

# Florida Virtual School® Legislative Report 2013-14





# Table of Contents

## Florida Virtual School® Legislative Report 2013-14

Introduction.....	4
Background .....	5
Operations of Florida Virtual School.....	7
Performance Data .....	8
FLVS Awards and Accomplishments .....	10
Assets and Liabilities.....	11
Audited Financial Report .....	12
Unit Cost Recommendations.....	13
Accountability .....	14
Appendix A: FLVS Strategic Plan 2014–2017 and Marketing Plan 2013-14 .....	15
Appendix B: FLVS Global .....	33
Appendix C: Annual Financial Report for the Fiscal Year Ended June 30, 2014.....	43
Appendix D: Stakeholders’ Surveys – Executive Summary 2013-14 .....	77

# Introduction

The ability for schools to provide students with the knowledge and skills they will need to succeed in the information age of the 21st century will be one of the most important measures of effective educational reform. Our most important duty, as parents and educators, is to teach our students critical thinking and reasoning skills. The desire to help our students become successful 21st century citizens is the driving force behind the existence of Florida Virtual School® (FLVS®). “No Child Left Behind” is more than a mandate. It forces us as educators and as a nation to put words into action if we truly believe that every student, regardless of circumstance, can be successful. Through initiatives such as Florida Virtual School, time, distance, and availability of rigorous courses are no longer obstacles to students and schools.

A recent quote by Governor Rick Scott speaks to the efforts that FLVS is making in expanding opportunities for students:

*“As a state, we must find new and innovative ways to improve the quality and delivery of services to Floridians. With its mastery-based, one-on-one delivery of instruction model and performance-based funding approach, Florida Virtual School is a prime example of how outside of the box thinking can produce immense success in how we educate our students.”* – Rick Scott, Governor

Since the inception of Florida Virtual School in 1997, success has been our expectation. It is an expectation equally shared by our students, parents, partners, and political supporters. The belief that student-centered education really works has made the past 17 years an exciting and productive adventure. Florida Virtual School is a place where students are at the center of learning. Our motto, “any time, any place, any path, any pace™”, recognizes that learning is an ongoing activity not confined solely to classrooms and class schedules. Of equal importance is our understanding that students must be given the opportunity to be active and willing participants in the learning process. Learning starts with the learner. That understanding is at the core of “reinventing education.”

# Background

Florida Virtual School is currently in the midst of a major evolutionary step in its development as a unique public educational institution. The 2000 Florida Legislature enacted 228.082 (now 1002.37), Florida Statutes, which established FLVS as an independent educational entity with a separate governing board. In most respects, FLVS has a comparable legal status to the 67 school districts that make up Florida's public school system. In 2000, the governor appointed the seven-member governing board of FLVS, and the transition to independent status was completed at the end of the 2000 calendar year.

FLVS received accreditation status in 2001-02. A milestone in the development of Florida Virtual School came on October 31, 2001, when FLVS received a letter of accreditation as a Distance Learning School by the Commission on International and Trans-Regional Accreditation (CITA) and Southern Association of Colleges and Schools (SACS). Dr. Judy Flatt, Associate Director of SACS, informed FLVS that it was now an "Accredited CITA-SACS Distance Learning School." FLVS full-time teachers were added to the eligibility list for the "Teacher of the Year" program for the state of Florida in 2002. A program to select and honor an exemplary teacher was put in place by the school in 2001-02. In 2012, AdvancED conferred re-accreditation to Florida Virtual School, rating the statewide public school district "highly functional" in all seven required standards—the highest accreditation possible.

In addition to expanding the number of courses and students served during the 2002-03 school year, an effort to create a unique, long-term funding model for FLVS was the focus of much work during the year. As a national leader in online Kindergarten–12 education, Florida has garnered much attention on how the state would seek to incorporate a funding model for FLVS that would allow for continued growth, quality assurance, and support by the school districts throughout Florida. What resulted from this effort was the creation of a performance-based funding model that allows FLVS to collect the full-time equivalent (FTE) on students who successfully complete online courses. This landmark funding model for online schools was passed by the 2003 Florida Legislature and became effective on July 1, 2003.

The Digital Learning Act, which was passed in 2011, requires students entering the ninth grade in 2011-12 and after to complete an online course to meet graduation requirements and that all statewide end-of-course assessments be administered online by the 2014-15 school year. District schools have implemented more FLVS Virtual Learning Labs to assist in meeting class size requirements and to help students meet new online graduation requirements. In 2013-14 FLVS had a total of 260 labs. The legislative landscape continues to help shape virtual learning. As of July 2012, Florida Virtual School can provide eligible Kindergarten through 5th grade students part-time offerings versus just being able to enroll in the full-time option. In addition, FLVS Full Time students are now eligible to participate in interscholastic extracurricular activities at the public school to which the student would be assigned to according to district policies.

Collaborations with districts made great strides forward through solutions that offer remarkable flexibility in fulfilling Virtual Instruction Program mandates. The new full-time Kindergarten–12 program, Florida Virtual School Full Time, developed in alliance with Florida Connections Academy, has seen great success. In 2013-14, FLVS had a total of 32 franchises, serving 56 districts, and 78,106 half course completions. The school-based Virtual Learning Centers are becoming more common, providing local schools with a way to effectively solve issues such as transfer or scheduling conflicts, credit recovery, and grade forgiveness.

In 2013, FLVS FT celebrated its first graduating class, providing high school diplomas to 275 students. For the first time ever, FLVS FT high school received a grade from the Florida Department of Education, earning a "B" for the 2012-13 school year. Effective July 1, 2013, the legislature enacted a new funding for calculating the Florida Education Finance Program, limiting the sum of each student's full-time equivalent student membership value from all virtual programs or courses to 1.0 full-time equivalent.

## Background continued

In 2014, FLVS FT celebrated its second graduating class with 378 seniors receiving a high school diploma. This talented class of 2014 has been accepted at some of Florida's and the nation's best colleges and universities. FLVS FT high school for the second year celebrated earning a "B" for the 2013-14 school year.

Effective July 1, 2014, The Virtual Education Contribution (VEC) component of the Florida Education Funding Program (FEFP) was increased from \$5,200 to \$5,230 per successful FTE completion. As part of the Digital Learning Act, Driver's Education will again be allowed to meet the online course graduation requirement.

# Operations of Florida Virtual School

As an online school, FLVS is unique from other schools in that it does not have physical facilities in the traditional manner. FLVS is virtual in the sense that there is no FLVS school building; its students can be anywhere in the state or the world. Although the administrative and technical functions of FLVS are primarily based in Orange County, all teachers and some support staff are home-based throughout the state. In 2013-14, the total staff was 1,945. The FLVS online educational delivery system transcends traditional education programs and offers an unprecedented degree of access and flexibility in serving the unique needs of elementary and secondary school students throughout the state of Florida and beyond.

As a public school, all FLVS instructors possess state certification and are teaching in the field for which they are certified. FLVS provides online instruction to students in all 67 Florida public school districts, has affiliations with numerous private schools, and provides instruction to homeschooled students throughout the state.

Since it began serving students on a statewide basis in the fall of 1997 with approximately 77 student enrollments, FLVS has continued to develop into a dynamic organization. In the 2013-14 school year, 377,508 student enrollments in more than 120 courses (including Advanced Placement® [AP®\*]) were successfully completed. *(Please note that enrollment is defined as number of course seats that students have taken. The enrollment number is consistently larger than the student count number. This is because many students sign up for more than one course. It is not uncommon for one student to be enrolled in three courses, thus the student count would be one but the enrollment count would be three. In the 2013-14 school term, the average number of online classes taken was 1.9 enrollments per student).*

\*AP and Advanced Placement Program are registered trademarks of the College Board, which was not involved in the production of and does not endorse this product.

# Performance Data

	2013-14	2012-13	2011-12	2010-11	2009-10
Semester Completions*					
Part Time Semester Completions	377,508	410,962	314,593	259,941	212,054
Full Time Semester Completions	56,486	51,409	24,872		
District Total Semester Completions	433,994	462,371	339,465		
Students Served					
Part Time Students Served	192,820	206,730	149,036	122,702	97,183
Full Time Students Served	5,104	5,366	2,468		
Student Semester Completions* by School Type					
Public & Charter	73%	75%	70%	69%	66%
Homeschool	21%	20%	23%	25%	27%
Private	6%	5%	7%	6%	7%
Student Semester Completions* by Race**					
Caucasian	72%	70%	53%	57%	61%
Minority	28%	30%	47%	43%	39%
Student Semester Completions* by Gender					
Female	57%	57%	58%	57%	57%
Male	43%	43%	42%	43%	43%
Semester Completions* in Priority Schools (FLVS Part Time only)					
Rural	6%	7%	7%	7%	8%
Low-Performing	15%	16%	15%	16%	17%
High-Minority	23%	25%	23%	20%	17%
Advanced Placement Course Semester Completions* (FLVS Part Time only)					
Total AP Semester Completions	6,028	5,493	4,829	4,368	3,970
Minority Student Semester Completions**	52%	33%	49%	46%	44%
AP Semester Completions* in Priority Schools (FLVS Part Time only)					
Rural	3%	3%	5%	3%	3%
Low-Performing	13%	12%	14%	13%	16%
High-Minority	21%	24%	25%	22%	21%

## Top 10 Core Courses by Semester Completions\* 2013-14

1.	Algebra 2	3%
2.	World History	3%
3.	Geometry	3%
4.	Algebra 1	2%
5.	English 3	2%
6.	United States History	2%
7.	English 2	2%
8.	English 1	2%
9.	Biology 1	2%
10.	United States Government	2%

## Top 10 Elective Courses by Semester Completions\* 2013-14

1.	Driver's Education/Traffic Safety	11%
2.	Health Opportunities through Physical Education (HOPE)	8%
3.	Spanish 1	6%
4.	Spanish 2	5%
5.	Personal Fitness	2%
6.	Leadership Skills Development	2%
7.	Parenting Skills	2%
8.	Computing for College and Careers	1%
9.	Fitness Lifestyle Design	1%
10.	Creative Photography	1%

\*A semester completion equals a successful completion (passing grade) of one semester of a course. Students who fail or withdraw from a semester of a course are not included in this number.

\*\*2012-13 data reflects new race definitions provided by the Florida Department of Education.



## Performance Data continued

	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Total Number of Courses</b>	120	120	120	110	100
<b>Top District Participation by Semester Completions*</b>					
Miami-Dade	16%	15%	14%	8%	7%
Broward	9%	12%	9%	10%	9%
Palm Beach	9%	7%	7%	7%	7%
Hillsborough	8%	8%	9%	11%	7%
Orange	7%	7%	7%	7%	9%
<b>Number of Semester Completions* through FLVS Franchises</b>	78,106	42,623	33,243	28,368	17,394
<b>Staff Demographics</b>					
Total Number of Staff	1,945	2,584	2,006	1,463	1,415
Support Staff	346	488	359	341	315
Full Time Teachers	1,263	1,412	1,155	1,027	1,031
Adjunct Teachers	336	684	492	95	69
<b>Staff with National Board Certifications</b>	70	121	125	125	123

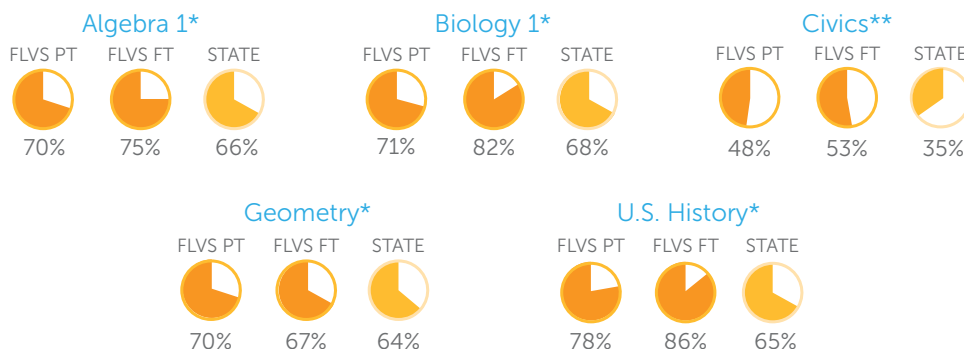
\*A semester completion equals a successful completion (passing grade) of one semester of a course. Students who fail or withdraw from a semester of a course are not included in this number.

# FLVS Awards and Accomplishments

## 2013-14

- Received the Elearning! Media Group's 2013 Learning! 100 Award for being named one of the top 100 learning organizations in the world
- Awarded the 2014 Platinum Learning Impact Award for Content Automation Too from the IMS Global Learning Consortium
- Won the 2013 SIIA CODiE Award for Best Instructional Solution in Other Curriculum Areas for the Leadership Skills Development course
- Received the 2014 Learning and Performance Excellence Award from the Central Florida Chapter of the American Society of Training and Development, in addition the 2013 Blackboard Catalyst Award for Staff Development
- Received the 2013 Best Practices in Distance Learning Programming – Platinum Award from the United States Distance Learning Association (USDLA)
- Received the 2013 Return on Education (ROE) Innovation Award
- Named a winner of the 2014 Blackboard Catalyst Award for Student Impact (FLVS Middle School Social Studies Team)
- Felicia Ryerson, senior director Professional Development was inducted into the United States Distance Learning Association 2014 Hall of Fame
- Kathy Moresi, executive assistant in the Professional Learning Department, was named one of five finalists for the 2014 Florida School-Related Employee of the Year award
- Dr. Dhyana Ziegler, FLVS board member and Florida A&M University (FAMU) professor, was named the Garth C. Reeves Eminent Scholar Chair in the School of Journalism & Graphic Communication at FAMU

## End-of-Course Assessments Spring 2014



Data represents first-time test takers.

\*Percentage of Students Scoring Level 3 or Above (Proficient)

\*\*Achievement levels for the Civics EOC have not been defined; therefore students' scores were based on a T-scale score range from 20-80. Percentages indicate number of students scoring in the top third of the T-scale (55-80).

## Advanced Placement Results 2014

FLVS AP Course	FLVS PT	FLVS FT***	State	FLVS AP Course	FLVS PT	FLVS FT***	State
AP Computer Science A	77.9%	-	42.5%	AP Macroeconomics	54.6%	7.7%	41.0%
AP Calculus BC	73.5%	-	79.8%	AP English Language	54.4%	58.5%	50.3%
AP Biology	71.8%	60.0%	58.4%	AP Environmental Science	51.7%	-	38.2%
AP Human Geography	68.1%	42.9%	41.6%	AP Art History	49.5%	-	47.4%
AP English Literature	62.9%	45.8%	51.2%	AP U.S. Government & Politics	45.7%	13.6%	37.0%
AP Psychology	67.1%	-	56.1%	AP Calculus AB	35.6%	-	54.8%
AP Statistics	54.9%	33.3%	45.1%	AP U.S. History	35.0%	8.0%	41.7%
AP Microeconomics	54.9%	27.3%	45.0%				
Overall Averages					56.7%		48.7%

The above chart reflects the percent of tests with a qualifying score (a test score of 3, 4, or 5) taken by FLVS Part Time students.

\*\*\*FLVS FT offered 12 AP courses. Chart reflects overall percentages for only those FLVS FT AP courses with 10 or more scores.

# Assets and Liabilities

## Reconciliation of the Governmental Funds – Balance Sheet to the Statement of Net Position

For the Fiscal Year Ended June 30, 2014

<b>Total Fund Balances – Governmental Funds</b>	<b>\$36,761,092</b>
Amounts reported for governmental activities in the statement of net assets 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.	6,588,404
Compensated absences are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.	(10,010,563)
Other Post Employment Benefits are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.	(7,099,161)
Internal service funds are used by management to charge the costs of its self-insurance program. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	9,185,919
<b>Net Position – Governmental Activities</b>	<b>\$35,425,691</b>

# Audited Financial Report

The audit for the fiscal year ending June 30, 2014, has been completed. The audit firm of Carr, Riggs and Ingram, LLC has conducted the process of completing the audit as of the date of this response. The audited financial statements are attached in **Appendix C**. The audited report will be forwarded upon acceptance by the FLVS Board of Trustees.

# Unit Cost Recommendations

## Background

The FLVS authorizing legislation requires the Board of Trustees to provide the unit cost of providing services to students as part of the annual legislative report.

### 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.*

With the inclusion of funding for FLVS in the Florida Education Finance Program (FEFP) in 2003–2004, recommendations regarding unit cost and future operational funding are no longer applicable. Although transition from annual line item funding to the FEFP was a major undertaking, the new legislatively–adopted funding formula has provided a source of stable and secure funding, which has allowed FLVS to meet the overwhelming demand for services.

## FLVS Cost Per FTE Projections and Funding Per FTE

### Operating Cost Only

Fiscal Year	Credit Completions	FTE Enrollment	Cost Per FTE
2007–08	58,119.12	9,686.52	\$6,467.92
2008–09	77,447.52	12,907.92	\$6,296.75
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	K–12 (Florida System-wide Funding per FTE**)	2,676,760.92	\$6,784.49**
2013–14 Served*	203,307.54	33,884.59	\$4,482.04
2013–14 Funded	170,321.28	28,386.88	\$5,350.08
Total Operation Savings per Virtual Student in 2013-14			\$2,302.45

### Fixed Capital Outlay Cost

2013–14	Capital Dollars Per FTE for FLVS	Cost Per FTE
2013–14	K–12 System-wide Capital Dollars per FTE	\$745.23
Total Savings per Virtual Student in 2013-14		\$3,047.68

\*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

# Accountability

Florida Virtual School contracted with InMoment, for the 2013-14 school year to conduct a Student Survey, Parent Survey, School Survey, and a District Survey to assess the quality of service that FLVS provides.

The survey was used to assess three major components of the FLVS organization:

- 1. Quality of the instructional staff and instructional delivery model**
- 2. Course quality and rigor**
- 3. Overall quality of FLVS**

An Executive Summary of this accountability report appears as **Appendix D** and is available at [FLVS.net](http://FLVS.net). A copy of the full evaluation results can be provided upon request.

## FLVS Strategic Plan 2014–17 and Marketing Plan 2013-14







# Table of Contents: Appendix A

## FLVS Strategic Plan 2014–17 and Marketing Plan 2013-14

Greetings from Florida Virtual School!..... 18

Environment ..... 19

Mapping Florida Virtual School’s Student Reach: 2013-14 FLVS Semester Completions by District ..... 20

Mission, Vision, and Values..... 21

Strategic Goals..... 22

Priorities, Strategies, and Indicators..... 23

Strategic Charts..... 24

History ..... 26

Milestone Dates in Our History..... 28

## Marketing Plan 2013-14

Organizational Goal..... 29

Educational Community: Goal 1 ..... 29

Learner Community: Goal 1 ..... 31

# Greetings from Florida Virtual School!

Since our inception in 1997, FLVS has worked tirelessly to bring students the highest quality technology-based education, providing the skills and knowledge students need for success. Our experience has shown the value of online learning in providing increased opportunities, improving educational outcomes, and setting students up for future success across Florida and around the world.

FLVS is the largest public Kindergarten–12th grade provider of e-learning solutions that not only serves public school students, but private, charter, and homeschool students as well. Our one-to-one personalized instruction, engaging course content, and real-world technology practices have positioned FLVS as a pioneer and international leader in quality online learning and education reform. We continue to expand our offerings to provide courses that best serve our students' needs. During the 2013-14 school year, FLVS announced more than 20 new Career and Technical Education courses.

Thanks to our dedicated students, instructors, and support staff, we celebrated our 2 millionth semester course completion in 2013-14, a major milestone for Florida Virtual School. Annually, our students have continued to outperform state averages on End-of-Course Assessments and state and national overall averages on Advanced Placement exams.

Over the past two years, we have been working hard to restructure our organization to be more agile in the ever-changing, highly competitive world of online education. Our customers, our students, and their parents deserve educational excellence, and it is our goal to ensure each student is treated as an individual with unique educational needs.

The following strategic plan demonstrates this priority and shows our external stakeholders where we see ourselves headed. We will continue to keep the student at the center of every decision we make while advancing innovative, personalized learning strategies and offering products that provide the tools and knowledge students need to succeed in today's technological world.

We are honored to be a part of the educational journey of so many remarkable students.

Ronald Blocker

President and CEO

# Environment

## Who We Are

Florida Virtual School (FLVS) is a fully accredited public school district providing education solutions to districts, students, and families. Within the state of Florida, FLVS offers more than 140 free courses to Kindergarten–12th grade public, private, charter, and homeschool students. Since 1997, FLVS students have successfully completed more than 2 million semester enrollments. FLVS also offers blended learning solutions to districts and schools. One-to-one personalized instruction coupled with engaging content, has positioned FLVS as an international leader and pioneer for quality online learning and education reform.

FLVS Global, the national and international arm of Florida Virtual School, was established in 2000 and provides courseware and training to online and blended programs in 49 states and in more than 65 countries for schools, districts, states, and international agencies. Services include Global School, professional development, course licensing, and custom development. Profits from sales are reinvested into FLVS for marketing, research, and development. FLVS Global is self-sufficient, meaning all expenses are covered by the revenue generated by the Global sales team. No taxpayer funds are used for this endeavor.

As an award-winning innovator in global virtual learning, FLVS has developed into a highly productive, technology-driven organization that adheres to the strongest performance measurement standards for instructional staff, support staff, and students. Moving forward, the organization will strategically focus its efforts on personalized and blended learning education solutions for districts and schools.

FLVS remains strongly committed to providing a student-centric, innovative learning environment that places students at the center, providing them the tools and knowledge they need to succeed in today's technological world.

# Mapping Florida Virtual School's Student Reach: 2013-14 FLVS Semester Completions by District



# Mission, Vision, and Values

The distinctive environment at FLVS is a blended enterprise model of education, industry, and technology. Our success requires leadership who leverages best practices in each of these areas to innovatively develop, deliver, and support curriculum and to provide instruction, resulting in students who are prepared for success in future education and employment. With our unique environment in mind, the leadership team, in conjunction with the Board of Trustees, has defined the following Mission, Vision, and Values as drivers in all that we do.

## 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

The following six core values ensure that every Florida Virtual School student is at the center of every decision we make:

- Student Focus
- One Team
- Innovation
- Integrity
- Passion
- Communication

# Strategic Goals

Florida Virtual School has established four goals for the organization to drive student success, organizational effectiveness, and global growth and to ensure that everything we do links back to our Mission, Vision, and Values. Each of these goals will be measured through defined metrics, and progress will be documented through the performance indicators included in this Strategic Plan.

- 1. Lead innovative solution based education**
- 2. Improve students' career and college readiness**
- 3. Expand the global reach of Florida Virtual School**
- 4. Drive quality, efficiency, and financial stewardship**

The first three goals will be supported by the priorities identified by the FLVS Leadership Team, as approved by its Board of Trustees, that are aligned with part-time and full-time FLVS Kindergarten-12th grade students' instructional needs, Instruction (Development and Delivery), FLVS Global, and Technology. The fourth goal will support each priority and create an environment of high expectations.

# Priorities, Strategies, and Indicators

## Priorities

To achieve the four strategic goals, FLVS has created priorities within Curriculum and Instruction, Leadership, and Business Solutions. Each priority represents one or more specific initiatives that FLVS will be pursuing between 2014 and 2017 to ensure they meet or exceed their strategic goals.

## Strategies and Tactics

In order to monitor the progress toward achieving the goals and priorities of the Strategic Plan, Florida Virtual School will provide quarterly reports.

## Performance Indicators

The following performance indicators will be used to measure the progress toward attaining each of the four goals of Florida Virtual School. Each performance indicator aligns with the most appropriate priority within each of the four goals. This plan includes the current year's data for each performance indicator starting with 2012-13 as well as the target three-year goal. The goals and performance indicators are not static and will continue to evolve as the Strategic Plan is reviewed and refined.

# Strategic Charts

1. Curriculum & Instruction						
Performance Indicator		Current (2012-13 unless noted)	2016-17 Goal	Strategic Goal	Owner	Notes
<b>Priority:</b> Improve personalized learning for students	1.1 Score for personalized learning on student surveys	Top 2 Boxes: 70%	Top 2 Boxes: 80%	Lead innovative solution based education	Executive VP, Instruction	Measured by a rating scale of 1 (Strongly Disagree) to 5 (Strongly Agree).  Top 2 Boxes consists of the % of students providing a rating of 4 (Agree) or 5 (Strongly Agree)
	1.2 % of FLVS-owned courses using personalized learning technology	0	75%	Lead innovative solution based education	VP, Curriculum	
<b>Priority:</b> Improve student satisfaction	1.3 % of students who rate their overall satisfaction with course experience as "Excellent"	Previous question not comparable Top 2 Boxes: 66%	Top 2 Boxes: 76%	Lead innovative solution based education	VP, Curriculum	
<b>Priority:</b> Improve products, services and instructional delivery through innovation & prototype testing	1.4 # of prototypes tested with students	Previous data not available	12 per year	Lead innovative solution based education	VP, Curriculum	
<b>Priority:</b> Increase student participation and performance in accelerated course options	1.5 # of students completing at least 1 or more AP course	6,010	6,310	Improve Students' Career & College Readiness	Executive VP, Instruction	Target to increase the # of students completing at least 1 AP course by 5%

1. Curriculum & Instruction						
Performance Indicator		Current (2012-13 unless noted)	2016-17 Goal	Strategic Goal	Owner	Notes
<b>Priority:</b> Improve student performance on high stakes testing	1.6 Students scoring a passing rate (3 or above)	Rank in the top 10	FLVS will rank in the top 5 of districts in FL for each category for EOC courses	Improve Students' Career & College Readiness	Executive VP, Instruction	
	1.7 Students scoring a passing rate (3 or above)	Rank in the top 10	FLVS will rank in the top 5 of districts in FL for each category for AP courses			
<b>Priority:</b> Increase CAPE program offerings and success	1.8 # of students receiving industry certifications	0	650	Improve Students' Career & College Readiness	VP, Curriculum	



# Strategic Charts

2. Leadership						
Performance Indicator		Current (2012-13 unless noted)	2016-17 Goal	Strategic Goal	Owner	Notes
<b>Priority:</b> Increase the amount of funding available to implement strategic plan initiatives by gaining efficiencies in other areas of FLVS operations	2.1 Funds available for strategic priorities	Estimated 2014-15 (\$2.5 million)	Estimated 2015-16 (\$5 million) 2016-17 (\$5 million)	Drive Quality, Efficiency & Financial Stewardship	CFO	
<b>Priority:</b> Expand educational services provided by FLVS in the K-12 Full-Time Educational Program	2.2 Projected Contribution Margin (ROI Measure)	Baseline	Increase Program Contribution Margin from 5% to 20%	Drive Quality, Efficiency & Financial Stewardship	CFO	
<b>Priority:</b> Increase the percentage of classroom assigned students who complete course segments	2.3 Completion Rate	Baseline	5% increase	Drive Quality, Efficiency & Financial Stewardship	Executive VP, Instruction	

3. Business Solutions						
Performance Indicator		Current (2012-13 unless noted)	2016-17 Goal	Strategic Goal	Owner	Notes
<b>Priority:</b> Increase brand recognition	3.1 % of aided and unaided brand awareness	51% (FL)	73% (FL)	Expand the Global Reach of Florida Virtual School	VP, Business Solutions	Used a third-party blind study  Could expand beyond FL with additional funding
<b>Priority:</b> Increase international sales by forming strategic alliances	3.2 International sales revenue (\$) attributed to strategic alliances	Previous data not available	\$3M	Expand the Global Reach of Florida Virtual School	VP, Business Solutions	New initiative
<b>Priority:</b> Increase sales from FLVS Global	3.3 FLVS Global sales (\$)	\$8M	\$19M	Expand the Global Reach of Florida Virtual School	VP, Business Solutions	Includes direct sales and royalties received

# History

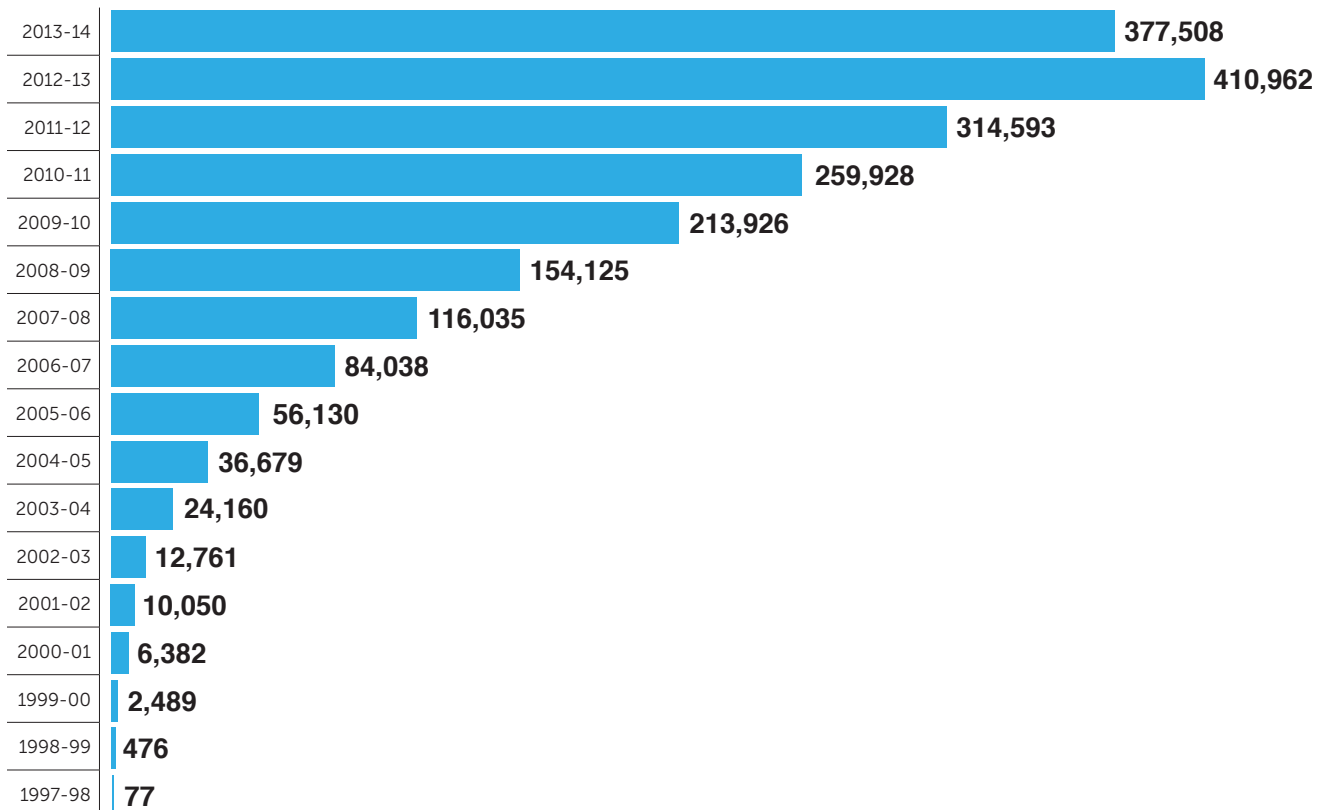
During the 1996 school year, Orange County, Florida, piloted a “Web School” with five online courses. The Florida Department of Education (FLDOE) acted as the catalyst in initially encouraging a partnership between Orange and Alachua Counties. In November 1996, the FLDOE provided the two districts with a \$200,000 “Break the Mold” school grant to develop the Florida High School (FHS) project. Following an intensive six-month period of planning and development, FHS officially launched with seven staff members in August of 1997.

Following the original grant, FLVS operated from a recurring line-item in Florida’s legislative budget until the school year 2003-04, when FLVS became fully funded as a statewide virtual school and became part of the Florida Education Finance Program (FEFP). From the \$200,000 grant in 1996, FLVS continues to grow and has recently become a statewide school district with five schools, serving both full-time and part-time students. In 2013, FLVS celebrated the first graduating class of FLVS Full Time students. FLVS is affiliated with all 67 Florida school districts and has become the model for distance learning initiatives across the globe, as evident by the 2005 feature as a model of success in the National Education Technology Plan.

The graphs below show the exponential growth FLVS enrollments have experienced over the last 17 years. For the 2013-14 school year, FLVS Part Time students completed 377,508 half credits and FLVS Full Time students completed 56,486 half credits. Enrollments began to level off during the 2013-14 school year as a result of the shared FTE funding formula implemented by the legislature.




## FLVS Part Time Completion History

Total number of successful semester completions as of June 30, 2014: 2,080,319



## FLVS Full Time Completion History

Total number of successful semester completions as of June 30, 2014: 132,767

2013-14		<b>56,486</b>
2012-13		<b>51,409</b>
2011-12		<b>24,872</b>

In the 2003-04 school year, FLVS initiated partnerships with Florida school districts in order to increase the capacity of students who could be served online through an in-state franchise program. This program operates as an extension of FLVS. Each franchise uses all of the FLVS systems, and the franchise staff is trained in FLVS policies and procedures, instructional pedagogy and best practices, and virtual leadership models. In 2013-14, 32 districts participated in the FLVS franchise program.

This continual growth pattern in student enrollments directly with FLVS and with the in-state franchises is evidence of both the program's success in providing an educational choice to students and the need for e-learning. Furthering that evidence in 2011, The Florida Legislature mandated The Digital Learning Act, requiring that all students entering the ninth grade in 2011-12 and after complete at least one online course to meet graduation requirements.

FLVS now delivers more than 140 courses, including middle school, both regular and honors high school courses, and Advanced Placement courses. During the 2013-14 school year, FLVS announced more than 20 new Career and Technical Education courses. The FLVS district provides scholarships, clubs, activities, and virtual events to students throughout the State.

# Milestone Dates in Our History

## 1996

- A \$200,000 Break the Mold Grant was awarded for Orange and Alachua counties to jointly develop an online learning program. The first year was funded for planning.

## 1997

- Program began with just 77 enrollments.

## 1997–2003

- The Florida Legislature funded FLVS as a line item. It was treated as a research and development program, and gave FLVS the time to develop courses and experiment with course development, policies, and instructional strategies.

## 2000

- Recognition of Florida's program began to filter to other states. FLVS created a separate division—Florida Virtual Global Services—to serve needs outside of Florida, with revenues to be reinvested into course and program development.

## 2001

- FLVS received full accreditation by the Southern Association of Schools and Colleges and by The Commission on International and Trans-Regional Education.

## 2003

- Funding changed to be contingent on student success, and to follow the student across geographical boundaries. The performance-based funding model was a first not only for online education, but for Kindergarten–12 education in general, where the emphasis was placed totally on student learning results.

## 2004

- The Florida Legislature required that FLVS create a full suite of middle school courses. As with all FLVS courses, the classes were developed to meet state and national standards.

## 2005

- FLVS was featured in the National Education Technology Plan as a model of success for other states to follow.

## 2007

- The Global School was launched to provide instruction on a tuition basis to students across the nation.

## 2011

- The Florida Legislature mandated The Digital Learning Act, requiring that all students entering the ninth grade in 2011-12 and after complete at least one online course to meet graduation requirements and that all statewide end-of-course assessments be administered online by the 2014-2015 school year.

## 2012

- Received the highest accreditation rating possible awarded by AdvancED in every category.
- Celebrated our first FLVS FT graduating kindergarten class of 177 students.

## 2013

- Celebrated the first graduating class of FLVS FT, providing high school diplomas to 275 students.
- FLVS FT high school received its first ever grade from the Florida Department of Education, earning a "B" for the 2012-13 school year. Our FLVS FT Kindergarten-8 earned a "C" for the 2012-13 school year.
- Our 2013 Advanced Placement results revealed that FLVS students outperformed the state of Florida in overall averages by 13 percent and exceeded the national overall averages by 3 percent when comparing the 16 courses offered by FLVS. In addition, the Spring End-of-Course exam results indicated that FLVS Part Time students performed higher than the state average on the Algebra 1 EOC assessment by 20 percent, on the Geometry EOC assessment by 24 percent, on the Biology EOC assessment by 3 percent, and on the U.S. History EOC assessment by 17 percent.

## 2014

- Since 1997, FLVS students have successfully completed more than 2 million semester enrollments.
- FLVS FT class of 2014 celebrated graduation with 378 students receiving their high school diplomas.

# Marketing Plan 2013-14

## 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 2013-14 school year are outlined below.

## National Level

### 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)
- EdTECH
- 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) Blended and Online Learning Symposium
- National Association of Independent Schools (NAIS)
- Excel in Education National Summit
- League of Innovative Schools
- ASU + GSV Summit

### 4. Community Relations

- Press releases to share student and program success

## State Level

### 1. Thought Leadership: State and Regional Conference Presence

- Florida Parent Educators Association (FPEA) Conference
- Home Education Resources and Information (HERI) Conference
- South Florida Home School Convention
- Florida Emerging Technology Conference
- Florida Educational Technology Conference (FETC)
- Florida Distance Learning Association

### 2. Statewide Conferences

- Florida Parent Educators Association (FPEA) Conference
- Home Education Resources and Information (HERI) Conference
- South Florida Home School Convention
- Florida Emerging Technology Conference
- Florida District Virtual Instruction Program Network 2014 Symposium (FLDVIP)

### 3. District Relations Manager Visits

### 4. School Counselor Presentations

- Regional level
- District and school level

### 5. Franchise Leadership and Teacher Training

# Marketing Plan 2013-14

## 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 2013-14 school year. With our customized solutions, education was enhanced for students through the following initiatives.

#### Districts

##### **1. Virtual Instruction Program Information Session**

- Share what a virtual program offers
- Train on how to launch a program
- Provide tips on how to manage a virtual program

##### **2. Monthly communications to district contacts**

#### Schools

##### **1. Provide facilitator training for Virtual Learning Labs**

##### **2. District Relations Managers provide customized and frequent School Counselor customer service based on specific school needs.**

##### **3. Summer Options**

##### **4. Virtual Events**

# Marketing Plan 2013-14

## 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 2013-14 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:**

- Kiwanis Clubs
- Rotary Clubs
- Boys & Girls Clubs
- Homeschool organizations
- Chamber of Commerce Meetings

### **2. Community Event Outreach**

- Race for the Cure annual sponsorship
- 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

### **4. Virtual Library: A vast library of resources open to the public.**

## 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

### **3. Student Success Outreach**

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

### **4. Student Conferences**

- Key Club
- Future Business Leaders of America





## FLVS Global 2013-14





# Table of Contents: Appendix B

## FLVS Global 2013-14

FLVS Global History .....	36
Operations of FLVS Global .....	37
FLVS Global Awards and Accomplishments.....	38
Assets and Liabilities.....	39
Unit Cost Recommendations.....	40
FLVS Global Marketing Plan 2013-14 .....	41
Survey Highlights.....	42

# FLVS Global History

In the 2000 legislative session, in Florida statute 1002.37, 2c, the government mandated that Florida Virtual School create a global services division. FLVS Global was designed to serve needs outside of Florida, stipulating that revenues would be reinvested into research and development to maintain the highest quality courses available.

Over the last 13 years, FLVS Global has provided courseware, training, and expertise to a variety of online programs at the school, district, and state level, helping to implement some of the most successful online and blended programs today. FLVS Global reaches every state outside of Florida and 57 other countries.

The products and services offered via FLVS Global have been developed from the many inquiries received from those interested in implementing an online or blended program. The following products currently offered by FLVS Global are a reflection of the worldwide thought leadership generated by FLVS:

- Global School—Florida Virtual Global School engages students throughout the United States and across the world. Clients gain access to our entire catalog with no minimal enrollments, have access to our trained teachers, and participate in student programs. This program is modeled after FLVS.
- Course licensing—A variety of licensing options are available for FLVS Global courses delivered on the client's Learning Management System or hosted on our system.
- Virtual Leadership Training—This two-day intensive training is designed to provide administrators and online leaders an opportunity to learn from the veteran and experienced FLVS team. The training fosters international collaboration for high quality, effective blended and online programs.
- Professional Development for teachers and administrators—FLVS Global offers a vast assortment of professional development opportunities for teachers including basic teaching online facilitated courses, customized training programs, webinars, and individual course guides. We also provide customized training for administrators and staff.

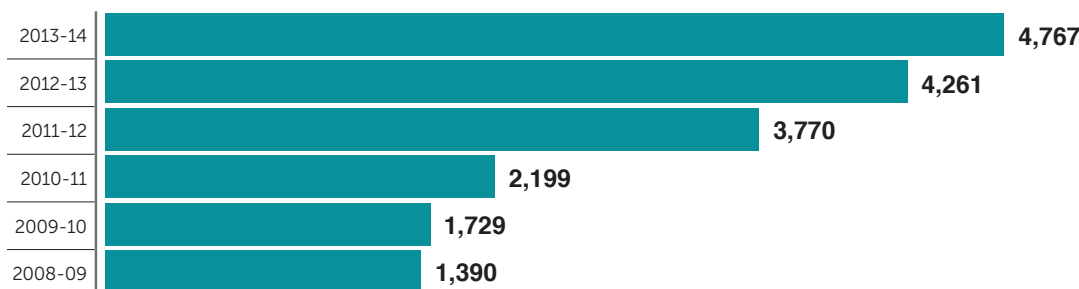
## FLVS Global School

In the 2013-14 school year, FLVS Global School served 2,287 students. More than 117 courses offered included AP titles, NCAA-approved core courses, and electives for middle and high school students. Students from 49 states and 57 countries and U.S. territories were active in Global School and are reflected in our more than 4,000 successful completions.

As part of the FLVS accredited public school, FLVS Global School employs instructors who possess state certifications and are teaching in the field for which they are certified. While limited state certification reciprocity exists, many states also have requirements which are under constant review by FLVS Global staff. In 2013, FLVS Global School collaborated with the Cottage School to provide two virtual diploma-based options. The Diploma Program option is designed for international students who want a diploma from an accredited United States high school in place of, or in addition to, a diploma from their home high school.

## FLVS Global Completion History

Total number of successful half-credit completions: 18,116



# Operations of FLVS Global

FLVS Global maintains four main teams: The Sales Team, Business Operations Team, Client Tech Support Team, and Products Support and Development Team. Each team has a specific focus in the business, but it should also be noted that all teams work cross-organizationally in order to maximize productivity and to provide the best customer service possible. Each team has one or more members who serve on the Global Leadership Team, ensuring representation for all, the ability to make quick decisions, and that the business does not move in a one-sided way (i.e. sales leading without support from operations or tech support). All teams report in to the Director of FLVS Global and then to the Executive Vice President, Business and School Solutions.

FLVS Global is committed to the FLVS mission: ***to deliver a high quality, technology-based education that provides the skills and knowledge that students need for success.*** We are also committed to the FLVS vision—***to transform education worldwide, one student at a time***—by providing opportunities for online education and courses that may not be readily available to students around the world. Additionally, FLVS Global regularly exposes the FLVS brand, culture, and product line to educators, students, and businesses who might not otherwise encounter online education options.

The driving mission of the Global Services Division 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 FLVS Global products and services are one way that FLVS continues to be a thought leader worldwide.

# FLVS Global Awards and Accomplishments

## 2013-14

- IMS Learning Impact Award – Platinum
- Lynnice Hockaday was named FLVS Global School Teacher of the Year for her non-stop commitment and dedication in helping students around the world.
- Cecilia Lopez, Chief Business Development Officer, received the 2013 Most Powerful & Influential Woman Award from the Florida Diversity Council.

# Assets and Liabilities

## Reconciliation of the FLVS Global Funds – Balance Sheet to the Statement of Net Position

For the Fiscal Year Ended June 30, 2014

<b>Total Fund Balances – FLVS Global Funds</b>	<b>\$4,746,232</b>
Amounts reported for FLVS Global activities in the statement of net position are different because:	
Compensated Absences are not due and payable in the current period and, therefore, are not reported as liabilities in the enterprise funds.	(361,935)
Capital assets, net of depreciation, used in enterprise activities are not financial resources and, therefore, are not reported as assets in the enterprise funds.	19,712
<b>Net Position – FLVS Global Activities</b>	<b>\$4,404,009</b>

# Unit Cost Recommendations

## Background

The FLVS authorizing legislation requires the Board of Trustees to provide the unit cost of providing services to out-of-state students as part of the annual legislative report.

## 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 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.

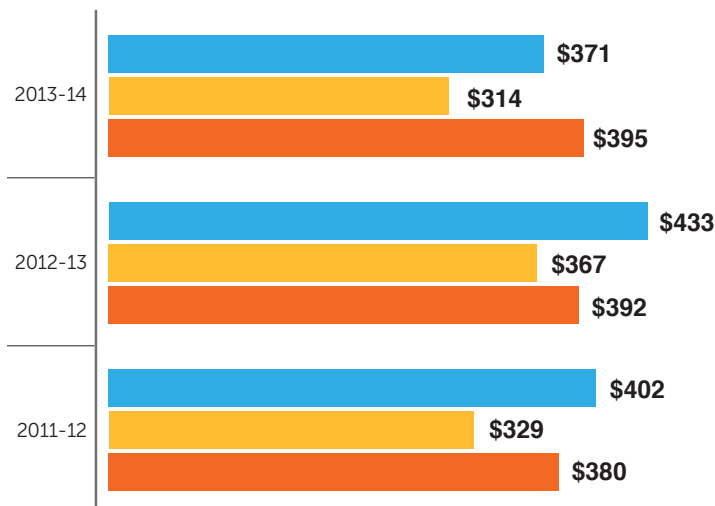
As seen in the following table, FLVS Global was successful in its endeavor to provide a profit back to FLVS.

## FLVS Global Cost Per FTE Enrollments

Fiscal Year*	Billable Enrollments (.5)	FTE Enrollment (Billable Enrollments/12)	Cost Per FTE (Cost per .5 enrollment*12)
2013-14	6,045	503.75	\$4,367.16
		<b>Average Price per Enrollment</b>	
		\$395.44	\$4,745.28
<b>Total Profit per FTE in 2013-14</b>			<b>\$378.12</b>

## FLVS Global Tuition Rate Comparisons

■ Average FLVS Paid per Completion    ■ Average FLVS Paid per Enrollment  
■ Average Global School Tuition Rate Paid per Enrollment





# FLVS Global Marketing Plan 2013-14

FLVS Global implemented and increased marketing and communication efforts to expand FLVS reach across the nation and worldwide. Marketing efforts included a complete website revamp, national and international collateral, a conference strategy, targeted advertising, and social media networking. Additionally, a new marketing specialist was added to the team to increase dedicated marketing efforts to the FLVS Global brand. Communication efforts concentrated on recurring client information blasts, increased media outreach and conference exposure. Target marketing concentrated on the home education friendly states to promote Global School.

## Marketing Goals

### **1. Continue to promote a clear FLVS Global branded message**

### **2. Create new marketing materials with new branding and message**

- Create materials to be used at events, conferences, and presentations
- Create international marketing materials
- Create specific collateral for Global School, new course offerings, and services
- Create Professional Development (PD) collateral
- Create marketing collateral promoting VLT, custom development, and consultative services

### **3. Leverage opportunities to market needs of customers**

- Social media
- Customer surveys
- Community events
- Account Manager communication

### **4. Develop robust website and comprehensive Internet strategy**

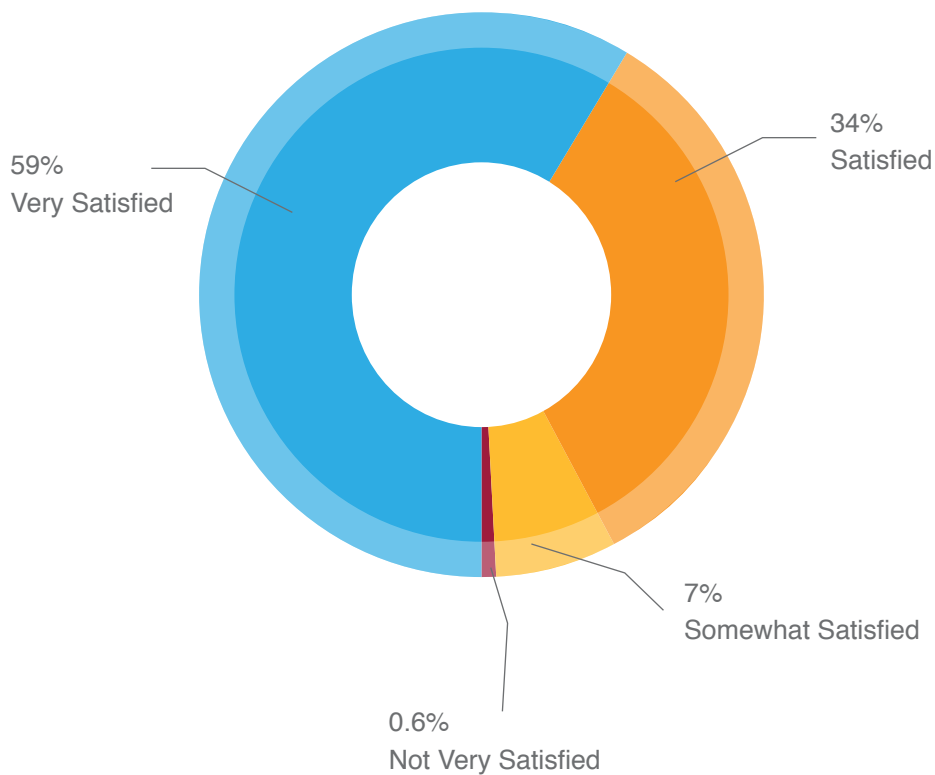
- Launch new FLVS Global site
- Integrate social media into site
- Create planned messages throughout year
- Create lead tracking in Salesforce and track opportunities

### **5. Create FLVS Global presentations and slide materials**

# Survey Highlights

## Global Customer Satisfaction Survey Results 2013-14

The Global department of Florida Virtual School sends out customer satisfaction surveys on a monthly basis to any customers that recently purchased products or services. The survey gauges the customer's satisfaction with the delivery of the product 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 and elicits feedback about what Global can do differently to improve the entire process from purchase to delivery to on-going customer support.



# FLVS Annual Financial Report 2013-14

for the Fiscal Year Ended June 30, 2014





# Table of Contents: Appendix C

## FLVS Annual Financial Report 2013-14

Management Discussion and Analysis .....	46
--	----

## Basic Financial Statements

Statement of Net Position .....	51
Statement of Activities .....	52
Balance Sheet – Governmental Funds .....	53
Reconciliation of the Governmental Funds – Balance Sheet to the Statement of Net Position .....	54
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	55
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	56
Statement of Net Position – Proprietary Fund .....	57
Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Fund .....	58
Statement of Cash Flows – Proprietary Fund .....	59

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014 .....	60
---	----

## Required Supplementary Information

Budgetary Comparison Schedule – General Fund .....	73
Schedule of Funding Progress – Other Post Employment Benefits Plan .....	74

## Other Reports

Schedule of Expenditures of Federal Awards .....	75
--	----

# Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2014

The management of 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, 2014.

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

When compared to the prior fiscal year, General Fund revenues decreased by \$32,549,559. This decrease in revenue was due to a decrease of approximately 9% in student credits in the School’s part-time instructional program, along with a per credit funding reduction due to the new Florida Education Funding Program (FEFP) funding model implemented by legislative action in the 2013 legislative session. Under this new model, a student FTE (full-time equivalent) for funding is determined on a state-wide basis and not on a district by district basis. Each district and/or Florida Virtual School will “share” one FTE for each student based upon a proportionate sharing formula. Previously, districts received the full allotment for each student regardless of the number of online courses taken and Florida Virtual School received an additional per credit allotment that equaled one-sixth of the FEFP FTE funding. Under the new funding model, if a student takes one course online with Florida Virtual School and takes six courses with their local school district, Florida Virtual School receives one-seventh of an FTE per student credit and the district receives six-seventh of an FTE for six course credits.

However, the negative effects of this funding formula change were anticipated and budget reduction plans to offset the anticipated revenue reduction were implemented for the 2013-14 budget.

## Overview of the Financial Statements

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

- Government-wide financial statements,
- Fund financial statements, and
- 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. An increase or decrease in net position is an indication of whether the School’s financial health is improving or deteriorating.

# Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2013

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.
- **Business-type activities** – 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, and self-insurance.

# Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2014

## 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, 2013 and June 30, 2014:

	Net Position, End of Year					
	Governmental		Business-Type		Total	
	Activities		Activities			
	6-30-14	6-30-13	6-30-14	6-30-13	6-30-14	6-30-13
Current Assets	\$ 72,024,708	\$ 66,843,070	\$ 9,470,135	\$ 8,900,936	\$ 81,494,843	\$ 75,744,006
Capital Assets	6,588,404	8,203,751	418,579	-	7,006,983	8,203,751
<b>Total Assets</b>	<b>78,613,112</b>	<b>75,046,821</b>	<b>9,888,714</b>	<b>8,900,936</b>	<b>88,501,826</b>	<b>83,947,757</b>
Other Liabilities	25,090,855	23,379,294	960,948	3,060,975	26,051,803	26,440,269
Long-Term Liabilities	18,096,566	12,127,879	564,022	302,422	18,660,588	12,430,301
<b>Total Liabilities</b>	<b>43,187,421</b>	<b>35,507,173</b>	<b>1,524,970</b>	<b>3,363,397</b>	<b>44,712,391</b>	<b>38,870,570</b>
Net Position:						
Invested in Capital Assets	6,588,404	8,203,751	418,579	-	7,006,983	8,203,751
Restricted for State Categoryals	4,054,914	4,176,429	-	-	4,054,914	4,176,429
Unrestricted	24,782,373	27,159,468	7,945,165	5,537,539	32,727,538	32,697,007
<b>Total Net Position</b>	<b>\$ 35,425,691</b>	<b>\$ 39,539,648</b>	<b>\$ 8,363,744</b>	<b>\$ 5,537,539</b>	<b>\$ 43,789,435</b>	<b>\$ 45,077,187</b>

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the School's governmental activities, assets exceed liabilities by \$35,425,691 at the end of the fiscal year. The unrestricted net position may be used to meet the School's ongoing obligations to the students, employees, and creditors. The net position for governmental activities was reduced by \$4,113,957 for the fiscal year due to the General Fund balance reduction and due to liability increases for compensated absences and other post-employment benefits. This reduction was substantially offset by an increase in net position of \$2,826,205 for the business-type activities from the net income achieved through those operations.

The overall net position of the School decreased by \$1,287,752 from the prior fiscal year for a June 30, 2014 total of \$43,789,435. However, the unrestricted portion of the net position increased slightly by \$30,531 between years (\$32,727,538 - \$32,697,007). This is due to an increase in the net position not restricted for certain purposes (such as state categorical funding).



# Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2013

The following is a summary of the School's changes in net position for the fiscal years ended June 30, 2013 and June 30, 2014, as follows:

	Governmental Activities		Business-Type Activities		Total	
	6-30-14	6-30-13	6-30-14	6-30-13	6-30-14	6-30-13
<b>Program Revenues:</b>						
Charges for Services	\$ 8,505,291	\$ 720,282	\$ 16,572,075	\$ 8,737,070	\$ 25,077,366	\$ 9,457,352
<b>General Revenues:</b>						
Grants and Contributions Not Restricted to Specific Programs	158,036,700	199,371,724			158,036,700	199,371,724
Investment Earnings	68,851	66,710	4,619	3,378	73,470	70,088
Miscellaneous	4,466,019	2,976,512	281,256	1,006,759	4,747,275	3,983,271
<b>Total Revenues</b>	<b>171,076,861</b>	<b>203,135,228</b>	<b>16,857,950</b>	<b>9,747,207</b>	<b>187,934,811</b>	<b>212,882,435</b>
<b>Functions/Program Expenses:</b>						
Instruction	126,165,630	131,462,968			126,165,630	131,462,968
Pupil Personnel Services	3,974,790	4,425,670			3,974,790	4,425,670
Instruction and Curriculum Development Svcs	1,406,380	2,578,372			1,406,380	2,578,372
Instructional Staff Training Services	4,094,236	3,991,391			4,094,236	3,991,391
Instructional Related Technology	8,486,492	10,434,875			8,486,492	10,434,875
Board	657,094	860,039			657,094	860,039
General Administration	3,011,734	2,521,965			3,011,734	2,521,965
School Administration	4,089,357	5,399,891			4,089,357	5,399,891
Fiscal Services	1,844,339	1,809,036			1,844,339	1,809,036
Central Services	10,377,745	8,780,057			10,377,745	8,780,057
Operation of Plant	2,114,027	2,218,100			2,114,027	2,218,100
Administrative Technology Services	8,968,994	9,043,063			8,968,994	9,043,063
Community Services	-	-			-	-
Unallocated Depreciation Expense	-	-			-	-
Loss on Disposal of Asset	-	-			-	-
FLVS Global/Franchises Expenses	-	-	14,031,745	10,355,555	14,031,745	10,355,555
<b>Total Functions/Program Expenses</b>	<b>175,190,818</b>	<b>183,525,427</b>	<b>14,031,745</b>	<b>10,355,555</b>	<b>189,222,563</b>	<b>193,880,982</b>
<b>Changes in Net Position</b>	<b>(4,113,957)</b>	<b>19,609,801</b>	<b>2,826,205</b>	<b>(608,348)</b>	<b>(1,287,752)</b>	<b>19,001,453</b>
<b>Net Position - Beginning</b>	<b>39,539,648</b>	<b>20,409,317</b>	<b>5,537,539</b>	<b>5,666,417</b>	<b>45,077,187</b>	<b>26,075,734</b>
<b>Adj to Beginning Net Position</b>	<b>-</b>	<b>(479,470)</b>	<b>-</b>	<b>479,470</b>	<b>-</b>	<b>-</b>
<b>Net Position - Ending</b>	<b>\$ 35,425,691</b>	<b>\$ 39,539,648</b>	<b>\$ 8,363,744</b>	<b>\$ 5,537,539</b>	<b>\$ 43,789,435</b>	<b>\$ 45,077,187</b>

The largest revenue source is the State of Florida (84 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. Florida Virtual School is a unique member of the FEFP in that revenues are only earned for students that successfully complete a course.

# Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2014

## 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 \$27,690,238. The total unassigned fund balance represents 16 percent of total General Fund revenues, which is down over last year's unassigned fund balance of \$30,534,803 or 15 percent of total General Fund revenues. The School does not have the ability to draw cash in the event of an emergency from other funds, such as capital, or to borrow funds from outside sources so it is necessary to maintain a higher than standard fund balance.

### General Fund Budgetary Highlights

The actual General Fund revenues were less than the adjusted budgeted revenues by \$15,270,036 due to a mid-year reduction in the Department of Education estimate of the funding to be received by the School due to the new FEFP funding model. However, actual General Fund expenditures were also less than the adjusted budgeted appropriations by \$23,216,559 due to several unfilled job opportunities as well as various other budgetary accounts that were not fully expended.

## Capital Asset Administration

### Capital Assets

The School's investment in capital assets as of June 30, 2014, amounts to \$7,006,983 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment; computer software, and courses. The total decrease in the School's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$1,196,768.

### Future Economic Factors

As described in the financial highlights section on page 3, for the 2013-14 fiscal year, the School experienced a decrease of approximately 9% in student credits in the School's part-time instructional program, along with a per credit funding reduction due to the new Florida Education Funding Program (FEFP) funding model implemented by legislative action in the 2013 legislative session. For the 2014-15 fiscal year, it appears that the enrollments are beginning to stabilize as indicated by only a 4% reduction in student credits expected for the 2014-15 fiscal year. Additionally, the School is anticipating increases in revenues for all its other major programs: the School's full-time K-12 program (13% FTE growth), global school and global services (15% revenue growth) and the franchises (43% revenue growth).

### 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 the John Pavelchak, Chief Financial Officer, Florida Virtual School, 2145 MetroCenter Blvd, Suite 200, Orlando, Florida, 32835, 407-513-3320, jpavelchak@flvs.net.

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Statement of Net Position

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 48,825,238	\$ 6,511,189	\$ 55,336,427
Investments	18,057,457	-	18,057,457
Accounts Receivable, net	4,046,773	3,008,845	7,055,618
Due from Other Funds	49,899	(49,899)	-
Due from Other Agencies	417,125	-	417,125
Prepaid Expenses	628,216	-	628,216
Capital Assets:			
Depreciable, net	6,588,404	418,579	7,006,983
Total Assets	78,613,112	9,888,714	88,501,826
<b>LIABILITIES</b>			
Wages and Benefits Payable	7,365,665	287,804	7,653,469
Accounts Payable	13,059,197	552,328	13,611,525
Due to Other Agencies	4,665,993	-	4,665,993
Unearned Revenue	-	120,816	120,816
Long-Term Liabilities:			
Portion Due and Payable Within One Year:			
Liability for Compensated Absences	1,696,034	67,770	1,763,804
Estimated Insurance Claims Payable	986,842	-	986,842
Portion Due and Payable After One Year:			
Liability for Compensated Absences	8,314,529	496,252	8,810,781
Liability for Other Post Employment Benefits	7,099,161	-	7,099,161
Total Liabilities	43,187,421	1,524,970	44,712,391
<b>NET POSITION</b>			
Investment in Capital Assets	6,588,404	418,579	7,006,983
Restricted for State Categoricals	4,054,914	-	4,054,914
Unrestricted	24,782,373	7,945,165	32,727,538
Total Net Position	\$ 35,425,691	\$ 8,363,744	\$ 43,789,435

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

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Statement of Activities

FUNCTIONS/ PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
						Total
<b>Governmental Activities:</b>						
Instruction	\$ 126,165,630	\$	\$	\$	(126,165,630)	\$ (126,165,630)
Pupil Personnel Services	3,974,790				(3,974,790)	(3,974,790)
Instruction and Curriculum Development Services	1,406,380	8,505,291			7,098,911	7,098,911
Instructional Staff Training Services	4,094,236				(4,094,236)	(4,094,236)
Instructional Related Technology	8,486,492				(8,486,492)	(8,486,492)
Board	657,094				(657,094)	(657,094)
General Administration	3,011,734				(3,011,734)	(3,011,734)
School Administration	4,089,357				(4,089,357)	(4,089,357)
Fiscal Services	1,844,339				(1,844,339)	(1,844,339)
Central Services	10,377,745				(10,377,745)	(10,377,745)
Operation of Plant	2,114,027				(2,114,027)	(2,114,027)
Administrative Technology Services	8,968,994				(8,968,994)	(8,968,994)
<b>Total Governmental Activities</b>	<b>175,190,818</b>	<b>8,505,291</b>			<b>(166,685,527)</b>	<b>(166,685,527)</b>
<b>Business-type Activities:</b>						
FLVS Global & Franchises	14,031,745	16,572,075				2,540,330
<b>Total Primary Government</b>	<b>\$ 189,222,563</b>	<b>\$ 25,077,366</b>	<b>\$</b>	<b>\$</b>	<b>\$ (166,685,527)</b>	<b>\$ 2,540,330</b>
<b>Total Primary Government</b>						<b>\$ (164,145,197)</b>
General Revenues:						
Grants and Contributions not Restricted to Specific Programs					158,036,700	158,036,700
Unrestricted Investment Earnings					68,851	73,470
Miscellaneous					4,466,019	4,747,275
<b>Total General Revenues</b>					<b>162,571,570</b>	<b>162,857,445</b>
<b>Change in Net Position</b>					<b>(4,113,957)</b>	<b>2,826,205</b>
Net Position - July 1, 2013					39,539,648	45,077,187
<b>Net Position - June 30, 2014</b>					<b>\$ 35,425,691</b>	<b>\$ 43,789,435</b>

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

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Balance Sheet – Governmental Funds

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 37,267,226	\$ -	\$ 37,267,226
Investments	18,057,457	-	18,057,457
Accounts Receivable, net	2,539,916	-	2,539,916
Due from Other Funds	442,988	-	442,988
Prepaid Expense	628,216	-	628,216
Due from Other Agencies	-	417,125	417,125
<b>Total Assets</b>	<b>\$ 58,935,803</b>	<b>\$ 417,125</b>	<b>\$ 59,352,928</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Salaries, Benefits, and Payroll Taxes Payable	\$ 7,353,118	\$ 12,547	\$ 7,365,665
Accounts Payable	10,155,600	393,386	10,548,986
Due to Other Funds	-	11,192	11,192
Due to Other Agencies	4,665,993	-	4,665,993
<b>Total Liabilities</b>	<b>22,174,711</b>	<b>417,125</b>	<b>22,591,836</b>
Fund Balances:			
Non-spendable:			
Spendable:			
Restricted for State Categoricals	4,054,914	-	4,054,914
Assigned for Encumbrances	5,015,940	-	5,015,940
Unassigned	27,690,238	-	27,690,238
<b>Total Fund Balance</b>	<b>36,761,092</b>	<b>-</b>	<b>36,761,092</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 58,935,803</b>	<b>\$ 417,125</b>	<b>\$ 59,352,928</b>

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

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Reconciliation of the Governmental Funds – Balance Sheet to the Statement of Net Position

<b>Total Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>36,761,092</b>
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.		6,588,404
Compensated Absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(10,010,563)
Other Post Employment Benefits are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(7,099,161)
Internal service funds are used by management to charge the costs of its self-insurance program. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		9,185,919
<b>Net Position - Governmental Activities</b>	<b>\$</b>	<b>35,425,691</b>

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

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Federal Direct Sources:			
Miscellaneous Federal Direct	\$ 266	\$ -	\$ 266
Total Federal Direct Sources	266	-	266
Federal Through State Sources:			
Other Federal Through State Sources	-	1,454,184	1,454,184
Total Federal Through State	-	1,454,184	1,454,184
State Sources:			
Florida Education Finance Program	155,216,125	-	155,216,125
Reading Program	1,366,126	-	1,366,126
Total State Sources	156,582,251	-	156,582,251
Local Sources:			
Other Local Sources	13,033,041	-	13,033,041
Total Local Sources	13,033,041	-	13,033,041
<b>Total Revenues</b>	169,615,558	1,454,184	171,069,742
<b>EXPENDITURES</b>			
Current:			
Instruction	119,116,395	1,279,875	120,396,270
Pupil Personnel Services	3,899,814	1,645	3,901,459
Instruction and Curriculum Development Services	1,530,534	132,606	1,663,140
Instructional Staff Training Services	3,924,901	15,363	3,940,264
Instruction Related Technology	7,863,823	1,463	7,865,286
School Board	649,320	-	649,320
General Administration	3,085,152	17,275	3,102,427
School Administration	3,992,090	629	3,992,719
Fiscal Services	1,835,933	-	1,835,933
Central Services	10,376,727	5,328	10,382,055
Operation of Plant	2,104,552	-	2,104,552
Administrative Technology Services	8,798,552	-	8,798,552
Capital Outlay:			
Other Capital Outlay	3,916,510	-	3,916,510
<b>Total Expenditures</b>	171,094,303	1,454,184	172,548,487
<b>Excess of Revenues Over Expenditures</b>	(1,478,745)	-	(1,478,745)
<b>Net Change in Fund Balance</b>	(1,478,745)	-	(1,478,745)
Fund Balance, July 1, 2013	38,239,837	-	38,239,837
<b>Fund Balance, June 30, 2014</b>	\$ 36,761,092	\$ -	\$ 36,761,092

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

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>(1,478,745)</b>
---	-----------	--------------------

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 expense. This is the amount of capital outlay, \$3,916,511 less than depreciation/amortization expense, (\$5,531,857) in the current period.		(1,615,346)
--	--	-------------

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.		(767,132)
--	--	-----------

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.		(1,770,801)
--	--	-------------

Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net revenue of internal service funds is reported with governmental activities plus the depreciation reported above.		1,518,067
---	--	-----------

<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b>(4,113,957)</b>
---	-----------	--------------------

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



# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Statement of Net Position – Proprietary Fund

	Business-type Activities FLVS Enterprise Funds <sup>1</sup>	Governmental Activities Internal Service Fund
<b>ASSETS</b>		
Cash	\$ 6,511,189	\$ 11,558,012
Accounts Receivable, net	3,008,845	1,506,857
Due from Other Funds	(49,899)	-
Capital Assets:		
Depreciable (net)	418,579	-
Total Assets	<u>9,888,714</u>	<u>13,064,869</u>
<b>LIABILITIES</b>		
Wages and Benefits Payable	287,804	-
Accounts Payable	552,328	2,510,211
Due to Other Funds	-	381,897
Est Unpaid Claims - Self Insurance	-	986,842
Unearned Revenue	120,816	-
Long-term Liabilities:		
Portion Due and Payable Within One Year:		
Liability for Compensated Absences	67,770	-
Portion Due and Payable After One Year:		
Liability for Compensated Absences	496,252	-
Total Liabilities	<u>1,524,970</u>	<u>3,878,950</u>
<b>NET POSITION</b>		
Invested in Capital Assets	418,579	-
Restricted for Encumbrances	-	-
Unrestricted	7,945,165	9,185,919
<b>Total Net Position</b>	<u>\$ 8,363,744</u>	<u>\$ 9,185,919</u>

<sup>1</sup> FLVS enterprise funds include the global services fund, global school fund, franchises fund and the development fund.

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

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Fund

	<b>Business-type Activities FLVS Enterprise Funds</b> <sup>1</sup>	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Charges for Sales or Services	\$ 16,572,075	\$ -
Premium Revenues	-	16,492,794
Miscellaneous Revenues	281,256	-
<b>Total Operating Revenue</b>	<b>16,853,331</b>	<b>16,492,794</b>
<b>OPERATING EXPENSES</b>		
Salaries	4,174,691	-
Employee Benefits	1,114,640	-
Purchased Services	5,837,695	-
Materials and Supplies	113,371	-
Capital Outlay	100	-
Other Expenses	2,751,166	14,981,846
Bad Debt Expense	(93,452)	-
Unallocated Depreciation/Amortization Expense	133,534	-
<b>Total Operating Expenses</b>	<b>14,031,745</b>	<b>14,981,846</b>
<b>Operating Income (Loss)</b>	<b>2,821,586</b>	<b>1,510,948</b>
<b>NONOPERATING REVENUES</b>		
Interest	4,619	7,119
<b>Income (Loss) Before Operating Transfers</b>	<b>2,826,205</b>	<b>1,518,067</b>
Transfers In	3,138,599	-
Transfers Out	3,138,599	-
<b>Change in Net Position</b>	<b>2,826,205</b>	<b>1,518,067</b>
Net Position - July 1, 2013	5,537,539	7,667,852
<b>Net Position - June 30, 2014</b>	<b>\$ 8,363,744</b>	<b>\$ 9,185,919</b>

<sup>1</sup> FLVS enterprise funds include the global services fund, global school fund, franchises fund and the development fund.

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

# Basic Financial Statements

For the Fiscal Year Ended June 30, 2014

## Statement of Cash Flows – Proprietary Fund

	Business-type Activities FLVS Enterprise Funds <sup>1</sup>	Governmental Activities Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 15,830,633	\$ 16,499,437
Payments to Suppliers of Goods and Services	(10,650,840)	(14,230,916)
Payments to Employees	(4,970,116)	-
Net Cash Provided by Operating Activities	209,677	2,268,521
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(552,113)	-
Net Cash Used in Capital and Related Financing Activities	(552,113)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	4,619	7,119
Net Cash Provided by Investing Activities	4,619	7,119
Net Change in Cash	(337,817)	2,275,640
Cash at Beginning of Year	6,849,006	9,282,372
Cash at End of Year	\$ 6,511,189	\$ 11,558,012
<b>Reconciliation of Operating Income to Net Cash Provided by operating activities:</b>		
Operating Income (Loss)	\$ 2,821,586	\$ 1,510,948
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Amortization Expense	133,534	-
Changes in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(956,914)	6,643
Decrease (Increase) in Prepaid Expenses	-	58,642
Increase (Decrease) in Due to Other Funds	(2,238,803)	381,897
Increase (Decrease) in Accounts Payable	196,843	232,582
Increase (Decrease) in Salaries and Benefits Payable	138,271	-
Increase (Decrease) in Compensated Absence Payable	180,944	-
Increase (Decrease) in Unearned Revenue	(65,784)	-
Increase (Decrease) in Est Unpaid Claims	-	77,809
Total adjustments	(2,611,909)	757,573
Net Cash Provided by Operating Activities	\$ 209,677	\$ 2,268,521

<sup>1</sup> FLVS enterprise funds include the global services fund, global school fund, franchises fund and the development fund.

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

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## 1. Summary of Significant Accounting Policies

### Reporting Entity

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 Florida Virtual School and ended its partnership with the School Board of Alachua and Orange County Public Schools. 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 2013-14 fiscal year are shown in the following tabulation:

Board Member	County
Mr. Michael Olenick, Chair	Martin
Lady Dhyana Ziegler, Ph.D.	Leon
Ms. Tammie Nemecek	Collier
Mr. Brian Cunningham	Broward
Ms. Linda Pellegrini	Orange
Ms. Dorene McShea	Collier
Ronald Blocker, Interim 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 provide 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

**Government-wide Financial Statements** – 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.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

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.

**Fund Financial Statements** – 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 funds:

- **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:

- **Special Revenue Fund** – 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.
- **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.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

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, Franchises and the Development Funds. All revenues and expenses not meeting this definition are reported as nonoperating 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 and the Fund B Surplus Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes. These investment pools operate 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. The School's investment in the Fund B Surplus Trust Fund are accounted for as a fluctuating net asset value pool, with a Fair Value factor of 1.84438408 at June 30, 2014. The dollar value as of June 30, 2014 is \$21,086.

## 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

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

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds 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 either a commitment (committed fund balance) or an assignment (assigned fund balance). The Board does not have a policy regarding the commitment or assignment of fund balances. As such, the School does not report any committed or assigned 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.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## 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 \$87,613 as of June 30, 2014.

## 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.

The School's investment policy provides that an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. The policy limits current short-term fund investments to a maximum of twelve (12) months, and investments of core funds shall have a term appropriate to the need for monies, but not to exceed two (2) years.

Investments with a fair value of \$18,057,457 at June 30, 2014, are in the State Board of Administration investment pool (Florida PRIME) with a weighted average maturity (WAM) of 40 days. A portfolio's WAM 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. Investments with a fair value of \$21,086 at June 30, 2014, are in the State Board of Administration Fund B Surplus Funds Trust Fund with a weighted average life (WAL) of 2.86 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL, which also measures the sensitivity of the portfolio to interest rate changes, is based on legal final maturity dates for Fund B as of June 30, 2014. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL. The School's investment in the Fund B Surplus Funds Trust Fund is unrated.



# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## Third-Party Custodial Agreements

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the School should be properly designated as an asset of the School. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in F.S. 658.12 or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Chief Financial Officer and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping unless authorized by such a duly authorized person.

The custodian shall provide the Controller with safekeeping receipts that provide detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## 5. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Balance 7-1-13	Additions	Deletions	Balance 6-30-14
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital Assets Being Depreciated:				
Furniture, Fixtures, and Equipment	\$ 4,649,154	\$ 727,363	\$ 329,205	\$ 5,047,312
Less Accumulated Depreciation	3,662,841	721,461	329,205	4,055,097
Total Furniture, Fixtures, and Equipment	986,313	5,902	-	992,215
Internally Created Software	20,669,647	3,189,148		23,858,795
Less Accumulated Amortization	13,452,210	4,810,396		18,262,606
Total Internally Created Software	7,217,437	(1,621,248)	-	5,596,189
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Furniture, Fixtures, and Equipment	-	20,290	-	20,290
Less Accumulated Depreciation	-	578	-	578
Total Furniture, Fixtures, and Equipment	-	19,712	-	19,712
Internally Created Software	-	531,823	-	531,823
Less Accumulated Amortization	-	132,956	-	132,956
Total Internally Created Software	-	398,867	-	398,867
<b>TOTAL GOV'T &amp; BUSINESS-TYPE- CAPITAL ASSETS, NET</b>	<b>\$ 8,203,750</b>	<b>\$ (1,196,767)</b>	<b>\$ -</b>	<b>\$ 7,006,983</b>

Depreciation/Amortization expense for the governmental funds was charged to functions for the year ended June 30, 2014 as follows:

Function	Amount
<b>GOVERNMENTAL ACTIVITIES</b>	
Instruction	\$ 4,810,396
Administrative Related Technology	140,100
Instructional Related Technology	581,361
Total Depreciation/Amortization-Governmental Activities	<u>\$ 5,531,857</u>

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2013

## 6. Operating Leases

The School is obligated under a lease agreement for office facilities beginning October 1, 2013 and ending July 31, 2022. The base rent is being waived for the period of February 1, 2015 through July 31, 2015. The annual lease payments increase approximately 3% beginning fiscal year 2018. The total amount of payments for fiscal year ending June 30, 2014 is \$1,212,350. Annual remaining rent payments are shown in the table below:

<b>Fiscal Year Ending June 30</b>	<b>Payment</b>
2015	\$ 661,582
2016	1,018,681
2017	1,142,144
2018	1,176,550
2019	1,211,691
2020-2023	3,969,096
Total	<u>\$ 9,179,744</u>

## 7. Changes in Long-Term Liabilities

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

<b>Description</b>	<b>Balance 7-1-13</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 6-30-14</b>	<b>Due in One Year</b>
Governmental Activities	\$ 9,243,432	\$ 2,804,050	\$ 2,036,919	\$ 10,010,563	\$ 1,696,034
Business-Type Activities	383,078	256,933	75,989	564,022	67,770
Compensated Absences Payable	9,626,510	3,060,983	2,112,908	10,574,585	1,763,804
Estimated Insurance Claims Payable	909,033	986,842	909,033	986,842	986,842
Other Post Employment Benefits	5,328,360	1,770,801	-	7,099,161	-
Total	<u>\$ 15,863,903</u>	<u>\$ 5,818,626</u>	<u>\$ 3,021,941</u>	<u>\$ 18,660,588</u>	<u>\$ 2,750,646</u>

## 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.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## 9. Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables reported in the fund financial statements at June 30, 2014:

Funds	Interfund	
	Receivables	Payables
	Due From	Due To
<b>Major Governmental Funds</b>		
General Fund	\$ 442,988	\$ -
Special Revenue Fund		11,192
Business-type Activities		431,796
<b>Total</b>	<b>\$ 442,988</b>	<b>\$ 442,988</b>

The interfund receivables and payables represent the payments of expenditures by one fund for another fund and will be repaid within 12 months. The following is a summary of interfund transfers reported in the proprietary financial statements at June 30, 2014:

Funds	Intrafund	
	Transfer In	Transfer Out
<b>Enterprise Fund</b>		
FLVS Development	\$ 3,138,599	\$ -
FLVS Global Services		2,420,772
FLVS Global School		364,530
Franchises		353,297
<b>Total</b>	<b>\$ 3,138,599</b>	<b>\$ 3,138,599</b>

The interfund transfers represent a transfer of profit from the FLVS global and franchise enterprise funds to the FLVS global development enterprise fund. Of the amount transferred to FLVS development fund, \$1,773,365 was used 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 2013-14 fiscal year:

Source	2013-14
Florida Education Finance Program	\$ 155,216,125
Other State Sources:	
Reading Program	1,366,126
Total Other State Sources	1,366,126
Total State Revenues	\$ 156,582,251

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

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## 11. State Retirement Program

All regular employees of the School are covered by the Florida Retirement System (FRS). Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. The FRS is a single retirement system administered by the Division of Retirement, Department of Management Services, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

The FRS Pension Plan is a defined benefited plan qualified under Section 401(a) of the Internal Revenue Code. The following information provides vesting options:

- 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. 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 on/after July 1, 2011.
- 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.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in PEORP in lieu of the Plan. School employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. PEORP is funded by employer contributions that are based on salary and membership class. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Benefits in PEORP vest after one year of service. There were 599 School participants during the 2013-14 fiscal year. Required contributions made to PEORP totaled \$2,084,455.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

## FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of the FRS. During the 2013-14 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	6.95
Florida Retirement System, Senior Management Service	3.00	18.31
Deferred Retirement Option Program - Applicable to Members from all of the Above Classes or Plans	0.00	12.84
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) In addition to the rates shown, employer rates include 1.20 percent for the post-employment health insurance supplement. Also, employer rates, other than for DROP participants, include 0.03 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon the retirement class in which re-employed.

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, 2012, June 30, 2013 and June 30, 2014, totaled \$3,733,734, \$5,065,845, and \$6,722,389 respectively, which were equal to the required contributions for each fiscal year.

The financial statements and the required supplemental information of the FRS are included in the comprehensive annual financial report of the State of Florida which may be obtained from the Florida Department of Financial Services. Also, an annual report on FRS, which includes its financial statements, required supplemental information, actuarial report, and other relevant information is available from the Florida Department of Management Services, Division of Retirement.

## 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. 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 2013-14 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.

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

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 \$986,842.

## 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 2013-14, 13 retirees received health care benefits. The School provided required contributions estimated at (\$51,021) 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)	\$ 1,148,260
Amortization of Unfunded Actuarial Accrued Liability	571,520
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	1,719,780
Interest on Net OPEB Obligation (NOO)	213,134
Adjustment to Annual Required Contribution	(213,134)
Annual OPEB Cost (Expense)	1,719,780
Estimated Contribution Toward the OPEB Cost	51,021
Increase in Net OPEB Obligation	1,770,801
Net OPEB Obligation, Beginning of Year	5,328,360
Net OPEB Obligation, End of Year	\$ 7,099,161

# Notes to Financial Statements

For the Fiscal Year Ended June 30, 2014

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:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 1,354,338	\$ 74,428	5.50%	\$ 3,776,784
June 30, 2013	\$ 1,631,664	\$ 80,088	4.91%	\$ 5,328,360
June 30, 2014	\$ 1,719,780	\$ (51,021)	-2.97%	\$ 7,099,161

## Funded Status and Funding Progress

As of June 30, 2013, the most recent valuation date, the actuarial accrued liability for benefits was \$14,010,519, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability of \$14,010,519 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$87,176,211 for the 2012-2013 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 16.07 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, 2014, 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, 2014 and to estimate the School's 2013-2014 fiscal year ARC. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent discount rate, compounded annually. The actuarial assumptions also included a payroll growth rate of 4 percent per year, and projected salary increases of 4.5% through 9.75%. 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, 2014, is 25 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

For the Fiscal Year Ended June 30, 2014

## Budgetary Comparison Schedule – General Fund

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance Positive / (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal Direct Sources:				
Miscellaneous Federal Direct	\$ -	\$ -	\$ 266	\$ 266
Total Federal Direct Sources	-	-	266	266
State Sources:				
Florida Education Finance Program	176,170,028	165,624,141	155,216,125	(10,408,016)
Reading Program	1,548,303	1,490,565	1,366,126	(124,439)
Other State Sources	-	5,439,926		(5,439,926)
Total State Sources	177,718,331	172,554,632	156,582,251	(15,972,381)
Local Sources:				
Other Local Sources	3,638,436	12,330,962	13,033,041	702,079
Total Local Sources	3,638,436	12,330,962	13,033,041	702,079
<b>Total Revenues</b>	181,356,767	184,885,594	169,615,558	(15,270,036)
<b>EXPENDITURES</b>				
Current:				
Instruction	131,689,039	131,853,013	119,116,395	12,736,618
Pupil Personnel Services	4,362,873	4,386,913	3,899,814	487,099
Instruction and Curriculum Development Services	8,110,756	1,924,675	1,530,534	394,141
Instructional Staff Training Services	4,470,482	4,505,458	3,924,901	580,557
Instruction Related Technology	8,340,341	8,692,448	7,863,823	828,625
School Board	818,148	889,816	649,320	240,496
General Administration	2,561,015	3,050,267	3,085,152	(34,885)
School Administration	4,177,595	4,392,379	3,992,090	400,289
Fiscal Services	4,340,850	1,935,382	1,835,933	99,449
Central Services	10,842,170	11,541,299	10,376,727	1,164,572
Operation of Plant	1,946,898	2,514,580	2,104,552	410,028
Administrative Technology Services	8,651,748	14,708,122	8,798,552	5,909,570
Capital Outlay:				
Other Capital Outlay		3,916,510	3,916,510	-
<b>Total Expenditures</b>	190,311,915	194,310,862	171,094,303	23,216,559
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(8,955,148)	(9,425,268)	(1,478,745)	7,946,523
<b>Net Change in Fund Balance</b>	(8,955,148)	(9,425,268)	(1,478,745)	7,946,523
Fund Balance, July 1, 2013	36,935,698	38,239,837	38,239,837	-
Fund Balance, June 30, 2014	\$ 27,980,550	\$ 28,814,569	\$ 36,761,092	\$ 7,946,523

# Required Supplementary Information

For the Fiscal Year Ended June 30, 2014

## Schedule of Funding Progress – Other Post Employment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2012	\$ -	\$ 11,475,086	\$ 11,475,086	0.00%	\$ 73,853,389	15.54%
June 30, 2013	\$ -	\$ 14,010,519	\$ 14,010,519	0.00%	\$ 87,176,211	16.07%
June 30, 2014	\$ -	\$ 14,010,519	\$ 14,010,519	0.00%	\$ 87,176,211	16.07%

# Other Reports

For the Fiscal Year Ended June 30, 2014

## Schedule of Expenditures of Federal Awards

Federal Pass-Through Entity Federal Program	CFDA Number	Contract/ Grant Number	Contract Period	Expenditures	Amount Provided to Sub-Recipients
<b>Federal Awards</b>					
<b>U.S. Department of Education</b>					
Indirect:					
Passed through the State of Florida Department of Education					
Carl D. Perkins -Secondary, Sec. 131	84.048A	48C-1614A-4CV01	07/01/13 - 06/30/14	21,905	-
Title I - Part A	84.010A	48C-2124A-4CB01	07/01/13 - 06/30/14	924,605	684,367
Title II - Part A	84.367A	48C-2244B-4CT01	07/01/13 - 06/30/14	18,798	-
IDEA - Part B	84.027A	48C-2634A-4CB01	07/01/13 - 06/30/14	487,276	474,068
ARRA - Florida Standards Professional Development Action Project	84.395A	48C-RG311-4CP01	03/31/14 - 09/23/14	-	-
Postsecondary Education Readiness Assessment	L.I.131	48C-99750-4ST01	11/12/13 - 06/30/14	1,463	-
ARRA - Common Core State Standards	84.395A	48C-RG311-3C401	05/08/13 - 06/30/14	137	-
Total Department of Education Indirect				<u>1,454,184</u>	<u>1,158,435</u>
Indirect:					
ARRA - Race to the Top Fund - passed through from the University of Central Florida	84.395A	481-RG411-4C001	07/01/13-06/30/14	<u>276,131</u>	<u>-</u>
Total Federal Awards				<u>\$ 1,730,315</u>	<u>\$ 1,158,435</u>
<i>See Accompanying Notes to Schedule</i>					

## Notes to the Schedule of Expenditures of Federal Awards

### Note 1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of 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, 2014. All federal awards passed through to other government agencies are included in the schedule.

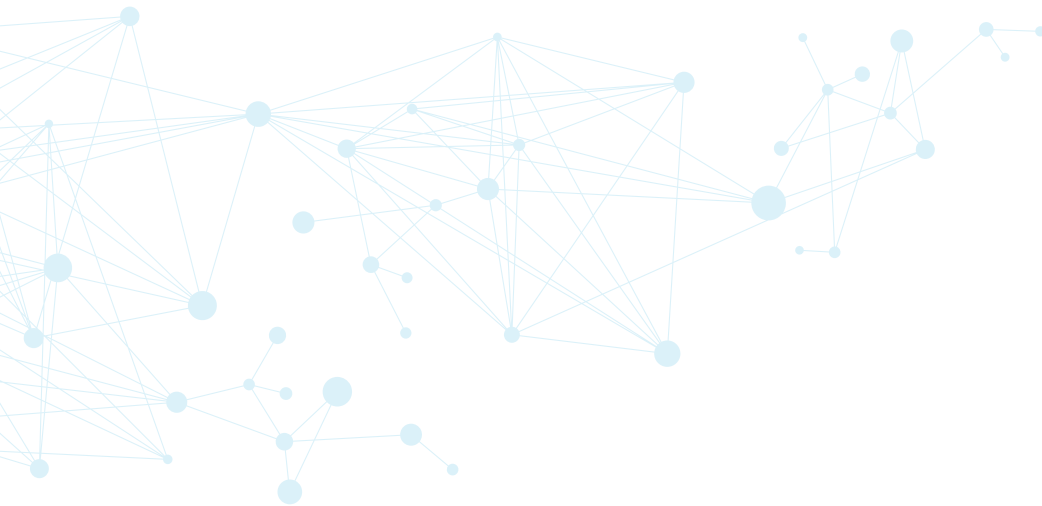
### Note 2. Basis of Accounting

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, 2014.



## Stakeholders' Surveys – Executive Summary 2013-14

This survey was conducted and executive summary produced by Heather Cameron-Bevan, M.Ed., MBA, and Cody Bakken, MBA of InMoment, Inc.



# Contents

Executive Summary .....	3
Course Quality .....	4
Teacher Quality .....	4
Overall Student and Parent Satisfaction .....	4
Franchisee Performance .....	4
Support to Schools and Districts .....	5
Student Recruitment and Participation .....	5
Quality and Benefits to Schools and Districts .....	6
Barriers to Schools and Districts .....	6
Appendix. Year-Over-Year Comparison .....	7
Surveys and Response Rates .....	7
Student and Parent Surveys .....	8
Annual School and District Surveys .....	10

## 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 K-12 student population. FLVS part time students completed 362,401 course enrollment's during the 2013-14 school year.

FLVS has an ongoing process for conducting surveys of the various stakeholders it serves and uses this data to monitor organizational performance and evaluate areas for improvement. FLVS gathers feedback and data through 4 channels: annual survey of school and district personnel as well as ongoing course and teacher feedback primarily from students and secondarily from parents. Student and parent feedback is collected at three points during a student's FLVS course: during early course, approximately mid-point in the course, and at the end of the course. The surveys are administered to every student online via an e-mail invitation.<sup>1</sup> The findings from the surveys FLVS administers to its stakeholders are summarized in five separate annual reports (Franchisee, Student, Parent, School, and District Survey Reports for 2013–14).

This report provides an executive summary of the major findings from these surveys. A more detailed year-to-year comparison, included in the appendix, summarizes year over year results. Tables 1 and 2 summarize total responses collected for the Student, Parent, School and District surveys.

**Table 1. FLVS Student-Parent Responses Collected, 2013–14**

Survey	Student	Parent
	Number Collected	Number Collected
Early Course	65,688	3,426
Mid-Course	104,421	5,171
End-of-Course	61,814	5,177

**Table 2. FLVS Annual Survey Response Rates, 2013–14**

Survey	Total Sent	Number Returned	Response Rate
School	8,765	808	9.2%
District	98	23	23.5%

---

<sup>1</sup> Phase surveys were set up to accept 45 responses per month by teacher. Once teacher limit was met, no further surveys were accepted and limits renewed at the beginning of each month.

## **Course Quality**

Both students and parents were generally satisfied with course quality in regards to course materials, set up, navigation and course materials and resources being interesting and new. Students provided lower scores than parents specific to course set up and materials and resources being interesting and new. Course quality underperformed significantly in comparison to teacher quality.

## **Teacher Quality**

Both students and parents indicated high satisfaction with the quality of FLVS teachers. Parents rated overall communication and response time with their child's teacher much higher than did students. Both students and parents indicated teachers replied to calls, texts, or emails within one day. Students and parents were also very satisfied with the course teacher's understanding of learning needs as well as the level of care the teacher exhibited toward the students/their child's success in the course.

## **Overall Satisfaction**

Both students and parents were strongly satisfied with their FLVS course teacher and generally satisfied with their overall course experience. Students provided lower scores for overall course quality compared to parents. Parents expressed a much higher likelihood to recommend FLVS and have their child take another FLVS course from same teacher. Both students and parents were in lower agreement towards FLVS course being one of the best learning experiences.

## **Franchisee Performance**

Findings are consistent with the above for course, teacher quality and overall satisfaction outcomes. Students and parents of the franchise partners delivering FLVS curriculum overall gave higher scores.



## Support for 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.

Schools indicated communication between FLVS has been sufficient in terms of being familiar with the counselor resource and procedure information from FLVS and support from their primary FLVS contacts. Districts indicated communication between FLVS and districts has been more than sufficient in terms of receiving policy and procedure information from FLVS and support from their primary FLVS contacts.

Over one-quarter of school respondents reported not being familiar with the Counselor Resources page on the FLVS website or with the terms of agreement.

The majority of school respondents indicated FLVS provided information needed to monitor students' progress as well as school personnel also using FLVS administrative accounts. The majority of district respondents indicated FLVS provided information needed to monitor their districts student progress. There is an opportunity for improvement since just under one-third of respondents indicated not being provided with the information needed. There was a stronger response to having used the FLVS administrative accounts to monitor progress over the web.

## Student Recruitment and Participation

At the school level, respondents reported a moderate level of awareness of the FLVS program among high school students. Under half (44%) of school respondents reported 70 percent or more of their students were aware of FLVS. The main areas students learned about FLVS were through either a school counselor, a curriculum guide provided by the school, and friend or family member. Regarding student participation, the majority of respondents indicated students utilized the program before or after school at home for extra credit or to make up a grade, followed by taking courses at school as part of their regular school schedule. Respondents also highly encouraged enrollment in FLVS courses, although placing course limitations with regards to access was reported at 45 percent.

At the district level, respondents reported a high level of awareness of the FLVS program among high school students. Over three-quarters of district respondents reported 70 percent or more of their students were aware of FLVS. Regarding student participation, all respondents indicated not placing any limits on access to FLVS courses and the majority indicated they specified policies related to FLVS participation in their Student Progression Plans. A very small group indicated implementing specific strategies to encourage minority enrollment. This could be a result of the specific districts responding to the survey. There may be districts without a need for this kind of outreach based on their student ethnicity enrollment mix.

## **Quality and Benefits to Schools and Districts**

Majority of the school respondents indicated FLVS provided either an excellent or good experience. In addition, a high percentage of respondents indicated FLVS benefited their students and their schools.

All districts agreed FLVS provided a benefit to both the district and its students. Most have utilized FLVS to accommodate students with extraordinary circumstances.

## **Barriers to Schools and Districts**

School contacts reported at a higher rate their students sometimes having had technical problems which interfered with getting the work done. Also, the lack of technology is much less of a barrier accessing at school compared to when accessing at home. School respondents indicated having very few concerns about FLVS courses.

District contacts reported a lack of technology in general could be a barrier to accessing FLVS. The lack of technology at home was a greater challenge for students to access FLVS compared to technology at school. Just under half of district respondents did indicate having had concerns about FLVS courses.

## Appendix. Year-Over-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 as well as to obtain course-specific feedback. Surveys are administered to enrolled students via e-mail to evaluate three phases of a student's FLVS course:

- **Early Course:** Between day 21 and day 27 of their courses, students and parents receive a survey that addresses course quality and teacher quality (9 items).
- **Mid-Course:** Upon approximately 45% completion of the course, students and parents receive a survey that addresses the same topics (using the same items) as the early-course survey (9 items). This survey replaced the Late Course survey administered during the 2012-13 school year.
- **End-of-Course:** Upon 90% course completion, students and parents receive a survey that addresses the same topics (repeating the same items) as the previous two surveys. It asks five additional items related to overall satisfaction with the course and teacher (14 items).

Survey	Student		Parent	
	Responses Collected 2012-13	Responses Collected 2013-14	Responses Collected 2012-13	Responses Collected 2013-14
Early Course	142,436	65,688	6,363	3,426
Late Course	92,469		4,532	
Mid-Course		104,421		5,171
End-of-Course	83,964	61,814	6,778	5,177

#### Annual Surveys

Florida Virtual School (FLVS) conducts an annual school and district survey to gather feedback and data from the staff with whom it partners. Contacts were invited via e-mail to participate in the survey during the summer of 2014.

Survey	Response Rate 2012-13	Response Rate 2013-14
School	20%	9.0%
District	25%	23.5%

## Student and Parent Surveys

### All Respondents

Below presents the average score for each rating question year-over-year segmented by all student and parent responses.

#### Course Quality

Course Quality	Student Score	Parent Score
Course Materials New 2012-13	78.8	81.5
Course Materials New 2013-14	79.2	81.8
Course Navigation 2012-13	82.3	82.0
Course Navigation 2013-14	82.6	82.8
Course Set Up 2012-13	72.3	76.6
Course Set Up 2013-14	73.6	77.2
Course Materials and Resources 2012-13	74.0	78.2
Course Materials and Resources 2013-14	74.4	78.3

#### Teacher Quality

Teacher Quality	Student Score	Parent Score
Teacher Communication 2012-13	82.6	87.6
Teacher Communication 2013-14	82.4	87.2
Response Time 2012-13	83.9	87.1
Response Time 2013-14	84.6	86.9
Learning Needs 2012-13	86.2	87.8
Learning Needs 2013-14	87.0	87.7
Level of Care 2012-13	87.8	89.2
Level of Care 2013-14	87.8	88.4

## Overall Satisfaction

Overall Satisfaction	Student Score	Parent Score
Course Satisfaction 2012-13	79.2	83.8
Course Satisfaction 2013-14	79.7	83.6
Teacher Satisfaction 2012-13	87.9	89.1
Teacher Satisfaction 2013-14	87.5	88.3
Learning Experience 2012-13	69.3	73.5
Learning Experience 2013-14	71.0	74.0
Take Another Course From Same Teacher 2012-13	79.6	86.7
Take Another Course From Same Teacher 2013-14	80.1	86.0
Recommend FLVS 2012-13	83.2	88.0
Recommend FLVS 2013-14	81.0	87.3

## Annual Surveys

Below presents the % yes response for each question year-over-year unless otherwise stated.

### School

Question	Score 2012-13 N = 1,462	Score 2013-14 N = 808
Are you familiar with the Counselor Resource page of the FLVS website?	76%	73%
Are you familiar with the "Terms of Agreement" between your district and FLVS?	75%	73%
Have you or other school personnel been in touch with your primary FLVS contact?	79%	73%
Please rate the level of service you receive from your primary FLVS contact (Excellent to Poor 4 point rating scale). Administrator	90%	87%
Please rate the level of service you receive from your primary FLVS contact (Excellent to Poor 4 point rating scale). Guidance Counselor	89%	89%
Do you receive FLVS information from the FLVS District Contact person in your district?	71%	70%
Does FLVS provide you with the information you need to monitor the progress of your FLVS students?	90%	80%
Do school personnel use FLVS administrative accounts to monitor student progress over the web?	81%	75%
Does your school encourage enrollment in FLVS courses?	89%	84%
Approximately what percentage of your schools students are aware of FLVS? <i>Awareness greater than 70%</i>	53%	54%
Does your school place any specific course limitations on students regarding access to FLVS?	42%	45%
Please rate the quality of your school's experience with FLVS (Excellent to Poor 4 point rating scale).	80%	78%
Does FLVS benefit your students?	94%	95%
Does FLVS benefit your school?	88%	85%
Please rate the level of technical problems experienced by students in their FLVS course (Sometimes only).	79%	72%
Has the lack of school technology been a barrier for some students in accessing FLVS courses?	23%	18%

Has the lack of home technology been a barrier for some students in accessing FLVS courses?	60%	50%
Do you have any concerns about FLVS courses?	23%	22%

## District

Question	Score 2012-13 N = 16	Score 2013-14 N = 23
Are FLVS policies and procedures clearly communicated to the affiliated districts?	94%	96%
Do you receive sufficient support from your primary FLVS contact?	94%	87%
Does FLVS provide you with the information you need to monitor the progress of your district's students?	88%	70%
Do district personnel use FLVS administrative accounts to monitor student progress over the web?	81%	78%
Are high school students in your district aware of FLVS? <i>Awareness greater than 70%</i>	76%	78%
Does your district ensure that all students have access to FLVS courses?	94%	100%
Does your district Student Progression Plan specify policies regarding students' participation in FLVS courses?	81%	70%
Does your district implement any specific strategies to encourage minority enrollment in FLVS?	31%	17%
Does FLVS benefit your students?	100%	100%
Does FLVS benefit your district?	100%	100%
Has your district utilized FLVS to accommodate students with extraordinary circumstances?	100%	87%
Has the lack of school technology been a barrier for some students in accessing FLVS courses?	44%	30%
Has the lack of home technology been a barrier for some students in accessing FLVS courses?	56%	57%
Have you had any concerns about FLVS courses?	41%	43%



310 East 4500 South, Suite 450  
Salt Lake City, UT 84107  
1-800-530-4251

**[www.inmoment.com](http://www.inmoment.com)**

Copyright © 2014 | InMoment Inc. All rights reserved.

### **About InMoment™**

InMoment™ is a cloud-based customer experience (CX) optimization platform that gives companies the ability to listen to and engage with their customers to improve business results through better experiences. Through its Experience Hub™, InMoment provides Voice of Customer (VoC), Social Reviews & Advocacy, and Employee Engagement technology, as well as strategic guidance and tactical instruction, support, and services, to 350 brands across 25 industries in 128 countries. The company is the leading VoC vendor for the food services, retail, and contact center industries, with deep domain expertise in B2B, healthcare, hospitality, and numerous others.