

# Popular Annual Financial Report

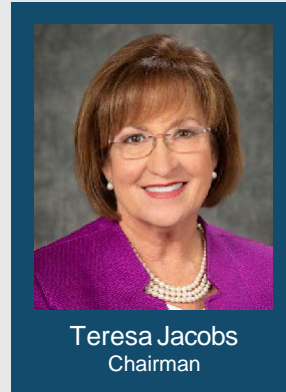
**2020**



**Orange County  
Public Schools**

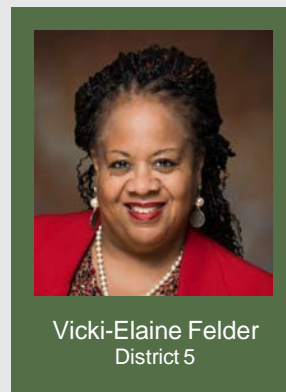
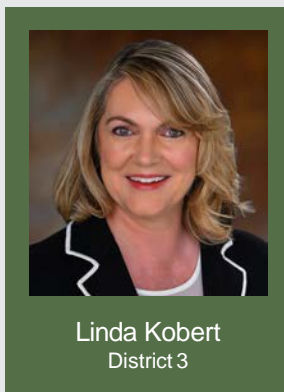
For the Fiscal Year  
Ended June 30, 2020  
Orlando, Florida

# School Board of Orange County



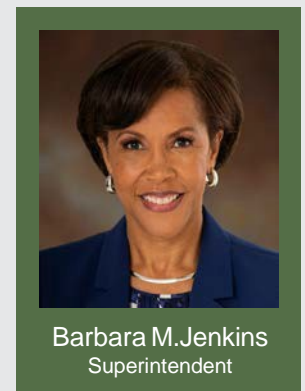
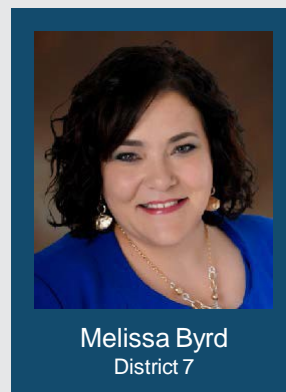
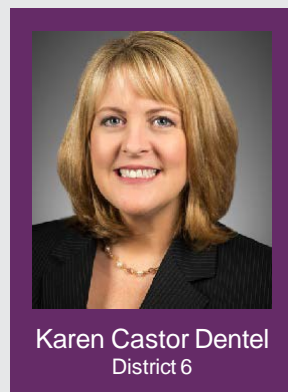
## Vision

To ensure every student has a promising and successful future



## Mission

With the support of families and the community, we create enriching and diverse pathways that lead our students to success



## Message from the Chief Financial Officer

Dear Citizens and Taxpayers of Orange County:

The Finance Department is pleased to present Orange County Public Schools' fiscal year 2020 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.

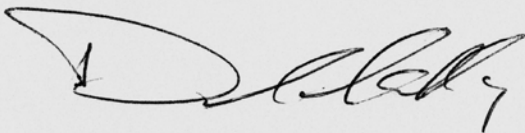
The PAFR, however, is unaudited and presented on a non-GAAP basis. It does not include full disclosures or segregated funds. This report provides a basic understanding of the District's achievements, financial health and operations in our district. For more detailed information, the Comprehensive Annual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

<https://www.ocps.net/departments/finance>

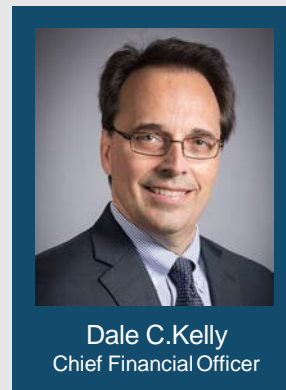
As you review this Popular Annual Financial Report, please feel free to share any questions, concerns, or recommendations you may have by writing to us at:

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

The district spans 903 square miles including Orlando and 12 surrounding municipalities;

8th largest school district in the U.S.; 4th largest in Florida;

25,625 employees; 2nd largest employer in Central Florida;

212,401 students from 199 countries who speak 164 different languages; 199 schools: 125 elementary, 38 middle, 8 K- 8, 20 high, and 8 exceptional;

34 million meals served for the year, which is more than 215,000 meals per day; while schools were closed for the fourth quarter of the 2019-2020 year, about 85,000 meals were distributed per day;

847 buses transported 70, 000 students per day averaging 18.5 million miles per year;

53 new schools have opened since 2003, 124 schools have been renovated or replaced, and 21 schools are scheduled to be completed in the next three years.

For tax payers, parents, and potential residents looking to relocate, the District's school reports cards for 2019-2020 school year are located at the following link: [https://www.ocps.net/schools/report\\_cards](https://www.ocps.net/schools/report_cards)

**“Education is simply the soul of a society as it passes from one generation to the next.”**

**G.K. Chesterton**

### Achievements

- For 19 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
- 97.9% graduation rate at our traditional high schools; overall graduation rate of 90.4% which includes charters and alternative schools; the District exceeds the state average for graduating seniors of 90.0%
- 126 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
- 205 graduating seniors from 18 high schools earned their associate degree along with their diploma
- 1,402 high school seniors and adults graduated from Orange Technical College
- 8,783 industry certificates were awarded at Orange Technical College
- 142,816 digital devices were distributed per Launch ED 1:1, a 5.8% 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 2020, the General Fund budgeted appropriations were **\$1,940,519,817** and the Capital Projects Fund budgeted appropriations were **\$1,313,899,126**.

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 2020.

By January, the OCPS Student Enrollment Department releases the projected enrollment for the following school year to the Budget Department. The Budget Department begins to develop school budget models.

1

By around the end of January, the District receives the Governor’s budget recommendations (i.e. revenue estimates) where the District projects the departmental and school-based budgets accordingly.

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May through June, the District conducts Budget work sessions with the Board for Operating and Capital Budgets. The Board communicates its priorities to the Superintendent and approves the advertisement of the budget.

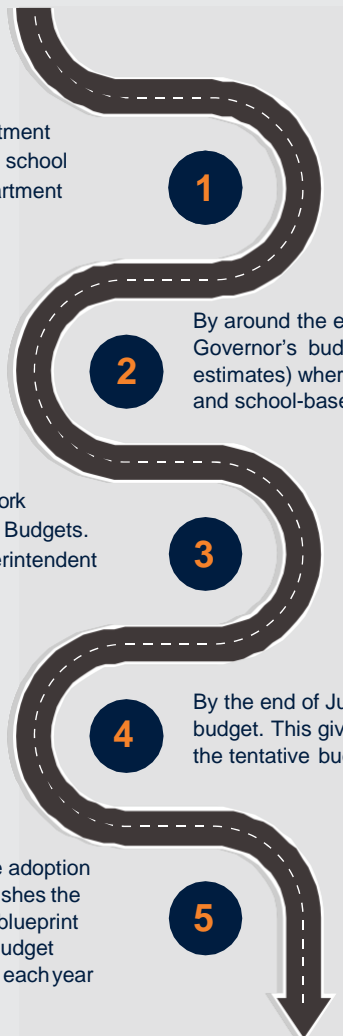
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By the end of July, a public hearing is held for the tentative budget. This gives the citizens an opportunity to comment on the tentative budget.

By Mid-September, a public hearing is held for the adoption of the original budget. The adopted budget establishes the starting budget for the fiscal year and becomes a blueprint for how the District spends money. The adopted budget covers one fiscal year which begins on July 1st of each year and ends June 30<sup>th</sup> of the following year.

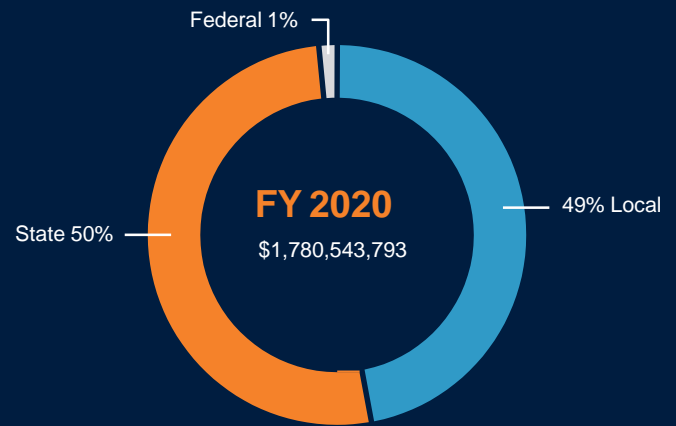
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## Where the Money Comes From

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 2020 General Fund Revenue figures:

General Fund Revenue Sources	FY 2020	Percentage
State	\$ 899,358,763	50%
Local	870,851,519	49%
Federal	10,333,511	1%
Total	\$ 1,780,543,793	100%



### General Fund Revenue Sources

**State Sources.** Makes up **50%** of General Fund revenues which are primarily comprised of Florida Education Finance Program (FEFP), Workforce Development, Categorical Programs and Other Miscellaneous State Sources.

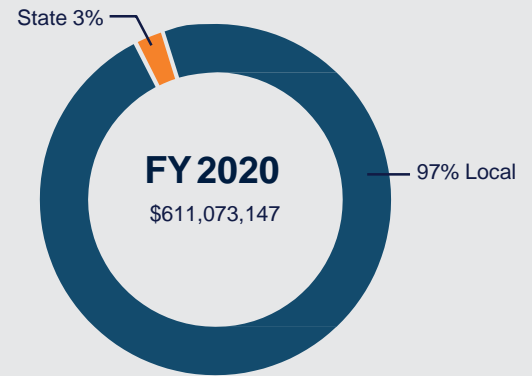
**Local Sources.** Makes up **49%** of the General Fund revenues which are primarily comprised of Ad Valorem Taxes, Interest Income, Post-secondary Vocational Course fees, and Other Miscellaneous Local Sources.

**Federal Sources.** Makes up **1%** 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 **\$1,780,543,793** for the fiscal year 2020.

Although not all Capital Projects Funds are considered major funds, it is a major source of funding for the district. It is comprised of two revenue sources: Local and State. The following are the FY 2020 Capital Projects Fund figures:

Capital Projects Fund Revenue Sources	FY 2020	Percentage
Local	\$ 595,548,132	97%
State	15,525,015	3%
<b>Total</b>	<b>\$ 611,073,147</b>	<b>100%</b>



### 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.

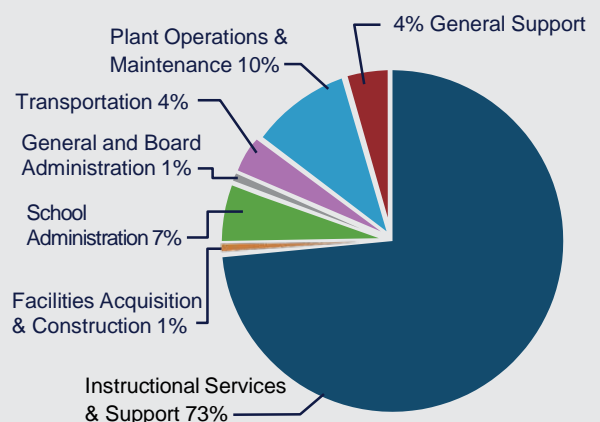
**State Sources.** Makes up 3% of the Capital Projects Fund revenues which are primarily comprised of Capital Outlay & Debt Service Distributed and Public Education Capital Outlay (PECO).

**Total Revenues – Capital Projects Fund.** Overall, the total amount of revenue from the two sources: local and state totaled \$611,073,147 for the fiscal year 2020.

### How the Money is Spent

**General Fund.** For the fiscal year ended 2020, the expenditures for the General Fund totaled \$1,847,146,451. It is important to identify expenditures at the function level allowing for comparison across governments.

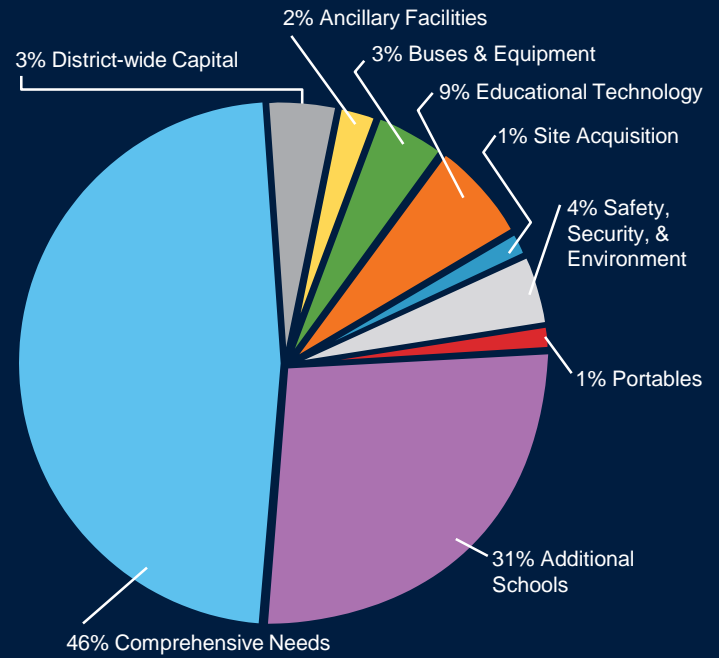
General Fund Expenditures by Function	FY 2020	Percentage
Instructional Services & Support	\$ 1,359,883,913	73%
Plant Operations & Maintenance	194,601,794	10%
School Administration	121,483,543	7%
General Support	78,059,369	4%
Transportation	65,087,805	4%
General and Board Administration	13,087,402	1%
Facilities Acquisition & Construction	10,164,819	1%
Other Capital Outlay	4,000,673	0%
Community	777,133	0%
<b>Total</b>	<b>\$ 1,847,146,451</b>	<b>100%</b>





**Capital Fund.** For the fiscal year ended 2020, the expenditures for the Capital Fund Projects totaled **\$455,580,323**. The major uses of Capital Funds for fiscal year 2020 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 2020	Percentage
Comprehensive Needs	\$ 208,962,405	46%
Additional Schools	141,488,543	31%
Educational Technology	42,362,873	9%
Safety, Security & Environment	18,990,536	4%
District-wide Capital	14,510,664	3%
Buses & Equipment	13,370,295	3%
Ancillary Facilities	8,807,343	2%
Portables	4,446,542	1%
Site Acquisition	2,641,122	1%
<b>Total</b>	<b>\$ 455,580,323</b>	<b>100%</b>



## 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 **\$55,038,718** during the fiscal year 2020. The key factors in this decrease are as follows:

- Continued implementation of student and business systems
- Delayed implementation of health insurance plan changes resulted in spending down of general fund reserves
- Current year raises were enhanced by using a portion of general fund reserves
- Emergency costs related to COVID-19 pandemic

### General Fund Balance(s)

General Fund	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Non-spendable	\$ 1,720,885	\$ 3,859,763	\$ 4,014,438	\$ 3,515,731	\$ 3,207,834
Restricted	19,946,030	21,953,756	21,576,887	26,894,480	31,459,531
Assigned	202,422,912	263,948,336	293,892,876	283,453,225	257,565,822
Unassigned	106,441,113	95,807,803	72,008,745	93,045,552	126,427,470
<b>Total General Fund Balance</b>	<b>\$ 330,530,940</b>	<b>\$ 385,569,558</b>	<b>\$ 391,492,946</b>	<b>\$ 406,908,988</b>	<b>\$ 418,660,657</b>

## 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 2020	FY 2019	FY 2018	FY 2017	FY 2016
Lease Purchase Agreements Payable (COPS)	\$ 1,101,976,781	\$ 1,154,813,988	\$ 1,207,189,119	\$ 1,237,972,777	\$ 1,283,016,298
State School Bonds Payable	572,000	1,193,000	2,030,000	4,792,000	7,859,000
Obligations Under Capital Leases	-	-	-	-	3,722,138
<b>Total</b>	<b>\$ 1,102,548,781</b>	<b>\$ 1,156,006,988</b>	<b>\$ 1,209,219,119</b>	<b>\$ 1,242,764,777</b>	<b>\$ 1,294,597,436</b>

## 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, 2020 totals **\$4,580,847,599** (net of accumulated depreciation). The increase in the District’s investment in capital assets (net of accumulated depreciation) for fiscal year 2020 was **\$271,130,382** (6.3 percent).



## 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 2020 annual budgeted appropriations of **\$1,313,899,126**. Each year, the capital budget is evaluated and renewed for new schools based upon projected student enrollment. During fiscal year 2020, 2 technical college campuses, 1 alternative education center, 9 high schools, 8 middle schools, 18 elementary schools, and 1 administration building for a total of 39 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.



**“Every problem is a gift—without problems we would not grow.”**

**Tony Robbins**

# CONNECT WITH US



Orange County Public Schools



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Public Schools**  
Leading Students to Success

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