

**FOUNDATION FOR ORANGE COUNTY PUBLIC
SCHOOLS, INC.**

**A COMPONENT UNIT OF THE ORANGE COUNTY
DISTRICT SCHOOL BOARD**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Foundation for Orange County Public Schools, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Foundation for Orange County Public Schools, Inc. (the Foundation), a component unit of the Orange County District School Board, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of functional expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of functional expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Foundation for Orange County Public Schools, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Orlando, Florida
October 22, 2020

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020, 2019, AND 2018

As the leadership of The Foundation for Orange County Public Schools, Inc. (the Foundation), we offer readers of the Foundation's financial statements this narrative overview and analysis of the financial activities for the years ended June 30, 2020, 2019 and 2018. This report represents the Foundation leadership's overview of the organization's health and well-being. We encourage readers to consider this information in conjunction with the independent auditors' report and the basic financial statements included herein.

Financial Highlights

- The Foundation's overall combined net position totaled \$2,794,969 as of June 30, 2020, as compared to \$2,690,001 as of June 30, 2019, and \$1,999,393 as of June 30, 2018.
- Unrestricted net position totaled \$557,743, \$699,626, and \$544,375 as of June 30, 2020, 2019, and 2018, respectively. These funds represent monies available to provide academic program support to students, teachers and staff in Orange County Public Schools, as well as general and administrative support.
- Restricted (Expendable and Nonexpendable) net position totaled \$2,237,226, \$1,990,375, and \$1,448,837 as of June 30, 2020, 2019, and 2018, respectively. These funds represent monies limited by donors with time restrictions, special purpose restrictions, or are funds invested in perpetuity.

Overview of the Financial Statements

A review of the Foundation's statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows and the notes to the financial statements helps donors understand the Foundation's overall financial health. It is important to consider how external factors may impact the Foundation's financials (economic trends, stock market performance, state and federal regulations that govern fiscal reporting for nonprofits, and so forth).

- The statement of net position presents information on all of the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Foundation's well-being.
- The statement of revenue, expenses and changes in net position shows whether revenues and other support exceed expenses, which results in either an increase or decrease in net position. All net position changes are reported on an accrual basis, regardless of the timing of the related cash flows. Revenues and expenses are reported in these statements for some items and events that will result in cash flow in future periods, if at all (i.e., unrealized gains and losses on investments).
- The statement of cash flows identifies the changes in cash activity for the period. The primary purpose of this statement is to provide relevant information about cash receipts and cash payments of the Foundation throughout the fiscal year.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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JUNE 30, 2020, 2019, AND 2018**

Statements of Assets as of June 30:

	2020	2019	2018
Cash and Cash Equivalents	\$ 613,251	\$ 426,194	\$ 453,379
Investments	3,529,777	3,294,829	3,036,696
Other Assets	95,148	32,118	16,119
Florida Prepaid Tuition Scholarships	15,400	16,561	17,974
Capital Assets, Net of Accumulated Depreciation of \$30,348, \$30,348, and \$24,167, Respectively	-	-	6,181
Total Assets	<u>\$ 4,253,576</u>	<u>\$ 3,769,702</u>	<u>\$ 3,530,349</u>

Statements of Liabilities as of June 30:

	2020	2019	2018
School/Districts Assets Held	\$ 1,272,132	\$ 883,235	\$ 1,354,465
Accounts Payable and Accrued Expenses	108,523	81,994	90,519
Unearned Revenue	77,952	114,472	85,972
Total Liabilities	<u>\$ 1,458,607</u>	<u>\$ 1,079,701</u>	<u>\$ 1,530,956</u>

Statements of Net Position as of June 30:

	2020	2019	2018
Net Investment in Capital Assets	-	-	\$ 6,181
Restricted:			
Teacher Grants	70,626	60,000	58,186
Read2Succeed	153,000	105,460	75,000
District Support	549,585	344,311	375,076
Arts and STEM Education	20,779	50,923	-
Scholarships and Endowments	1,088,767	1,075,212	586,106
Nonspendable Endowment	354,469	354,469	354,469
Unrestricted	557,743	699,626	544,375
Total Net Position	<u>\$ 2,794,969</u>	<u>\$ 2,690,001</u>	<u>\$ 1,999,393</u>

Foundation Investment Portfolio Grows

Fiscal year 2020 was the sixth full year the Foundation's capital reserves and endowed funds were actively managed by an investment firm. It was established in FY2014 with an initial balance of \$640,000. As of June 30, 2020, 2019, and 2018, investment holdings accounted for 83%, 87% and 86% of total assets, respectively. The purpose of the investment pool is to preserve and enhance the real purchasing power of contributed funds, while providing an earnings stream to support Orange County Public Schools. The value of the Foundation's investments totaled approximately \$3,530,000 as of June 30, 2020. That represents an increase of approximately \$235,000 from the previous fiscal year-end value of approximately \$3,295,000 as well as 451.56% growth since inception. The Foundation's finance committee reviews the investment portfolio quarterly with representatives of the investment firm to review the portfolio and asset allocation, analyze performance returns, and rebalance the account as necessary.

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JUNE 30, 2020, 2019, AND 2018**

Liabilities

The largest liability represents the school and district assets held by the Foundation. Accounts payable and accrued expenses includes amounts due to vendors as of June 30, 2020, 2019, and 2018, for operating expenses and other commitments of the Foundation. Unearned revenue includes sponsorships received for the 2020 *Fore Our Schools* Golf Tournament. Subsequent to the end of the 2019-20 fiscal year and because of the COVID-19 pandemic, the 2020 tournament was cancelled; alternate fundraising methods are being explored. There were no long-term liabilities as of June 30, 2020, 2019, and 2018.

Board-Designated Assets

Included in the Unrestricted Net Assets are \$37,107 in Board-Designated Assets. These include the remaining funds from an unrestricted estate gift of \$98,540. After the Foundation received the gift, the donor's family informed the Board that the donor had intended to support a program at Princeton Elementary School that serves children with disabilities. The Board chose to honor this donor designation. In the past two years, the Board has voted to use \$71,433 to fund equipment needs for the Princeton Elementary School program. The balance also includes \$10,000 designated for Nancy Peed, a former Foundation Director, to be spent in her name.

Statements of Revenues, Expenses and Changes in Net Position:

Management and general expenses, and fundraising expenses are paid from the Foundation's operating budget, which is derived from fundraising events, administrative fees, earned income and annual fund gifts. Total revenues and expenses are as follows for the years ended June 30:

Operating Revenues for the Year Ended:

	2020	2019	2018
Contributions	\$ 66,924	\$ 52,023	\$ 86,681
Arts and STEM Education	275,978	229,200	281,000
Grants	1,574,710	1,537,795	1,537,393
Read2Succeed	285,414	281,465	255,766
Scholarships and Endowments	76,625	533,450	304,100
Other Income	4,057	30,412	35,556
In-Kind Donations	53,617	35,154	37,601
Total Revenue and Support	<u>\$ 2,337,325</u>	<u>\$ 2,699,499</u>	<u>\$ 2,538,097</u>

Program Services Expenses by Function for the Year Ended:

	2020	2019	2018
Read2Succeed	\$ 262,169	\$ 268,969	\$ 281,371
Teacher Grants	287,184	203,367	218,332
District Support	1,277,335	1,426,852	1,374,976
Take Stock in Children	1,170	1,400	1,050
Scholarships	119,509	135,969	60,282
Total Program Services Expenses	<u>\$ 1,947,367</u>	<u>\$ 2,036,557</u>	<u>\$ 1,936,011</u>

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**Support Services Expenses by Function for the
Year Ended:**

	2020	2019	2018
Fundraising	\$ 83,598	\$ 118,181	\$ 181,747
General and Administrative	261,695	235,596	193,601
Total Support Services Expenses	<u>\$ 345,293</u>	<u>\$ 353,777</u>	<u>\$ 375,348</u>

Operating Revenue

Total operating revenue for the 2019-20 fiscal year decreased \$362,174 to \$2,337,325. This decrease primarily reflects the reduction in new endowment funds received compared to the prior year, with a small additional impact from the elimination of the 2.5% administrative fees charged to the managed school and district funds. Contributions for the year totaled \$66,924.

Foundation Managed More Than \$3.9 Million for Program Support, Scholarships and School/District Funds

The Foundation supports OCPS programs at every level, from a classroom at a single school to districtwide initiatives, all of which significantly improve students' academic performance. The positive impact of these programs includes:

Read2Succeed

Read2Succeed provided individualized reading instruction to 584 first-grade and 767 second-grade students at 100 elementary schools, as well as five Kindergarten students in the First-Grade Program and 27 third-grade and four fourth-grade students in the Second-Grade Program. The emergence of COVID-19 prevented administration of the full battery of year-end assessments usually used to measure progress. However, of the students for whom data were available, 952 participants overall had comparable measures on the year-opening and year-end iReady English/Language Arts (ELA) diagnostic assessments. In addition, pre- and post-test assessments were available for the First-Grade Program (vocabulary) and the Second-Grade Program (fluency). Based on those assessments:

- First Grade: 98.9% of participants showed growth from the pre- to the post-test assessment.
- First Grade: 89.4% of students increased their vocabulary score by 25 points or higher.
- Second Grade: 97% of participants showed growth from the pre- to the post-test assessment.
- Second Grade: 51.1% of students increased their fluency score by 25 points or higher.

In anticipation of continued impact from COVID-19, the Read2Succeed team ran a successful pilot at Pinewood Elementary School showing that virtual sessions can be effective in delivering the program during the 2020-21 school year.

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JUNE 30, 2020, 2019, AND 2018**

City Year Orlando

City Year's goal is to improve graduation rates for students in high-need schools across the country and the world. In Orlando, City Year AmeriCorps members provided academic support, attendance monitoring and activities like assemblies and celebrations that improve the overall school environment at eight schools across the district: Catalina and Eccleston elementary schools; Meadowbrook, Memorial and Walker middle schools; and Evans, Jones and Oak Ridge high schools. The Foundation supports the program at Walker.

Unfortunately, because of the coronavirus and like all other school-based programs, City Year Orlando had to end their traditional programming right before Spring Break. In addition, FSA and other assessments were not administered in May. AmeriCorps members continued to provide virtual tutoring, mentoring and homework help sessions to students throughout distance learning in spring 2020.

Under normal circumstances, the team at Walker aims to enroll at least 45 students in Attendance Interventions, 69 students in Math or ELA interventions, and help at least 26 students show improvement on the ELA or Math assessment distributed at the school. From the start of school to the beginning of Spring Break, the team was able to provide 1,198 service hours to 202 unique students, as follows:

- 56 students received 46 hours of service in the Attendance Interventions program;
- 40 students received 142 hours of service in the Behavior Interventions program;
- 70 students received 474 hours of service in the ELA Interventions program; and
- 70 students received 537 hours of service in the Math Interventions program.

Teacher Grants

Teacher grants awarded \$287,184 in classroom grants for STEM, civics, fine arts, classroom libraries, middle school book clubs, technology, and professional development to 262 teachers for equipment and materials that directly impact classroom learning. In total, 34,090 students benefited from these grants. This included a large contribution from Lockheed Martin designated to this year's 20 Community Outreach Schools and a grant from Northrop Grumman for six schools of its choice. Because of the COVID-19 school shutdown, some projects were unfinished and will be completed in fall 2020. In addition, some teachers were not able to measure outcomes that rely on FSA and other year-end assessments.

- Classroom Library Grants put nonfiction books in the hands of 11,497 students in 59 schools, improving their reading skills and engaging them more deeply in classroom subjects.
- Middle School Book Club grants were awarded to clubs in five schools. These clubs helped 56 reluctant readers strengthen their literacy skills while encouraging reading for enjoyment.
- Math, Science, Energy Education and STEM grants provide funds for equipment and/or materials for hands-on, experiential projects. The school shutdown made it difficult for some teachers to document final outcomes. However, results were available for 13,727 participating students. Of these, 79.2% increased their interest in STEM topics; 61.8% increased their interest in pursuing STEM careers; and 65.5% improved their science grades.
- Arts Education Grants totaling more than \$14,900 supported visual and performing arts programs led by 33 teachers, positively affecting 7,421 students.

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JUNE 30, 2020, 2019, AND 2018**

Teach-In

Of the schools that participated, 122 schools reported their results. Reporting schools welcomed 3,019 volunteers, who gave 5,778 presentations. Overall, the day benefitted more than 81,323 students.

CHILL

The CHILL (Community Health and Intervention in Life's Lessons) program provided a licensed or licensed-eligible mental health counselor to the elementary and middle schools that feed into Winter Park High School. The CHILL counselors offered individual, group and family counseling services with parent consent. When district schools were closed due to COVID-19, CHILL counselors provided two Facebook Live sessions, five articles, and eight videos to support students and families.

- 1,025 students were referred CHILL services.
- 454 students were seen; 259 students in groups, and 195 students in individual sessions.
- CHILL counselors held approximately 575 sessions for 68 groups. The most common groups covered the following topics:
 - Stress Management
 - Coping Skills
 - Social Skills
 - Self-Control
 - Family Issues

Health Care Services

A part-time pediatric nurse practitioner housed at Edgewater High School serves the students, staff and surrounding community providing school entry and sports physical examinations, diagnosis and treatment of the common conditions of childhood and adolescents including the writing of prescriptions when indicated. In addition to students at Edgewater, those from seven other schools in Edgewater's feeder pattern also receive services.

Coach Pennington Scholarship

This endowed fund was established by Evans High School alumni in honor of Coach Fred Pennington for the positive impact he had on students both on and off the court during his tenure at Maynard Evans High School. Coach Pennington passed away in March, mourned by several generations of Evans alumni who could not gather to pay their respects in person because of COVID-19. The scholarship continues Coach Pennington's legacy of creating positive impact for graduating seniors as follows:

- Two seniors from the graduating Class of 2020 – basketball players and cheerleaders from low-income families – were awarded scholarships totaling \$3,000.

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JUNE 30, 2020, 2019, AND 2018**

Above and Beyond Scholarship

Established by an Oak Ridge High School alumnus from the Class of 1967, this fund provides scholarships to graduating Oak Ridge High School seniors who seek a certificate or a two- or four-year postsecondary degree at a technical or vocational school, college or university. Scholarships are renewable on an academic year-by-year basis for a maximum of four years. This year, it provided support as follows:

- Twelve seniors from the graduating Class of 2020 received scholarships, totaling \$36,000.
- Ten winners from the Class of 2019 received renewal scholarships, totaling \$30,000.
- Seven winners from the Class of 2018 received renewal scholarships, totaling \$21,000.
- Five winners from the Class of 2017 received renewal scholarships, totaling \$15,000.
- Two winners from the Class of 2016 received renewal scholarships, totaling \$6,000.

The Fund for Maitland Public Schools

This endowed fund was established by the City of Maitland in FY2017 to support before- and after-school educational and enrichment activities for students at traditional public schools within the city limits of Maitland, Florida. Existing schools are Dommerich and Lake Sybelia elementary schools and Maitland Middle School. The third annual disbursement to schools was made in September 2020. The Fund performed well despite the negative impacts of COVID-19, generating \$22,777 as of June 8: the eligible schools received \$12,000, distributed proportionally on a per-student basis. The remainder was reinvested in the fund.

GenerationWOW

This program, launched in November 2018, connects the enthusiasm of girls in our high schools with the wisdom of women in our community. The second annual effort kicked off on November 19, 2019, with an "edu-tainment" event that helps inspire sophomores and juniors from each of the school district's 20 high schools, GenerationWOW connects girls who are still learning who they are and who they want to become with successful women from across the Orange County community. The students meet and network with women who are willing to serve as mentors to them, then return to their respective schools to start GenWOW clubs and decide which projects they would like to take on to ensure the positive energy continues to flow in their day-to-day interactions. The program supplements other mentorship opportunities across the district, and mentors are screened through the ADDitions Volunteer system before interacting with students. More than 600 students and 200 women were cleared to participate, up from 399 students and 135 women in 2018

Charity Recycling Services

The Foundation formed a new partnership with Charity Recycling Services (CRS) in FY2019. This school-based fundraising opportunity also allows schools to earn Green School credit for recycling. CRS places bins in easy-to-access locations on school campuses; schools encourage parents, employees, local businesses, partners and neighbors to recycle old clothing, shoes, purses, leather goods, blankets, sheets, towels and even small appliances by depositing items in the CRS bins. Each bin is equipped with a small camera inside so that CRS can monitor its contents. When a bin is full, CRS comes to the school's campus to empty and weigh the contents. Materials are transported offsite, sorted, and either repurposed or recycled. The school receives 10 cents per pound of material collected. As of June 30, 2020, 89 schools had recycled 341,378 pounds of material and received \$49,080 in return, including sign-up and Partner in Education bonuses.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020, 2019, AND 2018**

Top Talent 2020

The Foundation team and Top Talent committee had just announced our performing arts and visual arts finalists from 140 and 150 submissions, respectively, when the COVID-19 crisis hit. Working with Diacom Entertainment, this event was successfully transformed into a virtual broadcast on May 15, 2020, on YouTube, with extensive social media coverage. The show was a hit: with 1,200 views, the estimated audience was 3,000 to 5,000 viewers, and Fan Favorite voting attracted a \$5,000 challenge match as well as more than \$16,000 in gifts from individuals in 23 states and two countries. Visual arts submissions also received much more attention. Gross revenue totaled \$74,386; net revenue of \$32,924 will provide arts enrichment for students experiencing poverty or homelessness.

Community Outreach Committee

The Community Outreach Committee was established in FY2018 to help share resources (volunteers, fundraising efforts, and more) throughout the district. In FY2020, the Committee served 20 high-need schools: nine new schools were added to the original 11, identified based on multiple criteria and with input from area superintendents, using the Five Star School designation framework to focus on areas where increased community involvement can help improve student achievement.

Activities in FY2020 included the first annual Pick Read & Roll event with the Orlando Magic (more below); clothing drives over the holidays; and \$3,000 in STEM grants for each school. The highly successful springtime attendance incentive programs that provide bicycles to students and iPads to teachers were planned for several schools but were prevented by the COVID-19 school shutdown. These programs will be revived as soon as possible.

The Committee will continue to support these 20 schools in FY2021.

Bicycles from 4LIFE Foundation

During 4Life's international conference at the Orange County Convention Center, September 11-14, attendees built 250 bicycles for students in need at 24 elementary schools. Each bicycle included a helmet, bike lock, and a handwritten note of encouragement (many in Spanish) from the 4Life attendee who built the bicycle. Principals at benefitting schools were able to use them as incentives for attendance, behavior or academic achievement. The senior director, principal and 10 students from Sadler Elementary School personally thanked the 6,000 attendees for their contributions from the stage on the conference's final day.

Pick Read & Roll

The Orlando Magic hosted 8,750 students, parents, teachers, principals and chaperones October 15 at Amway Center to celebrate and encourage persistence and achievement in reading for this first-ever annual event. Three fifth graders from 78 selected schools were honored for their reading improvement. They sat courtside and interacted one-on-one with the players, Stuff, the Blue Crew and others, all in front of an audience that included every fourth grader from their respective schools. Based on comments from participating students, fourth graders were definitely inspired to work hard on their reading skills. A virtual event is under discussion for FY2021.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020, 2019, AND 2018**

150th Anniversary Celebration

Orange County Public Schools celebrated its 150th anniversary on Wednesday, December 11, 2019. The Foundation hosted a special 150th Anniversary reunion event that day from 6:00 p.m. to 7:30 p.m. in the lobby of the RBELC, to rave reviews. More than 100 current and former School Board members, Foundation board members, superintendents, Cabinet members, Hall of Fame inductees, and top-level philanthropic partners (corporations, foundations and individuals) gathered to reminisce, reconnect and raise a glass (of sparkling cider) to wish OCPS well as the district embarks on its next 150 years.

Bikes for Kids Partnership

On May 21, 120 third-grade students at Pine Hills Elementary School each received a new bicycle and helmet thanks to a partnership with the Bikes for Kids Foundation and New York Life. Students participated in a six-week curriculum about character and submitted essays in the hope of winning one of three bicycles offered as prizes. They were thrilled to learn that EVERY student had earned a bicycle and helmet! Students received their bicycles and helmets at a socially-distanced ceremony carefully staged in the school's parking lot. This new program will expand into the fourth grade at Pine Hills Elementary School and begin at other OCPS elementary schools in FY2021.

School and District Funds

The Foundation continued to experience considerable growth this year in the school and district funds it manages. These funds help schools build their capacity and district programs to serve unmet needs. This year, the Foundation managed 135 school and 42 district funds, a 19.6% increase in the number of funds managed by the Foundation during FY2020. These funds raised \$1,607,623; a 13.9% increase compared with FY2019 results. In the four years since the adoption of the Foundation's new structure, the number of school and district funds under management has tripled, and the funds raised have almost doubled.

Examples of how just a few of these funds benefit students and staff include:

- The Homeless Students Support Fund provided food and hygiene items to students and their families; provided Lynx passes; distributed computers; and paid for school field trips, yearbooks, clothes and other needs.
- The Superintendent's Leadership Fund supports districtwide professional development efforts, including Great Beginnings, a week-long orientation for our newest teachers, and the Superintendent's Leadership Summit, a gathering of all school-based and district-based administrators to salute successes, review challenges, and hear the Superintendent's vision for the coming year. (The Summit was not held because of COVID-19, but will return in FY2021.)
- The *Hello! Florida* Field Trip Fund covered the costs for STEM-related field trips for approximately 1,200 students experiencing poverty or homelessness; since most field trips take place in the spring, even more students would have benefited if not for the COVID-19 pandemic and school shutdowns. Since its inception, approximately 11,200 students have been able to attend these educational field trips with their peers.
- The three most active school funds were Lake Whitney Elementary School (raising \$78,603), Edgewater High School Student Government Fund (raising \$64,506), and Baldwin Park Elementary Fund (raising \$59,691).

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In order to provide more personalized and proactive support to schools with funds under the Foundation's management, former School Board member Joie Cadle joined the Foundation team in January 2019 as a consultant. Her work includes sharing a toolbox of online resources for coordinators, bookkeepers and principals at the school level that utilize best practices in fundraising and philanthropy, ethics, online giving, partnerships, volunteer management, crowdfunding and more.

COVID-19 Relief

COVID-19 and efforts to ensure students could eat and learn dominated the Foundation team this spring. Multiple partners and hundreds of individuals provided philanthropic support to help OCPS feed students, assist homeless families, and ensure distance learning could take place for students without access to the Internet. Orlando Magic player Aaron Gordon even made a video inviting others to join him in providing support. In addition to channeling support to the Food & Nutrition Fund, Homeless Students Fund and OCPS Family Fund, the Foundation established a Distressed Students & Families Fund to help with hotspots and other needs for families experiencing unexpected hardship from job losses or other challenges.

The Foundation's Community Outreach team worked closely with the Security and Emergency Management teams as well as Kelly Services to ensure that all Grab-and-Go school locations were fully staffed with OCPS employees and/or Kelly Services temporary employees during the stay-at-home order. The Samaritan e-Recruiter system was used to track and fill positions as needed.

The Foundation successfully secured approximately \$150,000 in gifts and grants specifically for COVID-19 relief from individuals, foundations and corporate partners, including T-Mobile, Florida Blue, Lockheed Martin, Addition Financial, and Character Lab. Additional grants and gifts are being secured in FY2021.

Strategic Plan Aligned with District's Plan Renovations

The School Board of Orange County approved renovations to its Strategic Plan in fall 2019 to ensure it reflects current priorities for the district. As a result, the Foundation Board made slight revisions to the Foundation's Strategic Plan in March 2020 to ensure it remains aligned with the school district's Strategic Plan and language. The primary change was to the Foundation's vision, which now reads "To ensure, through community investment, that every student has a successful and promising future." The Plan's timeline was also extended to 2025.

In addition, and for the first time in the Foundation's history, several of the Foundation's Key Performance Indicators (KPIs) will be included in the school district's scorecards. The Foundation tracks and reports progress on 30 KPIs to the Foundation Board, including total revenue managed, retention rates for donors, volunteers and Partners in Education, administrative and fundraising expenses, and value of invested funds.

Future Outlook

The Foundation for Orange County Public Schools serves as the sole designated direct-support organization for the 8th largest public-school system in the nation and supports 213,000 students and 25,000 employees, including 15,000 teachers, in 199 schools across the county. We align our focus with the plans of the Orange County Public Schools district and the School Board and are committed to collaborating with the school district to invest in student achievement.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020, 2019, AND 2018**

The Foundation was founded in 1987 by local business and community leaders to support Orange County Public Schools by connecting schools with the community and by providing financial, programmatic, and other resources for learning enhancement.

Today, the Foundation is the sole designated direct-support organization and philanthropic arm of the district, dedicated to identifying, developing, and focusing community involvement and investments to lead our students to success throughout the Orange County public school system. We provide broad community impact, serving as an innovation catalyst and one-stop shop for those who wish to support and champion public education. We empower and enable investments of all sizes, from the districtwide level down to an individual school. We collaborate with Orange County Public Schools, the School Board, donors, and the community at large as well as a network of education-based nonprofits to achieve our primary goal: investing in student achievement.

In short, the Foundation partners with corporations, foundations, small businesses, and members of the community to create a sustainable difference in Orange County Public Schools. Through the support of these partnerships, the Foundation provided more than \$3.9 million in program support last school year, including the funds managed of more than \$1.6 million for district and school funds.

In addition to implementing the Foundation's refreshed strategic plan, other priorities for FY2021 will include the following:

Capitalize on Opportunities Revealed by COVID-19 Crisis

- While the COVID-19 crisis continues to present obstacles to overcome, it has also brought to light several opportunities for improvement. These include:
 - Growing gifts from individuals through segmented, personalized appeals
 - Introducing virtual elements to events to greatly expand reach and audience
 - Expand our recognition program to more deeply share our appreciation with donors
 - Revive and revamp a stewardship breakfast event in spring 2021
 - Tighten lines of communication with the district regarding its needs to ensure rapid and responsive resource development

Implement Alumni Relations Outreach

- In honor of the school district's 150th anniversary in December 2019, the Foundation launched efforts to reconnect with alumni, including establishing a large, diverse and active Alumni Relations Committee. In FY2021, the Committee is ready to implement several campaigns and programs that encourage alumni to share their success stories, reconnect with their alma maters and classmates, honor their favorite teachers and coaches, and consider providing support as volunteers, donors, or both.

Continue to Improve Relationship Management

- By moving Community Outreach, Partners in Education, and ADDitions Volunteers under the Foundation, great improvements in relationship management and moves management are emerging. For example, we are able to create strategically timed, stewardship messaging to past volunteers that help recognize and retain them for the next year. We will continue to identify and capitalize on these opportunities.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020, 2019, AND 2018**

Implement Efficiencies Among Technological Tools

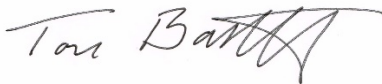
- The Community Outreach, Partners in Education and ADDitions Volunteers programs utilize Samaritan, a custom-built software system for recruiting, registering, and tracking partnerships and volunteers, as well as promoting school needs with an outward interface. The Foundation team utilizes DonorPerfect as its constituent relationship management system (CRM) and QuickBooks for accounting. The team continues to identify and implement efficiencies among and between these tools that enhance each system and improve our daily work.

Policy Changes

- In collaboration with district teams in Finance, the Foundation team is helping to update School Board policies regarding student fundraising activities, grants from external sources and school internal funds, as well as the handbook for school bookkeepers. These updates will clarify the role of the Foundation and the assistance we can offer to maximize schools' ability to secure additional resources.

Our mission-driven work and financial outcomes shared in this report would not have been possible without the commitment and service of Foundation staff and its dedicated board of directors. During the upcoming year, we will continue to connect with and empower investors who want to make a sustainable difference for our community's schools and children. We invite you to contact us to discuss how you can invest in Orange County Public Schools.

Respectfully submitted,



Thomas Barthel
Board Chair
Foundation for Orange County Public Schools



Scott D. Howat
President
Foundation for Orange County Public Schools

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020, 2019, AND 2018**

Requests for Information

This financial report is designed to provide our donors, grantors, recipients, and creditors with a general overview of the Foundation's finances and to demonstrate the Foundation's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Senior Director, Foundation for Orange County Public Schools, 445 W. Amelia Street, Suite 901, Orlando, Florida 32801. To contact the Senior Director by phone, please call 407-317-3261.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 613,251	\$ 426,194
Investments	3,529,777	3,294,829
Other Assets	95,148	32,118
Florida Prepaid Tuition Scholarships	15,400	16,561
Total Assets	\$ 4,253,576	\$ 3,769,702
LIABILITIES AND NET POSITION		
LIABILITIES		
School/Districts Assets Held	\$ 1,272,132	\$ 883,235
Accounts Payable and Accrued Expenses	108,523	81,994
Unearned Revenue	77,952	114,472
Total Liabilities	1,458,607	1,079,701
NET POSITION		
Restricted:		
Teacher Grants	70,626	60,000
Read2Succeed	153,000	105,460
District Support	549,585	344,311
Arts and STEM Education	20,779	50,923
Scholarships and Endowments	1,088,767	1,075,212
Nonexpendable Endowment	354,469	354,469
Unrestricted	557,743	699,626
Total Net Position	2,794,969	2,690,001
Total Liabilities and Net Position	\$ 4,253,576	\$ 3,769,702

See accompanying Notes to Financial Statements

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
OPERATING REVENUE AND SUPPORT		
Contributions	\$ 66,924	\$ 52,023
Fundraising Events	275,978	229,200
Grants	1,574,710	1,537,795
Read2Succeed	285,414	281,465
Scholarships and Support	76,625	533,450
Other Income	4,057	30,412
In-Kind Donations	53,617	35,154
Total Operating Revenue and Support	2,337,325	2,699,499
OPERATING EXPENSES		
Read2Succeed	262,169	268,969
Teacher Grants	287,184	203,367
District Support	1,277,335	1,426,852
Take Stock in Children	1,170	1,400
Scholarships & Endowments	119,509	135,969
Fundraising	83,598	118,181
General and Administrative	261,695	235,596
Total Operating Expenses	2,292,660	2,390,334
NET OPERATING INCOME	44,665	309,165
NONOPERATING INCOME		
Investment Income, Net of Investment Management Fees of \$19,405 and \$17,863, Respectively	60,303	381,443
Total Nonoperating Income	60,303	381,443
CHANGE IN NET POSITION	104,968	690,608
Net Position - Beginning of Year	2,690,001	1,999,393
NET POSITION - END OF YEAR	\$ 2,794,969	\$ 2,690,001

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grantors, Private Contributors, and Others	\$ 2,247,188	\$ 2,692,845
Cash Paid to Suppliers and Others	(1,885,477)	(2,843,353)
Net Cash Provided (Used) by Operating Activities	361,711	(150,508)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,153,830)	(506,496)
Proceeds from Sales of Investments	979,176	629,819
Net Cash Provided (Used) by Investing Activities	(174,654)	123,323
NET CHANGE IN CASH AND CASH EQUIVALENTS	187,057	(27,185)
Cash and Cash Equivalents - Beginning of Year	426,194	453,379
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 613,251	\$ 426,194
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income	\$ 44,665	\$ 309,165
Adjustments to Reconcile Change in Net Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	-	6,181
Other Assets	(63,030)	(15,999)
Florida Prepaid Tuition Scholarships	1,170	1,400
Changes in:		
School/District Assets Held	388,897	(471,230)
Accounts Payable and Accrued Expenses	26,529	(8,525)
Unearned Revenue	(36,520)	28,500
Net Cash Provided (Used) by Operating Activities	\$ 361,711	\$ (150,508)

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Foundation for Orange County Public Schools, Inc. (the Foundation) is a nonprofit corporation which provides financial assistance and support for Orange County, Florida Public Schools (OCPS) and the students and educators within the school systems. The Foundation is considered a component unit of the Orange County District School Board and provides this assistance and support through direct contributions to schools within the district.

Established in 1987, the Foundation serves the 8th largest public-school system in the nation and supports more than 213,000 students and 15,000 teachers in 199 schools. The Foundation works hand-in-hand with OCPS to enable successful education by providing schools with support, teachers with tools, and students with care not only to decrease the achievement gap, but to work toward erasing it.

The Foundation focuses on five goals:

- Ensure Learning Readiness: support early childhood education, mental and physical health and wellness, and behavioral improvements
- Invest in Teachers & Staff: provide professional development, impact and innovation grants, and investments in teacher excellence and retention
- Accelerate Student Success: focus on literacy, access to STEM, access to arts, and efforts that narrow achievement gaps
- Promote Success After OCPS: support career and college readiness efforts, scholarships, mentoring and alumni programs
- Drive Community Collaborations: build meaningful relationships and partnerships with OCPS and the community, including serving as a communication hub

Through grants and volunteer programs, the Foundation focuses on preparing students during their education and beyond, helping educators develop professionally, and engaging businesses at multiple levels. It matches these focus areas with resources in core programs, making measurable differences county-wide.

The Foundation is the professional steward of responsibly collecting, managing, and distributing donor funds to benefit students throughout the Orange County Public School System. It collaborates with the School Board, corporate donors, the community at-large, and with a network of education-based organizations such as City Year and National Academy Foundation.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Foundation, being a component unit of a local government, complies with accounting standards established by the Governmental Accounting Standards Board (GASB). The Foundation has implemented GASB No. 34 as amended, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. In accordance with the provisions of GASB 34, the Foundation uses enterprise fund accounting and financial reporting. For financial reporting purposes, the Foundation is presented as a stand-alone enterprise fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Foundation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses recorded at the time the liability is incurred.

The basic financial statements required for enterprise funds by GASB 34 are: a statement of net position or a balance sheet; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. The Foundation consists of only one fund.

The Foundation distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with the Foundation's principal ongoing operations. The principal operating revenues of the Foundation are contributions and grants. Operating expenses are those costs incurred in connection with the Foundation's programs. All revenues and expenses not meeting the above criteria are reported as nonoperating revenues and expenses.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. All of the Foundation's financial activity is accounted for in a single business-type fund, which contains restricted and unrestricted components. The Foundation's operating account includes unrestricted and restricted resources, representing the portion of expendable and nonexpendable funds that are available for support of operations and funds available for use in accordance with specific restrictions, respectively. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

Reclassification

Certain amounts in the 2019 financial statements have been reclassified to conform with the 2020 presentation with no effect on previously reported change in net position.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation was established as a direct support organization of OCPS and has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

The Foundation evaluates its tax positions for uncertainties on a regular basis and has determined it has no material uncertain tax positions as of June 30, 2020 and 2019. The Foundation recognizes accrued interest and penalties, if any, associated with uncertain tax positions in "operating expenses" in the accompanying financial statements.

The Foundation's tax returns are subject to review and examination by Federal and state authorities. The Foundation is not aware of any activities that would jeopardize its tax-exempt status. The Foundation is not aware of any activities that are subject to tax on unrelated business income or excise taxes.

Unearned Revenue

Revenues collected for future events are reported as unearned revenue and recognized in future periods when the event occurs.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments consist of open-ended mutual funds, U.S. Government bonds, corporate stocks and bonds and real estate investment trusts. Investments are initially recorded at cost or acquisition value if contributed. At the statement of net position date, investments are adjusted to fair value as determined by quoted market prices with the adjustment recorded as investment income in the statements of revenues, expenses, and changes in net position.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risks

The Foundation's policy is to place its cash with high credit quality financial institutions. Cash and cash equivalents consist of bank deposits which, at times, may exceed federally insured limits. The Foundation maintains its cash deposit accounts in institutions which are insured by either the Federal Deposit Insurance Corporation or the National Credit Union Administration, both of which provide coverage on balances up to \$250,000 per depositor per institution.

The uncollateralized combined bank balance comprised of demand deposits is subject to custodial credit risk as it exceeds the FDIC limits by \$346,969 and \$150,570 for the years ended June 30, 2020 and 2019, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

Fair Value of Financial Instruments

Governmental Accounting Standards Board (GASB) Statement Number 72, *Fair Value Measurements and Application*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 IN-KIND DONATIONS

Donated facilities, goods, and professional services that are measurable are recorded as contributions at their fair values at the date of receipt by the Foundation with a corresponding amount recorded as expense. In-kind donations are summarized as follows for the years ended June 30:

	2020	2019
Donated Facilities	\$ 35,717	\$ 35,154
Technology	12,900	-
Goods	5,000	-
Total	\$ 53,617	\$ 35,154

During the years ended June 30, 2020 and 2019, donations related to occupancy necessities were received from the School Board of Orange County Florida, a related party. Numerous volunteers provide personnel services to the Foundation. The value of this contributed time is not reflected in these financial statements since they do not meet criteria for recognition.

NOTE 2 SCHOOL/DISTRICT ASSETS HELD

The Foundation held funds for use by schools and district programs in the amount of \$1,272,132 and \$883,235, respectively, at June 30, 2020 and 2019. The Foundation disburses these funds upon request from the schools or programs.

NOTE 3 FLORIDA PREPAID TUITION SCHOLARSHIPS

Florida prepaid tuition scholarships consist of scholarships purchased by the Foundation as part of the Take Stock in Children program. Scholarships, when purchased, are matched by the State of Florida. The funds are to be used for college scholarships for selected individuals graduating from high school in Orange County. As scholarships are awarded, they are recorded as program expense in the accompanying statements of revenues, expenses, and changes in net position. The prepaid scholarships are adjusted annually to their current value as determined by the Florida Prepaid College Foundation. Amounts used to purchase scholarships which go unused are partially refundable to the Foundation.

In 2001, the Foundation terminated participation in the Take Stock in Children program in support of other mission-critical programs. As a result, the Foundation has donated and returned these scholarships in years past. During the years ended June 30, 2020 and 2019, the Foundation did not donate or sell any scholarships.

While the Foundation ceased participation in the Take Stock in Children program in 2001, it continues to serve enrolled students who graduated through 2005. During the years ended June 30, 2020 and 2019, the Foundation awarded scholarships to selected students totaling \$1,170 and \$1,400, respectively.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS

The Foundation had the following investments at June 30, 2020:

	<u>Original Cost</u>	<u>Fair Value</u>
REITs	\$ 112,870	\$ 156,525
Fixed Income	1,261,812	1,308,318
U.S. and International Equities	1,742,036	2,064,934
Investments	<u>3,116,718</u>	<u>3,529,777</u>
Cash Held in Investment Accounts	90,219	90,219
Total Held in Investment Accounts	<u>\$ 3,206,937</u>	<u>\$ 3,619,996</u>

The Foundation had the following investments at June 30, 2019:

	<u>Original Cost</u>	<u>Fair Value</u>
REITs	\$ 47,526	\$ 67,521
Fixed Income	1,082,220	1,229,615
U.S. and International Equities	1,779,060	1,997,693
Investments	<u>2,908,806</u>	<u>3,294,829</u>
Cash Held in Investment Accounts	89,630	89,630
Total Held in Investment Accounts	<u>\$ 2,998,436</u>	<u>\$ 3,384,459</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2020, the Foundation had the following investments and maturities subject to interest rate risk:

	<u>Investment Maturities (in Years)</u>			<u>Fair Value</u>
	<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>6 - 10 years</u>	
Government Bond	\$ -	\$ 143,333	\$ -	\$ 143,333
Collateralized Bank Loan	-	43,511	-	43,511
High-Yield Bond	-	293,882	-	293,882
Corporate Bonds and Bond Funds	9,432	194,488	434,017	637,937
Short-Term Bond	-	52,303	-	52,303
Ultrashort Bond	-	137,352	-	137,352
Total	<u>\$ 9,432</u>	<u>\$ 864,869</u>	<u>\$ 434,017</u>	<u>\$ 1,308,318</u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS (CONTINUED)

As of June 30, 2019, the Foundation had the following investments and maturities subject to interest rate risk:

	Investment Maturities (in Years)			Fair Value
	Less than 1 year	1 - 5 years	6 - 10 years	
Government Bond	\$ -	\$ 124,528	\$ -	\$ 124,528
Collateralized Bank Loan	-	89,235	-	89,235
High-Yield Bond	-	357,815	97,610	455,425
Corporate Bonds and Bond Funds	9,195	192,873	217,226	419,294
Short-Term Bond	-	51,089	-	51,089
Ultrashort Bond	-	90,044	-	90,044
Total	<u>\$ 9,195</u>	<u>\$ 905,584</u>	<u>\$ 314,836</u>	<u>\$ 1,229,615</u>

Credit Risk

State law does not limit investment options of the Foundation. The Foundation's primary objectives of the investment will be to preserve and protect the Foundation's assets while providing for long-term growth of principal and income based on the appropriate time horizon, liquidity needs, and risk tolerance of the Foundation. The objective shall be accomplished using a balanced strategy of equity and fixed income securities and cash equivalents.

Due to the inevitability of short-term market fluctuations that may cause variations in investment performance, it is intended that the investment manager will achieve the following objectives over a moving five-year period:

- The total return of the account will be benchmarked against an appropriate "Blended Index."
- The portfolio returns will also be benchmarked against the appropriate peer averages for similar nonprofit entities with similar risk tolerances.
- The performance of and review of strategies will be evaluated by the Foundation on a quarterly basis and compared to performance of the stated Blended Index to ensure that the objectives will be accomplished.

In addition, the Foundation's investment policy states that there shall be no investments in nonmarketable securities and all equities purchases should be traded on U.S. stock exchanges and ADRs.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following illustrates the credit quality distribution with credit exposure as a percentage of the City's debt securities. As of June 30, 2020, the Foundation had the following credit risk exposure:

Investment Type	Credit Rating	Portfolio	Market Value In U.S. Dollars
Government Bond	AAA	10.96 %	\$ 143,334
High-Yield Bond	B	22.46	293,882
Corporate Bonds and Bond Funds	A	10.73	140,439
Corporate Bonds and Bond Funds	BB	0.66	8,687
Corporate Bonds and Bond Funds	BB+	0.68	8,932
Corporate Bonds and Bond Funds	BBB	33.21	434,517
Corporate Bonds and Bond Funds	BBB-	2.77	36,270
Corporate Bonds and Bond Funds	N/R	0.69	9,092
Collateralized Bank Loan	B	3.33	43,511
Short-Term Bond	A	4.00	52,303
Ultrashort Bond	A	10.50	137,352
Total			<u>\$ 1,308,318</u>

As of June 30, 2019 the Foundation had the following credit risk exposure:

Investment Type	Credit Rating	Portfolio	Market Value In U.S. Dollars
Government Bond	AAA	10.13 %	\$ 124,528
High-Yield Bond	B	37.04	455,426
Corporate Bonds and Bond Funds	A	11.25	138,286
Corporate Bonds and Bond Funds	BB	0.73	9,010
Corporate Bonds and Bond Funds	BB+	0.74	9,133
Corporate Bonds and Bond Funds	BBB	17.67	217,287
Corporate Bonds and Bond Funds	BBB-	2.97	36,559
Corporate Bonds and Bond Funds	N/R	0.74	9,018
Collateralized Bank Loan	BB	7.26	89,235
Short-Term Bond	A	4.15	51,089
Ultrashort Bond	A	7.32	90,044
Total			<u>\$ 1,229,615</u>

Concentrations of Credit Risk

The Foundation's investment policy states that the allocation of total fixed income and total equity investments shall range from 45% - 75% and 25% - 55% of total investments, respectively. In addition, no individual economic sector shall exceed 20% of the total Equity Income Strategy. As of June 30, 2020 and 2019, the Foundation was in compliance with the investment policy.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS (CONTINUED)

Concentrations of Credit Risk (Continued)

As of June 30, 2020 and 2019, the following investments constitute a credit risk as they are greater than 5% of the Foundation's Investment portfolio:

	2020	2019
iShares 0-5 Year High Yield Corporate Bond ETF	\$ 293,882	\$ 357,815
Vanguard Intermediate-Term Corporate Bond ETF	425,086	208,093

Investment Income

Investment income is comprised of the following as of June 30:

	2020	2019
Unrealized and Realized Gain, Net of Investment Management Fees	\$ (54,263)	\$ 265,223
Unrealized Gain (Loss) from Florida Prepaid Tuition Scholarships	9	(13)
Interest and Dividend Income	114,557	116,233
Investment Income, Net of Investment Management Fees	<u>\$ 60,303</u>	<u>\$ 381,443</u>

Fair Value Measurement

Information related to the Foundation's assets measured at fair value on a recurring basis are as follows at June 30:

	2020			Total
	Level 1	Level 2	Level 3	
REITs	\$ 156,525	\$ -	\$ -	\$ 156,525
Fixed Income	1,308,318	-	-	1,308,318
U.S. and International Equities	2,064,934	-	-	2,064,934
	<u>\$ 3,529,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,529,777</u>
	2019			
	Level 1	Level 2	Level 3	Total
REITs	\$ 67,521	\$ -	\$ -	\$ 67,521
Fixed Income	1,229,615	-	-	1,229,615
U.S. and International Equities	1,997,693	-	-	1,997,693
Total	<u>\$ 3,294,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,294,829</u>

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 ENDOWMENT FUNDS

During the year ended June 30, 2000, the Foundation received an endowment (ALP Scholarship Fund) to be used as the donor has stipulated. The principal of \$54,469 must be maintained intact and only the investment income of the fund can be expensed. The fund is for Apopka High School seniors to attend two years of community college.

During the year ended June 30, 2017, the Foundation received an endowment (The Fund for Maitland Public Schools) to be used as the donor has stipulated. The principal of \$300,000 must be maintained intact and only the investment income of the fund can be expensed. The fund is to support before and after school educational and enrichment activities for students at traditional public schools within the city limits of Maitland, Florida.

NOTE 6 RELATED PARTY TRANSACTIONS OTHER THAN IN-KIND

On July 1, 2016, OCPS and the Foundation entered into an agreement whereby district philanthropic and fundraising activities will be conducted by the Foundation effective July 1, 2016. As part of this agreement and other agreements, Foundation employees will become employees of OCPS; OCPS will share district data with the Foundation; and OCPS and the Foundation will jointly utilize the Foundation's donor software. Pursuant to the agreements, the Foundation and OCPS will reimburse each other for certain shared costs as defined in the respective agreements. The terms of the various agreements are for one to three year(s) with automatic renewals and can be terminated by either party pursuant to the terms of the agreements. During the years ended June 30, 2020 and 2019, the Foundation reimbursed OCPS \$289,969 and \$298,368, respectively, for salaries. In addition, the Foundation owes OCPS \$72,427 and \$69,633 as of June 30, 2020 and 2019, respectively, which is included in accounts payable and accrued expenses on the accompanying statements of net position.

During the year ended June 30, 2019, OCPS made total contributions of \$500,000 to the Foundation, the initial contributions as well as any income earned from these contributions will be used to build new facilities or enhance school's existing athletic facilities and to fund a variety of district programs. These contributions are reported as 2019 scholarship and support revenue in the statement of revenues, expenses, and changes in net position.

During the year ended June 30, 2020, OCPS made a contribution of \$60,000 to the Foundation, the initial contribution as well as any income earned from this contribution will be used to fund recognition awards throughout the district. This contribution is reported as 2020 scholarship and support revenue in the statement of revenues, expenses, and changes in net position.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 RISKS AND UNCERTAINTIES

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, volatility in investment accounts, decrease in contribution or special event revenue or potential shortages of personnel. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY SCHOOL DISTRICT BOARD
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services						Support Services		Total Expenses
	Read 2 Succeed	Teacher Grants	District Support	Take Stock in Children	Scholarships	Total	Fundraising	General and Administrative	
Salaries and Payroll Taxes	\$ 148,111	\$ 18,353	\$ 13,686	\$ -	\$ -	\$ 180,150	\$ 12,364	\$ 171,684	\$ 364,198
Employee Health Insurance	9,158	2,625	1,952	-	-	13,735	1,768	11,971	27,474
Employee Benefits	6,155	1,735	1,291	-	-	9,181	1,170	8,992	19,343
Insurance	701	51	-	-	-	752	34	4,683	5,469
Rent	7,143	7,143	7,143	-	-	21,429	7,143	7,143	35,715
Professional Services	2,550	2,550	2,550	-	-	7,650	12,231	2,610	22,491
Bank and Credit Card Fees	-	-	-	-	-	-	-	4,031	4,031
Printing and Office Supplies	12,149	1,248	727	-	-	14,124	1,171	15,907	31,202
Travel	833	-	-	-	-	833	6	277	1,116
Professional Development	-	-	-	-	-	-	-	-	-
Meetings/Conferences	-	-	-	-	-	-	-	14,401	14,401
Events	-	-	-	-	-	-	47,216	-	47,216
Membership Dues and Subscriptions	-	-	-	-	-	-	-	19,159	19,159
Teacher Grants	-	252,984	-	-	-	252,984	-	-	252,984
Scholarships	-	-	-	1,170	119,509	120,679	-	-	120,679
Program Support	1,125	-	-	-	-	1,125	-	-	1,125
Website Support	495	495	495	-	-	1,485	495	495	2,475
School Support	-	-	1,249,491	-	-	1,249,491	-	-	1,249,491
Literacy Materials	73,749	-	-	-	-	73,749	-	-	73,749
Miscellaneous	-	-	-	-	-	-	-	342	342
Total Expenses Before Depreciation	262,169	287,184	1,277,335	1,170	119,509	1,947,367	83,598	261,695	2,292,660
Depreciation	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 262,169	\$ 287,184	\$1,277,335	\$ 1,170	\$ 119,509	\$1,947,367	\$ 83,598	\$ 261,695	\$2,292,660

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY SCHOOL DISTRICT BOARD
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services					Support Services		Total Expenses	
	Read 2 Succeed	Teacher Grants	District Support	Take Stock in Children	Scholarships	Total	Fundraising		General and Administrative
Salaries and Payroll Taxes	\$ 210,963	\$ 22,094	\$ 10,440	\$ -	\$ -	\$ 243,497	\$ 12,143	\$ 145,248	\$ 400,888
Employee Health Insurance	11,089	3,160	1,489	-	-	15,738	1,737	10,298	27,773
Employee Benefits	7,517	2,089	985	-	-	10,591	1,148	8,045	19,784
Insurance	838	61	-	-	-	899	34	4,598	5,531
Rent	7,031	7,031	7,031	-	-	21,093	7,031	7,031	35,155
Professional Services	2,480	2,480	2,480	-	-	7,440	9,930	2,480	19,850
Bank and Credit Card Fees	-	-	-	-	-	-	-	10,113	10,113
Marketing	-	-	-	-	-	-	-	-	-
Printing and Office Supplies	3,053	1,578	860	-	-	5,491	2,217	12,663	20,371
Travel	1,228	-	41	-	-	1,269	36	1,270	2,575
Professional Development	-	-	-	-	-	-	-	1,830	1,830
Meetings/Conferences	-	-	-	-	-	-	-	15,480	15,480
Events	-	-	-	-	-	-	77,258	-	77,258
Membership Dues and Subscriptions	-	-	-	-	-	-	-	15,849	15,849
Teacher Grants	-	164,408	-	-	-	164,408	-	-	164,408
Scholarships	-	-	-	1,400	135,969	137,369	-	-	137,369
Program Support	3,706	-	-	-	-	3,706	-	-	3,706
Website Support	466	466	466	-	-	1,398	466	561	2,425
School Support	-	-	1,403,060	-	-	1,403,060	-	-	1,403,060
Literacy Materials	20,598	-	-	-	-	20,598	-	-	20,598
Miscellaneous	-	-	-	-	-	-	-	130	130
Total Expenses Before Depreciation	268,969	203,367	1,426,852	1,400	135,969	2,036,557	112,000	235,596	2,384,153
Depreciation	-	-	-	-	-	-	6,181	-	6,181
Total Expenses	\$ 268,969	\$ 203,367	\$ 1,426,852	\$ 1,400	\$ 135,969	\$ 2,036,557	\$ 118,181	\$ 235,596	\$ 2,390,334



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

Board of Directors
Foundation for Orange County Public Schools, Inc.
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Foundation for Orange County Public Schools, Inc. (the Foundation), a component unit of the Orange County District School Board, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated October 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

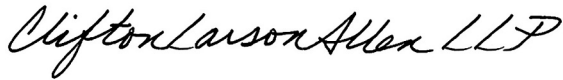
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation’s internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Orlando, Florida
October 22, 2020