

LEGISLATIVE REPORT







2016-17

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FLVS LEADERSHIP TEAM



MISSION

To deliver a high quality, technology-based education that provides the skills and knowledge students need for success.



VISION

To transform education worldwide—one student at a time.



VALUES

Put People First Take the Lead Blaze the Trail Love What You Do



COMMITMENT

The student is at the center of every decision we make.

FLVS BOARD OF TRUSTEES



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FLVS EXECUTIVE TEAM

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Mr. Clark BerryChief Academic Officer

Dr. Polly HaldemanChief Customer Officer

Mr. Frank Kruppenbacher General Counsel

Mr. John Pavelchak Chief Financial Officer

Ms. Jennifer WhitingChief Technology Innovation Officer

WFICOME



On behalf of our Board of Trustees and staff, we are pleased to present you with the 2016-17 Florida Virtual School® (FLVS®) Legislative Report.

As a statewide public school district, we have worked diligently since our inception in 1997 to provide the highest quality technology-based education and digital educational solutions to public, private, charter, and homeschool students. On June 15, 2017, Governor Rick Scott signed HB 7069, which included language to remove eligibility requirements for students wishing to

enroll in FLVS. This means that all Kindergarten–12th grade students in Florida are now able to enroll in FLVS courses. We are very excited to grow our elementary program.

At our core are our school offerings—FLVS Flex, for students taking one course or multiple courses with us; FLVS Full Time, where we are the school of record and students take all classes with us; and FLVS Global School, for students who reside outside of Florida. Our experience has shown how valuable online learning can be for increasing opportunities, improving educational outcomes, and building self-esteem for students across Florida and around the world.

In addition to serving a multitude of students, FLVS offers business-to-business services including content licensing; custom development for schools, districts, states, and agencies; digital learning labs; county or district virtual schools; and professional development.

As we move forward, we keep students at the center of every decision we make and strategize on the tools they'll need to succeed in today's world. These are very exciting times as we continue to develop personalized learning models and pioneer new products.

On behalf of Florida Virtual School, thank you for your continued support. We are proud to be entrusted with the educational journey of so many remarkable students.

Sincerely,

JODI MARSHALL

FLVS President & CEO

ABOUT FLVS

FLVS is a public school district comprised of five schools serving all Florida school districts. FLVS, the district and its schools are accredited by AdvancED and Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI). SACS CASI is an accrediting division of AdvancED. With personalized instruction, FLVS provides custom solutions for students. All teachers are state certified in the content areas they teach and have completed extensive professional development in virtual education.

- FLVS serves Florida students free of charge.
- Performance-based funding means FLVS only receives funding when students successfully complete courses.
- Our competency-based learning model gives students the chance for continuous improvement. Students only advance after demonstrating mastery of a concept.
- FLVS offers more than 150 courses, including Advanced Placement® (AP®), honors, NCAA-approved core, world languages, electives, college prep, and career and technical education courses.
- Students interact with teachers and peers in live learning sessions and collaborative assignments, with the opportunities to participate in online clubs, events, activities—even virtual field trips!



FIVS FIFX

FLVS Flex scheduling is available to public, private, charter, and homeschool students in Kindergarten—12th grade, on a 365-day flexible calendar. Students can take up to three courses at a time when enrolled in addition to a brick-and-mortar school, or a full-time course load when enrolled as a homeschool student. With a full engaging curriculum, including elementary courses, Flex students utilize FLVS for a variety of reasons ranging from wanting to get ahead or graduate early to taking courses not offered by their district and having flexibility with extracurricular activities.



FLVS FULL TIME

FLVS Full Time scheduling is available to students in grades Kindergarten–12. Students follow a 180-day traditional school calendar, take all courses through FLVS Full Time, and graduate with an FLVS diploma. Courses are available 24/7 online, so students can study any time and any place. Our certified teachers offer one-on-one attention, and are available by phone, email, and text. Students stay connected with their peers through in-person clubs and activities.

STUDENT SPOTLIGHT: MELISSA

"FLVS has shaped me by helping me stay on track for graduation and allowing me to graduate high school early to allow me to pursue a career in the military. I've already enlisted in the United States Marine Corps and I'm currently a straight A student and actively participate in extracurricular activities such as JROTC and a Criminal Justice Academy program."



STUDENT ACHIEVEMENT

IN 2016-17

206,041 IN 2016-17

DIGITAL LEARNING LABS IN 2016-17

471,332 SEMESTER COMPLETIONS IN 2016-17

GROWTH IN FLVS DISTRICT VIRTUAL SCHOOLS' SEMESTER COMPLETIONS

FULL TIME GRADUATES

IN CLASS OF 2017

SINCE 1997 4,816

GLOBAL SCHOOL SEMESTER

COMPLETIONS IN 2016-17

3.6 million

STUDENT CLUBS IN 2016-17









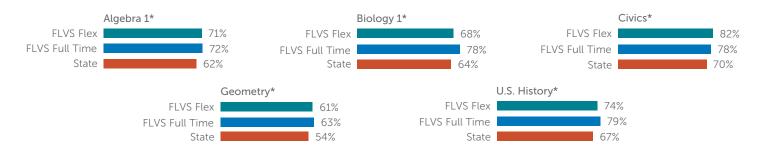
AP SCORES

Based on May 2017 AP Exams, FLVS students outperformed state overall averages by 9.4 percent in comparing the 15 AP courses offered by FLVS and scored above those state qualifying AP averages in 12 of the 15 courses. FLVS students performed above the national overall average by 3.3 percent in comparing the 15 AP courses offered by FLVS.



EOC SCORES

Based on the Spring 2017 EOC assessments, FLVS students outperformed state averages on the Algebra 1, Biology 1, Civics, Geometry, and U.S. History EOC Assessments.



^{*}Data represents first-time test takers. Percentage of Students Scoring Level 3 or Above (Proficient).

EFFICIENT OPERATIONS:

RECOMMENDATIONS REGARDING THE UNIT COST OF PROVIDING SERVICES TO STUDENTS

In order to most effectively develop public policy regarding any future funding of Florida Virtual School, it is imperative that the cost of the program is accurately identified. The identified cost of the program must be based on reliable data.

The inclusion of FLVS in the FEFP (Florida Education Finance Program) in 2003 had a direct and dramatic effect on the growth of FLVS. So much so, in 2013 the FEFP formula was modified such that while students may earn more than one FTE (Full-time Equivalent) per scholastic year, the providers of the services (school districts, lab schools, and FLVS) are limited to one FTE on a shared basis. The effect on FLVS has been two fold. The rate of increase in student completions has slowed considerably to single digits. More importantly, FLVS is only funded for 87.3 percent of students who successfully complete a course.

FLVS COST PER FTE PROJECTIONS AND FUNDING PER FTE

Operating Cost Only

Fiscal Year	Credit Completions	FTE Enrollment	Cost Per FTE				
2009-10	107,785.74	17,964.29	\$5,623.94				
2010-11	135,933.60	22,655.60	\$5,186.42				
2011-12	169,535.82	28,255.97	\$4,819.72				
2012-13	299,634.88	38,272.48	\$5,182.22				
2013-14	203,307.54	33,884.59	\$4,482.04				
2014-15	214,562.82	35,760.47	\$4,502.18				
2015-16	222,956.01	37,159.33	\$4,530.72				
2016-17	K-12 (Florida System- wide Funding per FTE**)	2,541,646.20	\$6,859.92				
2016-17 Served	221,409.36	36,901.56	\$4,577.94				
2016-17 Funded	193,280.76	32,213.46	\$5,244.18				
Total Operation Saving	Total Operation Savings per Virtual Student in 2016-17 \$1,615.74						

Fixed Capital Outlay Cost

2016-17 Funded	Capital Dollars Per FTE for FLVS	\$0
2016-17 Funded K-12 System-wide Capital Dollars per FTE		\$1,079.44
Total Savings per Virtu	\$2,695.18	

^{*}Served reflects the actual number of FTE successfully completed before the 1.0 FTE re-calibration is calculated, reflecting per FTE funding based on 2012-13 funding rules for comparison purposes.

^{**}Does not include FLVS FTE or Funding

STRETCHING FLORIDA TAX DOLLARS



PERFORMANCE-BASED FUNDING

FLVS is performance-based funded, only receiving funding when a student successfully completes a course, unlike traditional schools that are funded upon seat time.



CAPITAL EFFICIENCIES

In the 2016-17 school year, every semester course taken with FLVS saved the state of Florida \$134.64, amounting to more than \$52 million in savings for the school year.



SOLUTIONS FOR CLASS SIZE CHALLENGES

Major financial impact occurs when a new student enrolls in a school whose classes are already filled to the maximum. The district must hire a new teacher at a cost of approximately \$64,000 for that one student or disrupt the entire class (or classes) to re-level that grade. The district saves when assigning the overage to FLVS.



OPERATIONAL SAVINGS

Districts can utilize FLVS for courses with low student counts for a particular subject. For example, there may not be enough students interested in taking Advanced Placement Computer Science to warrant hiring a teacher, but schools can offer that opportunity to interested students through FLVS. The FLVS digital and blended learning models allow districts to introduce new courses and address challenges such as class-size reduction, scheduling conflicts, grade forgiveness, and more.



SERVING STUDENTS THROUGH STATE SCHOLARSHIP PROGRAMS

FLVS has the unique ability to participate in choice programs across the state of Florida, allowing all students to have access to high quality digital learning. FLVS serves students enrolled through the McKay Scholarship Program, Gardiner Scholarships, and Florida Tax Credit Scholarships.

STUDENT SPOTLIGHT: MABEL

"FLVS has given me the ability to build a one on one relationship with my teachers. It has given me the extra time and freedom I personally needed to succeed in high school as well as stay involved with my school and my community. Through online classes I have developed as a young adult and learned skills like self awareness, self discipline, determination, and dedication."





FLVS STRATEGIC PLAN 2017-21

BECOMING THE PREFERRED SOLUTIONS PARTNER

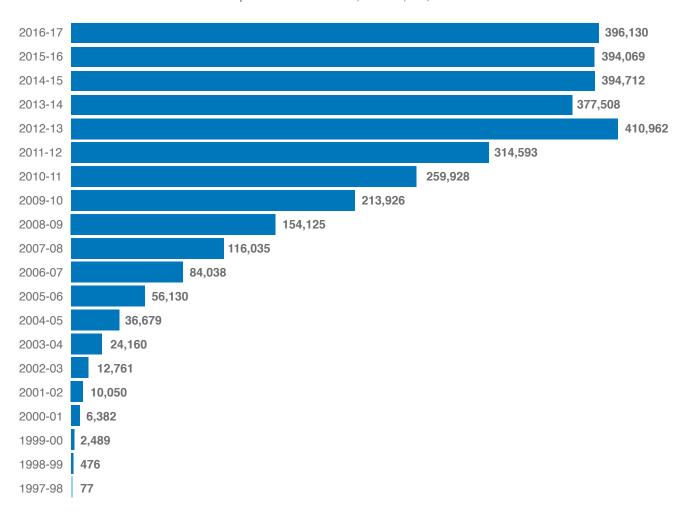
EXECUTIVE SUMMARY

AUGUST 8, 2017

FLVS is a successful 20-year-old organization that has established itself as a leader in online content development and delivery for public schools in the Florida education system. As a result of two decades of experience, FLVS holds a unique position in Florida and nationally in online education.

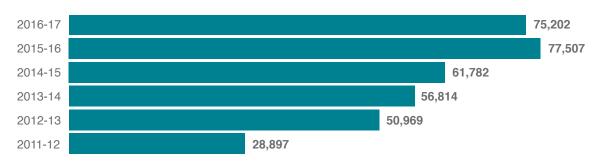
FLVS Flex Completion History

Total number of successful semester completions as of June 30, 2017: 3,265,230



FLVS Full Time Completion History

Total number of successful semester completions as of June 30, 2017: 351,171



The school is recognized as the leader in content development and delivery for online courses in grades 6-12 in Florida. To that end, FLVS has developed collaborative efforts with all of the school districts in Florida. These efforts have typically extended beyond course content as they encompass the entire learning process in partnership with school counselors, administrators, students, parents, and instructors.

FLVS offers more than 150 courses and serves students in Kindergarten through 12th grade through three distinct instructional programs: FLVS Flex (part time), FLVS Full Time, and FLVS Global School (out of state programs). In the most recent school year, FLVS recorded more than 400,000 semester completions for more than 200,000 students and shows steady growth for the future. FLVS delivers online curriculum in all 67 Florida school districts and represents approximately five percent of the high school semesters completed in the state of Florida.

The strategic plan for 2017-2021 outlines the goals that FLVS will pursue to strengthen its current position as a leading online public school district and content provider in Florida. In addition, the plan outlines the next steps for FLVS to achieve its strategic goal of being the most innovative top performing online education leader in Florida. This will lead to FLVS becoming a preferred solutions partner in the Kindergarten-12 online education market with cutting edge content delivered on a personalized level for each student with a focus on results-driven learning outcomes.

The strategic plan is based on achieving four goals that collectively are designed to reposition FLVS as the preferred solutions partner in online education for grades Kindergarten-12 in Florida and on a national basis.

GOAL 1 - COLLABORATE IN LEADING RESEARCH TO ADVANCE ONLINE BASED LEARNING OUTCOMES

Online learning as a mode of instruction has approached two decades of use, and it is a growing industry. Given its relatively short history, there is general agreement that more research is needed to optimally blend online learning with classroom learning. Therefore, the first goal for FLVS is to expand its role locally and nationally regarding research based improvements for student learning outcomes associated with online learning methods. In collaboration with leading research partners, FLVS will develop and implement a cohesive system, or stream of research, for improving online and blended learning solutions for Florida students that will likely impact national programs as well.

FLVS is already a lead contributor to national standards in online education. Looking forward, it intends to contribute to national standards in blended learning education. Research partners will include universities and industry partners in technology, content development, and standards creation. The initial research areas are blended learning and adaptive learning. Blended learning brings in-classroom learning and online learning together for an optimal learning environment for students. Adaptive learning invokes the goal of supporting the instructor in adjusting the rate and type of content the student engages in during his/her course of learning. This research approach has been identified as a way to identify content and delivery improvements that lead to results-driven outcomes in student's rate of learning, course completion rates, and increased involvement with teachers in the school districts.

GOAL 2 - STRENGTHEN CORE PROGRAMS

FLVS will focus on strengthening core programs by expanding the Flex offerings to include elementary course offerings, a Spanish elementary elective offering, and by increasing the market share of homeschool students. Working with these populations will provide a continuum of educational solutions for all Florida families and strengthen the relationships with district schools.

In the Full Time program, online content was previously developed and delivered via a third party agreement. FLVS will move forward with the development and delivery of this content for grades Kindergarten-5 on its own.

GOAL 3 - EXPAND GLOBAL (OUT-OF-STATE) PARTNERSHIPS

FLVS will focus Global programs to increase its national presence in select ways through the selective partnering with other state school districts that invite FLVS to join them in the development of their online content. FLVS will repurpose existing products that are a good fit with new opportunities.

Expanding Global partnerships will allow FLVS to generate additional funding to invest in content development and forward-thinking technology initiatives like the technology to develop a platform for personalized learning solutions.

GOAL 4 – DEVELOP A PLATFORM FOR LEARNING SOLUTIONS FOR STUDENTS, INSTRUCTORS, AND SCHOOL DISTRICTS

Whereas FLVS was a first-mover in online education, it has amassed significant experience and data related to student and instructor needs. Technology, in the way of learning management systems, is used to make use of this information. However, the technology options available in the industry are increasing in complexity and types and this presents a challenge for all parties involved in terms of integrating the disparate pieces together. Rather than use a piecemeal approach, FLVS will collaborate with technology partners to develop a learning solutions approach for students, instructors, and school districts.

To accomplish this, FLVS must harvest its unique and significant stores of student learning data, draw upon its long-term expertise in online curriculum development, and continue to strengthen its reputation of helping school districts. To this end, FLVS will target specific technology driven projects with universities and industry partners to develop and validate best-practices as they relate to identifying and implementing ways to significantly improve performance for students in the state of Florida, and thereby establish a national presence as a solutions provider. This is an enabling goal to support goals 1, 2, and 3.

CONCLUSION

The combination and interaction of these four goals implemented over the next five years will position FLVS as a preferred solutions provider in online education for grades Kindergarten-12 in Florida and nationwide.

The development of this plan was guided by the FLVS Board of Trustees and facilitated by Management Insights in collaboration with FLVS leadership team and staff members. Florida Virtual School operations under the guidance of a Board of Trustees consisting of seven members appointed by the Governor. The FLVS Board Chair is Mr. Robert Gidel Sr. Additional Board members include: Ms. Iris Gonzalez, Ms. Linda Pellegrini, Mr. Robert Saltsman, and Dr. Dhyana Ziegler.

The leadership of FLVS has developed into a very effective, knowledgeable, and cohesive team. Dr. Jodi Marshall is the President and CEO. Executive Leadership under Dr. Marshall includes: Mr. Clark Berry, Dr. Polly Haldeman, Mr. John Pavelchak, and Ms. Jennifer Whiting.

Extensive feedback from students, instructors, and school counselors was analyzed to determine the critical next steps for programs, content, and technology infrastructure investments that are found within the plan.



FLVS MARKETING PLAN 2016-17

MARKETING PLAN 2016-17

ORGANIZATIONAL GOAL

FLVS will continue to be recognized as a leader in online education and across all of Kindergarten-12th grade education.

EDUCATIONAL COMMUNITY: GOAL 1

Seek opportunities to share best practices through all levels of the organization.

Florida Virtual School developed a cross-organizational marketing plan to communicate what we have learned, as well as best practices, to national, state, and regional stakeholders. The tactical communication initiatives that were executed in the 2016-17 school vear are outlined below.

NATIONAL I EVEL

1. Teaching and Professional Development Best Practices

- Virtual Leadership Training: Two-day workshop that addresses:
 - Hiring and staffing
 - Funding and budget
 - Data and performance management
 - Student recruiting and retention
 - Marketing your program
- Professional Learning Course Catalog: Live webinar sessions and book talks for teachers/administrators everywhere
- · National Reading and Literacy outreach

2. Emerging Technology Opportunities

- · Course tours
- · Mobile learning demonstrations

3. Thought Leadership: National Conference Presence

- United States Distance Learning Association (USDLA)
- FdTFCH
- · Consortium of School Networking (COSN)
- EdVoice Symposium
- · Southeast Regional Education Board (SREB)
- · Sloan Consortium
- · Learning Impact
- Specialist Schools and Academic Trust (SSAT)
- Program of Education Policy and Governance (PEPG)
- Australasian Association of Distance Education Schools (AADES)
- International Association for K-12 Online Learning (iNACOL) Symposium
- National Association of Independent Schools (NAIS)
- · Excel in Education National Summit
- · League of Innovative Schools
- · ASU + GSV Summit
- · National School Board Association (NSBA)
- D2L Fusion
- · Blackboard World
- · Canvas InstructureCon
- · International Society for Technology in Education (ISTE)

4. Community Relations

· Press releases to share student and program success

STATE | FVFI

1. Thought Leadership: State and Regional Conference Presence

- Florida Parent Educators Association (FPEA)
 Conference
- Florida School Board Association (FSBA) Conferences
- DCF Summit
- · The State University System Tour
- · Florida Charter School Conference
- Florida Press Association Conference
- Florida Educational Technology Conference (FETC)
- · Florida Distance Learning Association
- All About Girls Summit (PACE Center for Girls)
- · NEFEC Summer Leadership Conference

2. Statewide Conferences

- Florida Parent Educators Association (FPEA)
 Conference
- Home Education Resources and Information (HERI)
 Conference
- Florida District Virtual Instruction Program Network 2015 Symposium (FLDVIP)
- · The Child Protection Summit

3. District Relations Manager Visits

4. School Counselor Presentations

- · Regional level
- · District and school level

5. Franchise Leadership and Teacher Training

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MARKETING PLAN 2016-17

EDUCATIONAL COMMUNITY: GOAL 2

Partner with Florida districts and schools to provide virtual education solutions to students.

In the spirit of innovation, Florida Virtual School built online solutions, communication vehicles, and strategies for passing our knowledge on to our district and school stakeholders in the 2016-17 school year. With our customized solutions, education was enhanced for students through the following initiatives.

DISTRICTS

- 1. Yearly visits with all of the districts to assess needs and provide solutions
- 2. Regular communications to district contacts
- 3. Present at District Guidance meetings

SCHOOLS

- 1. Provide facilitator training for Digital Learning Labs and conduct follow up visits
- 2. District Relations Managers provide customized and frequent School Counselor customer service based on specific school needs
- 3. Summer Options
- 4. Virtual Events
- 5. Private school conferences held around the state to educate schools about FLVS
- 6. Provide an online Counselor Resource Center to assist School Counselors and Administrators

MARKETING PLAN 2016-17

LEARNER COMMUNITY: GOAL 1

Reach out to the learner community and inform them of virtual education.

In order to reach organizational goals, strategies were developed to reach our target markets, which were identified as learners of all ages, students, and the general public. The tactical communication initiatives that were executed in the 2016-17 school year are outlined below.

OF ALL AGES

1. Community Organization Outreach: District Relations Managers encourage the community to share virtual education success by keeping the public informed through presentations at:

- · Guardian Ad Litem regional meetings
- · Chamber of Commerce events
- · Treatment Centers
- · Children's Hospitals
- · Teen Mothers Organization
- · Targeted Sports Leagues
- · Boys & Girls Clubs
- · Homeschool Organizations

2. Community Event Outreach

- · Community festivals
- · Community back-to-school events
- · Library staff education visits

3. Marketing & Communications

- · Press releases to share student and district success
- · Print advertising in community programs and publications
- · Radio and television interviews
- · Social media channels

KINDERGARTEN-GRADE 12 STUDENTS

1. Student Activities

- · Student ambassador opportunities
- · Literacy Week celebrations
- · Student History Fair
- · Hispanic Heritage Festival
- · Shakespeare Festival
- · Virtual Open House
- WorldFest
- · Student Literacy Magazine

2. Student Clubs

- Newspaper Club
- · Future Business Leaders of America
- · History Club
- International Club
- · Latin Club
- · Science Club
- · National English Honors Society
- Model UN Club
- · Beta Delta Sigma Math Club
- · Creative Writing Club
- · Fine Arts Club
- · FLVS Peer Tutors
- FLVS Yearbook
- · Spanish Honor Society
- · Chess Club
- · French Honor Society
- · Speech and Debate
- STEM/Science Club
- Technology Club
- · Teen Driving
- · Video Production Club
- · Virtual Science Fair

3. Student Success Outreach

- · Student-focused website initiatives
- · Tips geared towards student success
- · Homeschool Hub: information and resources
- · Student Resource Center
- · Student career webinars
- · New Student Orientation

4. Student Conferences

- Key Club
- · Future Business Leaders of America



FLVS GLOBAL 2016-17

FLVS GLOBAL OVERVIEW

In the 2000 legislative session, the state of Florida created a separate division within Florida Virtual School called Florida Virtual Global Services, commonly referred to as FLVS Global. It was stipulated that revenues would be reinvested into research and development to maintain the highest quality courses available for students both inside and outside the state of Florida.

FLVS Global is a steadily growing provider of virtual educational solutions for 50 states and more than 65 countries. By bringing online education products to market that otherwise may not be readily available to students, FLVS Global provides more choice and opportunities for success to students around the world. Additionally, FLVS Global regularly exposes the FLVS brand, culture, and product line to schools, educators, students, and businesses that might not otherwise encounter online education options.

The driving mission of FLVS Global is to **provide the best virtual and blended education solutions and services with a focus on high customer satisfaction**. Evidenced in course development, professional training, technology deployment, and student and parent outreach, the products and services of FLVS Global are one way that FLVS continues to be a thought leader worldwide.

Over the last 17 years, FLVS Global has licensed content, provided training, and shared expertise that has led to the implementation of some of the most successful online and blended programs currently in operation at the school, district, and state levels.

The products and services of FLVS Global were, and continue to be, developed using insights gleaned from the many inquiries received from those interested in implementing an online or blended program. The following products currently offered are a reflection of the worldwide thought leadership generated by FLVS:

- Global School FLVS Global School engages students throughout the United States and across the world. Clients gain access to
 our entire catalog with no minimum enrollment purchase required, have access to our trained teachers, and participate in student
 programs. This program is modeled after the FLVS Flex program.
- Course Licensing A variety of licensing options are available in multiple models. Additionally, course content may be delivered to the client's Learning Management System (LMS) or the client may access content on the FLVS Global hosted platform.
- Virtual Leadership Training This two-day intensive training provides administrators and online leaders an opportunity to learn
 from a veteran and experienced team at FLVS. The training fosters international collaboration that assists clients in developing high
 quality, effective blended and online programs.
- Professional Development FLVS Global offers an assortment of professional development opportunities for teachers including basic "teaching online" facilitated courses, customized training programs, webinars, and individual course guides. We also provide custom training for administrators and staff.

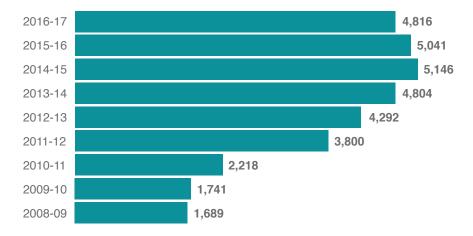
GLOBAL SCHOOL

In 2016-17, FLVS Global School served 2,292 students and offered 119 courses made up of AP titles, NCAA-approved core courses, credit recovery courses, and electives for middle and high school students. Students from 47 states, the District of Columbia, and 67 countries and U.S. territories were active and are reflected in Global School's 4,816 successful completions.

As an accredited public school, each Global School instructor possesses state certification(s) and teaches within the field he or she is certified. Many states have specific certification requirements, which are under constant review by FLVS Global staff to ensure we meet the state's requirements prior to accepting a client's students for enrollment in Global School.

FLVS Global School Completion History

Total number of successful semester completions as of June 30, 2017: 33,547



GLOBAL MARKETING PLAN

FLVS Global serves both national and international clients, including public schools and districts, private schools, parochial schools, and state departments of education. We also work with national and international students and parents interested in taking courses through FLVS Global School.

Clients are targeted through multiple channels including national and regional conferences, targeted marketing campaigns, customer and partner referrals, and direct contact by the FLVS Global sales and business development teams. FLVS emphasizes customer service and strives for high customer satisfaction, which brings both repeat business and new clients to the door.

The major target market of FLVS Global has shifted from the statewide virtual program to the local school district. In order to better penetrate this local level market, marketing highlights the specific benefits and positive effects school districts realize from using FLVS products and services. For example, school districts can:

- · Use high-quality products in virtual and blended environments
- · Offer high-quality curriculum offerings
- · Maintain school budgets
- · Solve for staffing issues
- · Expand course offerings, including AP/Honors and electives
- · Run hospital-homebound programs
- · Increase graduation rates, decrease drop-out rates, and provide acceleration opportunities
- · Garner parent support by providing creative solutions to schedule conflicts

FLVS Global is supported by marketing team members assigned to Global efforts, while also having access to assistance from the enterprise-wide marketing team for larger projects. The Global marketing team supports the sales team in growing the FLVS presence in the digital and blended learning marketplace. Marketing works to drive revenue and profit through a multi-dimensional effort that emphasizes the key differentiators that set FLVS apart from the competition.

The following strategic goals guide the marketing spend for conference and event marketing, client testimonial creation, case study development, B2B-specific print collateral, targeted digital marketing, and strategic joint marketing campaigns with key learning platform partners.

- · Create a cohesive FLVS brand that capitalizes on existing brand equity and positions the organization for long-term B2B sales growth.
- Create a unique market space based around initial credits and student-teacher engagement.
- Promote student success by emphasizing the rigor of FLVS digital curriculum and robust assessments that are designed to provide
 college and career readiness in a way that encourages schools and districts to select FLVS courses over less thorough options.

Over the past few years, the FLVS marketing team has worked to more clearly represent the integration between FLVS Global and the rest of FLVS, There is a distinct value in the FLVS Global connection to the FLVS brand, and we've learned more about the importance in recognizing the differences in the needs of the primary audiences for each sector. The FLVS web presence was assessed, replatformed, and redesigned to encompass the ONE FLVS brand, and we've decided that the standalone Global website should still exist to provide a better user experience for schools and districts seeking digital curriculum and education technology solutions.

To support the sales team's focus on recurring sales models, marketing created and maintains a set of standardized key messages that speak to the strength of FLVS curriculum and the breadth of options available. It also maintains a core sales presentation that enables the sales team to better explain the value proposition of FLVS and enhance engagement with prospects. All messaging reflects that FLVS is structured and operated primarily as a school and that the organization seeks to empower, not replace, teachers with technology. We will continue to focus on the messaging that FLVS places the "student at the center of every decision we make" and use student data from Florida operations to support our claims of offering a superior curriculum product.

The marketing team continues to develop content that reinforces our LMS optimized strategy, which is designed to maximize client investment and generate productive partnerships with learning platform companies. The FLVS marketing team assesses opportunities to engage in strategic joint marketing campaigns with key LMS partners to provide mutually beneficial returns.

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EFFICIENT OPERATIONS: GLOBAL UNIT COST RECOMMENDATIONS

RECOMMENDATIONS REGARDING THE UNIT COST OF PROVIDING SERVICES TO OUT-OF-STATE STUDENTS

In order to meet departmental profit goals, it is imperative to accurately identify the cost of the program. The identified cost of the program must be based on reliable data.

FLVS Global must balance its profit objectives with the costs inherent in providing a high quality, high touch product such as FLVS Global School while also taking into account competitor pricing and what the market will bear. FLVS Global continuously reviews its per unit pricing and costs to determine whether it is meeting profit objectives and returning that profit to FLVS.

As seen in the following table, FLVS Global was successful in its endeavor to provide a profit back to FLVS.

FLVS GLOBAL SCHOOL COST PER FTE ENROLLMENTS

Fiscal Year*	Billable Enrollments (.5)	FTE Enrollment (Billable Enrollments/12)	Cost Per FTE (Cost per .5 enrollment*12)
2016-17	6,212	517.67	\$3,926.85
		Average Price per Enrollment	Average Price Per FTE (Average price per .5 enrollment*12)
		\$398	\$4,776.60
Total Profit per	FTE in 2016-17		\$849.75

FLVS GLOBAL TUITION RATE COMPARISONS

- Average Revenue per FLVS Flex Completed Enrollment
- Average Revenue per FLVS Global School Billable Enrollment

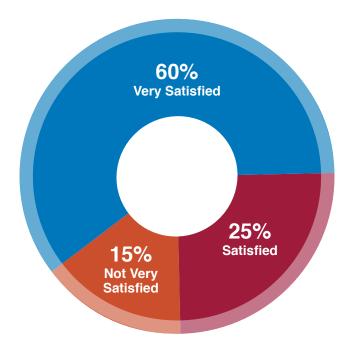


SURVEY HIGHLIGHTS

FLVS GLOBAL CUSTOMER SATISFACTION SURVEY RESULTS 2016-17

FLVS Global sends out customer satisfaction surveys on a monthly basis to customers that recently purchased products or services. The survey gauges customer satisfaction around product delivery as well as the quality of the product as a whole. The survey requests additional information such as the type of support the customer used during the implementation of the product. It also elicits feedback about what FLVS Global can do differently to improve the entire process from purchase to delivery to on-going customer support.

Overall Satisfaction



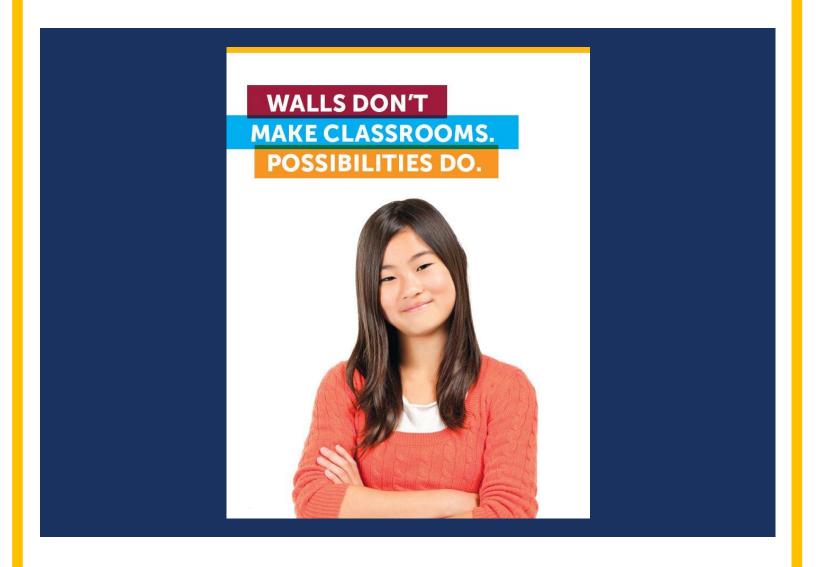


APPENDIX A

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017



ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017



THE FLORIDA VIRTUAL SCHOOL

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INDEPENDENT AUDITOR'S REPORT

Chairman and Members of The Florida Virtual School Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Florida Virtual School (the "School") as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School'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.

Auditor's 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 of 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 School'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 School'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.

INDEPENDENT AUDITOR'S REPORT

(Concluded)

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in conformity 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, the budgetary comparison for the general fund, the Schedule of Funding Progress – Other Postemployment Benefits Plan, and Pension Plan Schedules and Notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 January 23, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

MOORE STEPHENS LOVELACE, P.A.

Moore & tephens lovelace, P.A.

Certified Public Accountants

Orlando, Florida January 23, 2018

The management of The Florida Virtual School (the "School") has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the School's financial activities; (c) identify changes in the School's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds for the fiscal year ended June 30, 2017.

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 School's financial statements.

FINANCIAL HIGHLIGHTS

- The School's total assets and deferred outflows exceeded liabilities and deferred inflows by \$7,966,666 at the end of the fiscal year.
- Total revenues of \$210,570,102 were comprised of revenues generated from governmental activities in the amount of \$188,023,097 and \$22,547,005 generated from business-type activities.
- As of the close of the current fiscal year, the School's governmental funds reported an ending fund balance of \$50,416,885. This is a slight decrease of \$220,248 in comparison with the prior year.
- ➤ The unassigned fund balance in the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$40,098,528 at June 30, 2017, or 22 percent of total General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The School's basic financial statements are comprised of three components:

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

In addition, this report also contains other supplementary information which includes management's discussion and analysis.

Government-Wide Financial Statements

The government-wide financial statements (or school-wide financial statements) provide both short-term and long-term information about the School's overall financial condition in a manner similar to a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the activities of the primary government presented on the accrual basis of accounting. The statement of net position presents information about the School's financial position, its assets and liabilities and deferred inflows and outflows of resources, using an economic resources measurement focus. The difference between the assets, deferred outflows, liabilities, and deferred inflows is the net position, which is a measure of the financial health of the School. The statement of activities

presents information about the change in the School's net position, the results of operations during the fiscal year.

The government-wide statements present the School's activities in two categories:

- Governmental activities This represents most of the School's services including its educational programs. Support functions such as curriculum, technology and administration are also included. The State's education finance program provides most of the resources that support these activities.
- <u>Business-type activities</u> This consists of the School's FLVS global division and the Florida franchises, which includes functions that are intended to recover all of their costs through user fees and charges for services and provide for curriculum development.

Fund Financial Statements

Fund financial statements are one of the components of the basic 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 School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

All of the funds of the School can be divided into two categories:

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The School adopts an annual appropriations budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds – Proprietary funds may be established to account for activities in which a fee is charged for services. The School uses the proprietary fund to account for its FLVS global, Florida franchises, course development, and self-insurance.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the School's net position as of June 30, 2016, and June 30, 2017:

Net Position, End of Year											
	Governmental			Business-Type				Total			
		Activ	/ities	5		Activities					
		6-30-17		6-30-16		6-30-17		6-30-16	6-30-17		6-30-16
Current Assets	\$	82,475,449	\$	82,790,770	\$	10,407,054	\$	10,665,420	\$ 92,882,503	\$	93,456,190
Capital Assets		11,299,105		3,137,650		642,316		1,503,980	11,941,421		4,641,630
Total Assets		93,774,554		85,928,420		11,049,370		12,169,400	104,823,924		98,097,820
Pension related deferred outflows		34,025,556		12,860,863		1,417,732		676,888	35,443,288		13,537,751
Other Liabilities		16,330,320		17,838,766		922,509		903,938	17,252,829		18,742,704
Long-Term Liabilities		105,684,107		75,512,938		5,727,771		4,562,376	111,411,878		80,075,314
Total Liabilities		122,014,427		93,351,704		6,650,280		5,466,314	128,664,707		98,818,018
Pension related deferred inflows		3,490,404		10,122,625		145,435		532,770	3,635,839		10,655,395
Net Position:											
Invested in Capital Assets		11,299,105		3,137,650		642,316		1,503,980	11,941,421		4,641,630
Restricted for State Categoricals		3,427,270		3,592,358		-		-	3,427,270		3,592,358
Unrestricted		(12,431,096)		(11,415,054)		5,029,071		5,343,224	(7,402,025)		(6,071,830)
Total Net Position	\$	2,295,279	\$	(4,685,046)	\$	5,671,387	\$	6,847,204	\$ 7,966,666	\$	2,162,158

In the case of the School's total governmental and business-type activities, assets and deferred outflows exceed liabilities and deferred inflows by \$7,966,666 at the end of the fiscal year.

The deficit unrestricted net position of (\$7,402,025) is a direct result of the long-term pension liability in the amount of \$89,014,428. The pension liability represents the School's proportionate share of the net pension liability of the Florida Retirement System (FRS) plan and the Retiree Health Insurance Subsidy (HIS) plan. Though this long-term liability is now required to be reported on the School's financial statements due to the new GASB requirement, it is important to note that the School pays the full amount of its State required retirement contribution each year, which includes an assessment to fund the State's actuarially unfunded liability.

The following is a summary of the School's changes in net position for the fiscal years ended June 30, 2016 and June 30, 2017, as follows:

	Governmental Activities			ess-Type vities	Total		
	6-30-17	6-30-16	6-30-17	6-30-16	6-30-17	6-30-16	
Program Revenues:							
Charges for Services	\$ -	\$ -	\$ 22,543,832	\$ 21,885,237	\$ 22,543,832	\$ 21,885,237	
General Revenues:	·	•	, , , , , , , , ,	, , , , , , , ,	, , , , , , , , ,	, , , , , , ,	
Grants and Contributions Not Restricted							
to Specific Programs	173,213,450	171,572,553	-	-	173,213,450	171,572,553	
Virtual Learning Labs	9,014,763	8,199,362	-	-	9,014,763	8,199,362	
Miscellaneous Local	5,374,192	4,780,817	-	1,395	5,374,192	4,782,212	
Unrestricted Investment Earnings	420,692	198,782	3,173	6,527	423,865	205,309	
Total Revenues	188,023,097	184,751,514	22,547,005	21,893,159	210,570,102	206,644,673	
Functions/Program Expenses:							
Instruction	134,951,192	136,824,238	-	-	134,951,192	136,824,238	
Pupil Personnel Services	6,362,199	4,306,223	-	-	6,362,199	4,306,223	
Instruction and Curriculum Development Svcs	489,658	630,724	-	-	489,658	630,724	
Instructional Staff Training Services	2,902,879	2,689,932	-	-	2,902,879	2,689,932	
Instructional Related Technology	8,139,775	7,430,050	-	-	8,139,775	7,430,050	
Board	1,376,682	1,055,070	-	-	1,376,682	1,055,070	
General Administration	1,789,648	2,671,010	-	-	1,789,648	2,671,010	
School Administration	6,741,883	6,127,469	-	-	6,741,883	6,127,469	
Fiscal Services	2,191,077	2,199,518	-	-	2,191,077	2,199,518	
Central Services	10,684,002	9,816,669	-	-	10,684,002	9,816,669	
Operation of Plant	2,045,789	1,894,061	-	-	2,045,789	1,894,061	
Administrative Technology Services	9,917,576	6,300,012	-	_	9,917,576	6,300,012	
Community Services	160,078	-,,			160,078	-	
FLVS Global/Franchises Expenses	-	_	17,013,156	15,112,480	17,013,156	15,112,480	
Total Expenses	187,752,438	181,944,976	17,013,156	15,112,480	204,765,594	197,057,456	
Total Exponess	107,702,100	101,011,010	11,010,100	10,112,100	201,700,001	101,001,100	
Excess (deficiency) of revenue over (under) expenses	270,659	2,806,538	5,533,849	6,780,679	5,804,508	9,587,217	
Other financial sources (uses):							
Transfers In	6,709,666	8,081,526	-	-	6,709,666	8,081,526	
Transfers Out			(6,709,666)	(8,081,526)	(6,709,666)	(8,081,526)	
Total other financial sources (uses)	6,709,666	8,081,526	(6,709,666)	(8,081,526)			
Change in net position	6,980,325	10,888,064	(1,175,817)	(1,300,847)	5,804,508	9,587,217	
Net Position, beginning	(4,685,046)	(15,573,110)	6,847,204	8,148,051	2,162,158	(7,425,059)	
Net Position, ending	\$ 2,295,279	\$ (4,685,046)	\$ 5,671,387	\$ 6,847,204	\$ 7,966,666	\$ 2,162,158	

The largest revenue source is the State of Florida (80 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. Included in the FEFP funds is revenue the School receives for both part-time and full-time programs. The

FEFP formula utilizes student enrollment data, and is designed to maintain equity in funding across all Florida school districts. The Florida Virtual School is a unique member of the FEFP in that revenues are only earned for students that successfully complete a course.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$40,098,528. The total unassigned fund balance represents 22 percent of total General Fund revenues, which increased slightly over last year's unassigned fund balance of \$39,943,451 or 22 percent of total General Fund revenues. It is necessary for the School to maintain a fund balance which is higher than what is normally expected of many other Governmental agencies in order to (1) have funds available to periodically improve its products and services through capital investment, since the School is not authorized to borrow funds; (2) have adequate reserves available to cover the effects of potential State funding cuts, potential unanticipated enrollment or course completion reductions (Florida Virtual School is a choice school funded through successful student course completions), and unanticipated effects of the Florida 1.0 FTE sharing formula (funding per student varies based upon the proportionate share of courses taken with the School compared to other public schools in the State).

General Fund Budgetary Highlights

The actual General Fund revenues were higher than the adjusted budgeted revenues by \$3,846,316 due to the increase in state sources and other local revenues. The actual General Fund expenditures were less than the adjusted budgeted appropriations by \$17,586,616 due to several unfilled job opportunities as well as various other budgetary accounts that were not fully expended. Included in the unexpended balance are outstanding purchasing commitments of \$1,571,566, restricted categorical programs of \$3,427,270, and rebudgeted programs of \$5,319,521.

CAPITAL ASSET ADMINISTRATION

Capital Assets

During the 2016-2017 fiscal year, the School purchased a Learning Management System for \$5,750,000. The LMS will be amortized over ten years. Overall, the School's investment in capital assets as of June 30, 2017, amounts to \$11,941,421 (net of accumulated depreciation). The School's investment in capital assets includes furniture, fixtures and equipment; computer software and courses; and a learning management system. The total increase in the School's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$7,299,791.

OTHER MATTERS

For fiscal year 2018, the Board of Trustees adopted a budget for the General Fund appropriations of approximately \$188,030,759, including certain non-recurring costs. Revenues for fiscal year 2018 is expected to be approximately \$186,282,968. To ensure adequate fund balance is available for financial emergencies, the School has reserved approximately 8% of state and virtual learning lab revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School'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 Kimberly Poling (kpoling@flvs.net), Executive Director, Financial & Treasury Services or John Pavelchak (jpavelchak@flvs.net), Chief Financial Officer, The Florida Virtual School, 2145 MetroCenter Blvd, Suite 100, Orlando, Florida, 32835.

BASIC FINANCIAL STATEMENTS ANNUAL FINANCIAL REPORT 2017



The Florida Virtual School Statement of Net Position June 30, 2017

	Primary G		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 34,698,906	\$ 4,967,719	\$ 39,666,625
Investments	41,635,484	-	41,635,484
Accounts Receivable, net	5,773,980	5,439,335	11,213,315
Due from Other Agencies	367,079	-	367,079
Capital Assets:			
Depreciable, net	11,299,105	642,316	11,941,421
Total Assets	93,774,554	11,049,370	104,823,924
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	34,025,556	1,417,732	35,443,288
LIABILITIES			
Wages and Benefits Payable	4,594,439	232,644	4,827,083
Accounts Payable	9,192,430	400,099	9,592,529
Due to Other Agencies	16,251	-	16,251
Unearned Revenue	18,118	234,335	252,453
Long-Term Liabilities:			
Portion Due and Payable Within One Year:			
Liability for Compensated Absences	1,326,342	55,431	1,381,773
Estimated Insurance Claims Payable	1,182,740	-	1,182,740
Portion Due and Payable After One Year:			
Liability for Compensated Absences	10,797,416	607,239	11,404,655
Liability for Other Post Employment Benefits	10,553,082	439,713	10,992,795
Liability for Florida Retirement Pension & Health Subsidy	84,333,609	4,680,819	89,014,428
Total Liabilities	122,014,427	6,650,280	128,664,707
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	3,490,404	145,435	3,635,839
NET POSITION			
Investment in Capital Assets	11,299,105	642,316	11,941,421
Restricted for State Categoricals	3,427,270	-	3,427,270
Unrestricted	(12,431,096)	5,029,071	(7,402,025)
Total Net Position	\$ 2,295,279	\$ 5,671,387	\$ 7,966,666

The Florida Virtual School Statement of Activities For the Fiscal Year Ended June 30, 2017

Punction Punction
FUNCTIONS / PROGRAMS Expenses Services Contributions Contributions Activities Activities Total Programmental Activities Activities
Instruction Sample Sampl
Instruction
Pupil Personnel Services 6,362,199 (6,362,199) - (6,362,199) Instruction and Curriculum Development Services 489,658 (489,658) - (489,658) Instructional Staff Training Services 2,902,879 (2,902,879) - (2,902,879) - (2,902,879) Instructional Related Technology 8,139,775 (8,139,775) - (8,139,775) - (8,139,775) - (8,139,775) - (8,139,775) - (8,139,775) (1,376,682) (1,376,682) (1,376,682) (1,376,682) (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648)
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Instructional Related Technology
Board 1,376,682 (1,376,682) - (1,376,682) General Administration 1,789,648 (1,789,648) - (1,789,648) School Administration 6,741,883 (6,741,883) - (6,741,883) Fiscal Services 2,191,077 (2,191,077) - (2,191,077) Central Services 10,684,002 (2,191,077) - (2,191,077) Central Services 10,684,002 (10,684,002) - (10,684,002) Operation of Plant 2,045,789 (2,045,789) - (2,045,789) Administrative Technology Services 9,917,576 (9,917,576) - (9,917,576) Community Service 160,078 - (160,078) - (160,078) Total Governmental Activities 187,752,438 (187,752,438) - (187,752,438) Business-type Activities: FLVS Global & Franchises 17,013,156 22,543,832 5,530,676 5,530,676 General Revenues:
General Administration 1,789,648 - - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (1,789,648) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,045,788) - (2,045,788) - - (2,045,788) - - (9,917,576) - - (9,917,576) -
School Administration 6,741,883 - - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (6,741,883) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (2,045,788) - - (2,045,789) - (2,045,788) - - (9,917,576) - (9,917,576) - - (9,917,576) - - (9,917,576) - - (160,078) - (160,078) - - - (187,752,438) - - - - - - - - - <th< td=""></th<>
Fiscal Services 2,191,077 - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (2,191,077) - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (2,045,788) - - (2,045,789) - (2,045,788) - - (2,045,789) - (2,045,788) - - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (160,078) - (180,077) - - (187,752,438) - - (187,752,438) - - 5,530,676 - 5,530,676 - -
Central Services 10,684,002 - - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (10,684,002) - (2,045,788) - (2,045,788) - (2,045,788) - (2,045,788) - (2,045,788) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - - (160,078) - (160,078) - (187,752,438) - - (187,752,438) -
Operation of Plant 2,045,789 - - (2,045,789) - (2,045,789) - (2,045,789) - (2,045,789) - (2,045,789) - (2,045,789) - (2,045,789) - (2,045,789) - (2,045,789) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (180,078) - (180,078) - (180,078) - (187,752,438) - (187,752,438) - - 5,530,676 5,530,676 5,530,676 -
Administrative Technology Services 9,917,576 - - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (9,917,576) - (160,078) (160,078) (160,078) -
Community Service 160,078 (160,078) (160,078) Total Governmental Activities 187,752,438 - - - (187,752,438) - (187,752,438) Business-type Activities: FLVS Global & Franchises 17,013,156 22,543,832 - - - - 5,530,676 5,530,676 Total Primary Government 204,765,594 22,543,832 - - (187,752,438) 5,530,676 (182,221,766)
Total Governmental Activities 187,752,438 - - (187,752,438) - (187,752,438) - (187,752,438) - (187,752,438) - (187,752,438) - 5,530,676 5,530,676 5,530,676 -
Business-type Activities: FLVS Global & Franchises 17,013,156 22,543,832 - - - 5,530,676 5,530,676 5,530,676 5,530,676 182,221,766 5,530,676 182,221,766 182,22
FLVS Global & Franchises 17,013,156 22,543,832 - - - 5,530,676 5,530,676 5,530,676 Total Primary Government \$ 204,765,594 \$ 22,543,832 * - \$ (187,752,438) \$ 5,530,676 (182,221,768) General Revenues: * <t< td=""></t<>
Total Primary Government \$ 204,765,594 \$ 22,543,832 \$ - \$ (187,752,438) \$ 5,530,676 \$ (182,221,768)
General Revenues:
Grants and Contributions not Restricted to Specific Programs 173,213,450 - 173,213,45
Virtual Learning Labs 9,014,763 - 9,014,76
Miscellaneous Local 5,374,192 - 5,374,19
Unrestricted Investment Earnings 420,692 3,173 423,86
Transfers In (Out) 6,709,666 (6,709,666)
Total General Revenues 194,732,763 (6,706,493) 188,026,27
Change in Net Position 6,980,325 (1,175,817) 5,804,50
Net Position July 1, 2016 (4,685,046) 6,847,204 2,162,15
Net Position, June 30, 2017 \$ 2,295,279 \$ 5,671,387 \$ 7,966,66

The Florida Virtual School Balance Sheet Governmental Funds June 30, 2017

	G	eneral Fund	Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash	\$	20,078,277	\$ -	\$ 20,078,277
Investments		34,561,083	-	34,561,083
Accounts Receivable, net		4,395,020	-	4,395,020
Due from Other Funds		39,254	-	39,254
Due from Other Agencies		121,808	245,272	367,080
Total Assets	\$	59,195,442	\$ 245,272	\$ 59,440,714
LIABILITIES AND FUND BALANCE				
Liabilities:				
Salaries, Benefits, and Payroll Taxes Payable	\$	4,402,036	\$ 21,796	\$ 4,423,832
Accounts Payable		4,342,152	184,222	4,526,374
Due to Other Funds		-	39,254	39,254
Due to Other Agencies		16,251	-	16,251
Deferred Revenue		18,118	-	18,118
Total Liabilities		8,778,557	245,272	9,023,829
Fund Balances:				
Spendable:				
Restricted for State Categoricals		3,427,270	-	3,427,270
Assigned for Encumbrances		1,571,566	-	1,571,566
Assigned for Re-budget		5,319,521	-	5,319,521
Unassigned		40,098,528	-	40,098,528
Total Fund Balance		50,416,885	 -	50,416,885
Total Liabilities and Fund Balance	\$	59,195,442	\$ 245,272	\$ 59,440,714

The Florida Virtual School Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2017

Total Fund Balances - Governmental Funds		\$ 50,416,885
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not		
financial resources and, therefore, are not reported as assets in the governmental funds.		11,299,105
Internal service funds are used by management to charge the costs of its self-insurance		
program and course development. The assets and liabilities of the internal service fund are included in		
governmental activities in the statement of net position.		
Total Assets - Internal Service Fund	27,916,592	
Less: Total Liabilities - Internal Service Fund	(6,019,404)	
Less: Depreciable Assets Reported Above	(4,842,602)	17,054,586
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability		(84,333,609)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions of \$34,025,556 = \$26,714,476 deferred outflows assum and experience + \$7,311,080 deferred outflows contributions subsequent to measurement date, 6/30/2016	ptions	34,025,556
Deferred inflows of resources related to pensions (from pension schedule).		(3,490,404)
Compensated Absences are not due and payable in the current period and,		
therefore, are not reported as liabilities in the governmental funds.		(12,123,758)
Other Post Employment Benefits are not due and payable in the current period and,		
therefore, are not reported as liabilities in the governmental funds.	_	(10,553,082)
Net Position - Governmental Activities		\$ 2,295,279
	=	

The Florida Virtual School Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2017

Page				Total
Revenues Section Sec		Company Franci	•	
Pederal Through State Sources:	DEVENUES	General Fund	Revenue Fund	Funas
Colter Federal Through State Sources				
State Sources: State Sources: Florida Education Finance Program 167,695,930 167,695,930 Reading Program 1,425,529 - 1,426,529 Other State Sources 1,790,994 - 1,790,959 Total State Sources 170,912,053 - 170,912,053 Local Sources: 14,984,907 - 14,984,907 Total Coal Sources 14,984,907 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES - 1,544,943,074 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES - 1,544,907 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES - 1,544,907 - 14,984,907 Total Revenues 1,525,209 128,198 6,080,297 Instruction and Curriculum Development Services 5,952,099 128,198 6,080,297 Instruction Related Technology	•	Φ Φ	2.056.642	2.056.642
State Sources:		\$ - \$		·
Florida Education Finance Program 167,695,930 . 167,695,930 Reading Program 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,529 . 1,425,430,77 . 1,498,4907	Total Federal Through State	<u> </u>	2,056,643	2,056,643
Reading Program 1,425,529 1,425,529 Other State Sources 1,790,594 - 1,790,594 Total State Sources 170,912,053 - 1,790,594 Local Sources 1170,912,053 - 1,790,595 Other Local Sources 14,984,907 - 14,984,907 Total Local Sources 14,984,907 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES Current: Instruction 126,413,034 1,648,828 128,061,862 Pupil Personnel Services 5,952,099 128,198 6,080,297 Instruction and Curriculum Development Services 390,538 93,976 444,514 Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 General Administration 1,834,593 131,419 1,968,012 School Administration 6,500,250 - 6,500,250 Fiscal Services 1,93,3797 - 1,93,	State Sources:			
Dither State Sources	Florida Education Finance Program	167,695,930	-	167,695,930
Total State Sources 170,912,053 - 170,912,053 Local Sources: University of the Local Sources 14,984,907 - 14,984,907 Total Local Sources 14,984,907 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES Current: Instruction 126,413,034 1,648,828 128,061,862 Pupil Personnel Services 5,952,099 128,198 6,080,297 Instruction and Curriculum Development Services 390,538 93,976 494,514 Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 General Administration 6,500,250 - 6,500,250 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 1,983,797 - 1,983,797 1,983,797 1,983,797 - 1,983,797 <th< td=""><td>Reading Program</td><td>1,425,529</td><td>-</td><td>1,425,529</td></th<>	Reading Program	1,425,529	-	1,425,529
Local Sources 14,984,907 18,580,600	Other State Sources	1,790,594	-	1,790,594
Other Local Sources 14,984,907 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES Current: Instruction 126,413,034 1,648,828 128,061,862 Pupil Personnel Services 5,952,099 128,198 6,080,297 Instruction and Curriculum Development Services 390,538 93,976 484,514 Instruction all Staff Training Services 2,752,129 38,560 2,790,689 Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 General Administration 6,500,250 - 6,500,250 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 145,529 - 1,455,29 C	Total State Sources	170,912,053	-	170,912,053
Total Local Sources 14,984,907 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES Current: Instruction 126,413,034 1,648,828 128,061,862 Instruction 126,413,034 1,648,828 128,061,862 Pupil Personnel Services 5,952,099 128,198 6,080,297 Instruction and Curriculum Development Services 390,538 93,976 484,514 Instruction Related Technology 7,671,000 - 7,671,000 School Board 11,68,987 - 1,168,987 General Administration 6,500,250 - 6,500,250 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 145,529 - 145,529 Capital Outlay: -	Local Sources:			
Total Local Sources 14,984,907 - 14,984,907 Total Revenues 185,896,960 2,056,643 187,953,603 EXPENDITURES Current: Instruction 126,413,034 1,648,828 128,061,862 Pupil Personnel Services 5,952,099 128,198 6,080,297 Instruction and Curriculum Development Services 390,538 93,976 484,514 Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 General Administration 1,834,593 131,419 1,966,012 School Board 1,834,593 131,419 1,966,012 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 1	Other Local Sources	14,984,907	-	14,984,907
EXPENDITURES Current:	Total Local Sources		-	
Instruction 126,413,034 1,648,828 128,061,862 Pupil Personnel Services 5,952,099 128,198 6,080,297 Instruction and Curriculum Development Services 399,538 93,976 484,514 Instruction and Curriculum Development Services 2,752,129 38,560 2,790,689 Instruction Related Technology 7,671,000 - 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,263,655 - 2,126,365 -	Total Revenues	185,896,960	2,056,643	187,953,603
Instruction 126,413,034 1,648,828 128,061,862 Pupil Personnel Services 5,952,099 128,198 6,080,297 Instruction and Curriculum Development Services 390,538 93,976 484,514 Instruction and Staff Training Services 2,752,129 38,560 2,790,689 Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 1,168,987 - 6,500,250 - 6,500,2	EXPENDITURES			
Pupil Personnel Services	Current:			
Instruction and Curriculum Development Services 390,538 93,976 484,514 Instructional Staff Training Services 2,752,129 38,560 2,790,689 Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 General Administration 1,834,593 131,419 1,966,012 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) (8,312,440) - 6,012,440 Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Instruction	126,413,034	1,648,828	128,061,862
Instructional Staff Training Services 2,752,129 38,560 2,790,688 Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 General Administration 1,834,593 131,419 1,966,012 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 145,529 - 1,9186,636 Community Services 145,529 - 1,9186,636 Community Services 145,529 - 1,9186,636 Community Services 145,529 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Pupil Personnel Services	5,952,099	128,198	6,080,297
Instruction Related Technology 7,671,000 - 7,671,000 School Board 1,168,987 - 1,168,987 General Administration 1,834,593 131,419 1,966,012 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change	Instruction and Curriculum Development Services	390,538	93,976	484,514
School Board 1,168,987 - 1,168,987 General Administration 1,834,593 131,419 1,966,012 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) - 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (20,248) - (20,248) <	Instructional Staff Training Services	2,752,129	38,560	2,790,689
General Administration 1,834,593 131,419 1,966,012 School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) 5 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Instruction Related Technology	7,671,000	-	7,671,000
School Administration 6,500,250 - 6,500,250 Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) (8,312,440) - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133 - 50,637,133	School Board	1,168,987	-	1,168,987
Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	General Administration	1,834,593	131,419	1,966,012
Fiscal Services 2,126,365 - 2,126,365 Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) 5 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	School Administration	6,500,250	-	6,500,250
Central Services 10,300,598 15,662 10,316,260 Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Fiscal Services	2,126,365	-	
Operation of Plant 1,983,797 - 1,983,797 Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: - - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) - 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Central Services		15.662	
Administrative Technology Services 9,186,636 - 9,186,636 Community Services 145,529 - 145,529 Capital Outlay: Other Capital Outlay 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133			-	
Community Services 145,529 - 145,529 Capital Outlay: 7,391,653 - 145,529 Other Capital Outlay 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133			-	
Capital Outlay: 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133			_	
Other Capital Outlay 7,391,653 - 7,391,653 Total Expenditures 183,817,208 2,056,643 185,873,851 Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	·			
Excess of Revenues Over Expenditures 2,079,752 - 2,079,752 OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	, ,	7,391,653	-	7,391,653
OTHER FINANCIAL SOURCES (USES) Transfers In 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Total Expenditures	183,817,208	2,056,643	185,873,851
Transfers In Transfers Out 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Excess of Revenues Over Expenditures	2,079,752	-	2,079,752
Transfers In Transfers Out 6,012,440 - 6,012,440 Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133	OTHER FINANCIAL SOURCES (USES)			
Transfers Out (8,312,440) - (8,312,440) Total Other Financial Sources (Uses) (2,300,000) - (2,300,000) Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133		6.012.440	-	6.012.440
Net Change in Fund Balance (220,248) - (220,248) Fund Balance, July 1, 2016 50,637,133 - 50,637,133			-	
Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Total Other Financial Sources (Uses)	(2,300,000)	-	(2,300,000)
Fund Balance, July 1, 2016 50,637,133 - 50,637,133	Net Change in Fund Balance	(220,248)	-	(220,248)
· · · · · · · · · · · · · · · · · · ·	-	, , ,	-	
	Fund Balance, June 30, 2017	\$ 50,416,885 \$	- !	

The Florida Virtual School Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balances - Governmental Funds		\$ (220,248)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital outlay, \$12,716,957 less depreciation/amortization expense, (\$4,555,502) in the current period.		8,161,455
Internal service funds are used by management to charge the cost of certain activities, such as insurance and course development, to individual funds. The net revenue of internal service funds is reported with governmental activities less depreciable assets reported above.		
Net Revenue	8,821,301	
Less: Depreciable Assets Reported Above	(4,842,602)	3,978,699
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an expense.		
District pension contributions	7,311,080	
Cost of benefits earned net of employee contributions (pension expense from the pension schedule)	(9,987,161)	(2,676,081)
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts		
actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.		(884,763)
Other Post Employment Benefits (OPEB) costs are recorded in government funds under the pay-as- you-go method, but under the full accrual method for government-wide statements.		(1,378,737)
Change in Net Position - Governmental Activities		\$ 6,980,325

The Florida Virtual School Statement of Net Position Proprietary Funds June 30, 2017

	s-type Activities nterprise Funds	ness-type Activities Franchises	Busines	s-type Activities Total	mental Activities al Service Fund
ASSETS	 				
Cash	\$ 1,356,842	\$ 3,610,877	\$	4,967,719	\$ 14,620,629
Investments	-	-		-	7,074,401
Accounts Receivable, net	2,425,496	3,013,839		5,439,335	1,378,960
Capital Assets:					
Depreciable (net)	642,316			642,316	4,842,602
Total Assets	 4,424,654	 6,624,716		11,049,370	 27,916,592
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows - FRS and HIS	 1,063,300	 354,432		1,417,732	 -
LIABILITIES					
Wages and Benefits Payable	215,015	17,629		232,644	170,608
Accounts Payable	187,984	212,115		400,099	4,666,056
Estimated Insurance Claims Payable	-	-		-	1,182,740
Unearned Revenue	234,335	-		234,335	-
Long-term Liabilities:					
Portion Due and Payable Within One Year:					
Liability for Compensated Absences	49,300	6,131		55,431	-
Portion Due and Payable After One Year:					
Liability for Compensated Absences	511,010	96,229		607,239	-
Liability for Other Post Employment Benefits	329,784	109,929		439,713	-
Liability for Florida Retirement Pension & Health Subsidy	 3,790,677	 890,142		4,680,819	 -
Total Liabilities	 5,318,105	 1,332,175		6,650,280	 6,019,404
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - FRS and HIS	 109,077	 36,358		145,435	 <u> </u>
NET POSITION					
Invested in Capital Assets	642,316	-		642,316	4,842,602
Unrestricted	(581,544)	5,610,615		5,029,071	17,054,586
Total Net Position	\$ 60,772	\$ 5,610,615	\$	5,671,387	\$ 21,897,188

⁽a) FLVS enterprise funds include the global services fund, global school fund, and the development fund.

The accompanying notes to the basic financial statements are an integral part of this statement.

The Florida Virtual School Statement of Revenues, Expenditures and Changes in Net Position Proprietary Funds For the Fiscal Year Ended June 30, 2017

	Business-type Activities FLVS Enterprise Funds (a	Business-type Activities Franchises	Business-type Activities Total	Governmental Activities Internal Service Fund
OPERATING REVENUES				
Charges for Sales or Services	\$ 10,400,680	\$ 12,143,152	\$ 22,543,832	\$ 5,993,898
Premium Revenues			- <u>-</u>	19,889,019
Total Operating Revenue	10,400,680	12,143,152	22,543,832	25,882,917
OPERATING EXPENSES				
Salaries	3,833,167	726,528	4,559,695	1,829,783
Employee Benefits	1,198,806	259,202	1,458,008	1,613,502
Purchased Services	2,220,605	4,342,538	6,563,143	879,554
Materials and Supplies	15,309	60,672	75,981	3,536
Capital Outlay	393	-	393	2,143
Other Expenses	1,022,807	2,468,943	3,491,750	21,329,552
Bad Debt Expense	(3,355)	-	(3,355)	-
Unallocated Depreciation/Amortization Expense	867,541		867,541	1,331,843
Total Operating Expenses	9,155,273	7,857,883	17,013,156	26,989,913
Operating Income (Loss)	1,245,407	4,285,269	5,530,676	(1,106,996)
NONOPERATING REVENUES				
Interest	3,173		3,173	69,493
Income (Loss) Before Operating Transfers	1,248,580	4,285,269	5,533,849	(1,037,503)
Transfers In	-	-	-	9,009,666
Transfers Out	4,009,666	2,700,000	6,709,666	-
Change in Net Position	(2,761,086)	1,585,269	(1,175,817)	7,972,163
Net Position - July 1, 2016	2,821,858	4,025,346	6,847,204	13,925,025
Net Position - June 30, 2017	\$ 60,772	\$ 5,610,615	\$ 5,671,387	\$ 21,897,188

⁽a) FLVS enterprise funds include the global services fund, global school fund, and the development fund.

The Florida Virtual School Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2017

	ss-type Activities interprise Funds (a)	ness-type Activities Franchises	Busir	ness-type Activities Total	mental Activities al Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	 _	_		_	_
Receipts from Customers and Users	\$ 10,186,539	\$ 11,761,903	\$	21,948,442	\$ 25,487,334
Payments to Suppliers of Goods and Services	(7,239,905)	(9,552,549)		(16,792,454)	(6,468,171)
Payments to Employees	 (5,063,243)	 (956,881)		(6,020,124)	 (7,352,280)
Net Cash Provided by Operating Activities	(2,116,609)	 1,252,473		(864,136)	 11,666,883
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	 (5,875)	 		(5,875)	(5,325,304)
Net Cash Used in Capital and Related Financing Activities	 (5,875)	 		(5,875)	 (5,325,304)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	3,173	-		3,173	69,493
Purchases of Investments	 -	 			 (60,147)
Net Cash Provided by Investing Activities	 3,173	 -		3,173	 9,346
Net Change in Cash	(2,119,311)	1,252,473		(866,838)	6,350,925
Cash at Beginning of Year	3,476,153	2,358,404		5,834,557	8,269,704
Cash at End of Year	\$ 1,356,842	\$ 3,610,877	\$	4,967,719	\$ 14,620,629
Reconciliation of Operating Income to Net Cash Provided					
by Operating Activities:					
Operating Income	\$ 1,245,407	\$ 4,285,269	\$	5,530,676	\$ (1,106,996)
Adjustments to Reconcile Operating Income to Net Cash					
Provided by Operating Activities:					
Amortization Expense	867,541	-		867,541	1,331,842
Transfers In	-	-		-	9,009,666
Transfers Out	(4,009,666)	(2,700,000)		(6,709,666)	-
Changes in Assets and Liabilities:					
Decrease (Increase) in Accounts Receivable	(227,222)	(381,248)		(608,470)	(395,583)
Increase (Decrease) in Accounts Payable	25,519	19,604		45,123	3,005,917
Increase (Decrease) in Salaries and Benefits Payable	(82,624)	(12,442)		(95,066)	(121,718)
Increase (Decrease) in Compensated Absence Payable	24,231	58		24,289	-
Increase (Decrease) in OPEB Payable	(56,505)	13,356		(43,149)	-
Increase (Decrease) in Pension Contribution Payable	83,627	27,876		111,503	-
Increase (Decrease) in Unearned Revenue	13,083	-		13,083	-
Increase (Decrease) in Est Unpaid Claims	 -	 -			 (56,245)
Total adjustments	 (3,362,016)	 (3,032,796)		(6,394,812)	 12,773,879
Net Cash Provided by Operating Activities	\$ (2,116,609)	\$ 1,252,473	\$	(864,136)	\$ 11,666,883

⁽a) FLVS enterprise funds include the global services fund, global school fund, and the development fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

> Reporting Entity

The Florida Virtual School (the School) was established by an act of the Florida Legislature, as specified under Title XLVIII, Chapter 1002, Section 1002.37, Florida Statutes, to develop and deliver online and distance learning education. The School initiated online activities in August 1997 in partnership with the School Board of Alachua County and Orange County Public Schools with the name of Florida Online High School. As a result of legislative activity in 2001, the Florida Online High School changed its name to The Florida Virtual School and ended its partnership with the School Board of Alachua and Orange County Public Schools. The Florida Virtual School is a component unit of the State of Florida.

The School is governed by a board of trustees consisting of seven members appointed by the Governor. Members have experience working in a variety of fields such as education, business and government. The board of trustees is required to meet a minimum of four times each year. The board members and the President who served during the 2016-17 fiscal year are shown in the following tabulation:

Board Member	County
Lady Dhyana Ziegler, Ph.D, Chair Linda Pellegrini Robert Gidel, Sr. Iris Gonzalez Robert Saltsman	Leon Orange Orange Pinellas Orange

Ronald Blocker, President, Chief Executive Officer

Criteria for determining if other entities are potential component units of the School which should be reported with the School's financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Basis of Presentation

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School.

The School eliminates from the statement of net position and the statement of activities interfund transfers and most interfund receivables and payables between funds.

<u>Fund Financial Statements</u> - Fund financial statements report detailed information about the School in the governmental and proprietary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with the governmental fund financial statements.

The School reports the following major governmental fund:

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

The School reports the following non-major fund:

• <u>Special Revenue Fund</u> – Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Additionally, the School reports the following proprietary fund types:

- Internal Service Fund to account for the self-insurance activities and course development.
- Enterprise Fund to account for the activities of FLVS global and Florida franchises.

Basis of Accounting

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

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Revenues from the Enterprise Fund are recognized at the gross value earned. Commissions related to the sales are recorded as an expense. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred,

except for claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues and expenses of the School's proprietary funds relate to the sales and services provided by FLVS global services, FLVS global school, and Florida franchises. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash as those accounts used as demand deposit accounts and investments.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes. This investment pool operates under investments guidelines established by Section 215.47, Florida Statutes. The School's investments in the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at fair value, which is amortized cost.

Capital Assets

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those with a useful life greater than a year and costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Interest costs incurred during the construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

Internally generated software, such as coursework for the School, is recognized as an intangible asset. Expenditures relating to the creation of intangible assets are capitalized and reported at cost in the government-wide statement of net position but are reported as expenditures in the governmental fund financial statements. An intangible asset is recognized in the statement of net position only if it is considered identifiable.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Furniture, Fixtures, and Equipment	3 years
Internally Generated Courses & Purchased Software	4 years
Learning Management System	10 years

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

> Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future are reported as liabilities in the government-wide statement of net position.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

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

> State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the School determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the School. The School is permitted to amend its original reporting based on the DOE Schedule of FTE Amendments. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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

A schedule of revenue from State sources for the current year is presented in a subsequent note.

> Fund Balance Policy

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board itself can establish limitations on the use of resources through a commitment (committed fund balance). The Board does not have a policy regarding the commitment of fund balances. As such, the School does not

report any committed fund balances. However, to ensure that an adequate fund balance is available for financial emergencies, it is a normal practice of the Board to annually budget at least an 8% reserve of its State (FEFP) and Virtual Learning Lab (VLL) revenue in its general fund budget.

Pensions

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

2. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are presented on the balance sheet net of estimated uncollectible amounts. The School records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses. Individual uncollectible accounts are written off against the allowance when collection of the individual accounts appears doubtful. The School recorded an allowance for doubtful accounts of \$46,992 as of June 30, 2017.

3. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

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

4. INVESTMENTS

Section 218.415(17), Florida Statutes, authorizes the School to invest in the Local Government Surplus Funds Trust Fund, any intergovernmental investment pool, money market funds registered with the

Securities and Exchange Commission, interest-bearing time deposits or savings accounts, and direct obligations of the U.S. Treasury.

Investments with a fair value of \$41,635,484 at June 30, 2017, are in the State Board of Administration investment pool (Florida PRIME) with a weighted average maturity (WAM) of 39 days. A portfolio's WAMP reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. The School's investment in Florida PRIME is rated AAAm by Standard and Poor's.

SBA pool shares are based on amortized cost, which approximates fair value of the SBA's underlying portfolio. For SBA as of June 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Balance 7-1-16	Additions	Deletions	Balance 6-30-17
Capital Assets Being Depreciated				
GOVERNMENTAL ACTIVITIES:				
Furniture, Fixtures, and Equipment	\$ 5,222,75	5 \$ 908,419	\$ 5,377	\$ 6,125,798
Less Accumulated Depreciation	4,831,67	8 469,870	5,377	5,296,171
Total Furniture, Fixtures, and Equipment	391,07	3 438,549		829,627
Internally Created Software	26,856,53	5,576,323	-	32,432,853
Less Accumulated Amortization	24,627,27	3,217,639	<u> </u>	27,844,914
Total Internally Created Software	2,229,25	2,358,684	·	4,587,939
Learning Management System		- 5,750,000	-	5,750,000
Less Accumulated Amortization		- 575,000	<u> </u>	575,000
Total LMS		5,175,000	·	5,175,000
Learning Content Management System	689,75	482,215	-	1,171,971
Less: Accumulated Amortization	172,43	9 292,993		465,432
Total LCMS	517,31	7 189,222	<u> </u>	706,539
Total Governmental Activities Capital Assets, Net	3,137,65	8,161,455	-	11,299,105
BUSINESS-TYPE ACTIVITIES:				
Furniture, Fixtures, and Equipment	36,12	5,877	-	42,000
Less Accumulated Depreciation	18,26	12,918		31,178
Total Furniture, Fixtures, and Equipment	17,86	(7,041)		10,822
Internally Created Software	2,894,50	5 -	-	2,894,506
Less Accumulated Amortization	1,408,38	9 854,623		2,263,012
Total Internally Created Software	1,486,11	7 (854,623)	-	631,494
Total Business-Type Activities Capital Assets, Net	1,503,98			642,316
TOTAL GOV'T & BUSINESS-TYPE CAPITAL ASSETS, NET	\$ 4,641,63	7,299,791	\$ -	\$ 11,941,421

Depreciation/Amortization expense for the governmental funds was charged to functions for the year ended June 30, 2017 as follows:

Function	Amount			
GOVERNMENTAL				
Instruction	\$	4,087,698		
Administrative Related Technology		37,424		
Instructional Related Technology		430,380		
Total Depreciation/Amortization-Governmental Activities		4,555,502		

6. OPERATING LEASES

The School is obligated under a lease agreement for office facilities beginning October 1, 2013 and ending July 31, 2023. The base rent is being waived for the period of February 1, 2016 through July 31, 2016. The annual lease payments increase approximately 3% beginning fiscal year 2018. The total amount of payments for fiscal year ending June 30, 2017 is \$1,163,507.

Annual remaining rent payments are shown in the table below:

Fiscal Year Ending June 30	Payment		
2018	\$	1,176,550	
2019		1,211,691	
2020		1,248,056	
2021		1,285,524	
2022		1,324,338	
2023		111,178	
Total	\$	6,357,337	

7. CHANGES IN LONG-TERM LIABILITIES

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

	Balance			Balance	Due in
Description	7-1-16	Additions	Reductions	6-30-17	One Year
Comp Abs - Governmental Activities	\$ 11,238,994	\$ 1,564,904	\$ 680,140	\$ 12,123,758	\$ 1,326,342
Comp Abs - Business-Type Activities	638,380	62,917	38,627	662,670	55,431
Total Compensated Absences Payable	11,877,374	1,627,821	718,767	12,786,428	1,381,773
OPEB - Governmental Activities	9,174,346	1,378,736	-	10,553,082	-
OPEB - Business-Type Activities	482,860		43,147	439,713	
Total Other Post Employment Benefits	9,657,206	1,378,736	43,147	10,992,795	-
Pension - Governmental Activities	53,860,613	46,824,263	16,351,267	84,333,609	-
Pension - Business-Type Activities	3,441,136	2,062,004	822,321	4,680,819	<u> </u>
Total Net Pension Liability	57,301,749	48,886,267	17,173,588	89,014,428	-
Estimated Insurance Claims Payable	1,238,985	1,182,740	1,238,985	1,182,740	1,182,740
Total Governmental Activities LT Liabilities	75,512,938	50,950,643	18,270,392	108,193,189	2,509,082
Total Business-Type Activities LT Liabilities	4,562,376	2,124,921	904,095	5,783,202	55,431
Total Long-Term Liabilities	\$ 80,075,314	\$53,075,564	\$ 19,174,487	\$ 113,976,391	\$ 2,564,513

8. ENCUMBRANCES

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

9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of interfund transfers reported in the proprietary financial statements at June 30, 2017:

	Interfund						
Funds		ransfer In	Transfer Out				
General Fund	\$	-	\$	2,300,000			
Internal Service Fund	9,009,666			-			
Enterprise Funds FLVS Global Services Fund		-		3,800,000			
Development Fund		-		209,666			
Franchises Fund				2,700,000			
Total	\$	9,009,666	\$	9,009,666			

The interfund transfers represent a transfer of profit from the FLVS global and franchise enterprise funds, as well as from the development fund to the governmental funds. Of the amount transferred to the governmental funds, \$9,009,666 was obligated for the development of student courses, with the remainder used for various technology upgrades.

10. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue for the General Fund for the 2016-17 fiscal year:

Source	2016-17
Florida Education Finance Program	\$ 167,695,930
Other State Sources:	
Reading Program	1,425,529
Miscellaneous State	1,790,594
Total Other State Sources	3,216,123
Total State Revenues	\$ 170,912,053

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

11. STATE RETIREMENT PROGRAMS

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

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

The School's pension expense totaled \$10,403,294 for the fiscal year ended June 30, 2017.

<u>Plan Description.</u> The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Teacher's Retirement System, Plan E and a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

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

Vesting refers to an earned right to receive retirement benefits when the employee reaches normal retirement of 62 years of age or by 30 years of service for employees who began participation in the FRS prior to July 1, 2011. **On or after July 1, 2011**, vesting refers to an earned right to receive retirement benefits when the employee reaches normal retirement of 65 years of age or by 33 years of service for employees who began participation in the FRS.

- > Six (6) years of contiguous service is required to become fully vested for FRS members whose participation in the FRS began prior to July 1, 2011.
- ➤ Eight (8) years of contiguous service is required to become fully vested for employees who begin participation in the FRS on or after July 1, 2011.
- Effective July 1, 2011 all employee contributions are immediately vested, minus any interest earnings for those in the Pension Plan, once the member has been off all FRS covered payrolls for three full calendar months. Employer contributions made on behalf of the member are not refundable prior to vesting.

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

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

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

Class, Initial Enrollment, and Retirement Age/Years of Service	% of Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Senior Management Service Class	2.00

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

FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of the FRS. During the 2016-17 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary					
	Employee	Employer (A)				
Florida Retirement System, Regular	3.00	7.52				
Florida Retirement System, Senior Management Service	3.00	21.77				
Deferred Retirement Option Program - Applicable to Mem	oers					
from all of the Above Classes or Plans	0.00	12.99				

Notes: (A) In addition to the rates shown, employer rates include 1.66 percent for the post-employment health insurance supplement. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Public Employee Optional Retirement Program.

The School's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the School. The School's contributions for the fiscal years ended June 30, 2015, June 30, 2016 and June 30, 2017, totaled \$7,061,736, \$7,616,012 and \$8,795,394 respectively, which were equal to the required contributions for each fiscal year.

<u>Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to FRS Pensions.</u> At June 30, 2017, the School reported a liability of \$50,721,234

for its proportionate share of the net pension liability. The total pension liability was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2016. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all Division of Retirement participating employers. At June 30, 2016, the School's proportion was .200875549% compared to .201089408% at June 30, 2015.

For the fiscal year ended June 30, 2017, the School recognized pension expense of \$7,296,085 related to the Plan. At June 30, 2017, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources					Deferred Inflows of Resources			
	Go	v't Activities	Bu	Bus-type Activities		Gov't Activities		-type Activities	
Differences between expected									
and actual experience	\$	3,728,264	\$	155,344	\$	453,359	\$	18,890	
Changes in assumptions or other									
inputs		2,945,744		122,739		-		-	
Net difference between projected									
and actual earnings on pension									
plan investments		12,586,387		524,433		-		-	
Changes in proportion and									
differences between district									
contributions and proportionate									
share of contributions		-		-		1,449,169		60,383	
Adjustment due to difference between									
estimated and actual deferred outflows									
subsequent to measurement date, 6/30/2015		7,315		306		-		-	
District contributions subsequent									
to the measurement date, 6/30/2016		5,507,339		229,472		-			
Total	\$	24,775,049	\$	1,032,294	\$	1,902,528	\$	79,273	

The deferred outflows of resources related to pensions, totaling \$5,736,811 (5,507,339 + 229,472), resulting from the School contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount				
2018	\$	2,698,517			
2019		2,698,517			
2020	7,809,92				
2021		5,345,055			
2022		786,188			
Thereafter		252,458			
Totals	\$	19,590,663			

<u>Actuarial Methods and Assumptions.</u> The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.60 percent

Salary Increases 3.25 percent, average, including inflation Investment rate of return 7.60 percent, net of pension plan investment

expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions that determined the total pension liability as of June 30, 2016, were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

		Annual	Compound Annual	
	Target	Arithmetic	(Geometric)	Standard
Asset Class	Allocation (1)	Return	Return	Deviation
Cash	1.0%	3.0%	3.0%	1.7%
Fixed Income	18.0%	4.7%	4.6%	4.6%
Global Equity	53.0%	8.1%	6.8%	17.2%
Real Estate (Property)	10.0%	6.4%	5.8%	12.0%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	11.1%
Total	100.0%			_
Assumed Inflation - Mean		2.6%		1.9%

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

<u>Discount Rate.</u> The discount rate used to measure the total pension liability was 7.60 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

<u>Sensitivity of the School's Proportionate Share of the Net Position Liability to Changes in the Discount Rate.</u> The following tables demonstrate the sensitivity of the net liability to changes to the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00 percent higher or 1.00 percent lower than the current discount rate at June 30, 2016.

FRS Net Pension Liability (Asset)

	1% Decrease 6.60%			Current	1% Increase
				7.60%	8.60%
NPL per FRS, June 30, 2016	\$	46,487,103,997	\$	25,250,078,485	\$ 7,573,059,453
FLVS proportionate @measurement date,					
date, June 30, 2016		0.200875549%		0.200875549%	0.200875549%
FLVS proportionate share of NPL	\$	93,381,225	\$	50,721,234	\$ 15,212,425

<u>Additional Financial and Actuarial Information</u>. Additional audited financial information supporting the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer, is located in the Florida CAFR for the fiscal year ended June 30, 2015, and in the Florida Retirement System Pension Plan and Other State-Administered Systems CAFR for the fiscal year ended June 30, 2016.

HIS Pension Plan

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

<u>Benefits Provided</u>. For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

<u>Contributions.</u> The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.26 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and proceeding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS Pensions. At June 30, 2017, the School reported a net pension liability of \$38,293,195 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the School's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The School's proportionate share of the net pension liability was based on the School's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the School's proportionate share was .328567617% for HIS, compared to .307188119% measured as of June 30, 2015.

For fiscal year ended June 30, 2017, the School recognized pension expense of \$3,107,209 related to the HIS Plan. In addition, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources					Deferred Inflows of Resources			
	Gov	't Activities	Вι	Bus-type Activities		Gov't Activities		-type Activities	
Differences between expected									
and actual experience	\$	-	\$	-	\$	83,730	\$	3,488	
Changes in assumptions or other									
inputs		5,768,809		240,367		-		-	
Net difference between projected									
and actual earnings on pension									
plan investments		18,588		774		-		-	
Changes in proportion and									
differences between district									
contributions and proportionate									
share of contributions		1,659,660		69,153		1,504,146		62,674	
Adjustment due to difference between									
estimated and actual deferred outflows									
subsequent to measurement date, 6/30/2015		(291)		(12)		-		-	
District contributions subsequent									
to the measurement date, 6/30/2016		1,803,741		75,156		-		-	
Total	\$	9,250,507	\$	385,438	\$	1,587,876	\$	66,162	

The deferred outflows of resources related to pensions, totaling \$1,878,897 (1,803,741 + 75,156), resulting from School contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2018	\$ 1,063,888
2019	1,063,888
2020	1,060,201
2021	1,058,432
2022	915,703
Thereafter	 779,207
Totals	\$ 5,941,319

<u>Actuarial Assumptions.</u> The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.85 percent

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

The HIS Plan has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study was completed in 2016 for the period July 1, 2008, through June 30, 2013. Because the HIS Plan is funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

<u>Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate</u>. The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (1.85 percent) or 1 percent higher (3.85 percent) than the current rate:

HIS Net Pension Liability (Asset) 1% Decrease 1% Increase Current 1.85% 2.85% 3.85% NPL per HIS, June 30, 2016 \$ 13,370,457,697 \$ 11,654,585,746 \$ 10,230,505,691 FLVS proportionate @measurement date, date, June 30, 2016 0.328567617% 0.328567617% 0.328567617% **FLVS** proportionate share of NPL 43,930,994 \$ 38,293,195 \$ 33,614,129

<u>Pension Plan Fiduciary Net Position.</u> Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

<u>Payables to the Pension Plan.</u> The School reported no payables for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2017.

Defined Contribution Pension Plan

The School contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. School employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members accounts during the 2016-17 fiscal year were as follows:

<u>Class</u>	Percent of Gross <u>Compensation</u>
FRS, Regular	6.30
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the School.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The School's Investment Plan pension expense totaled \$2,592,632 and there were 651 School participates for the fiscal year ended June 30, 2017.

12. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Florida Virtual School is a member of the North East Florida Educational Consortium (NEFEC) under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, and other coverage deemed necessary by the members of the Consortium. However, workers' compensation for employees who reside in states other than Florida is provided through fully insured plans that are not part of NEFEC. Arthur Gallagher Risk Management Services handles the School's multi-state worker's compensation policy for all states in which we have employees that allow such a policy. Section 1001.42(10)(k), Florida Statutes, provides the authority for the School to enter in such a risk management program. The Consortium is self-sustaining through member assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Reinsurance from commercial companies provided excess property coverage of up to \$50 million during the 2016-17 fiscal year. The Board of Directors of the Consortium is composed of superintendents of all participating districts and schools. The Putnam County District School Board serves as fiscal agent for the Consortium. The School has not reduced insurance coverage for the past two years. Settled claims have not exceeded insurance coverage for the past three years.

The School provides group health, life and disability insurance to benefited employees. There are three different health plans offered. All are PPO (Preferred Organization) plans, with one plan offering a lower-premium higher-deductible option coupled with an employer-funded HRA contribution. Under these plans, the Board contributes to a portion of the premiums as part of the "fringe benefits" offered to employees. These plans offer four participant tiers to include employee-only, employee plus spouse, employee plus child(ren), and full family coverage. The three plans are administered by Blue Cross Blue Shield of Florida. The School reported an estimated unpaid claims liability of \$1,182,740.

13. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. Pursuant to the provision of the Section 112.0801, Florida Statutes, former employees who retire from the School, and eligible dependents, may continue to participate in the School's health and hospitalization plan for medical and prescription coverages. The School subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at the blended group premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the School on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The rates by retirees eligible for Medicare are reduced by the Medicare premium. Separate stand-alone financial statements for the plan are not prepared.

Funding Policy. The School funds the postemployment benefit on a pay-as-you-go basis. For fiscal year 2016-17, 13 retirees received health care benefits. The School provided required contributions estimated at \$97,550 toward the annual Other Post Employment Benefits ("OPEB") cost, comprised of benefit payments made on behalf of retirees net of retiree contributions.

Annual OPEB Cost and Net OPEB Obligations. The following table shows the School's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School's net OPEB obligation:

Description	Amount
Normal Cost (service cost for one year) Amortization of Unfunded Actuarial Accrued Liability	\$ 860,356 672,778
Annual Required Contribution (ARC) Interest on Net OPEB Obligation (NOO) Adjustment to Annual Required Contribution	1,533,134 338,968 (438,963)
Annual OPEB Cost (Expense)	1,433,139
Estimated Contribution Toward the OPEB Cost	(97,550)
Increase in Net OPEB Obligation	1,335,589
Net OPEB Obligation, Beginning of Year	9,657,206
Net OPEB Obligation, End of Year	\$ 10,992,795

The School's annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, was as follows:

Year	Annual	Amount		ount Annual OPEB		
Ended	OPEB Cost	Contributed		Cost Contributed		Obligation
June 30, 2015	\$ 1,302,980	\$	106,182	8.15%	\$	8,295,959
June 30, 2016	\$ 1,360,650	\$	(597)	-0.04%	\$	9,657,206
June 30, 2017	\$ 1,433,139	\$	97,550	6.81%	\$	10,992,795

Funded Status and Funding Progress. As of June 30, 2017, the most recent valuation date, the actuarial accrued liability for benefits was \$14,548,018, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability of \$14,548,018 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$109,364,998 for the 2016-2017 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 13.30 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements.

Actuarial Methods and Assumptions. Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis.

The School's OPEB actuarial valuation as of June 30, 2017, used the Entry Age actuarial method with amortization on a level percentage basis, to estimate the unfunded and funded actuarial liability as of June 30, 2017 and to estimate the School's 2016-2017 fiscal year ARC. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 3.51 percent discount rate, compounded annually. The actuarial assumptions also included a payroll growth rate of 3.51 percent per year, and projected salary increases of 3.7% through 7.80%. The unfunded actuarial accrued liability is being amortized as a level percentage of expected payroll on a closed basis. The remaining amortization period at June 30, 2017, is 22 years.

14. LITIGATION

From time to time, the School may be involved in litigation. Currently, the School is not aware of any pending or threatened legal actions that would have a material effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ANNUAL FINANCIAL REPORT 2017



The Florida Virtual School Required Supplementary Information Budgetary Comparison Schedule General Fund

For the Fiscal Year Ended June 30, 2017

	General Fund							
				Variance				
	Budgeted	I Amounts	Actual Amounts	Positive /				
	Original	Final		(Negative)				
REVENUES								
State Sources:								
Florida Education Finance Program	\$ 165,842,717	\$ 165,842,717	\$ 167,697,480	\$ 1,854,763				
Reading Program	1,403,942	1,403,942	1,423,979	20,037				
School Recognition Program	330,715	330,715	-, 120,010	(330,715)				
Other State Sources	-	1,790,344	1,790,594	250				
Total State Sources	167,577,374	169,367,718	170,912,053	1,544,335				
Local Sources:								
Other Local Sources	12,601,707	12,682,926	14,984,907	2,301,981				
Total Local Sources	12,601,707	12,682,926	14,984,907	2,301,981				
Total Revenues	180,179,081	182,050,644	185,896,960	3,846,316				
EXPENDITURES								
Current:								
Instruction	129,773,743	135,157,567	126,413,034	8,744,533				
Pupil Personnel Services	6,504,294	6,554,091	5,952,099	601,992				
Instruction and Curriculum Development Services	431,221	419,553	390,538	29,015				
Instructional Staff Training Services	3,403,981	3,796,708	2,752,129	1,044,579				
Instruction Related Technology	8,323,048	8,571,154	7,671,000	900,154				
School Board	1,075,329	1,899,160	1,168,987	730,173				
General Administration	3,003,236	2,050,785	1,834,593	216,192				
School Administration	6,668,759	6,738,404	6,500,250	238,154				
Fiscal Services	2,184,419	2,161,953	2,126,365	35,588				
Central Services	10,988,477	12,121,759	10,300,598	1,821,161				
Operation of Plant	2,092,854	2,226,847	1,983,797	243,050				
Administrative Technology Services	10,897,512	12,168,661	9,186,636	2,982,025				
Community Services	-	145,529	145,529	-				
Capital Outlay:								
Other Capital Outlay		7,391,653	7,391,653					
Total Expenditures	185,346,873	201,403,824	183,817,208	17,586,616				
Excess (Deficiency) of Revenues Over Expenditures	(5,167,792)	(19,353,180)	2,079,752	21,432,932				
OTHER FINANCIAL COURCES (USES)								
OTHER FINANCIAL SOURCES (USES) Transfers In	6,012,440	6,012,440	6,012,440					
Transfers Out	(8,312,440)	(8,312,440)	(8,312,440)	-				
Total Other Financial Sources (Uses)	(2,300,000)	(2,300,000)	(2,300,000)					
, ,								
Net Change in Fund Balance	(7,467,792)	(21,653,180)	(220,248)	21,432,932				
Fund Balance, July 1, 2016	44,883,009	50,637,133	50,637,133	-				
Fund Balance, June 30, 2017	\$ 37,415,217	\$ 28,983,953	\$ 50,416,885	\$ 21,432,932				

The Florida Virtual Schoool Required Supplementary Information Schedule of Funding Progress Other Post Employment Benefits Plan For the Fiscal Year Ended June 30, 2017

	Actuarial		Actuarial Accrued Liability (AAL)		Unfunded			UAAL as a Percentage
Actuarial	Value of		Projected		AAL	Funded	Covered	of Covered
Valuation	Assets		Unit Credit		(UAAL)	Ratio	Payroll	Payroll
Date	(a)		(b)		(b-a)	(a/b)	(c)	[(b-a)/c]
luna 20, 2015	¢	¢	10 447 064	φ	10 117 061	0.000/	¢ 04.070.224	10 FE0/
June 30, 2015	•	- \$	12,447,964	\$	12,447,964	0.00%	\$ 91,872,334	13.55%
June 30, 2016	\$	- \$	12,447,964	\$	12,447,964	0.00%	\$ 91,872,334	13.55%
June 30, 2017	\$	- \$	14,548,018	\$	14,548,108	0.00%	\$ 109,364,998	13.30%

The Florida Virtual School Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability Florida Retirement System

	2016	2015	2014	
Florida Virtual School's proportion of the net pension liability (asset)	0.200875549%	0.201089408%	0.203303739%	
Florida Virtual School's proportionate share of the net pension liability (asset)	\$ 50,721,234 \$	25,973,394 \$	12,404,518	
Florida Virtual School's covered-employee payroll	\$ 109,364,998 \$	101,434,489 \$	91,872,334	
Florida Virtual School's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	40.000	05.040/	40 500/	
employee payroli	46.38%	25.61%	13.50%	
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%	

The Florida Virtual School Required Supplementary Information Schedule of Contributions Florida Retirement System

	 2017	2016	2015
Contractually required contribution	\$ 5,736,811 \$	4,898,671	\$ 4,902,731
Contributions in relation to the contractually required contribution	\$ (5,736,811) \$	(4,898,671)	\$ (4,902,731)
Contribution deficiency (excess)	\$ - \$	-	\$ -
Florida Virtual School's covered-employee payroll	\$ 109,364,998 \$	101,434,489	\$ 91,872,334
Contributions as a percentage of covered-emloyee payroll	5.25%	4.83%	5.34%

The Florida Virtual School Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability Health Insurance Subsidy Program

	2016	2015	2014	
Florida Virtual School's proportion of the net pension liability (asset)	0.328567617%	0.307188119%	0.313815997%	
Florida Virtual School's proportionate share of the net pension liability (asset)	\$ 38,293,195 \$	31,328,356	\$ 29,342,561	
Florida Virtual School's covered-employee payroll	\$ 109,364,998 \$	101,434,489	\$ 91,872,334	
Florida Virtual School's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	35.01%	30.89%	31.94%	
	33.01%	30.09%	31.94%	
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%	

The Florida Virtual School Required Supplementary Information Schedule of Contributions Health Insurance Subsidy Program

		2017	2016	2015	
Contractually required contribution	\$	1,878,897	\$ 1,684,118	\$ 1,174,264	
Contributions in relation to the contractually required contribution	\$	(1,878,897)	\$ (1,684,118)	\$ (1,174,264)	
Contribution deficiency (excess)	\$	-	\$ -	\$ -	
Florida Virtual School's covered-employee payroll	\$	109,364,998	\$ 101,434,489	\$ 91,872,334	
Contributions as a percentage of covered-emloyee payroll		1.72%	1.66%	1.28%	

THE FLORIDA VIRTUAL SCHOOL Required Supplementary Information Notes to the Pension Plans Schedules Year Ended June 30, 2017

Note 1. Factors That Affect Trend

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2016 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program.

The following changes in actuarial assumptions occurred in 2016:

- FRS: As of June 30, 2016, the inflation rate assumption was 2.60%, the overall payroll growth rate assumption was 3.25%, and the long-term expected rate of return was 7.60%.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 3.80% to 2.85%.

OTHER REPORTS ANNUAL FINANCIAL REPORT 2017



THE FLORIDA VIRTUAL SCHOOL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Fiscal Year Ended June 30, 2017

		Contract/			Amount
Federal Pass-Through Entity	CFDA	Grant	Contract		Provided to
Federal Program	Number	Number	Period	Expenditures	Sub-Recipients
Federal Awards					
U.S. Department of Education Indirect: Passed through the State of Florida Department of Education					
Carl D. Perkins Career & Technical Education	84.048A	48C-1617A-7CV01	07/01/16 - 06/30/17	\$ 24,720	\$ -
Title I - Part A, Education of Disadvantaged Children & Youth	84.010A	48C-2127B-7CB01	07/01/16 - 06/30/17	1,056,650	451,795
Title II - Teacher and Principal Training and Recruiting Fund	84.367A	48C-2247B-7CT01	07/01/16 - 06/30/17	12,607	1,724
IDEA - Part B K-12	84.027A	48C-2637B-7CB01	07/01/16 - 06/30/17	962,666	362,910
Total Federal Awards				\$ 2,056,643	\$ 816,429

See Accompanying Notes to Schedule

THE FLORIDA VIRTUAL SCHOOL Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

NOTE 1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the Florida Virtual School. The School reporting entity is defined in Note 1 to the School's Basic Financial Statements for the year ended June 30, 2017. All federal awards passed through to other government agencies are included in the schedule.

NOTE 2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School's Basic Financial Statements for the year ended June 30, 2017.

NOTE 3. De Minimis Cost Rate

The School did not elect to use the 10% de minimus cost rate as covered by 2 CFR Section 200.414.

THE FLORIDA VIRTUAL SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Section I - Summary of Independent Auditor's Results

Financial Statements			
Type of Auditor's Report Issued:		Unmodified O	pinion
Internal control over financial reporting	g:		
Material weakness(es) identified	?	Yes	<u>X</u> No
• Significant deficiency(ies) identi	fied?	Yes	X None reported
Noncompliance material to financial s	tatements noted?	Yes	X No
Federal Awards			
Internal control over major programs:			
• Material weakness(es) identified	?	Yes	_X_ No
• Significant deficiency(ies)?		Yes	X None reported
Type of report issued on compliance	for major federal program:	Unmodified O	pinion
Any audit findings disclosed that are reaccordance with Section 200.516 of the	* *	Yes	_X_No
Identification of Major Program:			
<u>CFDA Number</u> 84.027A	Name of Federal Program or Clu IDEA – Part B K-12	<u>uster</u>	
Dollar threshold used to distinguish be Type A and Type B programs:	etween	<u>\$750,000</u>	
Auditee qualified as low-risk auditee?		X Yes	No

THE FLORIDA VIRTUAL SCHOOL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2017

Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*.

No matters are reported.

Section III - Federal Award Findings and Questioned Costs Section reported in accordance with the Uniform Guidance.

No matters are reported.



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

Chairman and Members of The Florida Virtual School Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Florida Virtual School (the "School") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated January 23, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control over financial reporting 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.

Chairman and Members of The Florida Virtual School

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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*.

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the School in a separate management letter and Independent Accountant's Report dated January 23, 2018.

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.

MOORE STEPHENS LOVELACE, P.A.

Moore & tephens lovelace, P.A.

Certified Public Accountants

Orlando, Florida January 23, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Chairman and Members of The Florida Virtual School Orlando, Florida

Report on Compliance for Each Major Federal Program

We have audited the compliance of The Florida Virtual School (the "School") with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on the School's major federal program for the fiscal year ended June 30, 2017. The School's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements. We issued our report thereon dated January 23, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Cont.)

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MOORE STEPHENS LOVELACE, P.A.

Moore & tephens lovelace, P.A.

Certified Public Accountants

Orlando, Florida January 23, 2018



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Chairman and Members of The Florida Virtual School Orlando, Florida

Report on Financial Statements

We have audited the financial statements of The Florida Virtual School (the "School") as of and for the year ended June 30, 2017, and have issued our report thereon dated January 23, 2018.

Auditor's Responsibility

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.850, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, and Schedule of Findings and Questioned Costs, and our Independent Accountant's Report in accordance with Chapter 10.800, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated January 23, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)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 report. In conjunction with our audit, we determined that no findings were reported in the preceding annual financial report.

Official Title

Section 10.854(1)(e)5., *Rules of the Auditor General*, requires the name or official title of the entity be disclosed in the management letter. The official title of the entity is The Florida Virtual School.

Chairman and Members of The Florida Virtual School

Financial Condition and Management

Section 10.854(1)(e)2., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6a. and 10.855(12), *Rules of the Auditor General*, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by the same.

Section 10.854(1)(e)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Section 10.854(1)(e)7., *Rules of the Auditor General*, requires the auditor to report the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained the information specified in Section 1002.33(9)(p), Florida Statutes on its website.

Additional Matters

Section 10.854(1)(e)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In conjunction with our audit, we did not have any such findings.

Purpose of this Letter

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

MOORE STEPHENS LOVELACE, P.A.

Moore & tephens lovelace, P.A.

Certified Public Accountants

Orlando, Florida January 23, 2018



INDEPENDENT ACCOUNTANT'S REPORT

Chairman and Members of The Florida Virtual School Orlando, Florida

We have examined The Florida Virtual School's (the "School") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended June 30, 2017. Management is responsible for the School's compliance with those requirements. Our responsibility is to express an opinion on the School's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the School's compliance with specified requirements.

In our opinion, the School complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2017.

MOORE STEPHENS LOVELACE, P.A.

Moore & tephens lovelace, P.A.

Certified Public Accountants

Orlando, Florida January 23, 2018



APPENDIX B

STAKEHOLDER SURVEYS: EXECUTIVE SUMMARY

2016-17

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Executive Summary

Florida continues to support the development of Florida Virtual School (FLVS) as a resource for addressing the technological and learning needs within its Kindergarten-12 student population.

FLVS has an ongoing process for conducting surveys of the various stakeholders it serves and uses the data to monitor organizational performance and evaluate areas for improvement. Individual findings from the surveys FLVS administered to its stakeholders are summarized in four separate annual reports (Student-Parent, District Virtual Schools, School, and District Survey Reports for 2016-17).

This report provides an executive summary of the major findings from these surveys. A detailed three-year comparison summarizing the Student-Parent survey results is located in the appendix. Due to significant survey changes to the School and District survey, a two-year comparison was not conducted. Table 1 summarizes total responses collected for the Student-Parent surveys.¹

Table 1. FLVS Student-Parent Responses Collected

	Student	Parent
Survey	Response Count	Response Count
Midcourse	49,518	4,833
End of Course	21,115	2,742

Table 2. FLVS Annual Survey Response Rates, 2016-17

Survey	Total Sent	Number Returned	Response Rate
School	632,345	57,821	9.1%
District	242,027	20,387	8.4%

¹ Counts include responses captured for District Virtual Schools and FLVS.

Reactions from Students and Parents

Overall Satisfaction

In general, scores from parents have increased since last year and scores from students slightly decreased (see appendix). Students also tend to have lower scores than parents.

Teacher satisfaction was one of the highest rated of all survey questions asked of both students and parents. In fact, for parents, teacher satisfaction increased year-over-year for the second year in a row (+1.3 points since 2015-16). For students, teacher satisfaction decreased slightly year-over-year (-0.2 points) but is still higher than in the 2014-15 school year. Students and parents are also very satisfied with the course overall. There was a high likelihood to take another course from their respective FLVS teachers (82.0 points for students and 91.2 for parents) as well as recommend FLVS to a friend (79.6 points for students and 93.2 for parents). The average score for best learning experience from students was 71.4 (down 0.9 points year-over-year) and from parents was 82.5 (up 3.0 points).

Teacher Quality

Again, parents' scores have all increased since 2015-16, whereas students' scores have slightly decreased. Students gave teacher overall communication a score of 85.7 (down 0.2 points year-over-year) and parents rating was 92.6 (up 1.2 points). Parents' scores were even higher for willingness to help (93.7 points, up 0.8 year-over-year) and teacher focused on success (93.6 points, up 1.1). Average scores for students were still high, at 90.8 on willingness to help (down 0.3) and 90.9 on teacher focused on success (down 0.1 points).

Course Quality

Course quality scores were not as high as teacher quality, but averaged about 83 points across all questions. Overall, parent scores increased about 2 points and student scores stayed consistent or decreased slightly. Course navigation received the highest rating among the course quality questions, at 89.5 for parents and 84.9 for students. Parents' scores are between 5 and 10 points higher than students' scores. Course materials quality and course materials and resources both improved by 2.1 points compared to the 2015-16 school year for parents. Student scores decreased by 0.9 and 0.8 points year-over-year on the course materials and resources and course set up questions, respectively.

Reaction from Schools (N = 661) and Districts (N = 9)

Support to Schools and Districts

In general, both school and district personnel indicated they received what was needed with the services FLVS provided to their students, as well as the support and communication provided to their school or district.

School contacts reported positive experiences with FLVS. Respondents indicated communication between FLVS and schools has been sufficient. There is an opportunity for improvement with about 35 percent of school respondents unfamiliar with the counselor resources web page, and 25 percent unfamiliar with the terms of agreement. Even with these shortcomings, 84 percent said their primary FLVS contact has been in touch with someone at their school (which has increased 4 percentage points year-over-year) and 87 percent are satisfied with the level of service they receive (consistent with last year).

Compared to last year, school-level personnel indicated the quality of their experience with FLVS increased 4 percentage points to 81 percent for 2016-17, which had already increased 3 percentage points since 2015-16.

District contacts reported positive experiences with FLVS. Although the sample size is small, respondents from the district level resulted in a score of 94 points on Receiving Sufficient Support from FLVS (which is up 5 points since last year).

District Relations Manager Partnership

Both school and district personnel responded in an overwhelmingly positive manner to questions regarding their District Relations Manager (DRM) partnership for the second year in a row.

School contacts reported having a strong partnership with FLVS DRMs with a near 100 percent rating, similar to last year. The majority of respondents felt DRMs were always accessible to help resolve concerns, were responsive to inquiries, and provided support relating to FLVS information. Additionally, they see DRMs as valuable support.

District contacts reported having a strong partnership with FLVS DRMs, with all nine respondents answering 'Yes' to these questions (resulting in a score of 100 for the second year in a row). All respondents felt DRMs were always accessible to help resolve concerns, were always responsive to inquiries, and provided support relating to FLVS information. Additionally, they see DRMs as valuable support.

Student Monitoring

Schools feel that they are well equipped to monitor the progress of FLVS students. Most FLVS schools also reported using administrative accounts to monitor student progress.

Compared to last year, more district respondents indicated FLVS provided the information needed to monitor the progress of their district's FLVS students. One area of improvement for district personnel would be their use of FLVS administrative accounts, as only 3 of the 8 district respondents strongly agreed to use this resource.

Awareness and Participation

School contacts indicated there was a moderate to high level of awareness of the FLVS program. Fifty-five percent of the responding school contacts indicated more than 70 percent of their students are aware of FLVS. About 67 percent of school respondents agree or strongly agree that they encourage enrollment with FLVS. About the same number of schools as last year indicated that specific limitations are placed on students when scheduling FLVS courses (with a score of 58).

Seven of the eight districts indicated awareness of the FLVS program among the high schools in their districts. All but one district contacts believe 70 percent or more of students are aware of FLVS in the districts (same as last year).

Regarding student participation in FLVS, the number of school respondents who agree that their school places specific limitations on students when scheduling FLVS courses has increased by one since last year. This year, all district respondents indicated they specified policies related to FLVS participation in their Student Progression Plans. This number has increased for the second year in a row to include all nine respondents this year. All but one of the district respondents used FLVS to accommodate students with extraordinary circumstances. The number of respondents who are implementing specific strategies to encourage minority enrollment has increased for the second year in a row. Although these scores for the districts are generally improving, it is important to remember that this is likely a result of the specific districts who responded to the survey since the sample size is so small.

Quality and Benefits to Schools and Districts

There was strong agreement from school contacts that FLVS benefited both the schools and students. Higher ratings from both schools and districts on the benefits FLVS provides students lifted scores for the second year in a row, from a score of 81 last year to 84 this year. School respondents gave slightly higher ratings than last year regarding FLVS as a key partner and for the quality of their experience with FLVS (up 1 point to 76 and up 4 points to 81, respectively). District scores for considering FLVS as a key partner has also increased since last year.

Potential Barriers and Concerns to Schools and Districts

The lack of technology at home was reported as a greater challenge for students to access FLVS compared to technology at school. About 14 percent of school respondents reported having technical problems with their courses and about 15 percent indicated having concerns about either FLVS courses or teachers.

The district contacts agree that the lack of technology at home is more of a barrier for students than the technology in the schools, but the number of districts who believe that home and school technology is a barrier for students is decreasing year-over-year.

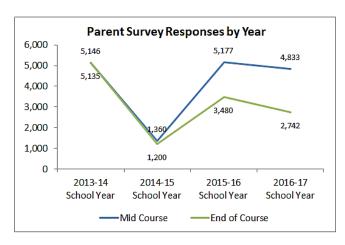
Appendix. Year-To-Year Comparison

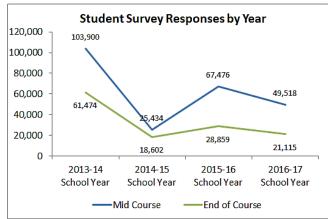
Surveys and Response Rates

Student and Parent Surveys

Each year, Florida Virtual School (FLVS) conducts surveys of its students and their parents to learn more about the strengths and weaknesses of its virtual education program. This report provides results segmented by student and parent completed surveys. Surveys were administered to enrolled students via email to evaluate two phases within a student's FLVS course:

- Midcourse: Upon approximately 45 percent completion of the course, students receive a survey addressing the same topics (using the same items) as the early-course survey (12 items).
- End of Course: Upon 90 percent course completion, students receive a survey addressing the same topics (repeating the same 12 questions) as the midcourse survey. This survey also asked six additional items related to overall satisfaction with the course and teacher (18 items total).





Annual Surveys

Florida Virtual School conducts an annual school and district survey to gather feedback and data from the staff with whom it partners. Contacts were invited via email to participate in the survey during the summer of 2017. There were 661 school surveys were completed and nine district surveys were completed. The district scores should be interpreted with the small sample size in mind.

Student and Parent Surveys

Below are the average scores for each rating question by year, segmented by all student and parent responses.

Overall Satisfaction

• • • • • • • • • • • • • • • • • • • •					•
			School Year	-	
	Parent or Student	2014-15	2015-16	2016-17	Year-Over- Year Change
Teacher Satisfaction	Parent	87.3	91.9	93.2	+1.3
reactier Satisfaction	Student	87.0	89.4	89.2	-0.2
Course Satisfaction	Parent	85.2	88.1	90.0	+1.9
Course satisfaction	Student	81.8	81.4	81.1	-0.3
Recommend	Parent	88.4	90.9	93.2	+2.3
Recommend	Student	81.1	79.2	79.6	+0.4
Take Another Course	Parent	86.6	89.5	91.2	+1.7
Take Another Course	Student	82.7	82.5	82.0	-0.5
Post Loarning Experience	Parent	79.3	79.5	82.5	+3.0
Best Learning Experience	Student	74.9	72.3	71.4	-0.9

Teacher Quality

			School Year	•	
	Parent or Student	2014-15	2015-16	2016-17	Year-Over- Year Change
Level of Care	Parent	87.7	91.3		
Level of Care	Student	87.3	89.4		
Learning Needs Assistance	Parent	87.2	90.9		
Learning Needs Assistance	Student	86.7	88.9		
Response Time Satisfaction	Parent	87.3	90.2		
Response Time Satisfaction	Student	84.9	87.4		
Overall Communication	Parent	87.0	91.4	92.6	+1.2
Overall Communication	Student	83.3	85.9	85.7	-0.2
Willingness to Help	Parent		92.9	93.7	+0.8
Willingliess to Help	Student		91.1	90.8	-0.3
Teacher Focused on Success	Parent		92.5	93.6	+1.1
reactier Focused off Success	Student		91.0	90.9	-0.1

Course Quality

			School Year		
	Parent or Student	2014-15	2015-16	2016-17	Year-Over- Year Change
Course Navigation	Parent	85.5	87.8	89.5	+1.7
Course Navigation	Student	84.4	84.9	84.9	±0.0
Course Materials Quality	Parent	83.9	86.8	88.9	+2.1
Course Materials Quality	Student	80.2	81.1	81.1	±0.0
Course Materials & Resources	Parent	83.0	83.5	85.6	+2.1
Course Materials & Resources	Student	77.2	76.1	75.2	-0.9
Course Set Un	Parent	83.3	83.4	85.1	+1.7
Course Set Up	Student	77.2	75.5	74.7	-0.8

Annual Surveys

School (N = 661 total responses)

Question	Score 2015-16	Score 2016-17	Year-Over- Year Change
Are you familiar with the Counselor Resource page of the FLVS website? (Yes/No) Score indicates percent of "Yes"	62	65	+3
Are you familiar with the "Terms of Agreement" between your district and FLVS? (Yes/No) Score indicates percent of "Yes"	70	75	+5
Have you or other school personnel been in touch with your primary FLVS contact? (Yes/No) Score indicates percent of "Yes"	80	84	+4
You are satisfied with level of service you receive from your primary FLVS contact. (Strongly Agree to Strongly Disagree 5 point rating scale)	86	87	+1
Do you receive FLVS information from the FLVS District Contact person in your district? (Yes/No) Score indicates percent of "Yes"	85	87	+2
Do you feel the District Relations Manager (DRM) is accessible to help you resolve concerns regarding your FLVS needs? (Yes/No) Score indicates percent of "Yes"	99	99	±0
Do you find the DRM to be responsive regarding your inquiries regarding FLVS questions? (Yes/No) Score indicates percent of "Yes"	99	99	±0
Do you believe the DRM provides support as it relates to FLVS information? (Yes/No) Score indicates percent of "Yes"	99	99	±0

Considering your overall experience with FLVS, do you see the DRM as a valuable support? (Yes/No) Score indicates percent of "Yes"	99	99	±0
What percentage of your school's students are aware of FLVS? Awareness greater than 70%	57	55	-2
FLVS provides you with the information you needed to monitor the progress of your FLVS student. (Strongly Agree to Strongly Disagree 5 point rating scale)	79	79	±0
You or school personnel use FLVS administrative accounts to monitor student progress over the web. (Strongly Agree to Strongly Disagree 5 point rating scale)	80	81	+1
Your school encourages enrollment in FLVS courses. (Strongly Agree to Strongly Disagree 5 point rating scale)	75	74	-1
Your school places specific limitations on students when scheduling FLVS courses. (Strongly Agree to Strongly Disagree 5 point rating scale)	57	58	+1
You are satisfied with quality of your school's experience with FLVS. (Strongly Agree to Strongly Disagree 5 point rating scale)	77	81	+4
Florida Virtual School benefits your students. (Strongly Agree to Strongly Disagree 5 point rating scale)	81	84	+3
Florida Virtual School benefits your school. (Strongly Agree to Strongly Disagree 5 point rating scale)	77	80	+3
You consider Florida Virtual School to be a key partner to your school. (Strongly Agree to Strongly Disagree 5 point rating scale)	75	76	+1
Your students experience little to no technical of technical problems in their FLVS courses. (Strongly Agree to Strongly Disagree 5 point rating scale)	61	64	+3
The lack of school technology has been a barrier for some students to access Florida Virtual School courses. (Strongly Agree to Strongly Disagree 5 point rating scale)	29	27	-2
The lack of home technology has been a barrier for some students to access Florida Virtual School courses. (Strongly Agree to Strongly Disagree 5 point rating scale)	52	51	-1
Have you had any concerns about FLVS courses this past school year? (Yes/No) Score indicates percent of "Yes"	13	15	+2
Have you had any concerns about FLVS teachers this past school year? (Yes/No) Score indicates percent of "Yes"	18	14	-4

District (N = 9 total responses)

Ouestion	Score 2015-16	Score 2016-17	Year-Over- Year Change
FLVS policies and procedures are clearly communicated to the affiliated districts. (Strongly Agree to Strongly Disagree 5 point rating scale)	76	84	+8
You receive sufficient support from your primary FLVS contact. (Strongly Agree to Strongly Disagree 5 point rating scale)	89	94	+5
Have you or other school personnel been in touch with your primary FLVS contact? (Yes/No) Score indicates percent of "Yes"	90	100	+10
FLVS provides you with the information needed to monitor the progress of your district's FLVS students. (Strongly Agree to Strongly Disagree 5 point rating scale)	69	78	+9
District personnel use FLVS administrative accounts to monitor student progress over the Web. (Strongly Agree to Strongly Disagree 5 point rating scale)	69	59	+10
Do you feel the District Relations Manager (DRM) is accessible to help you resolve concerns regarding your FLVS needs? (Yes/No) Score indicates percent of "Yes"	100	100	±0
Do you find the DRM to be responsive regarding your inquiries regarding FLVS questions? (Yes/No) Score indicates percent of "Yes"	100	100	±0
Do you believe the DRM provides support as it relates to FLVS information? (Yes/No) Score indicates percent of "Yes"	100	100	±0
Considering your overall experience with FLVS, do you see the DRM as a valuable support? (Yes/No) Score indicates percent of "Yes"	100	100	±0
What percentage of high schools in your district are aware of FLVS? Awareness greater than 70%	100	89	-11
What percentage of high school students in your district are aware of FLVS? Awareness greater than 70%	84	89	+5
Your district places specific limitations on students when scheduling FLVS courses. (Strongly Agree to Strongly Disagree 5 point rating scale)	25	22	-3
Your district ensures all students have access to FLVS courses if needed. (Strongly Agree to Strongly Disagree 5 point rating scale)	74	91	+17
Does your district Student Progression Plan specify policies regarding students' participation in FLVS courses? (Yes/No) Score indicates percent of "Yes"	84	100	+16
Does your district implement any specific strategies to encourage minority enrollment in FLVS? (Yes/No) Score indicates percent of "Yes"	37	56	+19

Has your district utilized FLVS to accommodate students with extraordinary circumstances? (Yes/No) Score indicates percent of "Yes"	84	89	+5
Florida Virtual School benefits your students. (Strongly Agree to Strongly Disagree 5 point rating scale)	78	84	+6
Florida Virtual School benefits your district. (Strongly Agree to Strongly Disagree 5 point rating scale)	75	81	+6
You consider Florida Virtual School to be a key partner to your school. (Strongly Agree to Strongly Disagree 5 point rating scale)	75	81	+6
The lack of school technology has been a barrier for some students in accessing FLVS courses. (Strongly Agree to Strongly Disagree 5 point rating scale)	32	22	-10
some students in accessing FLVS courses. (Strongly Agree	32 56	22 47	-10 -9
some students in accessing FLVS courses. (Strongly Agree to Strongly Disagree 5 point rating scale) The lack of home technology has been a barrier for some students in accessing FLVS courses. (Strongly Agree	-		

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