

# Popular Annual Financial Report



Orlando, FL  
Year ended June 30, 2022



## 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 2022 Popular Annual Financial Report (PAFR) to the community. This report is intended to provide a summary on how the District's revenues were generated and spent as reported in Orange County Public Schools' audited Annual Comprehensive Financial Report. The Annual Comprehensive Financial Report is a more detailed and complete financial presentation prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is 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. For more detailed information, the Annual Comprehensive 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 West Amelia Street, Orlando, FL 32801, attention 4<sup>th</sup> floor, Finance Department.

Respectfully,

  
Doreen Concolino,  
Interim Chief Financial Officer

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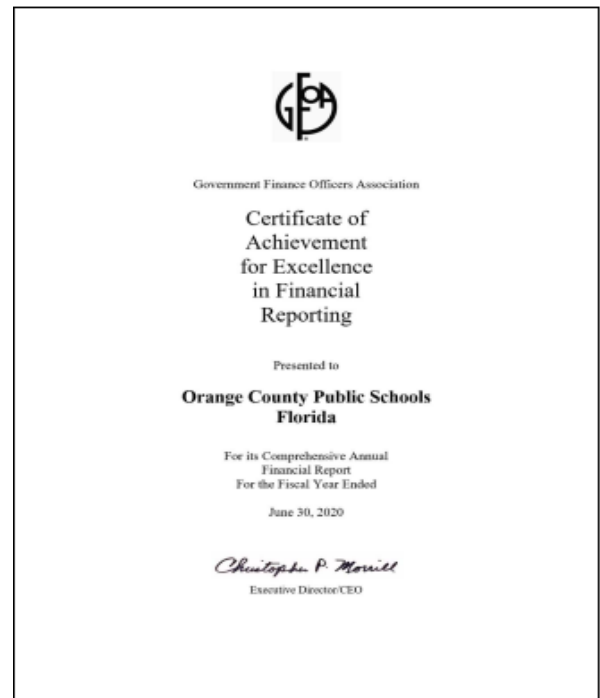
## Financial Transparency

To provide transparency about the financial operations, the Popular Annual Financial Report (PAFR) was published for the first time in 2019.

OCPS is proud to present the 2022 PAFR to continue providing citizens and other interested parties with a brief summary of the District's government-wide financial statements, general operating fund revenues and expenditures, and other relevant financial information that impact the District. This information is taken from the financial statements contained in the District's Annual Comprehensive Financial Statements for fiscal year ended June 30, 2022.



Orange County Public Schools has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the ACFR from the Government Finance Officers Association of the United States and Canada (GFOA) for 21 consecutive years.

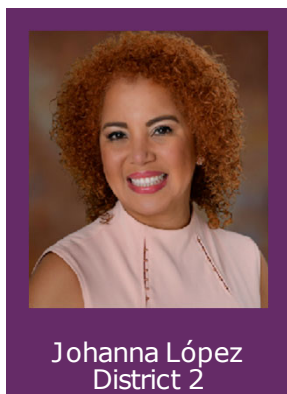
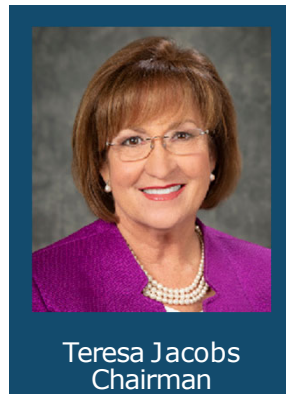


The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (COA) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles and to prepare annual comprehensive reports that showed transparency and full disclosure and then to recognize individual governments that succeed in achieving this goal.

We hope that the information presented in the PAFR about our District's performance will be meaningful to our readers.

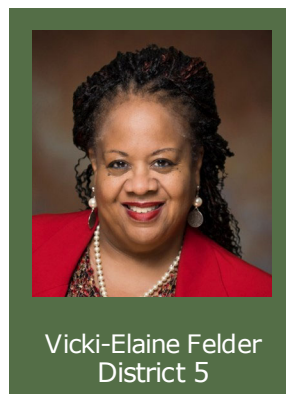
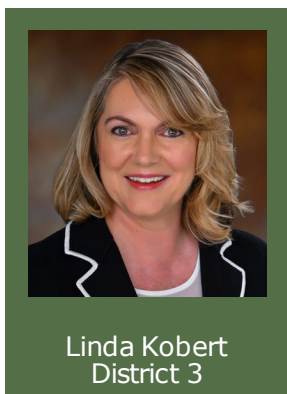


# School Board of Orange County



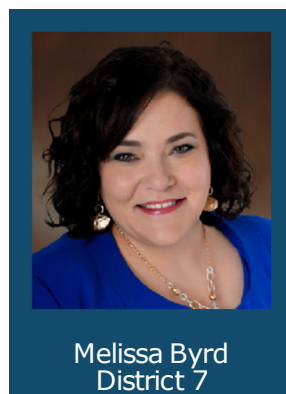
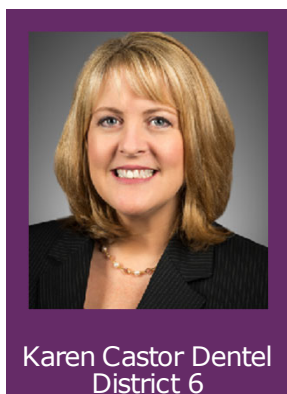
## Vision

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 to lead our students to success



## Orange County Public Schools' 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 staggered, 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. The superintendent is appointed by the School Board.

### At a Glance

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

4th largest school district in the U.S.; 9th largest in Florida;

Orange County school system is one of Central Florida's largest employers with 24,576 employees;

209,662 students from 208 countries who speak 166 different languages;

205 schools: 127 elementary, 39 middle, 9 K-8, 22 high, and 8 exceptional;

39 million meals served for the year, which is more than 213,000 meals per day;

Annually serving more than 55,000 students, OCPS operates the largest public transportation system in Central Florida;

OCPS has opened 59 new schools since 2003, another 132 schools have been renovated or replaced, and 22 new schools are scheduled to be completed in the next five years;

For taxpayers, parents, and potential residents looking to relocate, the district's school reports cards for 2021-2022 school year are located at the following link: [https://www.ocps.net/schools/report\\_cards](https://www.ocps.net/schools/report_cards)

### Achievements

- For 21 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
- 98.4% graduation rate at our traditional high schools; overall graduation rate of 90.4% which includes charters and alternative schools; the district still exceeded the state average for graduating seniors of 90.0%
- 130 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*
- 30 seniors from eleven high schools were chosen as winners in the 2022 National Merit Scholarship Program. Twenty-two others were semifinalists from nine high schools
- In 2020-21 256 graduating seniors earned their associate degree from Valencia College, along with their diploma
- 1,761 high school seniors and adults graduated from Orange Technical College
- 9,577 industry certificates were awarded at Orange Technical College
- 198,032 digital devices were distributed, a 5% increase from the previous year, to ensure equal access to personalized learning and digital content

# Accounting Terminology and Budget

## Accounting Terminology

**Net Investment in Capital Assets** is the difference between the value of capital assets and the unpaid portion of debt that is financing the capital assets.

**Net Position** is the difference between assets and deferred outflows of resources and liabilities and deferred inflow of resources for the district as a whole.

**Restricted Net Position** is the amount of assets or resources limited for a specific purpose.

**Unrestricted Net Position** is the difference between assets and liabilities not already included in the net investment in capital assets, and restricted net position.

**Government-wide** is the district as a whole.

**Governmental Activities** is the district's basic services funded by property taxes, grants, and the Florida Education Finance Program (FEFP).

**Deferred Outflows of Resources** are a consumption of net position that is applicable to a future reporting period.

**Deferred Inflows of Resources** are an acquisition of net position that is applicable to a future reporting period.

**Capital Assets** are assets that the district intends to hold or continue to use over a long period of time.

**Appropriation** is setting aside of budget for specific uses.

**Estimated Revenue** is setting aside budget for expected revenue.

**Fund** is a fiscal and accounting entity with a self-balancing set of accounts. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives.

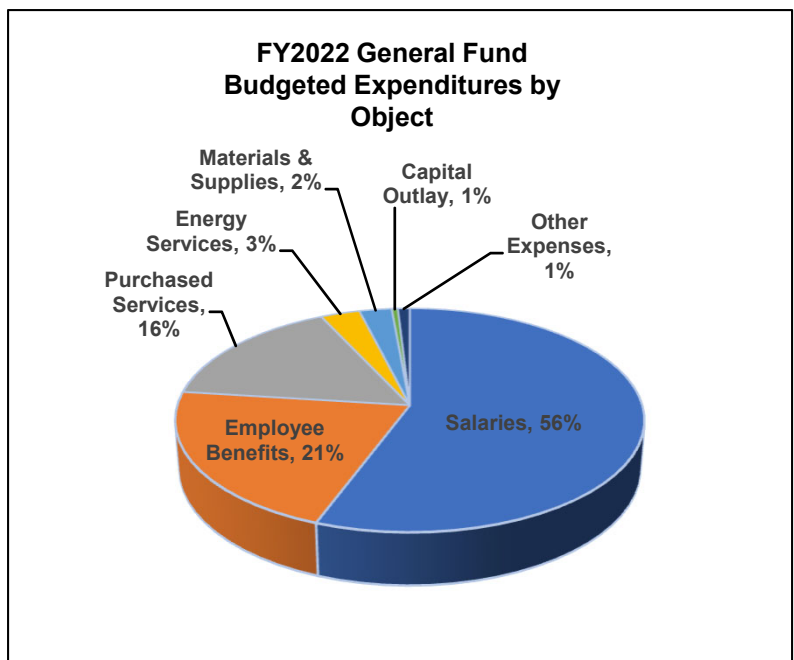
**Function** is the classification that indicates the overall purpose or objective of an expenditure such as instruction, transportation, etc.

**Object** is an indication of the type of goods or services obtained as a result of the expenditure such as salaries, benefits, and supplies.

## Budget

Under state law, the District is required to prepare an annual budget. The budget is prepared for each governmental fund type prescribed by law and State Board of Education rules. 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, functions and objects, however, the budget may only be amended by resolution of the Board.



During the initial planning for the budget, the District annually budgets a contingency fund of not less than three percent (3%) of recurring general fund revenues to be used only for fiscal emergencies. This contingency fund should not be utilized without Board approval and should be classified as part of the unassigned fund balance. On June 30, 2022, unassigned fund balance in the General Fund totaled \$132,604,286 or 7.4% of General Fund revenues.

Budgets are prepared using the modified accrual basis, which is the method used to account for actual transactions in the governmental funds. In modified accrual, revenue is recorded in the period it becomes available and measurable whereas expenditures are recognized in the period the liability is incurred.



# Financial Summary

## Government-wide Financial Information

The Government-wide financial statements include the Statement of Net Position and the Statement of Activities. This information is designed to provide readers with a long-term overview of the District's finances similar to the private sector. All governmental funds are consolidated and presented as Governmental Activities which are normally supported by taxes and intergovernmental revenues.

The Statement of Net Position (below) provides information on all of OCPS's assets and liabilities with the difference between the two reported as net position or net worth. Increases or decreases in the net position serve as an indicator of whether the financial position of the District is improving or declining. Component Unit (charter schools) information is not included in this financial summary.

### Summary of Net Position

	Governmental Activities		Percentage Change
	June 30, 2022	June 30, 2021	
Current and Other Assets	\$ 2,849,845,897	\$ 2,480,521,813	14.9%
Capital Assets	4,754,181,281	4,728,784,738	0.5%
Total Assets	7,604,027,178	7,209,306,551	5.5%
Deferred Outflows	429,659,081	533,790,623	-19.5%
Total Deferred Outflows	429,659,081	533,790,623	-19.5%
Long-Term Liabilities	1,782,429,084	2,668,372,355	-33.2%
Other Liabilities	203,267,604	204,920,191	-0.8%
Total Liabilities	1,985,696,688	2,873,292,546	-30.9%
Deferred Inflows	668,315,245	38,755,299	1624.4%
Total Deferred Inflows	668,315,245	38,755,299	1624.4%
Net Position			
Net Investment in Capital Assets	3,757,943,100	3,670,925,473	2.4%
Restricted	2,128,130,251	1,749,738,183	21.6%
Unrestricted (deficit)	(506,399,025)	(589,614,327)	-14.1%
Total Net Position	\$ 5,379,674,326	\$ 4,831,049,329	11.4%

- Key financial highlights include assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows by \$5,379,674,326 (net position).
- Of this amount, (\$506,399,025) represents a deficit unrestricted net position. This deficit balance was attributed to the effects of long-term liabilities, such as other post-employment benefits, pension benefits and compensated absences.
- The largest portion of the District's net position \$3,757,943,100 reflects its net investment in capital assets less any related debt and deferred outflows of resources used to acquire those assets that are still outstanding.

# Financial Summary (continued)

## Government-wide Financial Information

The Statement of Activities (below) provides information on all of OCPS's revenues and expenditures, with the difference between the two reported as net position or net worth. Increases or decreases in the net position serve as an indicator of whether the financial position of the District is improving or declining. Component unit (charter schools) information is not included in this financial summary.

### Summary of Changes in Net Position

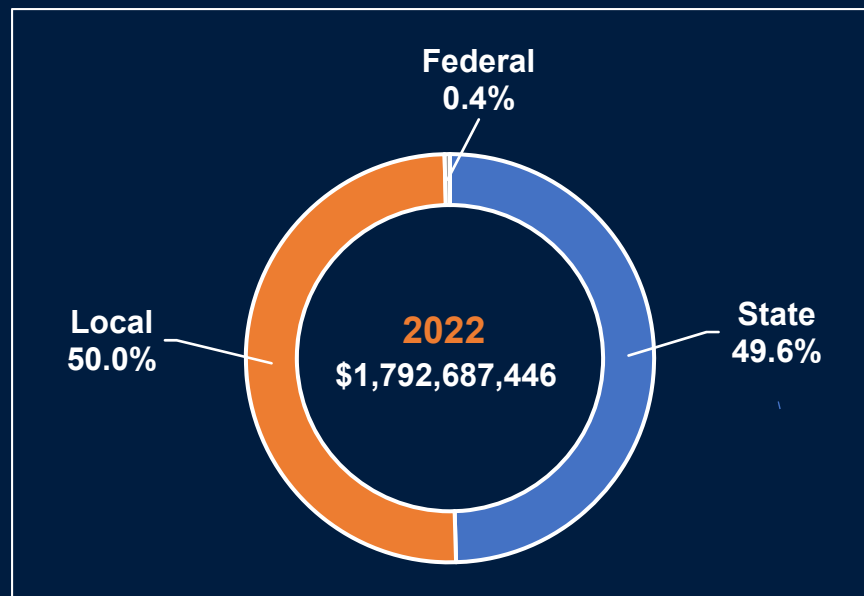
	Governmental Activities		
	June 30, 2022	June 30, 2021	
Program Revenues			
Charges for Services	\$ 12,133,104	\$ 7,625,739	59.1%
Operating Grants and Contributions	152,842,730	162,555,975	-6.0%
Capital Grants and Contributions	102,370,022	68,880,343	48.6%
General Revenues			
Property Taxes	1,096,646,527	1,107,491,443	-1.0%
Local Sales Tax	332,412,105	223,647,866	48.6%
FEFP Not Restricted to Specific Programs			
Grants and Contributions not			
Restricted to Specific Programs	1,318,091,725	1,208,594,601	9.1%
Investment Earnings	(17,448,391)	(10,232,526)	70.5%
Miscellaneous	80,245,022	109,256,810	-26.6%
<b>Total Revenues</b>	<b>3,077,292,844</b>	<b>2,877,820,251</b>	<b>6.9%</b>
Expenses			
Instruction	1,349,254,533	1,339,407,365	0.7%
Student Support Services	103,165,984	103,380,847	-0.2%
Instructional Media Services	18,330,673	18,692,108	-1.9%
Instruction and Curriculum			
Development Services	87,327,912	95,069,814	-8.1%
Instructional Staff Training Services	45,952,210	45,933,493	0.0%
Instruction-Related Technology	12,095,876	14,121,410	-14.3%
Board	4,498,327	4,903,948	-8.3%
General Administration	23,561,795	20,130,527	17.0%
School Administration	116,990,451	127,114,712	-8.0%
Facilities Acquisition & Construction	43,464,624	73,777,972	-41.1%
Fiscal Services	7,280,070	7,774,983	-6.4%
Food Services	130,553,103	137,068,574	-4.8%
Central Services	42,216,062	38,340,745	10.1%
Student Transportation Services	87,592,777	92,144,730	-4.9%
Operation of Plant	160,266,710	171,939,165	-6.8%
Maintenance of Plant	35,665,543	36,441,525	-2.1%
Administrative Technology Services	33,049,412	38,528,660	-14.2%
Community Services	43,595,411	24,397,990	78.7%
Interest on Long-Term Debt	28,497,539	102,776,669	-72.3%
Unallocated Depreciation	155,308,835	150,595,934	3.1%
<b>Total Expenses</b>	<b>2,528,667,847</b>	<b>2,642,541,171</b>	<b>-4.3%</b>
<b>Increase in Net Position</b>	<b>548,624,997</b>	<b>235,279,080</b>	<b>133.2%</b>
Net Position - Beginning	4,831,049,329	4,579,955,668	5.5%
Adjustment to Restate Beginning Balance	-	15,814,581	100.0%
Beginning Net Position, Restated	4,831,049,329	4,595,770,249	5.1%
Net Position - Ending	<b>\$ 5,379,674,326</b>	<b>\$ 4,831,049,329</b>	<b>11.4%</b>



## 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: state, local, 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 2022 General Fund Revenue figures:

General Fund Revenue Sources	FY2022	Percentage
Local	\$ 897,181,927	50.0%
State	887,805,498	49.6%
Federal	7,700,021	0.4%
<b>Total</b>	<b>\$ 1,792,687,446</b>	<b>100.0%</b>



## General Fund Revenue Sources

**Local Sources.** Make up 50.0% 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.** Make up 49.6% of General Fund revenues, which are primarily comprised of Florida Education Finance Program (FEFP), Workforce Development, Categorical Programs and Other Miscellaneous State Sources.

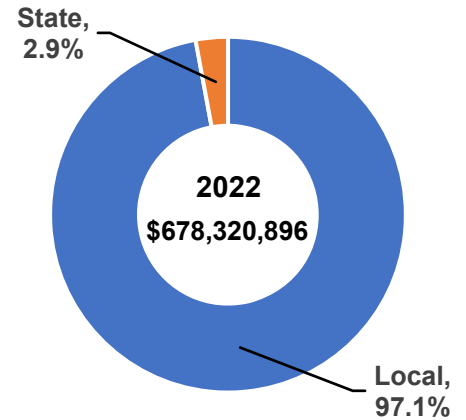
**Federal Sources.** Make up less than 1% (0.4%) of General Fund revenues, which are primarily comprised of Reserve Officer Training Corps, Medicaid, and Other Miscellaneous Federal Sources.

**Total Revenues – General Fund.** Overall, the total amount of revenue from the three sources: state, local, and federal, totaled \$1,792,687,446 for the fiscal year 2022.

## Where the Money Comes From (continued)

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 fiscal year 2022 Capital Projects Fund figures:

Capital Projects Fund Revenue Sources	FY2022	Percentage
Local	\$ 658,510,850	97.1%
State	19,810,046	2.9%
<b>Total</b>	<b>\$ 678,320,896</b>	<b>100.0%</b>



## Capital Projects Fund Revenue Sources

**Local Sources.** Make up 97.1% of the Capital Projects Fund revenues, which are primarily comprised of Local Capital Improvement Tax, Sales Tax Collections, Investment Income and Impact Fees.

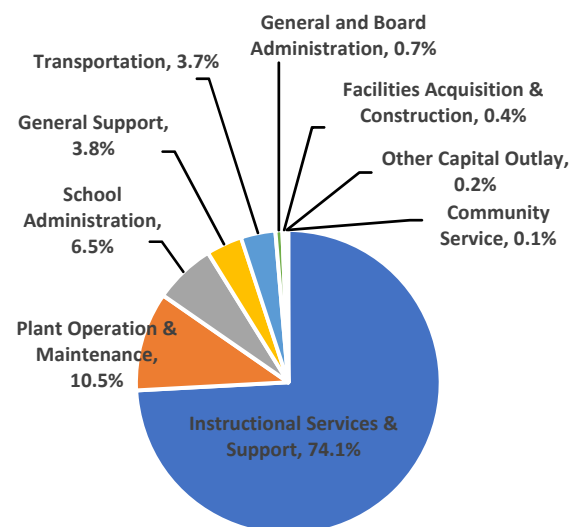
**State Sources.** Make up 2.9% of the Capital Projects Fund revenues which are primarily comprised of Capital Outlay & Debt Service Distributed and Public Education Capital Outlay (PECO).

**Total Revenues – Capital Projects Fund.** Overall, the total amount of revenue from the two sources: local and state totaled \$678,320,896 for the fiscal year 2022.

## How the Money is Spent

For the fiscal year ended 2022, the expenditures for the General Fund totaled **\$1,819,807,788**. It is important to identify expenditures at the function level allowing for comparison across governments.

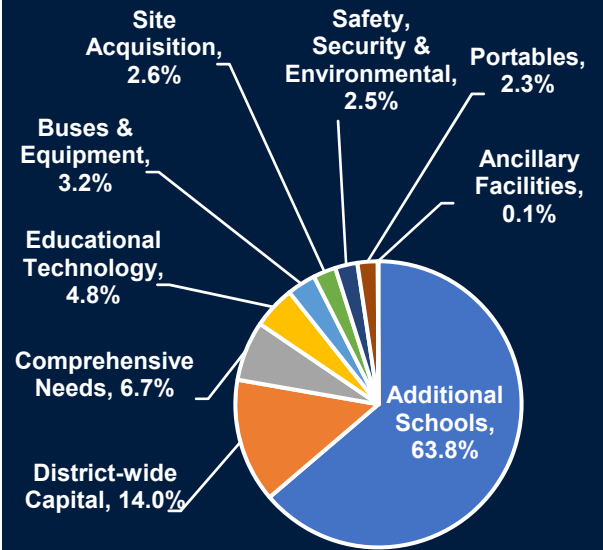
General Fund Expenditures by Function	FY2022	Percentage
Instructional Services & Support	\$ 1,349,238,417	74.1%
Plant Operation & Maintenance	191,343,244	10.5%
School Administration	118,417,475	6.5%
General Support	69,301,729	3.8%
Transportation	66,865,527	3.7%
General & Board Administration	13,347,713	0.7%
Facilities Acquisition & Construction	6,910,634	0.4%
Other Capital Outlay	3,438,081	0.2%
Community Service	944,968	0.1%
<b>Total</b>	<b>\$ 1,819,807,788</b>	<b>100.0%</b>



## How the Money is Spent (continued)

**Capital Fund.** For the fiscal year ended 2022, the expenditures for the Capital Projects Fund totaled **\$224,395,913**. The major uses of Capital Funds for fiscal year 2022 were for additional schools, district-wide capital, and comprehensive needs. The remaining expenditures were for educational technology, buses & equipment, site acquisition, safety, security & environmental, portables, and ancillary facilities.

Capital Projects Fund Expenditures	FY2022	Percentage
Additional Schools	\$ 143,078,700	63.8%
District-wide Capital	31,400,382	14.0%
Comprehensive Needs	15,131,340	6.7%
Educational Technology	10,795,062	4.8%
Buses & Equipment	7,287,165	3.2%
Site Acquisition	5,762,012	2.6%
Safety, Security & Environmental	5,624,738	2.5%
Portables	5,135,823	2.3%
Ancillary Facilities	180,691	0.1%
<b>Total</b>	<b>\$ 224,395,913</b>	<b>100.0%</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. If revenue is higher, it will increase fund balance. If expenditures are higher, it will decrease fund balance. The fund balance of the District's General Fund decreased by **\$25,803,170** during the fiscal year 2022. The key factor in this decrease was due to a one-time \$3,500 bonus paid to all employees.

### General Fund Balance(s)

General Fund	FY2022	FY2021	FY2020	FY2019	FY2018
Non-spendable	\$ 2,669,786	\$ 2,171,437	\$ 1,720,885	\$ 3,859,763	\$ 4,014,438
Restricted	38,698,296	21,974,575	19,946,030	21,953,756	21,576,887
Assigned	250,984,562	279,867,560	202,422,912	263,948,336	293,892,876
Unassigned	132,604,286	146,746,528	106,441,113	95,807,803	72,008,745
<b>Total</b>	<b>\$ 424,956,930</b>	<b>\$ 450,760,100</b>	<b>\$ 330,530,940</b>	<b>\$ 385,569,658</b>	<b>\$ 391,492,946</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.

On August 23, 2022, the voters of Orange County overwhelmingly voted YES (82.1%) for approval to continue the one mill ad valorem millage beginning July 1, 2023, and ending four (4) fiscal years later on June 30, 2027.





## 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	FY2022	FY2021	FY2020	FY2019	FY2018
Lease-Purchase Agreements Payable	\$ 1,034,451,545	\$ 1,078,656,204	\$ 1,101,976,781	\$ 1,154,813,988	\$ 1,207,189,119
State School Bonds Payable	-	243,000	572,000	1,193,000	2,030,000
<b>Total</b>	<b>\$ 1,034,451,545</b>	<b>\$ 1,078,899,204</b>	<b>\$ 1,102,548,781</b>	<b>\$ 1,156,006,988</b>	<b>\$ 1,209,219,119</b>

## Bond Rating

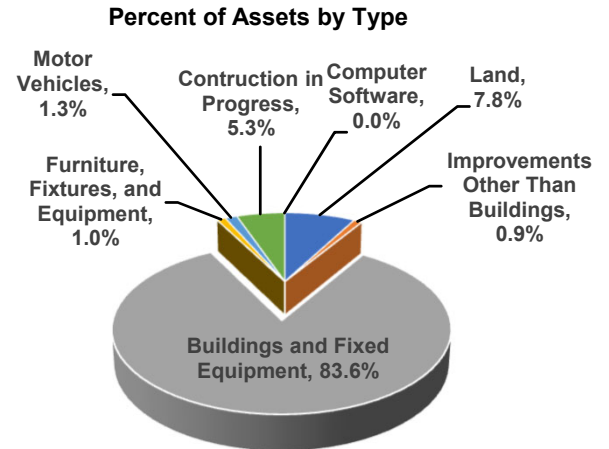
Good bond ratings save the District money. Bond ratings indicate the general quality of a bond, including the likelihood that investors will receive their money back when they lend it out. Bonds with higher ratings are seen as safer investments, so investors do not demand as much interest to lend money 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
<i>Highest Quality</i>	<i>Aaa</i>	<i>AAA</i>	<i>AAA</i>
<i>High Quality</i>	<i>Aa1</i>	<i>AA+</i>	<i>AA+</i>
	<i>Aa2</i>	<i>AA</i>	<i>AA</i>
	<i>Aa3</i>	<i>AA-</i>	<i>AA-</i>
<i>Upper Medium</i>	<i>A1</i>	<i>A+</i>	<i>A+</i>
	<i>A2</i>	<i>A</i>	<i>A</i>
	<i>A3</i>	<i>A-</i>	<i>A-</i>
<i>Medium Grade</i>	<i>Baa1</i>	<i>BBB+</i>	<i>BBB+</i>
	<i>Baa2</i>	<i>BBB</i>	<i>BBB</i>
	<i>Baa3</i>	<i>BBB-</i>	<i>BBB-</i>

## 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, improvements other than buildings, buildings and fixed equipment, furniture, fixtures & equipment, motor vehicles, construction in progress and computer software. The District's investment in capital assets as of June 30, 2022 totaled **\$4,754,181,281** (net of accumulated depreciation). Of all district owned property, buildings and fixed equipment have the largest dollar value at over \$3.9 billion in fiscal year 2022.

Capital Assets by Type	June 30, 2022
Land	\$ 371,691,396
Improvements Other Than Buildings	44,479,050
Buildings and Fixed Equipment	3,975,986,818
Furniture, Fixtures and Equipment	46,497,830
Motor Vehicles	63,087,656
Construction in Progress	252,436,336
Computer Software	2,195
<b>Total Capital Assets</b>	<b>\$ 4,754,181,281</b>



## Orange County Public Schools' Building Program

The District's largest asset consists of buildings and fixed equipment. The District also has one of the largest and most successful building programs in the United States with a fiscal year 2022 annual budgeted appropriations of **\$1,155,726,518**. Each year, the capital budget is evaluated and renewed for new schools based upon projected student enrollment. During fiscal year 2022, the capital renewal program started construction on 14 projects with a value of \$27 million. The program completed 5 projects at a cost of \$6 million. For fiscal year 2022, there were 50 active projects for improvements at 103 sites, with an estimated cost of \$291 million. The District constructed four new elementary schools and one new middle school. The District's successful building program is made possible by the support of the community and the half-penny sales tax.



“Don't let what you cannot do interfere with what you can do.”

John R. Wooden





445 West Amelia Street | Orlando, FL 32801  
407-317-3200

#### **OCPS EEO Non-Discrimination Statement**

The School Board of Orange County, Florida, does not discriminate in admission or access to, or treatment or employment in its programs and activities, on the basis of race, color, religion, age, sex, national origin, marital status, disability, genetic information, sexual orientation, gender identity or expression, or any other reason prohibited by law.

The following individuals at the Ronald Blocker Educational Leadership Center, 445 W. Amelia Street, Orlando, Florida 32801, attend to compliance matters: Equal Employment Opportunity (EEO) Officer & Title IX Coordinator: Keshara Cowans; ADA Coordinator: Jay Cardinali; Section 504 Coordinator: Tajuana Lee-Wenze. (407.317.3200)