalez, School District of Osceola County, Jasper Thompson, Osceola County, Yuling Liu, School District of Osceola County, Rhonda Blake, School District of Osceola County, Richard Rosello, Taylor Morrison, Nora Schuster, Taylor Morrison, and Jonathan Rasmussen, Landowner Appointee.

Also present were Laura Walker, Benefit District Manager, Christopher Roe, Bryant Miller Olive, Linda Roldan, Bookkeeper for Bellalago Charter Academy, and Yurik Rodriguez, School District of Osceola County.

### **General Meeting**

#### **Introduction**

Migdalia Gonzalez called the General Meeting to order at 11:15 a.m.

#### **Board Matters**

1. Approval of June 2, 2021 Board Meeting Minutes

A motion to approve the June 2, 2021 Board Meeting Minutes was made by Jasper Thompson and seconded by Jonathan Rasmussen. The motion passed 7-0.

2. Approval of Resolution 2021-4 Approving the 2021-22 Assessment Roll

Chris Roe noted that all assessments are on the roll.

A motion to approve Resolution 2021-4 Approving the 2021-22 Assessment Roll was made by Richard Rosello and seconded by Nora Schuster. The motion passed 7-0.

3. Approval of Resolution 2021-5 Adopting the 2021-22 Annual Budget

Chris Roe spoke about the combination of revenue sources, in addition to the assessments, needed to meet the debt service requirements.

A motion to approve Resolution 2021-5 Adopting the 2021-22 Annual Budget was made by Jasper Thompson and seconded by Nora Schuster. The motion passed 7-0.

#### 4. Approval of Resolution 2021-6 Approving Capital Repaving Project

Dr. Jonathan Rasmussen, Principal for Bellalago Charter Academy, spoke about the parking lot and driveway repaving project and requested half of the funding come from the EFBD capital reserve fund. Migdalia Gonzalez added that The School District of Osceola County sets aside funds for school needs based on the number of FTEs times a rate determined by the facilities department. Chris Roe noted this fund causes no increase to assessments.

A motion to approve Resolution 2021-6 Approving Capital Repaving Project was made by Jasper Thompson and seconded by Richard Rosello. The motion passed 7-0.

#### **Other Business**

Audience Request: None.

Supervisors Request: None.

Counsel Request:

Attorney Chris Roe explained that local government is subject to the Sunshine Law, meetings are open to the public and in person to have a quorum present. An exception would be by executive order.

Manager Request:

Laura Walker requested permission to amend the 2020-21 budget at the end of the fiscal year to agree with actual revenue and expenditures.

A motion to allow a minor year-end budget amendment to agree with actual revenue and expenditures was made by Richard Rosello and seconded by Nora Schuster. Motion passed 7-0.

#### **Adjournment**

Migdalia Gonzalez declared the meeting adjourned at 11:32 a.m.

# **Bellalago Educational Facilities Benefit District**

**June 15, 2022**

## **Board Matters Agenda Item 2**

Resolution 2022-1 Appointing Board Members

### **Executive Summary:**

Requesting approval of Resolution 2022-1 Appointing Board Members

Nick Gluckman, Seat 1

Angela Barner, Seat 6  
School District of Osceola County

## RESOLUTION 2022-1

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT, OSCEOLA COUNTY, FLORIDA, RATIFYING AND CONFIRMING THE APPOINTMENT OF NICK GLUCKMAN AND ANGELA BARNER 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 Interlocal Agreement between the School Board of Osceola County (the "School Board") and Osceola County, Florida (the "County") dated September 15, 2003, as amended, and County Ordinance No. 03-15, as amended (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) 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.

(B) In accordance therewith, the Board previously appointed Richard Rosello to Seat 1 and Yuling Liu to Seat 6, the current terms for which expire in May 2023.

(C) In light of the recent resignations of Mr. Rosello and Ms. Liu, the Board wishes to provide hereunder for filling the vacancy in Seat 1 and Seat 6 created by such resignations.

### **SECTION 3. APPOINTMENT OF NICK GLUCKMAN AND ANGELA BARNER.**

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

(B) The Board hereby appoints Angela Barner to Seat 6 of the Board for the duration of the current term which expires in May 2023.

(C) Mr. Gluckman and Ms. Barner 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: Nick Gluckman
  - Seat 2: Nora Schuster
  - Seat 3: Jonathan Rasmussen
  - Seat 4: Migdalia Gonzalez (School District Appointee)
  - Seat 5: Jasper Thompson (County Appointee)
  - Seat 6: Angela Barner (School District Appointee)
  - Seat 7: Rhonda Blake (County Appointee)

**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 15th day of June, 2022.

**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**

**June 15, 2022**

## **Board Matters Agenda Item 3**

Resolution 2022-2 Appointing District Manager

### **Executive Summary:**

Requesting approval of Resolution 2022-2 Appointing District Manager

Maribel Vallellanes  
School District of Osceola County

**RESOLUTION 2022-2**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT, OSCEOLA COUNTY, FLORIDA, APPOINTING MARIBEL VALLELLANES TO SERVE AS DISTRICT MANAGER; AND PROVIDING 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 Interlocal Agreement between the School Board of Osceola County (the "School Board") and Osceola County, Florida (the "County") dated September 15, 2003, as amended, and County Ordinance No. 03-15, as amended (collectively, the "District Charter"), Chapters 189 and 1013, Florida Statutes, and other applicable provisions of law.

**SECTION 2. APPOINTMENT OF DISTRICT MANAGER.** Maribel Vallellanes is hereby appointed as District Manager for the District. Maribel Vallellanes' contact information is as follows: Maribel Vallellanes, c/o The School District of Osceola County, Florida, Business and Fiscal Services Department, 817 Bill Beck Blvd., Kissimmee, FL 34744-4495, telephone 407-870-4831 ext. 67520, fax (407) 518-2906, email [maribel.vallellanes@osceolaschools.net](mailto:maribel.vallellanes@osceolaschools.net).

**SECTION 3. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

**DULY ADOPTED** this 15th day of June, 2022.

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

[SEAL]

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

# **Bellalago Educational Facilities Benefit District**

**June 15, 2022**

## **Board Matters Agenda Item 4**

Resolution 2022-3 Approving HVAC Upgrades and Replacements Project

### **Executive Summary:**

Requesting approval of Resolution 2022-3 HVAC Upgrades and Replacements Project

HVAC Upgrades/Replacements estimated project cost \$539,562.00

Request for the District to fund the project cost up to \$200,000.00

## RESOLUTION 2022-3

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT, OSCEOLA COUNTY, FLORIDA, APPROVING AN EXPENDITURE FROM THE DISTRICT'S CAPITAL RESERVE ACCOUNT TO FUND A PORTION OF THE COSTS FOR HVAC UPGRADES AND REPLACEMENTS AT BELLALAGO CHARTER ACADEMY; DESCRIBING THE PROJECT AND THE NEED THEREFOR; PROVIDING FOR THE FUNDING OF THE PROJECT; 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 Interlocal Agreement between the School Board of Osceola County (the "School Board") and Osceola County, Florida (the "County") dated September 15, 2003, as amended, and County Ordinance No. 03-15, as amended (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) The District was created pursuant to the District Charter and Sections 1013.355, 1013.356, and 1013.357, Florida Statutes for the purpose of constructing, equipping and maintaining the Bellalago Charter Academy (the "Academy"), a charter school serving kindergarten through eighth grade which initially opened for the 2004-2005 school year.

(B) The HVAC system serving the Academy is in need of upgrades and replacements (the "Project").

(C) The estimated cost of the Project is \$539,562.

(D) The Academy has requested that the District pay \$200,000 towards the costs of the Project.

(E) The funds held in the capital reserve account maintained by the District are intended for use on capital projects such as the Project.

(F) The District hereby determines that the Project and the contribution of District funds to pay a portion of the costs of the Project are in furtherance of the District's mission to construct, equip and maintain the Academy.

**SECTION 3. PROJECT AUTHORIZED; FUNDING.** The Project is hereby authorized. The Chairman and District Manager are hereby authorized and directed to take such actions as may be necessary in furtherance of such Project and the District's funding of the Project cost in an amount up to \$200,000. Such contribution by the District shall be paid from District funds on deposit in the District's capital reserve account. The School Board shall procure construction services for the Project.

**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 15th day of June, 2022.

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

[SEAL]

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary



## New Project Request Final Project Approval

**Number:** 1016  
**Current Step:** *Budget Estimate Complete*  
**Administrator Responsible:** Michael Allen

**Date Submitted:** 04.28.2022 03:21PM  
*Step 3 of 3*

**Facility:** Bellalago Academy  
**Project Name:** BELA- HVAC Upgrades/Replacements  
**FISH/Building #:** Buildings 2, 3, 4, 5  
**District Priority:** HVAC Repair/Replacement/Renewal

**Requestor:** *Janine Bracco*  
**Title:** *Assistant Principal*

**Desired Project Timing**  
**Start Date:** 04.25.2022  
**Completion Date:** 07.29.2022

**Proposed Project Schedule**  
**Start Date:** 06.15.2022  
**Completion Date:** 02.28.2023

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

**PM:** Jonathan Romberg  
I met with Principle Jonathan Rasmussen

Reason for replacement : Listed as Poor on Facilities Evaluation.

Facilities Comments: Replacement of 3 Carrier AHU's.

Located at Bellalago Academy in Buildings 1,2,3 & 4

Replacement of 3 the existing Carrier 39M series built-up chilled water air handling units located in Mechanical Rooms 2-125, 3-120 & 4-115.

This project will make use of the existing updated temperature controllers located on the wall adjacent the AHU's. All end devices will be replaced

Including but not limited to temperature, humidity, and air flow sensors, Chilled water valves and VFD's. These units are served by outside air electric

duct heaters with SCR control which may remain if determined to be functional. The project will be designed as a like for like swap, however due to

product improved efficiencies dimensions may change within the mechanical rooms. Additional Scope will include the modification of Building 5 Gymnasium

to have the existing gravity damper modified from gravity to electric operation with static pressure control to improve control and efficiency.

**Justification:**

Replace/upgrade HVAC equipment for buildings 2, 3, 4, and 5

**This request has been reviewed and the estimated cost to complete the project is \$539,562.00**

**If the Funding Source and Budget Strip has not been provided, please provide them below.**

**Budget Strip:**

**Funding Source:** Grant

**Please note that approval of this NPR requires the Chief Business & Finance Officer's signature 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: \_\_\_\_\_



# Bellalago Educational Facilities Benefit District

**June 15, 2022**

## **Board Matters Agenda Item 5**

Resolution 2022-4 Approving a Proposed Budget for FY 2022-23

### **Executive Summary:**

Requesting approval of a proposed budget for Fiscal Year beginning 10/1/2021

Total General Fund Estimated Revenue: \$2,535,326.00

Total General Fund Appropriations: \$84,675.00

Total General Fund Transfers Out to Debt Service Fund: \$1,733,391.26

Projected Fund Balance: \$4,000,340.91

Total Debt Service Fund Appropriations: \$1,733,391.26

Total Debt Service Fund Transfers In from General Fund: \$1,733,391.26

Projected Fund Balance: \$572,683.00

Total Capital Projects Fund Estimated Revenue: \$95,916.80

Total Capital Projects Fund Appropriations: \$200,000.00

Projected Fund Balance: \$367,852.50

**RESOLUTION 2022-4**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT, OSCEOLA COUNTY, FLORIDA, APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2022-23 SETTING A PUBLIC HEARING THEREON; AND PROVIDING 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 Interlocal Agreement between the School Board of Osceola County (the "School Board") and Osceola County, Florida (the "County") dated September 15, 2003, as amended, and County Ordinance No. 03-15, as amended (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) The District Manager has prepared and submitted to the Board a proposed budget for fiscal year 2022-23. The proposed budget is attached hereto as Appendix A.

(B) The Board has considered said proposed budget and desires to set the required public hearing thereon.

**SECTION 3. BUDGET APPROVAL; PUBLIC HEARING.**

(A) The proposed budget prepared by the District Manager for fiscal year 2022-23 is hereby approved as the basis for conducting a public hearing to adopt said budget.

(B) A public hearing on said budget is hereby declared and set for \_\_\_\_ \_\_.m. on August \_\_, 2022 at \_\_\_\_\_.

(C) Notice of the public hearing shall be published in the manner prescribed by law.

**SECTION 4. EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

**DULY ADOPTED** this 15th day of June, 2022.

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

[SEAL]

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

**APPENDIX A**

**PROPOSED BUDGET FOR  
FISCAL YEAR 2022-23**

# Bellalago Educational Facilities Benefit District

Fiscal Year 2022-23 Preliminary Budget

## General Fund

Uses	Function	2021-2022 Final	2022-2023 Preliminary	Difference
<b>ESTIMATED REVENUES</b>				
Federal Direct	3100			0.00
Federal Through State & Local	3200			0.00
State Sources	3300			0.00
Local Sources	3400	2,537,570.52	2,535,326.00	(2,244.52)
<b>Total Estimated Revenues</b>		2,537,570.52	2,535,326.00	(2,244.52)
<b>APPROPRIATIONS</b>				
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	50,086.09	50,925.00	838.91
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	12,460.00	13,750.00	1,290.00
Miscellaneous Expenditures	7900			0.00
Capital Outlay:				
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
<b>Total Estimated Appropriations</b>		82,546.09	84,675.00	2,128.91
Excess (Deficiency) of Revenues Over (Under) Expenditures		2,455,024.43	2,450,651.00	(4,373.43)
<b>OTHER SOURCES (USES)</b>				
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	(1,732,106.26)	(1,733,391.26)	(1,285.00)
<b>Total Other Financing Sources (Uses)</b>		(1,732,106.26)	(1,733,391.26)	(1,285.00)
<b>FUND BALANCE</b>				
Net Change in Fund Balances		722,918.17	717,259.74	(5,658.43)
Fund Balance - Beginning of Year	2800	2,560,163.00	3,283,081.17	722,918.17
Adjustment to Fund Balance	2891			
Fund Balance - End of Year	2700	3,283,081.17	4,000,340.91	717,259.74

**Bellalago Educational Facilities Benefit District**  
**Fiscal Year 2022-23 Preliminary Budget**

**General Fund**

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

**Estimated Revenues:**

Source	Description	Amount
Bellalago Academy	Charter school capital outlay	779,950.00
Bellalago Residents	EFBD assessments, net of 4% discount	830,498.00
School Board	Debt Service	924,878.00
Total Revenues:		2,535,326.00

**Expenditures:**

Vendor	Description	Amount
<b>Function 7100:</b>		
Ennead LLC	Assessment preparation fees	4,250.00
Moss, Krusick & Associates, LLC	Audit	10,800.00
	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	17,285.00
Osceola County Property Appraiser	County assessment fee	2,615.00
<b>Function 7500:</b>		
The School District of Osceola County	District Management Fee	20,000.00
<b>Function 9200:</b>		
US Bank	Trustee fees - 20014 Series	10,750.00
DAC	Disclosure report	3,000.00
The PFM Group	Arbitrage Calculation	-
Total Expenditures:		84,675.00

**Other Sources:**

From	Description	Amount
		-
Total Other Sources:		-

**Other Uses:**

To	Description	Amount
Debt Service Fund	Transfers Out to meet debt service requirements	1,733,391.26
Total Other Uses:		1,733,391.26
Balance:		717,259.74

# Bellalago Educational Facilities Benefit District

Fiscal Year 2022-23 Preliminary Budget

## Debt Service

Uses	Function	2021-2022 Final	2022-2023 Preliminary Final	Difference
<b>ESTIMATED REVENUES</b>				
Federal Direct	3100			0.00
Federal Through State & Local	3200			0.00
State Sources	3300			0.00
Local Sources	3400			0.00
<b>Total Revenues</b>		0.00	0.00	0.00
<b>APPROPRIATIONS</b>				
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	1,040,000.00	1,080,000.00	40,000.00
Interest	7200	692,106.26	653,391.26	(38,715.00)
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
<b>Total Expenditures</b>		1,732,106.26	1,733,391.26	1,285.00
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,732,106.26)	(1,733,391.26)	(1,285.00)
<b>OTHER SOURCES (USES)</b>				
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	1,732,106.26	1,733,391.26	1,285.00
Transfers Out	9700			0.00
<b>Total Other Financing Sources (Uses)</b>		1,732,106.26	1,733,391.26	1,285.00
<b>SPECIAL ITEMS</b>				
				0.00
<b>FUND BALANCE</b>				
Net Change in Fund Balances		0.00	0.00	0.00
Fund Balance - Beginning of Year	2800	572,683.00	572,683.00	0.00
Adjustment to Fund Balance	2891			
Fund Balance - End of Year	2700	572,683.00	572,683.00	0.00

**Bellalago Educational Facilities Benefit District**  
**Fiscal Year 2022-23 Preliminary Budget**

**Debt Service**

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

**Estimated Revenues:**

Source	Description	Amount
--------	-------------	--------

Total Revenues: \_\_\_\_\_ -

**Appropriations:**

Vendor	Description	Amount
--------	-------------	--------

Debt Service	November 2022 interest - 2014 Series	55,855.52
Debt Service	May 2023 principal - 2014 Series	1,080,000.00
Debt Service	May 2023 interest - 2014 Series	335,133.13
Debt Service	November 2023 interest - 2014 Series	262,402.61

Total Expenditures: \_\_\_\_\_ 1,733,391.26

**Other Sources:**

From	Description	Amount
------	-------------	--------

General Fund	Transfer in to meet debt service requirements	1,733,391.26
--------------	---	--------------

Total Transfers In: \_\_\_\_\_ 1,733,391.26

**Other Uses:**

To	Description	Amount
----	-------------	--------

Total Transfers Out: \_\_\_\_\_ -

Balance: \_\_\_\_\_ -



# Bellalago Educational Facilities Benefit District

Fiscal Year 2022-23 Preliminary Budget

## Capital Projects Fund

Uses	Function	2021-2022 Final	2022-2023 Preliminary Final	Difference
<b>ESTIMATED REVENUES</b>				
Federal Direct	3100			0.00
Federal Through State & Local	3200			0.00
State Sources	3300			0.00
Local Sources	3400	95,140.80	95,916.80	776.00
<b>Total Revenues</b>		95,140.80	95,916.80	776.00
<b>APPROPRIATIONS</b>				
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
Instructional Related Technology	6500			0.00
Board	7100			0.00
General Administration	7200			0.00
School Administration	7300			0.00
Facilities Acquisition and Construction	7410			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	328,388.50	200,000.00	(128,388.50)
Administrative Tech Services	8200			0.00
Community Services	9100			0.00
Debt Service	9200			
Retirement of Principal	7100			0.00
Interest	7200			0.00
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
<b>Total Expenditures</b>		328,388.50	200,000.00	(128,388.50)
Excess (Deficiency) of Revenues Over (Under) Expenditures		(233,247.70)	(104,083.20)	129,164.50
<b>OTHER SOURCES (USES)</b>				
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			0.00
<b>Total Other Financing Sources (Uses)</b>		0.00	0.00	0.00
<b>SPECIAL ITEMS</b>				
				0.00
<b>FUND BALANCE</b>				
Net Change in Fund Balances		(233,247.70)	(104,083.20)	129,164.50
Fund Balance - Beginning of Year	2800	705,183.40	471,935.70	(233,247.70)
Adjustment to Fund Balance	2891			
Fund Balance - End of Year	2700	471,935.70	367,852.50	(104,083.20)

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# **Bellalago Educational Facilities Benefit District**

**June 15, 2022**

## **Board Matters Agenda Item 6**

Resolution 2022-5 Approving Digital Assurance Certification LLC Contract Addendum #1

### **Executive Summary:**

Requesting approval of  
Resolution 2022-4 Digital Assurance Certification LLC Contract Addendum #1

The annual fee changes from \$2,500 to \$3,000 to account for material event notice filings  
which were previously an additional cost

**RESOLUTION 2022-5**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT, OSCEOLA COUNTY, FLORIDA, APPROVING ADDENDUM #1 TO CONTRACT BETWEEN THE DISTRICT AND DIGITAL ASSURANCE CERTIFICATION LLC; AUTHORIZING THE DISTRICT MANAGER TO EXECUTE SUCH CONTRACT ADDENDUM ON BEHALF OF THE DISTRICT; AND PROVIDING 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 Interlocal Agreement between the School Board of Osceola County (the "School Board") and Osceola County, Florida (the "County") dated September 15, 2003, as amended, and County Ordinance No. 03-15, as amended (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 that the Board wishes to approve Addendum #1 to the existing contract between the District and Digital Assurance Certification LLC ("DAC"), providing the terms by which DAC shall provide services to the District to include event filings.

**SECTION 3. APPROVAL OF CONTRACT ADDENDUM #1; AUTHORITY TO EXECUTE ON BEHALF OF THE DISTRICT.**

(A) The Board hereby approves Addendum #1, a copy of which is attached hereto as Appendix A.

(B) The District Manager is hereby authorized to execute same on behalf of the District.

[Remainder of page intentionally left blank]

**SECTION 4. EFFECTIVE DATE.** This Resolution shall take effect immediately.

**DULY ADOPTED** this 15th day of June, 2022.

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

(SEAL)

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

**APPENDIX A**

**CONTRACT ADDENDUM #1**

**ADDENDUM #1**

**ADDENDUM TO THE SEC POST-ISSUANCE COMPLIANCE SERVICES PRICING AGREEMENT AND ENGAGEMENT LETTER BETWEEN BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT AND DIGITAL ASSURANCE CERTIFICATION, LLC.**

This is an Addendum to the SEC Post-Issuance Compliance Services Pricing Agreement and Engagement Letter (the “Agreement”) between Digital Assurance Certification, LLC, d/b/a DAC Bond (“Vendor”) and Bellalago Educational Facilities Benefit District dated August 25, 2017. In the event of a conflict between this Addendum and the Agreement, this Addendum shall control:

1. **PRICING CHANGE:** Effective March 10, 2022, a Material Event Notice filing fee of \$250 will no longer be assessed.
2. **NEW ANNUAL FEE:** Effective annual billing date of July 1, 2023 the annual fee will be \$3,000.

ACCEPTED BY:

**BELLALAGO EDUCATIONAL FACILITIES BENEFIT DISTRICT**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**VENDOR:**



By: \_\_\_\_\_  
Title: Chief Executive Officer

# **Bellalago Educational Facilities Benefit District**

**June 15, 2022**

## **Board Matters Agenda Item 7**

FY 2020-21 Annual Audited Financial Statements

### **Executive Summary:**

Requesting acceptance of the FY 2020-21 Annual Audited Financial Reports



**BELLALAGO  
EDUCATIONAL FACILITIES  
BENEFIT DISTRICT**

**Financial Statements  
and  
Supplemental Information**

**September 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

### ***Partners***

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Thomas F. Regan  
Ernie R. Janvrin  
Richard F. Hayes  
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Suite 201  
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American Institute of  
Certified Public  
Accountants

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 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, 2021, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the District, as of September 30, 2021, 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 March 21, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
March 21, 2022

## **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, 2021, 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 \$3,588,939.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,838,029.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,560,163.
- During the current fiscal year, total long-term debt obligations decreased by \$1,005,000.

### **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.

### **Governmental funds**

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

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

The District maintains 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 \$3,588,939 at September 30, 2021, while assets exceeded liabilities and deferred inflows by \$2,291,283 at September 30, 2020.

Changes in the District’s net position (deficit) for the years ended September 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and other assets	\$ 4,133,656	\$ 3,340,180	\$ 793,476
Capital assets, net of accumulated depreciation	16,430,257	16,969,176	(538,919)
Total assets	<u>20,563,913</u>	<u>20,309,356</u>	<u>254,557</u>
Current and other liabilities	295,627	329,010	(33,383)
Long-term liabilities outstanding	16,307,525	17,287,693	(980,168)
Total liabilities	<u>16,603,152</u>	<u>17,616,703</u>	<u>(1,013,551)</u>
Deferred inflow of resources	<u>371,822</u>	<u>401,370</u>	<u>(29,548)</u>
Net position:			
Net investment in capital assets	(249,090)	(719,887)	470,797
Restricted	1,277,866	1,165,318	112,548
Unrestricted	<u>2,560,163</u>	<u>1,845,852</u>	<u>714,311</u>
Total net position	<u>\$ 3,588,939</u>	<u>\$ 2,291,283</u>	<u>\$ 1,297,656</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, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Revenues:			
General revenues:			
Assessment income	\$ 807,405	\$ 793,029	\$ 14,376
School Board income	1,027,290	1,049,126	(21,836)
Local income	797,015	793,859	3,156
Interest income	117	17,642	(17,525)
Total revenues	<u>\$ 2,631,827</u>	<u>\$ 2,653,656</u>	<u>\$ (21,829)</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. Revenues were consistent between years. Interest income decreased due to lower interest rates offered by the bank because of the pandemic.

Changes in the District's expenses were as follows:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Expenses:			
Interest expenses	\$ 697,943	\$ 729,136	(31,193)
Board expenses	39,271	37,065	2,206
General administration	20,000	20,000	-
Debt service	13,206	13,456	(250)
Facilities acquisition and construction	563,751	564,760	(1,009)
Total expenses	<u>\$ 1,334,171</u>	<u>\$ 1,364,417</u>	<u>\$ (30,246)</u>

Expenses were consistent between years.

### **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 \$3,838,029.

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 \$2,560,163. It increased by \$714,311. during the current fiscal year.

## **General Fund Budgetary Highlights**

Budgeted revenues and expenditures were amended to equal 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, 2021, amounted to (\$249,090) compared to (\$719,887) at September 30, 2020. The change of \$470,797 from 2020 to 2021 consisted of net debt payments \$980,168, depreciation expense (\$538,919) and change in deferred inflow \$29,548. 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 \$16,307,525. The required debt service payment for fiscal 2022 is \$1,747,706, including principal of \$1,040,000 and interest of \$707,706.

### **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 increased by approximately 2% for fiscal 2021 when compared to the fiscal 2020. An increase in assessment income is anticipated for the upcoming fiscal year. During fiscal 2021, overall state capital outlay funding did not increase and is not expected to increase in fiscal 2022.

### **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, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents - restricted	\$ 2,625,728
Due from other agency	705,183
Assessments receivable	<u>802,745</u>
Total current assets	4,133,656
Capital assets, net	<u>16,430,257</u>
Total assets	<u><u>\$ 20,563,913</u></u>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities	
Accounts payable	\$ 750
Accrued interest	<u>294,877</u>
Total current liabilities	<u>295,627</u>
Long-term liabilities	
Bonds payable, due in one year	1,040,000
Bonds payable, due after one year	<u>15,267,525</u>
Total long-term liabilities	<u>16,307,525</u>
Total liabilities	<u>16,603,152</u>
Deferred inflow of resources	
Deferred amount on debt refunding	<u>371,822</u>
Net position:	
Net investment in capital assets	(249,090)
Restricted	1,277,866
Unrestricted	<u>2,560,163</u>
Total net position	<u>3,588,939</u>
Total liabilities and net position	<u><u>\$ 20,563,913</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, 2021**

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	\$ 697,943	\$ -	\$ -	\$ -	\$ (697,943)
Board expenses	39,271	-	-	-	(39,271)
General administration	20,000	-	-	-	(20,000)
Debt service	13,206	-	-	-	(13,206)
Facilities acquisition and construction	563,751	-	-	-	(563,751)
Total governmental activities	<u>\$ 1,334,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,334,171)</u>
		General revenues:			
		Assessment income			807,405
		School Board income			1,027,290
		Local income			797,015
		Interest income			117
		Total general revenues			<u>2,631,827</u>
		Change in net position			1,297,656
		Net position at September 30, 2020			<u>2,291,283</u>
		Net position at September 30, 2021			<u>\$ 3,588,939</u>

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

**Bellalago Educational Facilities Benefit District**

**BALANCE SHEET –  
GOVERNMENTAL FUNDS**

**September 30, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents - restricted	\$ 1,758,168	\$ 867,560	\$ -	\$ 2,625,728
Due from other agency	-	-	705,183	705,183
Assessments receivable	802,745	-	-	802,745
Total assets	<u>\$ 2,560,913</u>	<u>\$ 867,560</u>	<u>\$ 705,183</u>	<u>\$ 4,133,656</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 750	\$ -	\$ -	\$ 750
Accrued interest	-	294,877	-	294,877
Total liabilities	<u>750</u>	<u>294,877</u>	<u>-</u>	<u>295,627</u>
Fund balances:				
Restricted for:				
Debt service	-	572,683	-	572,683
Capital projects	-	-	705,183	705,183
Unassigned	2,560,163	-	-	2,560,163
Total fund balances	<u>2,560,163</u>	<u>572,683</u>	<u>705,183</u>	<u>3,838,029</u>
Total liabilities and fund balances	<u>\$ 2,560,913</u>	<u>\$ 867,560</u>	<u>\$ 705,183</u>	<u>\$ 4,133,656</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, 2021**

Fund balances - total governmental funds		\$ 3,838,029
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 \$7,993,288 accumulated depreciation	\$ 15,306,929	
Land	1,010,800	
Land improvements net of \$562,038 accumulated depreciation	102,700	
Improvements other than buildings	9,828	
Furniture, fixtures and equipment, net of \$1,234,212 accumulated depreciation	<u>-</u>	16,430,257
Deferred amount on refunding (gain) are not recognized in the fund level statements but are included in the government-wide statements.		
		(371,822)
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	(16,620,000)	
Bond discount, net of accumulated amortization	<u>312,475</u>	<u>(16,307,525)</u>
Total net position of governmental activities		<u>\$ 3,588,939</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, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Assessment income	\$ 807,405	\$ -	\$ -	\$ 807,405
School board income	928,873	-	98,417	1,027,290
Local income	797,015	-	-	797,015
Interest income	65	52	-	117
Total revenues	<u>2,533,358</u>	<u>52</u>	<u>98,417</u>	<u>2,631,827</u>
Expenditures				
Current:				
Board expenses	39,271	-	-	39,271
Fiscal agent fee	20,000	-	-	20,000
Debt service:				
Interest expense	-	727,491	-	727,491
Bond issuance costs	13,206	-	-	13,206
Principal payments	-	1,005,000	-	1,005,000
Total expenditures	<u>72,477</u>	<u>1,732,491</u>	<u>-</u>	<u>1,804,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,460,881</u>	<u>(1,732,439)</u>	<u>98,417</u>	<u>826,859</u>
Other financing sources (uses):				
Transfers in	-	1,746,570	-	1,746,570
Transfers out	<u>(1,746,570)</u>	<u>-</u>	<u>-</u>	<u>(1,746,570)</u>
Total other financing sources (uses)	<u>(1,746,570)</u>	<u>1,746,570</u>	<u>-</u>	<u>-</u>
Net change in fund balances	714,311	14,131	98,417	826,859
Fund balances at September 30, 2020	<u>1,845,852</u>	<u>558,552</u>	<u>606,766</u>	<u>3,011,170</u>
Fund balances at September 30, 2021	<u>\$ 2,560,163</u>	<u>\$ 572,683</u>	<u>\$ 705,183</u>	<u>\$ 3,838,029</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, 2021**

Net change in fund balances - total government funds	\$	826,859
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	\$ (538,919)	(538,919)
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	\$ 1,005,000	
Current year amortization of bond discount	(24,832)	980,168
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.		29,548
Change in net position of governmental activities	\$	1,297,656

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



## Bellalago Educational Facilities Benefit District

### NOTES TO THE FINANCIAL STATEMENTS

September 30, 2021

#### 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, 2021**

**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, 2021**

**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, 2021**

**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. Restricted assets

Certain proceeds of the District's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position and balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The debt service reserve fund is used to report resources set aside to provide additional security for the payment of principal and interest on the bonds as these payments become due. The project fund is used to pay for issuing expenses and project costs.

7. 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 acquisition value on date of donation.

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

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

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

<u>Asset Class</u>	<u>Lives</u>
Buildings	15 – 50
Furniture, fixtures and equipment	5 – 50
Land improvements	15 – 20

8. 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.

**Bellalago Educational Facilities Benefit District**

**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

9. 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.

10. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond discount.

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.

11. Transfers

The purpose of interfund transfers is to cover receipts and payments made from the general fund on behalf of other funds.

12. 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.

13. 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.

**Bellalago Educational Facilities Benefit District**

**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

14. New GASB pronouncements implemented

The GASB issued Statement No. 84, Fiduciary Activities, effective for fiscal 2021, which established criteria for the identification of fiduciary activities and provides guidance on reporting those activities. An activity meeting the criteria should be reported in a fiduciary fund. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The new GASB did not have an impact on the financial statements as the District did not have any funds which met the criteria.

15. New GASB pronouncements

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

The District is evaluating the effect of this new standard on its financial statements.

16. 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 March 21, 2022.

**Bellalago Educational Facilities Benefit District**

**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2021**

**NOTE B - CASH AND CASH EQUIVALENTS, INVESTMENTS**

As of September 30, 2021, the District's cash and cash equivalents include cash deposits and money market funds of \$2,625,728.

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, 2021, the District exceeded FDIC insured limits by \$2,625,728. 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, 2021, the District has recurring fair value measurements in money market funds of \$2,625,728, valued using a matrix pricing model (Level 2 inputs).

**Bellalago Educational Facilities Benefit District**

**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2021**

**NOTE C - CAPITAL ASSETS**

Changes in capital assets by category are as follows for the year ended September 30, 2021:

	Balance at September 30, 2020	Transfers and Additions	Transfers and Deletions	Balance at September 30, 2021
Capital assets, non depreciable:				
Land	\$ 1,010,800	\$ -	\$ -	\$ 1,010,800
Improvements other than building	9,828	-	-	9,828
<b>Total assets, non depreciable</b>	<b>1,020,628</b>	<b>-</b>	<b>-</b>	<b>1,020,628</b>
Capital assets, depreciable:				
Buildings	23,300,217	-	-	23,300,217
Land improvements	664,738	-	-	664,738
Furniture, fixtures and equipment	1,241,385	-	7,173	1,234,212
<b>Total assets, depreciable</b>	<b>25,206,340</b>	<b>-</b>	<b>7,173</b>	<b>25,199,167</b>
Less accumulated depreciation:				
Buildings	7,481,988	511,300	-	7,993,288
Land improvements	534,601	27,437	-	562,038
Furniture, fixtures and equipment	1,241,203	182	7,173	1,234,212
<b>Total accumulated depreciation</b>	<b>9,257,792</b>	<b>538,919</b>	<b>7,173</b>	<b>9,789,538</b>
<b>Total governmental activities</b>				
Capital assets, net	\$ 16,969,176	\$ (538,919)	\$ -	\$ 16,430,257

Total depreciation expense of \$538,919 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, 2021:

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, 2021**

**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 2021 amortization of \$29,549 was charged against interest expense, as described in Note A-8. Accumulated amortization totaled \$219,154 at September 30, 2021.

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

Governmental Activities	September 30, 2020	Additions	Deletions	September 30, 2021
Revenue Bonds:				
2014	\$ 17,625,000	\$ -	\$ (1,005,000)	\$ 16,620,000
Less unamortized bond discount	(337,307)	-	24,832	(312,475)
	\$ 17,287,693	\$ -	\$ (980,168)	\$ 16,307,525

**Bellalago Educational Facilities Benefit District**

**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2021**

**NOTE D - LONG-TERM DEBT (continued)**

The annual requirements to amortize all debt outstanding as of September 30, 2021 are as follows:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,040,000	\$ 707,706	\$ 1,747,706
2023	1,080,000	670,266	1,750,266
2024	1,125,000	629,766	1,754,766
2025	1,165,000	586,173	1,751,173
2026-2030	6,640,000	2,158,325	8,798,325
2031-2034	<u>5,570,000</u>	<u>589,225</u>	<u>6,159,225</u>
	16,620,000	5,341,461	21,961,461
Less unamortized discount:	<u>(312,475)</u>	<u>-</u>	<u>(312,475)</u>
	<u>\$ 16,307,525</u>	<u>\$ 5,341,461</u>	<u>\$ 21,648,986</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, 2021, the District recorded \$797,015 of lease income, which is reported in local income in the accompanying financial statements. The due from other agency of \$705,183 at September 30, 2021 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.

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.

**Bellalago Educational Facilities Benefit District**

**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2021**

**NOTE E - COMMITMENTS AND CONTINGENCIES (continued)**

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, 2021, no legal actions or proceedings existed.

**NOTE F – RISKS AND UNCERTAINTIES**

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.

COVID

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global pandemic situation.

**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, 2021**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues	\$ 2,475,706	\$ 2,533,358	\$ 2,533,358	-
Expenditures				
Current:				
Board expenses	49,590	39,271	39,271	-
Administration expenses	12,460	13,206	13,206	-
Fiscal agent fee	20,000	20,000	20,000	-
Total expenditures	82,050	72,477	72,477	-
Excess of revenues over expenditures	2,393,656	2,460,881	2,460,881	-
Other financing uses:				
Transfers in	-	-	-	-
Transfers out	(1,732,492)	(1,746,570)	(1,746,570)	-
Total other financing uses	(1,732,492)	(1,746,570)	(1,746,570)	-
Net change in fund balance	661,164	714,311	714,311	-
Fund balance at September 30, 2020	1,845,852	1,845,852	1,845,852	-
Fund balance at September 30, 2021	\$ 2,507,016	\$ 2,560,163	\$ 2,560,163	\$ -

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  
Ernie R. Janvrin  
Richard F. Hayes  
Renee C. Varga  
Shawn M. Marshall

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 21, 2022.

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**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.

N. Palm Beach, FL 33408  
631 US Highway One  
Suite 405  
Phone: 561-848-9300

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.

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7900 NW 155<sup>th</sup> Street  
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Phone: 305-445-7956

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.

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Certified Public  
Accountants

**Compliance and Other Matters**

Florida Institute of  
Certified Public  
Accountants

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  
March 21, 2022



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## **MANAGEMENT LETTER**

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, 2021, and have issued our report thereon dated March 21, 2022.

### **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 March 21, 2022, 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.

### **Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as **ZERO**.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as **ZERO**.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as **ZERO**.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as **ZERO**.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as **NONE**.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as **NONE**.

### **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  
March 21, 2022



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**INDEPENDENT ACCOUNTANTS' REPORT**

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, 2021. 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, 2021, in all material respects.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
March 21, 2022

### **Current Year Comments and Recommendations**

For the year ended September 30, 2021, there are no management recommendations.