

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

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION – PROPRIETARY FUND	19
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUND	20
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	21
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	22
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS	23
NOTES TO FINANCIAL STATEMENTS	24
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS – CUSTODIAL FUNDS	34
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS – CUSTODIAL FUNDS	35
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 <i>GOVERNMENT AUDITING STANDARDS</i>	36
SCHEDULE OF FINDINGS AND RESPONSES	38



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities 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, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Foundation for Orange County Public Schools, Inc., as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation for Orange County Public Schools, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation for Orange County Public Schools, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation for Orange County Public Schools, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation for Orange County Public Schools, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements 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. The 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 GAAS. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2022, on our consideration of the Foundation for Orange County Public Schools, Inc.'s internal control over financial reporting and on 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 for Orange County Public Schools, Inc.'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 for Orange County Public Schools, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Orlando, Florida
December 8, 2022

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 year ended June 30, 2022. This report represents the Foundation leadership's overview of the organization's health and well-being. It is important to note that the Foundation, like many other nonprofits, experienced disruptions from the COVID-19 pandemic, including increased costs of doing business and supply chain delays. In addition, the volatility of the stock market from July 2021 through June 2022 has particularly affected our unrestricted net position. Specific impacts are described below. 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 \$3,791,375 as of the year ended June 30, 2022, as compared to \$3,775,841 as of the year ended June 30, 2021.
- Unrestricted net position totaled \$374,297 and \$1,055,577 for the years ended June 30, 2022 and 2021, 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. Volatility in the stock market had a strong negative impact in FY2022.
- Restricted (Expendable and Nonexpendable) net position totaled \$3,417,078 and \$2,720,265 for the years ended June 30, 2022 and 2021, respectively. These funds represent monies which have been limited by donors with time restrictions, special purpose restrictions, or are funds that are 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 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.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Statements of Assets as of June 30:

	2022	2021
Cash and Investments	\$ 3,738,844	\$ 3,851,510
Other Assets	265,456	226,633
Florida Prepaid Tuition Scholarships	15,395	15,395
Total Assets	\$ 4,019,695	\$ 4,093,538

Statements of Liabilities as of June 30:

	2022	2021
Accounts Payable and Accrued Expenses	\$ 187,228	\$ 175,955
Unearned Revenue	41,092	141,742
Total Liabilities	\$ 228,320	\$ 317,697

Statements of Net Position as of June 30:

	2022	2021
Restricted:		
Teacher Grants	\$ 143,412	\$ 49,458
Read2Succeed	116,000	74,616
District Support	768,745	669,949
Scholarships and Endowments	2,034,452	1,571,773
Nonspendable Endowment	354,469	354,469
Unrestricted	374,297	1,055,576
Total Net Position	\$ 3,791,375	\$ 3,775,841

Foundation Investment Portfolio Grows

Fiscal year 2022 was the eighth 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, 2022 and 2021, investment holdings accounted for 82% and 72% 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 enterprise fund investments totaled approximately \$3,298,834 as of June 30, 2022. That represents an increase of approximately \$344,450 from the previous fiscal year-end value of approximately \$2,954,384. This growth is primarily due to additional contributions, and potentially deeper losses in this year's volatile market were moderated by our investment firm's proprietary investment formulas, which buffered our funds from the worst effects of that volatility. The total portfolio of custodial and enterprise funds under the Foundation's management is now valued at \$4,809,813, which represents 651.53% 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.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Liabilities

Accounts payable and accrued expenses includes amounts due to vendors as of June 30, 2022 and 2021, for operating expenses and other commitments of the Foundation. There were no long-term liabilities as of June 30, 2022 and 2021.

Board-Designated Assets

Included in the Unrestricted Net Assets are \$127,107 in Board-Designated Assets. These include a reserve of \$100,000 and the remaining funds from an unrestricted estate gift of \$98,540. After the Foundation received the latter gift, the donor's family shared 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 four 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, former Foundation Director, to be spent in her name; this amount will be contributed to the new Superintendent's Scholarship Fund (see more below) in honor of Dr. Barbara Jenkins' retirement as Superintendent of Orange County Public Schools as of December 1, 2022.

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:

	2022	2021
Contributions	\$ 125,473	\$ 109,214
Fundraising Events	430,062	56,073
Grants	1,842,111	1,759,655
Read2Succeed	524,256	295,993
Scholarships and Endowments	623,445	589,000
Other Income	2,750	5,607
In-Kind Donations	56,788	77,865
Total Revenue and Support	<u>\$ 3,604,885</u>	<u>\$ 2,893,407</u>

Program Services Expenses by Function for the Year Ended:

	2022	2021
Read2Succeed	\$ 524,375	\$ 393,284
Teacher Grants	236,341	248,992
District Support	1,847,677	1,567,033
Scholarships	131,327	156,379
Total Program Services Expenses	<u>\$ 2,739,720</u>	<u>\$ 2,365,688</u>

Support Services Expenses by Function for the Year Ended:

	2022	2021
Fundraising	\$ 110,702	\$ 23,388
General and Administrative	369,407	256,868
Total Support Services Expenses	<u>\$ 480,109</u>	<u>\$ 280,256</u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Operating Revenue Increased 24.6 Percent

Total operating revenue for the 2021-22 fiscal year increased \$711,478 to \$3,604,885. This includes increases in fundraising events that could be held now that the pandemic is abating, grant awards, support for Read2Succeed, and new endowment funds received compared to the prior year. Contributions for the year totaled \$125,473.

Foundation Managed More Than \$5.3 Million for Program Support, Scholarships, School Funds and 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 include:

Read2Succeed

Students returned to the classroom full-time for the 2021-22 school year. Many experienced learning loss as a result of the pandemic, and our youngest students did not benefit from the optimal impact of face-to-face interaction and learning. Read2Succeed helped bridge this gap for developing readers, providing individualized reading instruction to 529 Kindergarten, 513 first-grade, and 434 second-grade students in 89 elementary schools. Of the students for whom data were available, 1,217 participants overall had comparable measures on the year-opening and year-end iReady English/Language Arts (ELA) diagnostic assessments. These students improved as follows:

- 94.3% of participants showed growth from the initial assessment to the end-of-year assessment.
- Kindergarteners: 97.1% of participants showed growth from the beginning to the end of the year.
- First graders: 95.9% of participants showed growth from the beginning to the end of the year.
- Second graders: 97.0% of participants showed growth from the beginning to the end of the year.

Another key metric for all three grades is the number of students who increased their score by 25 points or more from the beginning-of-year to the end-of-year diagnostic, indicating a year's worth of growth:

- Kindergarten students increased their score by 25 points or higher as follows:
 - 73.2% on the iReady phonological awareness assessment;
 - 79.0% on the iReady phonics assessment; and
 - 78.9% on the iReady high-frequency words assessment
- First-grade students increased their score by 25 points or higher as follows:
 - 67.0% on the iReady vocabulary assessment; and
 - 89.2% on the iReady pre- and post-test assessment
- Second-grade students increased their score by 25 points or higher as follows:
 - 77.7% on the iReady reading assessment; and
 - 67.2% on the iReady pre- and post-assessment for fluency.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

City Year 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.

Throughout FY2022, City Year tutored, mentored and coached 175 students (32 attendance, 33 behavior, 56 math and 54 literacy) at Walker Middle School, providing more than 6,000 service hours. The ongoing COVID-19 pandemic and its subsequent quarantines as well as student and AmeriCorps member absences disrupted City Year's ability to provide services consistently to students throughout the year and lowered the number of students for whom they were able to create a personal positive impact. It's hard to keep City Year down, though: the AmeriCorps members' positive morning greetings, before- and after-school initiatives, and academic, attendance and cultural celebration projects provided a positive school climate and culture for all 912 Walker Middle School students.

Teacher Grants

This year, teachers submitted more than 275 applications for grants in the areas of arts education support, nonfiction classroom libraries, middle school book clubs, and STEM projects. The program awarded approximately \$236,000 in classroom grants for STEM, civics, fine arts, classroom libraries, middle school book clubs, technology, and professional development to 194 teachers for equipment and materials that directly impact classroom learning. In total, approximately 28,500 students benefited from these grants. Grant check distribution to winners was completed in November, with highlights posted on the Foundation for OCPS website. All grant winners provided their year-end reporting virtually in April, and the portal opened for 2022-23 proposals in June.

- Classroom Library Grants put nonfiction books in the hands of 4,237 students in 43 schools; 82% cultivated a growing interest in reading as a direct result of this program; 76% improved their reading skills; and 73% of participating students demonstrated improvement in writing skills.
- Middle School Book Club grants were awarded to clubs in 10 schools. These clubs helped 210 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. Of the 17,523 students who participated in these projects, 78% increased their interest in STEM topics; 72% increased their interest in pursuing STEM careers; and 70% improved their grades in math, science, or other STEM subjects.
- Arts Education Grants totaling \$15,000 supported visual and performing arts programs in 32 schools, benefiting 6,626 students and 26 teachers.

Fleet Farming

In collaboration with IDEAS for Us and support from VoLo Foundation as well as matching funds from the School District Education Foundations Matching Gifts Program, the Foundation supported Fleet Farming projects at both Jones and Evans high schools. Fleet Farming aims to shift the way people eat by converting underutilized residential lawns or school property into organic micro-farms called "farmlettes," while educating the community how to grow food for free through monthly events in the neighborhood. The two high school sites educate students about farming and teach them real-world skills on food handling, food safety, and organic farming.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Fleet Farming (Continued)

This project has three main objectives: (1) lead an on-campus food movement during and after school to support current horticultural classes; (2) engage students in job preparedness for agriculture-related fields and build student understanding of how the food cycle directly contributes to climate change; and (3) provide produce to on-campus food pantries and on-campus farmers' markets.

CHILL

The CHILL (Community Health and Intervention in Life's Lessons) program provided a licensed or licensed-eligible mental health counselor to Audubon K8, Glenridge and Maitland middle schools, Winter Park High School and its Ninth Grade Center. The CHILL counselors were once again able to offer their services in individual as well as group sessions.

- 487 students were referred CHILL services.
- 230 students enrolled in individual or family services in individual sessions.
- CHILL counselors held approximately 1,247 individual sessions.
- 295 students enrolled in group services.
- 389 group sessions were provided during the year.

The main topics addressed during the 2021-22 school year were:

- Coping Skills
- Dealing with Feelings
- Anger Management
- Stress Management

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. It continues Coach Pennington's legacy of creating positive impact for graduating seniors as follows:

- Six seniors from the graduating Class of 2022 – basketball players and cheerleaders from low-income families – were awarded scholarships totaling \$6,000.

Above and Beyond Scholarship

This endowed fund was established by an Oak Ridge High School alumna from the Class of 1967 to provide scholarships to graduating seniors from Oak Ridge High School 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. Throughout FY2022, 54 students were awarded \$1,500 each, for a total of \$81,000.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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 fourth annual disbursement to schools was made in August 2021. The eligible schools received \$19,000, distributed proportionally on a per-student basis.

New Scholarships

Three new scholarship funds awarded grants in FY2022, as follows:

- The Sorosis of Orlando Woman's Club Scholarship Fund was established with a corpus of \$500,000 in late June 2021. Criteria for the scholarships and the selection process were fully developed in fall 2021. Income and interest earned by the corpus will be used to fund multiple scholarships in perpetuity. The first five recipients were selected in spring 2022; each was awarded \$2,400.
- The 4Rivers Black Youth Scholarship was established in fall 2021, utilizing one of the new ETF strategic portfolio models now available with the Foundation's investment firm. Criteria for the awards and the selection process were developed in partnership with the 4R Restaurant Group. The first recipient was selected in spring 2022 and was awarded \$2,500.
- The Mikey Stroz Scholarship Fund was established using a portion of the memorial contributions given to the Stroz Family Fund and utilizing one of the new ETF strategic portfolio models. Criteria for the awards and the selection process were developed with the Stroz family. Four student winners received \$1,500 each, and three additional student winners received \$1,000 each.

Superintendent's Scholarship Fund

In honor of Dr. Barbara Jenkins' 10 years of service as Superintendent of Orange County Public Schools and her forthcoming retirement in December 2022, and at her specific request, the Foundation converted the Superintendent's Fund, valued at approximately \$400,000 in our investment portfolio at the time of conversion, to the Superintendent's Scholarship Fund. This new Scholarship Fund will make its first awards in spring 2023 to OCPS graduates who will attend the University of Central Florida, with special consideration given to students who intend to pursue a degree in education. In spring 2022, the Foundation secured an additional gift of \$250,000 for this new Scholarship Fund.

Memorial Funds

Starting in July 2021 and utilizing online giving tools, the Foundation helped raise more than \$58,400 in memorial and support funds for students, employees and others who experienced tragedies this year. These include (but are not limited to): the Felix Rodriguez-Arias Memorial Fund (Roberto Clemente Middle School); the Mikey Stroz Scholarship Fund (Timber Creek High School); the Fronczek Family Fund (Avalon Middle School and Timber Creek High School); the Louanna Herndon Family Fund and the Cathy Mohr Family Fund (Princeton Elementary School); the John Morris Memorial Fund (Facilities Division); the Malcolm Family Fund (MetroWest Elementary School); the Antony Silva Family Fund (Boone High School); the Gabriel Ortiz Family Fund (Arbor Ridge K8); the Javier Mendoza Family Fund (Avalon Park area schools); the David Thebaud Family Fund (Memorial Middle School); and the Brielle's Brigade Fund (Avalon Middle School). While these contributions are not considered charitable gifts and no tax receipts were provided, the contributions gave great comfort to the families who received them.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Teach-In

Teach-In 2021 spanned a week, November 15-19, and featured many virtual presentations by community members to students across the district. While more presentations were made in person than in 2020, many were still held electronically for safety reasons as the pandemic continued to impact schools. The Foundation team compiled quantitative and qualitative data from this unique year's experiences.

Pick Read & Roll

This high-energy, motivational program celebrating improvement and inspiring persistence in reading returned to the Amway Center on October 12, 2021. Because of ongoing safety concerns related to the pandemic, only the five most improved fifth-grade readers (based on their fourth-grade reading assessments) from Title I schools within 10 miles of the Amway Center were able to attend in person, while the fourth graders at their respective schools had the opportunity to watch the event via live video feed. The goal is to honor the hard work of the fifth graders while inspiring the fourth graders to read.

The students who attended had the chance to receive prizes, play socially-distanced games with mascot Stuff and Mr. Simon Sez, dance in the stands with the Blue Crew, and interact directly with the Orlando Magic players. The professional athletes answered students' questions about their favorite books, why reading is important, what they were like in school, and what they read, both for themselves and to their own children. The highlight of the event was an impromptu rap performance by the team of "Llama Llama Red Pajama!" We look forward to bringing the most improved fifth-grade students – and ALL of their schools' fourth-grade students to cheer them on – to the arena in FY2023.

Bus Driver Attendance Appreciation Project

As the school district emerged from the pandemic during FY2022, issues arose regarding inconsistent attendance among certain employee groups. In particular, absenteeism by bus drivers began to noticeably and negatively impact students' ability to arrive at school on time – or at all. Since students cannot learn if they are not in school, and in recognition of the vital role bus drivers play in the daily educational journeys of our students, the Foundation's Board of Directors approved the use of unrestricted dollars to create a targeted, strategic solution: an attendance appreciation incentive program.

On three separate occasions, bus drivers who had achieved at least four weeks of perfect attendance during a seven-week period were awarded \$25 gift cards from Target in a celebratory ceremony at various transportation compounds. The ceremony included photos with and messages from Foundation board members, Foundation staff, and Cabinet members such as the chief operations officer and the chief communications officer to thank the bus drivers for their dedication, acknowledge the key role they play as the first and last OCPS smile a student sees each school day, and salute them for ensuring the safety of the students they transport. The gift cards and messages were very well-received, and data are being reviewed to determine impact on attendance rates.

In addition, and based on feedback from the drivers, unrestricted funds were used to renovate and upgrade the lounges at the transportation compounds. Drivers and monitors spend critical down time in these spaces, and the upgrades were another effective way to convey appreciation for the work they do.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Charity Recycling Services

The Foundation formed a 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, keeping them out of landfills. The school receives 10 cents per pound of material collected, and also receives credit for Green School initiatives that honor efforts focused on recycling, conservation and sustainability. As of June 30, 2022, 141 schools had recycled approximately 1.73 million pounds of material and received more than \$173,180 in return, including sign-up and Partner in Education bonuses.

ADDITIONS Volunteers and Partners In Education

In FY2021 and in response to the pandemic, the number of registered volunteers had dropped to below 11,500; most students were learning from home, and schools were reluctant to have visitors on campus. As students returned to campus for the school day, there was a renewed need for ADDitions Volunteers and local businesses to serve as Partners In Education. The Foundation team was able to register more than 42,200 volunteers in FY2022, approaching ever closer to pre-pandemic levels. In addition, more than 2,700 local businesses provided support to nearby schools through the Partners In Education program.

Community Outreach

The Community Outreach Committee was established in FY2018 to help share resources (volunteers, fundraising efforts, and more) throughout the district. In FY2022, the Committee continued to assist 20 high-need schools (18 elementary and 2 middle schools), identified based on multiple criteria and with input from area superintendents, by using the Five Star School designation framework to focus on areas where increased community involvement can help improve student achievement.

With the return of school grades issued by the State of Florida's Department of Education, the positive impact of this Committee's efforts came into clearer focus: none of the schools receiving support from Community Outreach received a failing school grade. In FY2023, the Committee will revisit data to see which schools are ready to move on from Community Outreach support in order to make room for other schools in need of this strategic, targeted support.

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 229 school and 87 district funds, a 25.8% increase in the number of funds managed by the Foundation during FY2021. These funds raised \$1,131,205, a minimal 1.6% decrease compared with FY2021 results, likely driven by pandemic restrictions as well as quarantines that affected social gatherings, athletic events, and other in-person fundraising opportunities, and eased as the school year progressed. Since the adoption of the Foundation's new structure in FY2017, the number of school and district funds under management have increased 435%, and the funds raised have increased 31%, even with the dampening effects of the pandemic. The three most active school funds were Audubon Park Falcon Fund (raising \$99,635), Edgewater 1952 Club (raising \$88,263), and Lake Whitney Elementary School (raising \$65,361).

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

In-Person Events Return

21st Annual "Fore Our Schools" Golf Tournament

On Friday, October 22, we were able to return to the Walt Disney Palm and Magnolia Golf Courses and Shades of Green Resort for the 21st annual "Fore Our Schools" Golf Tournament after a pandemic-related hiatus in FY2021. Many of our longest-standing partners joined us to enjoy a great day of golf, contest holes, raffle prizes, and awards. The event raised approximately \$197,000 in critical operating dollars for the Foundation.

Top Talent 2022

This fundraising event showcasing student talent in the performing and visual arts returned on May 7 as an even bigger and better hybrid virtual and live event! The Orlando Regional Realtors Association served as our headliner sponsor once more, helping us raise more than \$84,000 to provide arts enrichment for students experiencing poverty or homelessness. The call for performing and visual arts submissions attracted more than 400 auditions and arts pieces. The preliminary judging panel selected 15 performing arts finalists, a "rising stars" act, and 15 visual arts pieces for the final competition.

Performing arts finalists were filmed onstage in the Alexis & Jim Pugh Theater at the Dr. Phillips Center for Performing Arts on Saturday, April 23, complete with professional lighting, sound and staging customized to each act. Celebrity judges Kenny Howard (Education Director, Florida Theatrical Association, and Artistic Director, The Abbey), Dionne Randolph (Actor, Walt Disney Company), Juan Cantu (Casting Director, Walt Disney Parks), and Tammy Weber de Millar (Founder, Flamenco del Sol, and Executive Director, Orlando Flamenco Association) scored each act. Visual arts finalists were adjudicated by celebrity judges Jaison Radcliff (professional artist and arts educator), David Matteson (Associate Curator of Education and Outreach, Orlando Museum of Art), Ha'Ani Hogan (Development Manager, Downtown Arts District), and Katherine Page (Curator of Art and Education, Mennello Museum).

The final show included visual and performing arts talent from 30 schools and was broadcast on YouTube on Friday, May 6. It garnered an audience of more than 20,000 viewers, and more than 14,000 Fan Favorite votes came in from 15 states as well as Puerto Rico. In 2023, we plan to return to a fully live show, with Fan Favorite voting starting earlier and more school involvement championing their students.

Inaugural School Spirit Run at SeaWorld

On Saturday, April 9, after having to move the date from February in response to a COVID-19 community surge, the inaugural School Spirit Run was held at SeaWorld to raise operational dollars for the Foundation. More than 870 runners, joggers, and walkers came out to celebrate our schools and all things "school spirit:" the rivalries, the memories, and the experiences that add joy to our lives, not to mention the teachers, coaches, mentors and others who help our children grow and thrive. It also serves as a way to reconnect and celebrate with alumni, parents, current students and employees, and is an important part of the Foundation's strategies to attract more support from individuals.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Inaugural School Spirit Run at SeaWorld (Continued)

The race route wove through SeaWorld's park, and both the final leg as well as a free Kids' Fun Run finished by flowing through the new, iconic Sesame Street neighborhood within the park. All paid participants received a custom t-shirt and themed finisher medal. Prizes were awarded to the top three overall male and female finishers, along with age-leveled awards for most school spirit, best mascot, and largest team. We are excited to return to SeaWorld for the second annual School Spirit Run on February 4, 2023.

Strategic Plan in Place Through 2025

The Foundation's Strategic Plan was successfully refined and expanded to carry the organization through 2025, and the areas in which investments and philanthropic support will be sought – our priorities – were formalized. The Philanthropic Strategic Plan, previous Foundation 18-month strategic plan, and traditional areas for Foundation support are incorporated into this expanded Plan.

Our philanthropic priorities are:

- **Ensure Learning Readiness:** support early childhood education, mental and physical health and wellness, and behavioral improvements
- **Invest in Teachers and 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

Key Performance Indicators, including total dollars raised and managed, donor and volunteer retention, investment fund growth and many more, are tracked and reported to the Foundation board. Long-term fundraising goals have been finalized; incremental annual targets will be determined in the first half of FY2021 to ensure achievement of those goals.

Continued Stewardship Efforts

During the evenings of February 15 and February 23, Foundation Board members and staff gathered in the RBELC to make thank-you phone calls to individual donors. Those donors the Board members reached were surprised and delighted by the calls. Cheerful voicemails were left for those who did not answer. The calls were once again very well-received, and participating board members look forward to continuing this effort in FY2023.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Alumni Network Growth

Throughout FY2022, Foundation staff worked closely with the Alumni Relations Committee volunteers to continue building the OCPS Alumni Network. The Network's efforts to "Celebrate, Connect, and Convene" are vital to the Foundation's ability to succeed in attracting and retaining individual donors. These efforts include:

- The "Community Builders" series, a social media campaign that highlights the accomplishments of prominent local alumni.
- Customized pages on the Foundation's website, branded by high school and encouraging alumni to join new networks to support their alma maters. Addition Financial sponsored this work with a \$20,000 gift in FY2021, providing each school's alumni network with a budget for building connections and offering specially-branded debit cards and other perks for OCPS alumni who start a new account with the credit union.
- The "I Joined" campaign, which encourages our newest graduates to stay connected to the OCPS Alumni Network and celebrates their graduation.
- The "Rising Stars" video series, which features young alumni who are making their mark in their communities.
- Networking events at locations such as the Orlando Improv, which coordinated a successful all-OCPS-alumni show for the Network on June 9, 2022.

In FY2023, the team will also collaborate more closely with the district's Chief of High Schools to help meet mutual goals regarding young alumni engagement.

Retirements and New Staff

The Foundation team saw several key personnel changes and additions in FY2022 and the beginning of FY2021. The business manager and operations manager retired in August 2021 and February 2022, respectively; both positions were upgraded to a senior manager level to help attract skilled staff in a very competitive job market. Some job duties were also reassigned to better align positions to Foundation goals. A new senior manager of finance and new senior manager of events and engagement joined the team in August 2021 and March 2022, respectively.

Because of certain Florida Retirement System requirements that prohibit retirees from engaging in substantially similar work for 12 months from the date of their retirement, these new employees were not able to contact their predecessors for support after starting their new positions. The new senior manager of finance started three days before the business manager retired; the new senior manager of events and engagement started one month after the operations manager's retirement date. As a result, there was little opportunity to transfer institutional knowledge, and new team members are experiencing longer learning curves for both roles. Both of the new team members were external hires who are also learning district policies and procedures.

Additionally, on June 30, 2022, the part-time consultant assisting with grants completed her contract, and the manager of the ADDitions Volunteers program retired July 19, 2022. A new full-time senior manager of Grants position was created, and the manager of ADDitions Volunteers was upgraded to an administrator level to help attract skilled staff. A new senior manager of Grants joined the team August 12, 2022, and the new administrator of ADDitions Volunteers started her position on September 28. Both of these new team members were internal hires and bring relevant experience within the district to bear on their new roles.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Future Outlook

The Foundation for Orange County Public Schools serves as the sole designated direct-support organization for the ninth-largest school district in the nation and supports 209,000 students and 25,000 employees, including 15,000 teachers, in 210 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.

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 \$5.3 million in program support last school year including the funds managed of more than \$1.5 million for district and school funds.

In addition to implementing the Foundation's strategic plan, other priorities for FY2023 will include:

Launch and Support "The Slice" Video Storytelling Project

- During the spring and summer of 2022, discussions were held with Jamie Holmes and Nancy Alvarez, two well-known local television anchors, about creating a series of short videos to better share the school district's and the Foundation's messaging with the community at large, but especially with parents, employees, and others with a close connection to OCPS. The vision includes sharing short interviews and feature videos on topics of interest to parents and others several times a week via social media and email, and a "Mondays with Maria" segment featuring the new Superintendent, Dr. Maria Vazquez. A contract between Jamie Holmes and the Foundation was completed in early FY2023, and the Foundation board approved unrestricted funding to launch the effort, now known as "The Slice." The Foundation team will work closely with the other departments in the district's Communications Division to vet and provide content, seek funding partners and sponsors, and gather feedback on this new way of engaging the community at large.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Continue to 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 entire Foundation team utilizes DonorPerfect as its constituent relationship management system (CRM) and QuickBooks for accounting. At the beginning of FY2023, DonorPerfect and QuickBooks have been successfully integrated, allowing for imports of data from DonorPerfect into QuickBooks, and cutting data entry time in half. The team will continue to refine this integration, as well as identify and implement additional efficiencies among and between these tools that enhance each system and improve our daily work.

Secure Approval of Policy Changes

- In collaboration with district teams in Finance and Legal, the Foundation team prepared and presented proposed, updated School Board policies regarding student fundraising activities, grants from external sources and school internal funds, and crowdfunding to the district's Legal team to bring before the School Board for discussion and approval in early FY2023. These updates clarify the role of the Foundation and the assistance we can offer to maximize schools' ability to secure additional charitable resources, address crowdfunding options, and help ensure that school-based fundraising efforts follow ethical, statutory and legal guidelines and requirements.

Increase Stewardship Activities

- Building upon the success of our thank-you call sessions, the Foundation's Board of Directors and staff will continue to develop additional stewardship activities to connect personally with donors. Such work is vital to our efforts to build individual giving, increase donor trust, and provide authentic connections and meaningful experiences for donors and Board members alike.

Arts Conservatory School Capital Campaign

- The Foundation team is working with School Choice and Visual and Performing Arts to develop a capital campaign that will raise approximately \$30 million to convert Cherokee School into an arts conservatory school. Campaign totals, sponsorship and naming opportunities, gift pyramids and strategic prospect meetings are underway.

Complete Implementation of AwardSpring Scholarship Platform

- In response to the growing interest from donors who wish to offer scholarships to Orange County Public Schools' students and establish endowed funds to support them, the Foundation has begun implementation of AwardSpring software, adding it to its suite of tools. AwardSpring allows students to apply to multiple scholarship opportunities simultaneously and alerts students when they qualify for a new opportunity. It also provides scholarship committees with online evaluation tools to streamline review of candidates' applications.

Reach \$10 Million in Annual Revenue by FY2031

- The Philanthropic Development Committee collaborated with Foundation staff in FY2022 to develop and implement strategies to grow annual revenue incrementally over the next 10 years, with a goal of reaching \$10 million in annual revenue by FY2031. At this time, the Foundation is running ahead of the planned timeline. Strategies focus on growing individual giving by connecting with volunteer and alumni audiences while maintaining grant support and enhancing event support.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Continue Implementation of Long-Range Staffing Plan

- The Foundation's Board of Directors and staff developed and are refining a staffing plan to ensure the team is able to reach our new long-term goal of raising \$10 million annually by FY2031. Two positions were added (Senior Manager of Grants and Administrative Specialist) and three positions were upgraded (Senior Manager of Finance; Senior Manager, Events & Engagement; and Administrator, ADDitions Volunteers) during FY2022 or early in FY2023. Additional positions are now planned for FY2024, with an emphasis on Alumni Relations and Stewardship.

Our purpose- and 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 those who wish to invest in our children today to strengthen our entire community tomorrow. We invite you to contact us to discuss how you can invest in Orange County Public Schools.

Respectfully submitted,

Elise Breth
Board Chair
Foundation for Orange County Public Schools



Scott D. Howat
President
Foundation for Orange County Public Schools
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407-317-3494

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 executive director, The Foundation for Orange County Public Schools, 445 W. Amelia Street, Suite 901, Orlando, Florida 32801.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION –
PROPRIETARY FUND
JUNE 30, 2022**

	<u>Enterprise Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 440,010
Investments	3,298,834
Other Assets	265,456
Florida Prepaid Tuition Scholarships	15,395
Total Assets	<u>4,019,695</u>
LIABILITIES	
Accounts Payable and Accrued Expenses	187,228
Unearned Revenue	41,092
Total Liabilities	<u>228,320</u>
NET POSITION	
Restricted:	
Teacher Grants	143,412
Read2Succeed	116,000
District Support	768,745
Scholarships and Endowments	2,034,452
Nonexpendable Endowment	354,469
Unrestricted	<u>374,297</u>
Total Net Position	<u><u>\$ 3,791,375</u></u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Enterprise Fund
OPERATING REVENUE AND SUPPORT	
Contributions	\$ 125,473
Fundraising Events	430,062
Grants	1,842,111
Read2Succeed	524,256
Scholarships and Support	623,445
Other Income	2,750
In-Kind Donations	56,788
Total Operating Revenue and Support	3,604,885
OPERATING EXPENSES	
Read2Succeed	524,375
Teacher Grants	236,341
District Support	1,847,677
Scholarships and Endowments	131,327
Fundraising	110,702
General and Administrative	369,407
Total Operating Expenses	3,219,829
NET OPERATING INCOME	385,056
NONOPERATING INCOME (EXPENSE)	
Investment Income (Expense), Net of Investment Management Fees of \$43,575	(369,522)
Total Nonoperating Income (Expense)	(369,522)
CHANGE IN NET POSITION	15,534
Net Position - Beginning of Year	3,775,841
NET POSITION - END OF YEAR	\$ 3,791,375

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS –
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Grantors, Private Contributors, and Others	\$ 3,393,249
Cash Paid to Suppliers, Scholarship Recipients, Grantees, and Others	(3,136,393)
Net Cash Provided by Operating Activities	<u>256,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(1,729,920)
Investment Earnings	71,035
Proceeds from Sales of Investments	944,913
Net Cash Used by Investing Activities	<u>(713,972)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(457,116)
Cash and Cash Equivalents - Beginning of Year	<u>897,126</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 440,010</u></u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income	\$ 385,056
Adjustments to Reconcile Change in Net Operating Income to Net Cash Provided by Operating Activities:	
Increase (Decrease) in Assets:	
Other Assets	(38,823)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	11,273
Unearned Revenue	(100,650)
Net Cash Provided by Operating Activities	<u><u>\$ 256,856</u></u>

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
JUNE 30, 2022**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 13,339
Investments	1,510,979
Total Assets	1,524,318
LIABILITIES	
Due to Others	5,741
NET POSITION	
Restricted for:	
Endowment	95,714
School and District Projects	1,422,863
Total Net Position	\$ 1,518,577

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Custodial Funds
ADDITIONS	
Contributions	\$ 1,131,205
DEDUCTIONS	
School and District Projects	1,077,772
CHANGE IN FIDUCIARY NET POSITION	53,433
Fiduciary Net Position - Beginning of Year	1,465,144
NET POSITION - END OF YEAR	\$ 1,518,577

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, 2022

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 209,000 students and 15,000 teachers in 206 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 and 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, 2022**

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).

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 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.

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.

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. The purpose of the Foundation's funds are as follows:

Proprietary Funds

Enterprise Fund – The enterprise fund is the general operating fund of the Foundation. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds

Custodial Funds – Custodial funds are fiduciary in nature and are used to account for assets associated with certain scholarships held for others and for funds held for the schools and district.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022. 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 statement 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, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022**

NOTE 2 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 year ended June 30, 2022:

Donated Facilities	\$ 38,775
Technology	18,013
Total	<u>\$ 56,788</u>

During the year ended June 30, 2022, 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 3 SCHOOL/DISTRICT ASSETS HELD

The Foundation held funds for use by schools and district programs in the amount of \$1,422,863, at June 30, 2022. The Foundation disburses these funds upon request from the schools or programs. These funds are classified as custodial funds and are included in the statement of fiduciary of net position.

NOTE 4 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 year ended June 30, 2022, the Foundation did not donate or sell any scholarships.

While the Foundation ceased participation in the Take Stock in Children program in 2001, it continued to serve enrolled students who graduated through 2005. During the year ended June 30, 2022, the Foundation did not award scholarships under the program.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS

The Foundation had the following investments at June 30, 2022:

	<u>Original Cost</u>	<u>Fair Value</u>
REITs	\$ 173,649	\$ 246,668
Fixed Income	1,570,424	1,637,700
U.S. and International Equities	1,733,826	2,475,032
Investments	<u>3,477,899</u>	<u>4,359,400</u>
Cash Held in Investment Accounts	249,619	249,619
Total Held in Investment Accounts	<u>\$ 3,727,518</u>	<u>\$ 4,609,019</u>

Concentration of Credit Risks – Deposits

As of June 30, 2022, the carrying amount of the Foundation's deposits was \$203,730 and the bank balance was \$450,026. 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 \$200,026 for the year ended June 30, 2022. 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.

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, 2022, 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>	
Collateralized Bank Loan	\$ 175,903	\$ -	\$ -	\$ 175,903
Corporate Bonds and Bond Funds	-	32,318	792,598	824,916
Government Bond Funds	-	79,508	-	79,508
High-Yield Bond Funds	-	527,393	2,802	530,195
Preferred Stock Funds	-	38,272	-	38,272
Short-Term Bond Funds	-	102,320	-	102,320
Ultrashort Bond Funds	237,969	-	-	237,969
Total	<u>\$ 413,872</u>	<u>\$ 779,811</u>	<u>\$ 795,400</u>	<u>\$ 1,989,083</u>

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2022

NOTE 5 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following illustrates the credit quality distribution with credit exposure as a percentage of the Foundation's debt securities. As of June 30, 2022, the Foundation had the following credit risk exposure:

Investment Type	Credit Rating	Portfolio	Market Value In U.S. Dollars
Government Bond Funds	AAA	4.00 %	\$ 79,508
High-Yield Bond Funds	B	26.51	527,393
High-Yield Bond Funds	BBB	0.14	2,802
Preferred Stock Funds	BB	1.92	38,272
Corporate Bonds and Bond Funds	BB+	0.85	16,929
Corporate Bonds and Bond Funds	BBB+	0.34	6,808
Corporate Bonds and Bond Funds	BBB	39.85	792,598
Corporate Bonds and Bond Funds	BBB-	0.43	8,581
Collateralized Bank Loan	B	8.84	175,903
Short-Term Bond Funds	A	5.14	102,320
Ultrashort Bond Funds	A	11.96	237,969
Total			<u>\$ 1,989,083</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, 2022, the Foundation was in compliance with the investment policy.

As of June 30, 2022, the following investments constitute a credit risk as they are greater than 5% of the Foundation's Investment portfolio:

iShares 0-5 Year High Yield Corporate Bond ETF	\$ 527,393
Vanguard Intermediate-Term Corporate Bond ETF	792,598

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment Income

Investment income is comprised of the following as of June 30, 2022:

Unrealized and Realized Gain (Loss), Net of Investment Management Fees	\$ (525,694)
Interest and Dividend Income	<u>157,916</u>
Investment Income, Net of Investment Management Fees	<u><u>\$ (367,778)</u></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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
REITs	\$ 263,921	\$ -	\$ -	\$ 263,921
Fixed Income	1,989,083	-	-	1,989,083
U.S. and International Equities	2,556,809	-	-	2,556,809
Total	<u><u>\$ 4,809,813</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,809,813</u></u>

A reconciliation of investments to the amount shown on the statement of net position and statement of fiduciary net position is as follows:

Statement of Net Position:	
Investments	\$ 3,298,834
Statement of Fiduciary Net Position:	
Investments	<u>1,510,979</u>
Total	<u><u>\$ 4,809,813</u></u>

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 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.

During the year ended June 30, 2021, the Foundation received an endowment (The William R. Boone Investment Fund) to be used as the donor has stipulated. The fund is to support athletic field maintenance costs at Boone High School as determined by the principal at Boone High School.

NOTE 7 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, 2022, the Foundation reimbursed OCPS \$337,712 for salaries. In addition, the Foundation owes OCPS \$80,258 as of June 30, 2022, which is included in accounts payable and accrued expenses on the accompanying statements of net position.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS
JUNE 30, 2022**

	<u>Custodial Funds</u>		<u>Total Custodial Funds</u>
	<u>Scholarships and Endowments</u>	<u>School and District Funds</u>	
ASSETS			
Cash and Cash Equivalents	\$ 3,037	\$ 10,302	\$ 13,339
Investments	92,677	1,418,302	1,510,979
Total Assets	<u>95,714</u>	<u>1,428,604</u>	<u>1,524,318</u>
LIABILITIES			
Due to Others	-	5,741	5,741
NET POSITION			
Restricted for:			
Endowment	95,714	-	95,714
School and District Projects	<u>-</u>	<u>1,422,863</u>	<u>1,422,863</u>
Total Net Position	<u>\$ 95,714</u>	<u>\$ 1,422,863</u>	<u>\$ 1,518,577</u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>		<u>Total Custodial Funds</u>
	<u>Scholarships and Endowments</u>	<u>School and District Funds</u>	
ADDITIONS			
Contributions	\$ 51,407	\$ 1,079,798	\$ 1,131,205
DEDUCTIONS			
School and District Projects	<u>693</u>	<u>1,077,079</u>	<u>1,077,772</u>
CHANGE IN FIDUCIARY NET POSITION	50,714	2,719	53,433
Fiduciary Net Position - Beginning of Year	<u>45,000</u>	<u>1,420,144</u>	<u>1,465,144</u>
NET POSITION - END OF YEAR	<u><u>\$ 95,714</u></u>	<u><u>\$ 1,422,863</u></u>	<u><u>\$ 1,518,577</u></u>



**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 business-type activities and fiduciary activities 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, 2022, and the related notes to the financial statements, which collectively comprise the Foundation for Orange County Public Schools, Inc.'s basic financial statements, and have issued our report thereon dated December 8, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foundation for Orange County Public Schools, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foundation for Orange County Public Schools, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Foundation for Orange County Public Schools, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation for Orange County Public Schools, Inc.'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 financial statements. 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Foundation for Orange County Public Schools, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation for Orange County Public Schools, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Foundation for Orange County Public Schools, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Orlando, Florida
December 8, 2022

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022**

2022-001 – Material Adjustments

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Several material errors were detected in the Foundation's account balances during our audit. As a result, material adjustments were proposed to correct the account balances.

Criteria or Specific Requirement: Management is responsible for establishing and maintaining internal control over recording of the Foundation's transactions and reconciliation and review of the account balances.

Effect: Investments, liabilities, revenues, and expenses were misstated.

Cause: Errors in account balances were not detected during the year-end close process.

Repeat Finding: No

Recommendation: Account reconciliations should be prepared by a staff member and reviewed by a member of management, allowing management the ability to perform analytical analysis to identify unusual account balances. Trial balances should be reviewed to ensure that all accounts are reconciled, and any necessary adjustments are posted.

Views of Responsible Officials and Planned Corrective Actions: We appreciate the thoroughness and precision with which CliftonLarsonAllen's audit staff performed their duties in this audit cycle, and thank them for bringing to light the need for additional internal controls. The Foundation always strives for accuracy in its financial reporting and takes this matter very seriously.

The following corrective actions are being taken to address the matter. Additional controls regarding accounts payable, functions within our accounting software, and gift entry of revenue have been implemented. Board oversight of reporting has been increased, with additional required details, schedules and trial balances being presented to the Finance Committee. A monthly controller's checklist has been developed for use by the Executive Director, who has secured additional training in nonprofit accounting. Finally, an eight-week improvement plan has been developed for the Senior Manager of Finance; progress has been overseen and assessed weekly by a former Foundation Board member with experience as a Chief Financial Officer.