



**Orange County
Public Schools**

Leading Students to Success

Popular Annual Financial Report

For the Fiscal Year
Ended June 30, 2019
Orlando, Florida



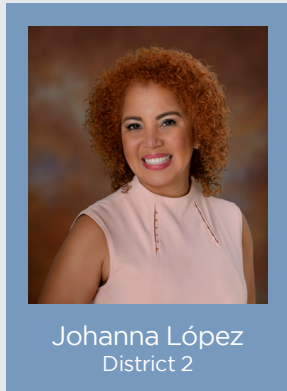
School Board of Orange County



Teresa Jacobs
Chairman



Angie Gallo
District 1



Johanna López
District 2

Vision

To be the top producer of successful students in the nation



Linda Kobert
District 3



Pam Gould
Vice Chairman
District 4



Kathleen "Kat" Gordon
District 5

Mission

To lead our students to success with the support and involvement of families and the community



Karen Castor Dentel
District 6



Melissa Byrd
District 7



Barbara M. Jenkins
Superintendent

Message from the Chief Financial Officer

Dear Citizens and Taxpayers of Orange County:

The Finance Department is pleased to present its inaugural Orange County Public Schools' Popular Annual Financial Report (PAFR) to the community. This report is intended to provide a summary on how the district revenues were generated and spent as reported in the Orange County Public Schools' audited Comprehensive Annual Financial Report (CAFR). The CAFR is a more detailed and complete financial presentation prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited by the district's independent external auditors.

The PAFR, however, is unaudited and presented on a non-GAAP basis. It does not include full disclosures or segregated funds. This report provides a basic understanding of the District's achievements, financial health and operations in our district. For more detailed information, the Comprehensive Annual Financial Report is available on the district's website at: www.ocps.net/departments/finance

As you review this Popular Annual Financial Report, please feel free to share any questions, concerns, or recommendations you may have by writing to us at:

Orange County Public Schools
445 W Amelia St
Attn: 4th Floor, Finance Department
Orlando, FL 32801

Respectfully,



Dale C. Kelly, CPA
Chief Financial Officer



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Orange County Public School's Profile

The school board consists of eight members, seven are elected from the single-member districts which they represent, and one is elected county wide and serves as the chairman of the school board. Members are elected to serve four-year terms. Four are elected at the time of the presidential election, and four, including the chairperson, at the time of the gubernatorial election.

At a Glance

- 8th** largest school district in the U.S.; **4th** largest in Florida;
- 25,145** employees; **2nd** largest employer in Central Florida;
- 211,685** students from **165** countries who speak **157** different languages;
- 196** schools: **124** elementary, **37** middle, **7** K-8, **20** high, and **8** exceptional;
- 41.6** million meals served for the year, which is more than **233,150** meals per day;
- 908** buses transported **70,000** students per day

“Education is the most powerful weapon which you can use to change the world!”

Nelson Mandela

Achievements

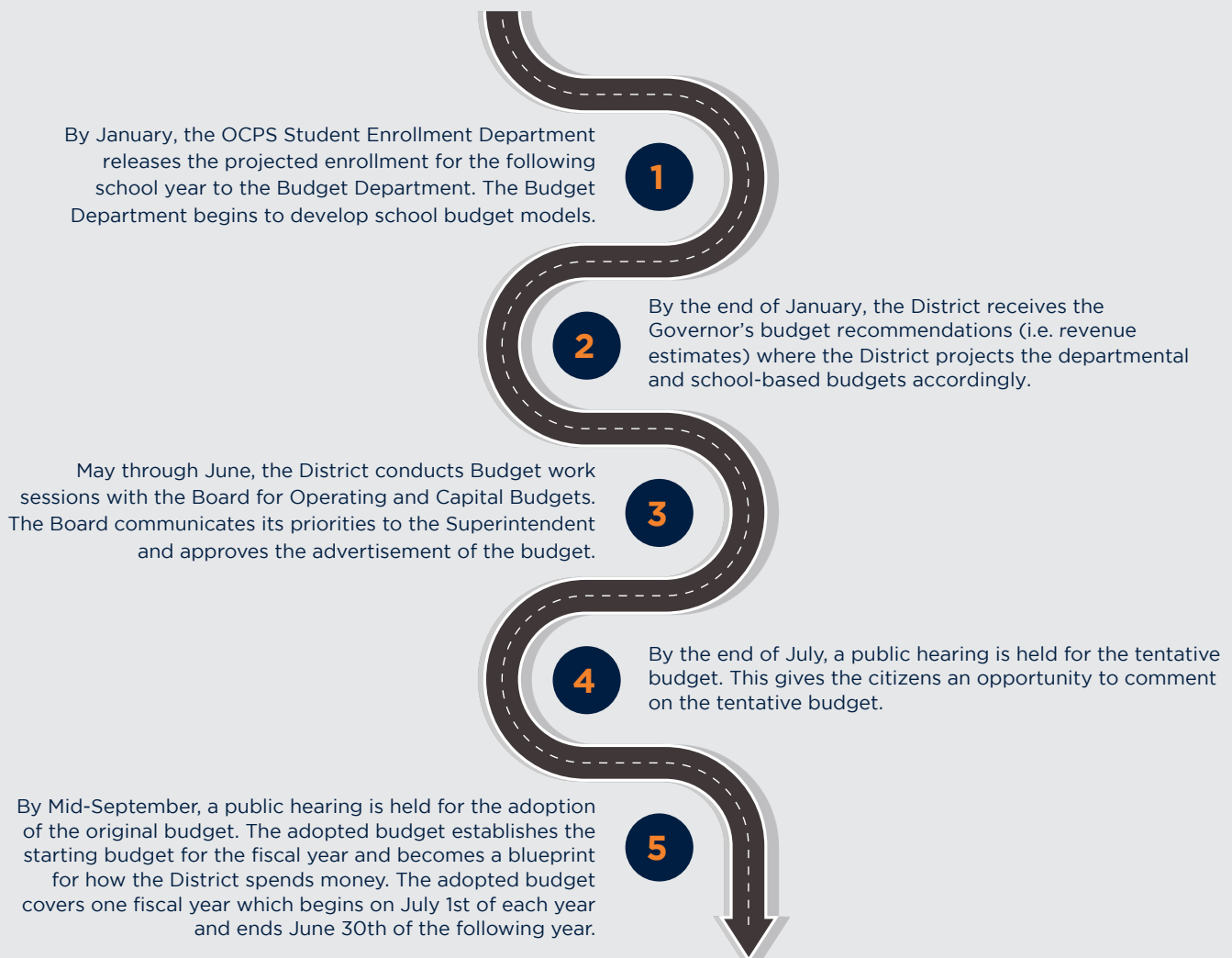
- For **18** years in a row, the District has received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association and the Certificate of Excellence in Financial Reporting by the Association of School Business Officials
- The District received an “**A**” grade by the Florida Department of Education
- Record-high **96.1%** graduation rate at our traditional high schools (**up from 93.8%**)
- Overall graduation rate of **88.9%** which includes charters and alternative schools (**up from 84.7%**)
- 110** graduating seniors – or “Super Scholars,” accepted into the nation’s top colleges, universities and U.S. service academies, as ranked by U.S. News & World Report
- 102** graduating seniors from **18** high schools earned their associate degree along with their diploma
- Orange Technical College celebrated its **85th** anniversary
- 1,900** high school seniors and adults graduated from Orange Technical College
- 8,528** industry certificates were awarded at Orange Technical College
- 135,000** digital devices were distributed per **Launch ED 1:1**, a **35%** increase from the previous year, to ensure equal access to personalized learning and digital content

Budget

Under state law, Orange County Public Schools is required to prepare an annual budget. The budget is prepared by each governmental fund type prescribed by law and State Board of Education rules. The initial board approved budget is referred to as the original budget. Original budgets are submitted to the Florida Department of Education for approval. The budget is prepared by fund, function, object and department. Management may make budget transfers between departments, function and objects. At fiscal year end, the final amended budget contains all of the adjustments for legally authorized revisions of the original budget throughout the year.

In fiscal year 2019, the General Fund budgeted appropriations were **\$1,826,532,830** and the Capital Projects Fund budgeted appropriations were **\$1,190,216,377**.

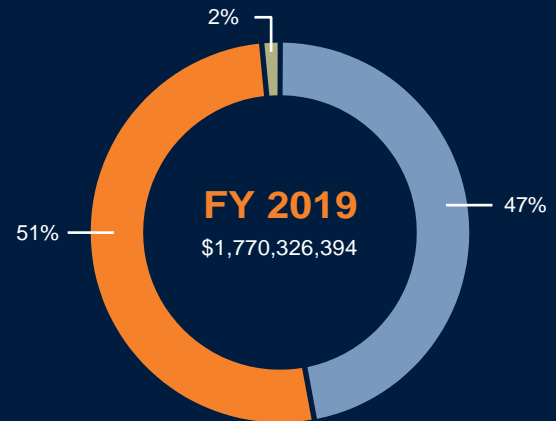
This **Budget Roadmap** is designed to help others understand the District’s budget process. The scope of the budget includes all of the District’s estimated revenues and expenditures for fiscal year 2019.



Where the Money Comes From

The **General Fund** is the primary operating fund of the District. There are three types of revenue sources that sustain our school district: local, state, and federal funds. While the district utilizes all funds that are presented on the financial statements, most of the daily operations are in the General Fund. The following are the fiscal year 2019 General Fund Revenue figures:

General Fund Revenue Sources	FY 2019	Percentage
Local	\$ 834,017,531	47%
State	908,995,364	51%
Federal	27,313,499	2%
Total	\$ 1,770,326,394	100%



General Fund Revenue Sources

Local Sources. Makes up **47%** of the General Fund revenues which are primarily comprised of Ad Valorem Taxes, Interest Income, Post-secondary Vocational Course fees, and Other Miscellaneous Local Sources.

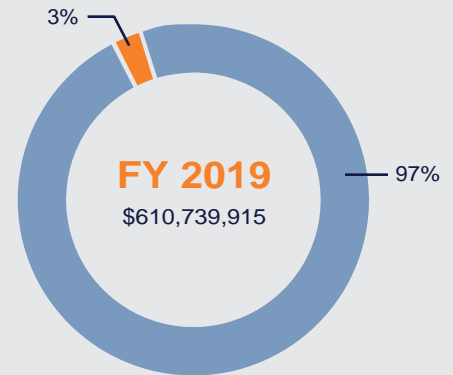
State Sources. Makes up **51%** of General Fund revenues which are primarily comprised of Florida Education Finance Program (FEFP), Workforce Development, Categorical Programs and Other Miscellaneous State Sources.

Federal Sources. Makes up **2%** of General Fund revenues which are primarily comprised of Reserve Officer Training Corps, Medicaid, and Other Miscellaneous Federal Sources.

Total Revenues – General Fund. Overall, the total amount of revenue from the three sources: local, state, and federal, totaled **\$1,770,326,394** for the fiscal year 2019.

The **Capital Projects Fund** is considered a major fund of the district. It is comprised of two revenue sources: Local and State. The following are the FY 2019 Capital Projects Fund figures:

Capital Projects Fund Revenue Sources	FY 2019	Percentage
Local	\$ 593,810,065	97%
State	16,929,850	3%
Total	\$ 610,739,915	100%



Capital Projects Fund Revenue Sources

Local Sources. Makes up **97%** of the Capital Projects Fund revenues

which are primarily comprised of Local Capital Improvement Tax, Sales Tax Collections, Interest on Investments and Impact Fees.

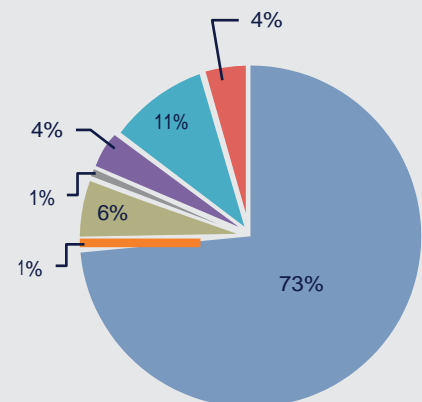
State Sources. Makes up **3%** of the Capital Projects Fund revenues which are primarily comprised of Capital Outlay & Debt Service Distributed and Public Education Capital Outlay (PECO).

Total Revenues – Capital Projects Fund. Overall, the total amount of revenue from the three sources: local, state, and federal, totaled **\$610,739,915** for the fiscal year 2019.

How the Money is Spent

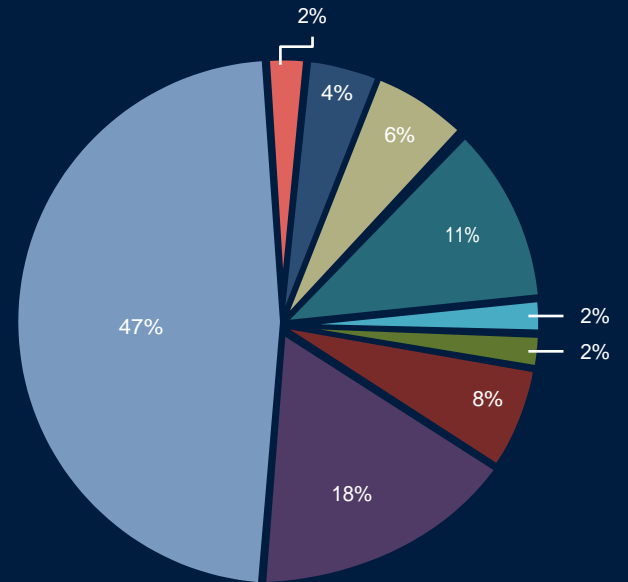
General Fund. For the fiscal year ended 2019, the expenditures for the General Fund totaled **\$1,786,955,375**. It is important to identify expenditures at the function level allowing for comparison across governments.

General Fund Expenditures by Function	FY 2019	Percentage
Instructional Services & Support	\$ 1,309,530,094	73%
Board and General Administration	12,693,559	1%
School Administration	115,280,909	6%
Facilities Acquisition & Construction	12,174,305	1%
Transportation	68,568,974	4%
Plant Operation & Maintenance	191,331,255	11%
General Support	73,505,297	4%
Community Services	486,181	0%
Other Capital Outlay	3,384,801	0%
Total	\$ 1,786,955,375	100%



Capital Fund. For the fiscal year ended 2019, the expenditures for the Capital Fund Projects totaled **\$408,098,441**. The major uses of Capital Funds for fiscal year 2019 were for comprehensive needs, additional schools, and educational technology. The remaining expenditures were for district-wide capital, ancillary facilities, buses & equipment, portables, safety, security & environmental and site acquisition.

Capital Projects Fund Expenditures	FY 2019	Percentage
Comprehnsive Needs	\$ 192,726,198	47%
District-wide Capital	7,048,785	2%
Ancillary Facilities	16,913,356	4%
Buses & Equipment	24,161,567	6%
Educational Technology	44,860,241	11%
Portables	8,443,575	2%
Safety, Security & Environment	5,981,256	2%
Site Acquisition	34,330,669	8%
Additional Schools	73,632,794	18%
Total	\$ 408,098,441	100%

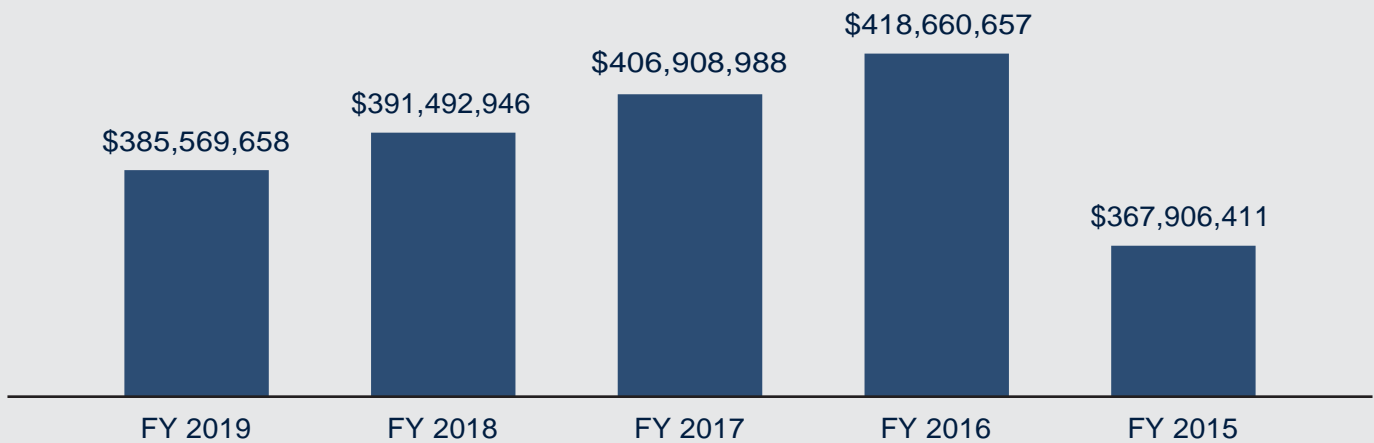


Fund Balance

Fund Balance is the net worth of a fund measured by assets minus liabilities. At the end of each fiscal year, the difference between revenues minus expenditures affects the fund balance. The fund balance of the District’s General Fund decreased by **\$5,923,288** during the fiscal year 2019. The key factors in this decrease are as follows:

- Spending down of funds reserved for professional development training
- Continued implementation of student and business systems

General Fund Balance(s)



Long-term Financial Planning

In August 2018, the voters of Orange County approved the renewal of the current one mill ad valorem millage for essential operating expenses in order to preserve academic programs, retain highly qualified teachers, and protect arts, athletics and student activities beginning July 1, 2019, and ending four (4) fiscal years later on June 30, 2023.

Long-term Debt

The District’s debt consists of lease-purchase agreements payable and state school bonds payable which are secured by either specific revenue sources or the underlying assets. The District’s long-term debt has continually decreased over the last five years. The decrease is achieved with effective debt management resulting in savings through refunding of existing debt and using existing revenues to fund construction demands.

Summary of Outstanding Debt

General Fund Revenue Sources	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Lease Purchase Agreements Payable (COPS)	\$ 1,154,813,988	\$ 1,207,189,119	\$ 1,237,972,777	\$ 1,283,016,298	\$ 1,292,614,623
State School Bonds Payable	1,193,000	2,030,000	4,792,000	7,859,000	11,519,000
Obligations Under Capital Leases	-	-	-	3,722,138	9,403,375
Total	\$ 1,156,006,988	\$ 1,209,219,119	\$ 1,242,764,777	\$ 1,294,597,436	\$ 1,313,536,998

Bond Rating

Good bond ratings save the District money. Bond ratings indicate the general quality of a bond, including the likelihood that investors will receive their money back when they lend it out. Bonds with higher ratings are seen as safer investments, so investors do not demand as much interest to lend money to highly-rated school districts, such as OCPS. Higher bond ratings mean lower interest rates, which save taxpayer dollars. The District's Moody's rating for its certificates of participation remained the same "Aa2" rating. The Fitch rating remained the same "AA" rating. The S&P rating remained the same "AA" rating for its certificates of participation.

	Moody's	Fitch	S&P
Highest Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-

Capital Assets

Capital Assets are acquired to help provide essential services (directly or indirectly) to the District schools. The District must ensure that capital assets are protected from loss, that their value is maintained and that they are used effectively. This investment in capital assets includes land, construction in progress, improvements other than buildings, buildings & fixed equipment, furniture, fixtures & equipment, motor vehicles and computer software. The District's investment in capital assets as of June 30, 2019 totals **\$4,309,717,217** (net of accumulated depreciation). The increase in the District's investment in capital assets (net of accumulated depreciation) for fiscal year 2019 was **\$231,639,392**.



Boone High Auditorium



Castleview Elementary Cafeteria



Pine Hills Transportation Center



Pershing School

Orange County Public School's Building Program

The District's largest asset consists of buildings and fixed equipment. Also, the District has one of the largest and most successful building programs in the United States with a fiscal year 2019 annual budgeted appropriations of **\$1,190,216,377**. Each year, the capital budget is evaluated and renewed for new schools based upon projected student enrollment. In fiscal year 2019, the District saw an enrollment growth of 4,432 students. During fiscal year 2019, 3 high schools, 7 middle schools, 21 elementary schools, 1 early learning center, 1 K-8 school and 1 administration building for a total of 34 locations were either in process for new construction, renovation or replacement or to bring the building up to standard. The District's successful building program is made possible by the support of the community and the half-penny sales tax.



“Learning is not attained by chance, it must be sought for with ardor and attended to with diligence.”

Abigail Adams

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Orange County Public Schools



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Orange County Public Schools

Leading Students to Success

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