

Report No. 2026-116  
February 2026

**STATE OF FLORIDA AUDITOR GENERAL**

Financial and Federal Single Audit

**ORANGE COUNTY  
DISTRICT SCHOOL BOARD**

For the Fiscal Year Ended  
June 30, 2025



Sherrill F. Norman, CPA  
Auditor General

## Board Members and Superintendent

During the 2024-25 fiscal year, Dr. Maria F. Vazquez served as Superintendent of the Orange County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Teresa Jacobs, Chair	Districtwide
Angela Gallo, Vice Chair through 11-18-24	1
Maria Salamanca	2
Alicia Farrant	3
Anne Douglas from 11-19-24	4
Pam Gould through 11-18-24	4
Vicki-Elaine Felder	5
Stephanie Vanos from 11-19-24	6
Dr. Karen Castor Dentel through 11-18-24	6
Melissa Byrd, Vice Chair from 11-19-24	7

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Danielle L. Matthews, CPA, and the audit was supervised by Jeffrey M. Brizendine, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at [tedwaller@aud.state.fl.us](mailto:tedwaller@aud.state.fl.us) or by telephone at (850) 412-2887.

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# SUMMARY

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## SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the Orange County District School Board (District) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards

## SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

## SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal awards requirements. The Child and Adult Care Food Program and Title I Program were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs.

## AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. Our audit objectives were also to obtain reasonable assurance about whether material noncompliance with applicable Federal awards requirements occurred, whether due to fraud or error, and to express an opinion on the District's compliance based on our audit. In doing so, we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements and material noncompliance with Federal awards requirements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained 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 District's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and accompanying Schedule of Expenditures of Federal Awards.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

#### AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orange County District School Board, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orange County District School Board, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the school internal funds, which represent 4 percent, 0 percent, 5 percent, 7 percent, and 6 percent, respectively, of the assets, liabilities, net position and fund balance, revenues, and expenditures and expenses of the aggregate remaining fund information as of June 30, 2025. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns as of June 30, 2025. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the financial statements of the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

## ***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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the District, 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 District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's 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 auditor's 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 District'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 District'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 **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General and Major Special Revenue Funds**, **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information** 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 District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is 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 February 27, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S 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**. 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 District'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 District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 27, 2026

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management of the Orange County District School Board has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2025. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2024-25 fiscal year are as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$6,919,482,258 (net position).
- The District's total net position increased by \$453,469,597. This increase is primarily attributable to the ongoing investment of the District in new schools and the renovation of existing schools supported by sales tax proceeds and other capital outlay revenues.
- Total revenues of \$3,467,086,165 were comprised of general revenues in the amount of \$3,236,551,077, or 93.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$230,535,088, or 6.6 percent of all revenues.
- For the fiscal year ended June 30, 2025, the District had \$3,013,616,568 in expenses related to governmental activities; \$230,535,088 of which were offset by program specific revenues. General revenues (primarily taxes and state funding programs) of \$3,236,551,077 were sufficient to provide for the District's programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,519,621,861, an increase of \$135,692,199 in comparison with the prior year. Approximately 3.7 percent of this total amount, \$129,629,803 is available for spending at the District's discretion for the purposes defined for each governmental fund (unassigned fund balance). The remaining balance of \$3,389,992,058 has been designed as nonspendable, restricted, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$129,629,803, or 5.8 percent of the total General Fund expenditures.
- The District's total debt decreased by \$46,647,966, or 5.1 percent, during the current fiscal year, primarily due to principal payments.

## **OVERVIEW OF FINANCIAL STATEMENTS**

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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 whether the financial position of the District is improving or deteriorating.

The statement of activities provides information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some times that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes, other postemployment benefits, and earned but unused vacation and sick leave).

All of the District's activities and services are reported in the government-wide financial statements, including instruction, student support services, instructional media services, administrative technology services, maintenance of plant, student transportation services, and food services. Property taxes, State assistance, and interest and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here. The District currently does not report any business-type activities, which would include functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements include not only the District itself (known as the primary government), but also the School Board of Orange County Employee Benefits Trust (Trust) and the Orange County School Board Leasing Corporation (Corporation). The Trust and the Corporation, although also legally separate, were formed to administer the District's group health and life insurance program and facilitate financing for the acquisition of facilities and equipment, respectively. Due to the substantive economic relationships between the District and the Trust and Corporation, their financial activities have been included as an integral part of the primary government.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues,

expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 11 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statements of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue – Education Stabilization Fund, Capital Projects – Capital Improvement Tax Fund, and Capital Projects – Other Fund, which are considered to be major funds. Data from the other 7 governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General and major Special Revenue Funds to demonstrate compliance with the budget.

**Proprietary Funds:** The District maintains one type of proprietary fund – internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District’s various functions. The District uses internal service funds to account for its self-insurance programs, employee benefits trust and printing services. Because these services benefit the District’s governmental functions, they have been included within governmental activities in a subsequent note.

The three internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statement elsewhere in this report.

**Notes to Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District’s total other postemployment benefits (OPEB) and net pension liabilities.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. The following is a summary of the District’s net position as of June 30, 2025, compared to net position as of June 30, 2024:

## Net Position, End of Year

	Governmental Activities		Percentage Change
	6-30-25	6-30-24	
Current and Other Assets	\$ 3,902,021,163	\$ 3,806,746,844	2.5%
Capital Assets	5,420,573,214	5,088,172,739	6.5%
<b>Total Assets</b>	<b>9,322,594,377</b>	<b>8,894,919,583</b>	<b>4.8%</b>
<b>Deferred Outflows of Resources</b>	<b>443,396,297</b>	<b>431,910,813</b>	<b>2.7%</b>
Long-Term Liabilities	2,408,017,678	2,487,588,083	-3.2%
Other Liabilities	257,078,379	241,897,868	6.3%
<b>Total Liabilities</b>	<b>2,665,096,057</b>	<b>2,729,485,951</b>	<b>-2.4%</b>
<b>Deferred Inflows of Resources</b>	<b>181,412,359</b>	<b>121,713,824</b>	<b>49.0%</b>
Net Position:			
Net Investment in Capital Assets	4,531,032,946	4,160,327,356	8.9%
Restricted	3,173,024,354	2,920,422,454	8.6%
Unrestricted (Deficit)	(784,575,042)	(605,119,189)	29.7%
<b>Total Net Position</b>	<b>\$ 6,919,482,258</b>	<b>\$ 6,475,630,621</b>	<b>6.9%</b>

The largest portion of the District's net position (65.5 percent) reflects its investment in existing capital assets (e.g., land; buildings; machinery, and equipment), net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide educational and related services to its students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the District's net position (45.9 percent) reflects its restricted net position for capital projects, debt service, food service and other purposes. The District will use these resources in a continuing effort to build and refurbish sufficient classroom space for the growing student population in Orange County, Florida.

The balance of the District's net position is shown as unrestricted deficit net position of \$784,575,042. The deficit balance in unrestricted net position is primarily due to reporting of the District's proportionate share of the State's pension liability.

Overall, the District's net position increased by \$453,469,597 during the current fiscal year, primarily due to building of capital fund resources for future school renovations, construction projects, and expansion of the digital curriculum initiative.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2025, and June 30, 2024, are as follows:

## Operating Results for the Fiscal Year Ended

	Governmental Activities		Percentage Change
	6-30-25	6-30-24	
Program Revenues:			
Charges for Services	\$ 18,079,275	\$ 16,391,856	10.3%
Operating Grants and Contributions	144,555,567	137,263,158	5.3%
Capital Grants and Contributions	67,900,246	69,161,269	-1.8%
General Revenues:			
Property Taxes	1,370,589,443	1,411,684,240	-2.9%
Local Sales Tax	379,697,805	372,425,729	2.0%
Grants and Contributions Not Restricted to Specific Programs	1,198,574,219	1,344,697,351	-10.9%
Unrestricted Investment Earnings	175,923,014	172,959,598	1.7%
Miscellaneous	111,766,596	100,251,315	11.5%
<b>Total Revenues</b>	<b>3,467,086,165</b>	<b>3,624,834,516</b>	<b>-4.4%</b>
Functions/Program Expenses:			
Instruction	1,537,204,025	1,664,787,206	-7.7%
Student Support Services	130,439,702	141,146,632	-7.6%
Instructional Media Services	23,997,936	27,171,968	-11.7%
Instruction and Curriculum Development Services	134,131,681	143,710,430	-6.7%
Instructional Staff Training Services	53,235,783	60,353,945	-11.8%
Instruction-Related Technology	13,961,750	17,944,360	-22.2%
Board	5,019,236	5,929,668	-15.4%
General Administration	15,960,706	19,299,254	-17.3%
School Administration	153,591,786	167,780,720	-8.5%
Facilities Acquisition and Construction	52,290,027	66,127,825	-20.9%
Fiscal Services	9,532,604	10,269,811	-7.2%
Food Services	155,225,198	157,231,957	-1.3%
Central Services	33,414,044	34,732,670	-3.8%
Student Transportation Services	124,695,819	121,229,657	2.9%
Operation of Plant	212,234,374	216,055,735	-1.8%
Maintenance of Plant	49,959,231	47,814,642	4.5%
Administrative Technology Services	34,613,679	33,577,428	3.1%
Community Services	57,469,465	50,456,113	13.9%
Unallocated Interest on Long-Term Debt	30,724,671	44,372,244	-30.8%
Unallocated Depreciation/Amortization Expense	185,914,851	166,698,506	11.5%
<b>Total Functions/Program Expenses</b>	<b>3,013,616,568</b>	<b>3,196,690,771</b>	<b>-5.7%</b>
<b>Change in Net Position</b>	<b>453,469,597</b>	<b>428,143,745</b>	<b>5.9%</b>
Net Position - Beginning	6,475,630,621	6,047,486,876	7.1%
Adjustment to Beginning Net Position (1)	(9,617,960)	-	
Net Position - Beginning, as Restated	6,466,012,661	6,047,486,876	6.9%
<b>Net Position - Ending</b>	<b>\$ 6,919,482,258</b>	<b>\$ 6,475,630,621</b>	<b>6.9%</b>

(1) Adjustment to beginning net position is due to the implementation of GASB Statement No. 101, which is a change in accounting principle that addresses accounting and financial reporting for compensated absences, as discussed in Note II.

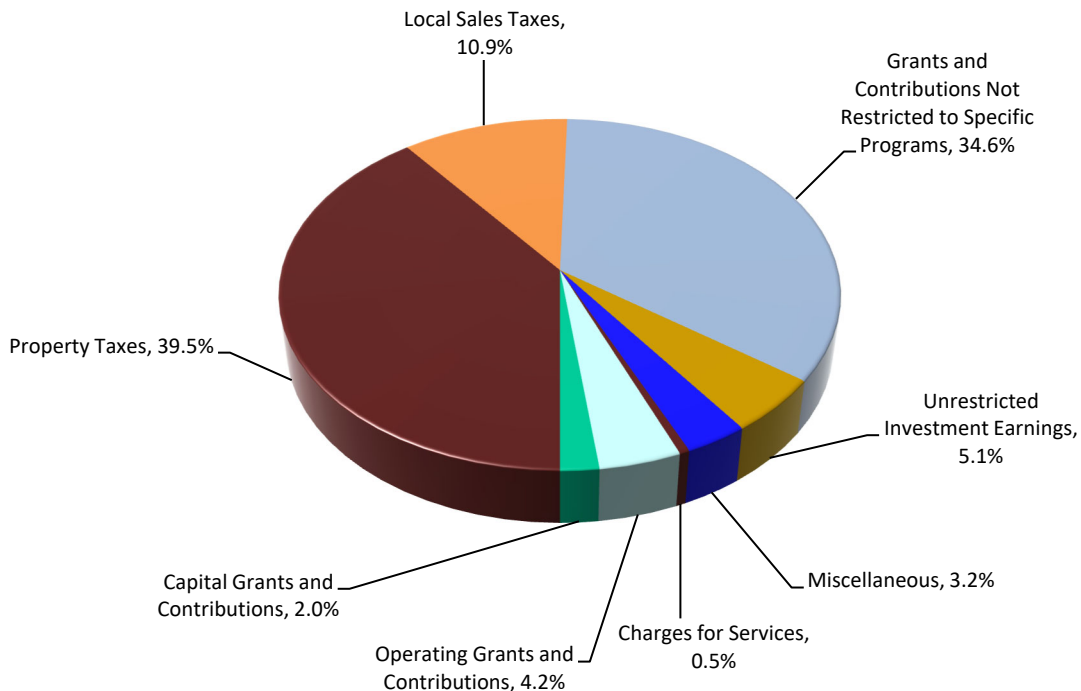
One of the largest revenue sources for the District is from the State of Florida, Florida Education Finance Program (FEFP), which is presented as part of grants and contributions not restricted to specific programs in the chart below. FEFP is based on a formula that utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District’s funding ability based on the local property tax base. Overall, revenues presented in grants and contributions not restricted to specific programs decreased \$146,123,132 or -10.9 percent over the prior year due to the expiration of Federal Education Stabilization Funds.

Total program revenues (charges for services, operating grants and contributions, and capital grants and contributions) in the amount of \$230,535,088 increased compared to the prior year’s amount of \$222,816,283 by \$7,718,805 or 3.5 percent primarily due to the increase in food service grant funds.

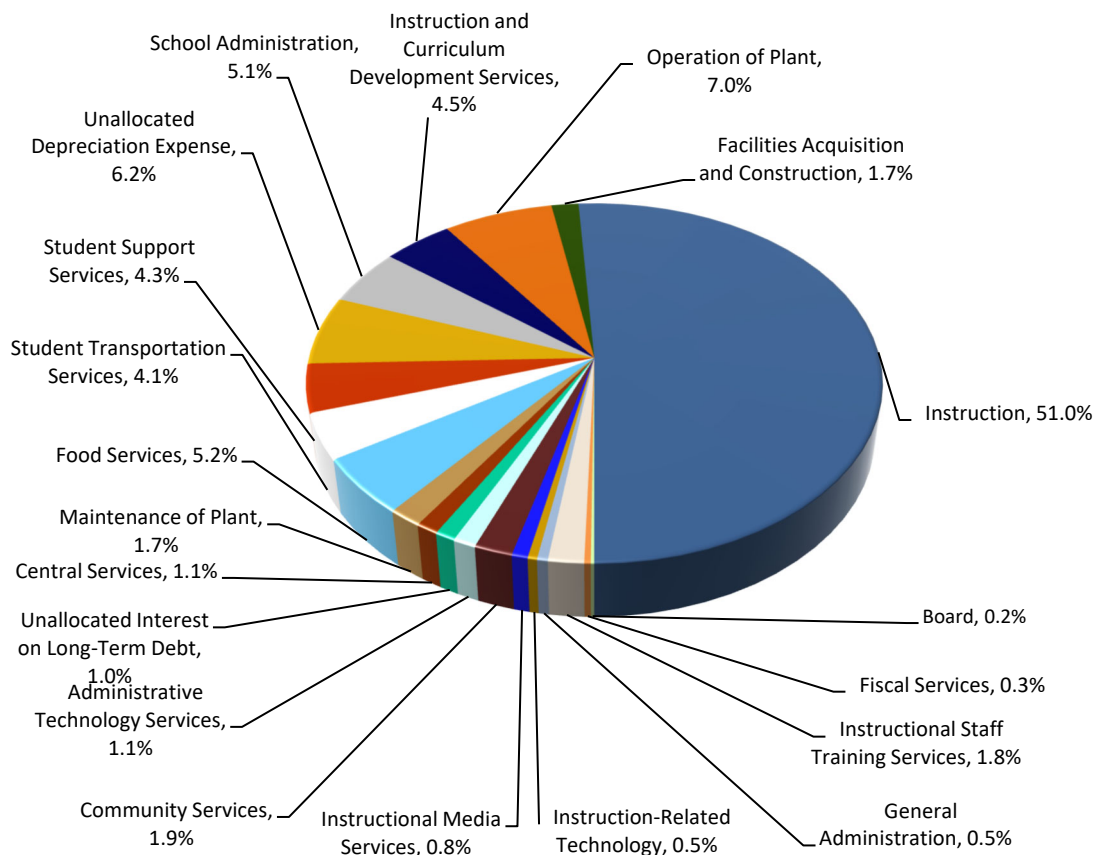
Property tax revenues decreased by \$41,094,797, or -2.9 percent versus the prior fiscal year. The decrease in property tax revenues was due to a refund of property taxes related to the Disney litigation.

The District also receives a voter-approved half-cent surtax authorized under Section 212.055(2), Florida Statutes. The District receives their allocation of the surtax revenues through an interlocal agreement on taxable sales generated in Orange County from January 1, 2016, to December 31, 2025. The renewal of a half-penny sales tax was approved by the voters in November 2024, with an effective date beginning January 1, 2026, and ending December 31, 2036. For the current year, sales tax revenues totaled \$379,697,805.

**Revenues by Source – Statement of Activities**



### Expenses by Function – Statement of Activities



Total expenses were \$3,013,615,568, which was a decrease of \$183,074,203, or 5.7 percent from the prior fiscal year. This decrease was primarily due to a decrease in net pension expense. Instruction expenses were 51 percent of the total government-wide expenses compared to the prior fiscal year's proportion of 52.1 percent.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,519,621,861, an increase of \$135,692,199 in comparison with the prior fiscal year. Approximately 3.7 percent of this total amount, \$129,629,803, constitutes unassigned fund balance. The remainder of fund balance is nonspendable of \$1,761,161, restricted of \$3,131,774,063, or assigned of \$256,456,834, which are not available for new spending.

## **Major Governmental Funds**

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$129,629,803, while the total fund balance is \$416,442,228. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance is 5.8 percent of total General Fund expenditures, while total fund balance represents 18.6 percent of that same amount.

The fund balance of the District's General Fund decreased by \$114,348,109 during the current fiscal year. The key factor in this decrease was due to a refund of property taxes related to litigation.

The Special Revenue – Federal Education Stabilization Fund, which is used to account for funds from the State or Federal Government which are restricted for Federal programs. The fund had revenues and expenditures of \$70,400,104 each. Funding was mainly used for instruction and instruction and curriculum development services. Because grant revenues are not recognized until expenditures are incurred, this fund does not accumulate a fund balance.

The Capital Projects – Capital Improvement Tax Fund, which is used to account for capital project activity funded from the capital improvement tax, has a total fund balance of \$631,476,265, all of which is restricted for specific capital projects. The net increase in fund balance during the current year was \$116,412,144 and resulted primarily from funds being reserved for future planned expenditures.

The Capital Projects – Other Fund, which is used to account for capital project activity funded sources such as certificates of participation, sales tax, and impact fees, has a total fund balance of \$2,177,162,368 all of which is restricted for specific capital projects. The net increase in fund balance during the current year was \$154,878,798 and resulted primarily from funds being reserved for specific capital projects.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

There was a change in the General Fund budgeted revenues from the original budget of \$2,264,994,953 to the final budget of \$2,171,773,659. The budgeted appropriations for the General Fund changed from the original amount of \$2,406,516,211 to the final budget of \$2,407,189,658.

General Fund revenues were less than budgeted revenues by approximately \$94 million. The State revenue was less by approximately \$128 million, however, local revenue increased by approximately \$34 million. General Fund actual expenditures were less than the budgeted appropriations by approximately \$167 million, due to the delay of planned expenditures for several major initiatives.

### **CAPITAL ASSETS AND LONG-TERM DEBT**

#### **Capital Assets**

The District's investment in capital assets as of June 30, 2025, is \$5,420,573,214 (net of accumulated depreciation/amortization). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; computer software; lease assets, and subscription-based IT arrangements. The total increase in the District's investment in capital assets (net of accumulated depreciation/amortization) for the current fiscal year was \$332,400,475 (6.5 percent).

Major capital asset events during the current fiscal year included the following:

- Rebuilding of Colonial High School
- Rebuilding of Orlando Technical College East Campus
- Rebuilding of West Orange High School
- Rebuilding of Howard Middle School
- Rebuilding of Lakeview Middle School
- Rebuilding of Orlando Technical College West Campus
- Construction of Luminary Middle School
- Rebuilding of Roberto Clemente Middle School
- Rebuilding of Hungerford Elementary School
- Construction of Atwater Bay Elementary School
- Construction of Innovation High School
- Rebuilding of Orlando Technical College Main Campus
- Rebuilding of Eagles Nest Elementary School
- Rebuilding of Bonnevillle Elementary School
- Rebuilding of Audubon Park Elementary School
- Rebuilding of College Park Middle School
- Rebuilding of McCoy Elementary School
- Rebuilding of Lake Buena Vista High School
- Rebuilding of Water Springs Middle School
- Rebuilding of Andover Elementary School
- Rebuilding of Freedom High School
- Rebuilding of Dr. Philips High School
- Construction of Luminary Elementary School

**Summary of Capital Assets  
(net of depreciation/amortization)**

	<b>Governmental Activities</b>	
	June 30, 2025	June 30, 2024
Land	\$ 381,475,276	\$ 371,836,903
Construction in Progress	453,263,914	487,587,605
Improvement Other Than Buildings	66,467,798	58,061,637
Buildings and Fixed Equipment	4,334,794,078	4,068,610,214
Furniture, Fixtures, and Equipment	42,720,289	37,962,460
Motor Vehicles	69,679,036	57,014,100
Leased Assets	68,190,232	-
SBITAs	3,982,591	7,099,820
<b>Total Capital Assets</b>	<b>\$ 5,420,573,214</b>	<b>\$ 5,088,172,739</b>

Additional information on the District’s capital assets can be found in the Note III.D. to the financial statements.

**Long-Term Debt**

At the end of the current fiscal year, the District had total long-term debt outstanding of \$860,471,597, none of which is considered to be general “bonded debt” (i.e., backed by the full faith and credit of the District). The District’s debt consisted of certificates of participation payable, subscription liabilities, and leases payable which are secured by specific revenue sources or the underlying assets.

**Summary of Outstanding Debt**

	<b>Governmental Activities</b>	
	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Certificates of Participation Payable	\$ 799,073,582	\$ 900,321,211
Subscription Liabilities	4,090,435	6,798,352
Leases Payable	57,307,580	-
<b>Total Debt</b>	<b>\$ 860,471,597</b>	<b>\$ 907,119,563</b>

During the current fiscal year, the District’s total long-term debt decreased by \$46,647,966 (5.1 percent).

The District’s Moody’s rating for its certificates of participation remained the same “Aa2” rating. Fitch’s rating remained the same “AA” rating. The S&P rating remained the same “AA” rating.

Additional information on the District’s long-term debt can be found in Notes III.I.1. through III.I.5. to the financial statements.

**OTHER MATTERS OF SIGNIFICANCE**

The following factors were considered in preparing the District’s budget for the 2026 fiscal year:

- The unemployment rate in June 2025 for the District (Orlando, Florida) was 3.8 percent, an increase of 0.3 percent from the prior year rate of 3.5 percent. The State’s average unemployment rate, as of June 2025, was 3.7 percent. Florida’s unemployment rate has increased 0.4 percent since last year while the nation’s unemployment remained the same at 4.1 percent.
- The District’s final enrollment for the 2024-2025 fiscal year was 227,607 an increase of approximately 9,833 students. The District is forecasting growth of approximately 3,354 students in the 2025-2026 fiscal year.
- The District pays \$1,055.50 per month for health insurance for each full-time benefited employee.
- The District will continue to provide devices to students for its one-to-one digital curriculum initiative and has budgeted funds to build infrastructure and provide devices for all students.
- Unassigned fund balance in the General Fund at June 30, 2025 was \$129,629,803. The District has assigned \$242,716,620. Of this amount, \$193,850,032 was assigned for Encumbrances and Budget Appropriations, which are included in the 2024-2025 fiscal year budget. The remainder, \$48,866,588 for OPEB, is a long-term liability and as such is not included in the 2024-2025 fiscal year budget.

Although current estimates indicate that no subsequent reductions will be required, the historical experience where adjustments were made causes some concern regarding the consistency of state

funding for the current year. The District has therefore been proactive and set aside adequate reserves to deal with such a contingency should it materialize.

### REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer, Orange County Public Schools, 445 W. Amelia Street, Orlando, Florida 32801.

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# BASIC FINANCIAL STATEMENTS

## Orange County District School Board Statement of Net Position June 30, 2025

	Primary Government	Component Units
	Governmental Activities	Charter Schools / Educational Foundation
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 552,346,858	\$ 40,623,463
Investments	2,905,314,022	22,338,387
Restricted Investments	229,272,777	-
Accounts Receivable	8,222,114	2,356,013
Interest Receivable	986,700	2,733
Deposits Receivable	117,185	251,298
Due from Other Agencies	199,085,286	9,451,794
Inventories	6,228,991	-
Prepaid Expenses	447,230	1,628,234
Capital Assets:		
Nondepreciable Capital Assets	834,739,190	7,319,131
Depreciable Capital Assets, Net	4,585,834,024	235,160,374
<b>TOTAL ASSETS</b>	<b>9,322,594,377</b>	<b>319,131,427</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Net Carrying Amount of Debt Refundings	24,117,539	-
OPEB	14,626,589	-
Pensions	404,652,169	5,278,620
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>443,396,297</b>	<b>5,278,620</b>
<b>LIABILITIES</b>		
Accrued Salaries and Benefits	42,118,038	3,834,756
Payroll Deductions	492,597	-
Accounts Payable	53,814,592	6,223,370
Sales Tax Payable	42,451	-
Construction Contracts Payable	35,485,100	-
Construction Contracts Payable - Retained Percentage	17,701,109	-
Due to Other Agencies	5,722,566	820,244
Estimated Insurance Claims Payable	27,000,000	-
Accrued Interest Payable	12,095,601	452,147
Unearned Revenue	62,606,325	115,038
Long-Term Liabilities:		
Portion Due Within 1 Year	116,003,500	7,822,262
Portion Due After 1 Year	2,292,014,178	255,808,756
<b>TOTAL LIABILITIES</b>	<b>2,665,096,057</b>	<b>275,076,573</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB	15,277,538	-
Pensions	166,134,821	5,061,995
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>181,412,359</b>	<b>5,061,995</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,531,032,946	381,045
Restricted for:		
Capital Projects	2,898,878,142	638,612
Debt Service	121,838,109	-
Food Service	88,588,142	-
State Grants	2,933,706	5,703,937
State Categorical Programs	1,633,149	-
Post-Secondary	37,927,472	-
Student Activities	21,225,634	-
Unrestricted (Deficit)	(784,575,042)	37,547,885
<b>TOTAL NET POSITION</b>	<b>\$ 6,919,482,258</b>	<b>\$ 44,271,479</b>

The accompanying notes to financial statements are an integral part of this statement.

**Orange County District School Board  
Statement of Activities  
For the Fiscal Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
Instruction	\$ 1,537,204,025	\$ 3,387,509	\$ -	\$ -
Student Support Services	130,439,702	-	-	-
Instructional Media Services	23,997,936	-	-	-
Instruction and Curriculum Development Services	134,131,681	-	-	-
Instructional Staff Training Services	53,235,783	-	-	-
Instruction-Related Technology	13,961,750	-	-	-
Board	5,019,236	-	-	-
General Administration	15,960,706	-	-	-
School Administration	153,591,786	-	-	-
Facilities Acquisition and Construction	52,290,027	-	-	67,578,142
Fiscal Services	9,532,604	-	-	-
Food Services	155,225,198	5,357,207	144,555,567	-
Central Services	33,414,044	-	-	-
Student Transportation Services	124,695,819	1,023,689	-	-
Operation of Plant	212,234,374	-	-	-
Maintenance of Plant	49,959,231	-	-	-
Administrative Technology Services	34,613,679	-	-	-
Community Services	57,469,465	8,310,870	-	-
Unallocated Interest on Long-Term Debt	30,724,671	-	-	322,104
Unallocated Depreciation Expense/Amortization*	185,914,851	-	-	-
<b>Total Primary Government</b>	<b>\$ 3,013,616,568</b>	<b>\$ 18,079,275</b>	<b>\$ 144,555,567</b>	<b>\$ 67,900,246</b>
<b>Component Units</b>				
Charter Schools/Educational Foundation	\$ 210,506,681	\$ 4,754,949	\$ 20,114,592	\$ 10,412,599

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Miscellaneous

Unrestricted Investment Earnings

Total General Revenues

Special Item - Loss on Disposal of Assets

**Total General Revenues and Special Item**

**Change in Net Position**

Net Position - Beginning Net Position

Adjustment to Beginning Net Position

Net Position - Beginning, Restated

**Net Position - Ending**

\* This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

The accompanying notes to financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes  
in Net Position**

<u>Primary Government</u>	<u>Component Units</u>
<u>Governmental Activities</u>	<u>Charter Schools/ Educational Foundation</u>
\$ (1,533,816,516)	\$ -
(130,439,702)	-
(23,997,936)	-
(134,131,681)	-
(53,235,783)	-
(13,961,750)	-
(5,019,236)	-
(15,960,706)	-
(153,591,786)	-
15,288,115	-
(9,532,604)	-
(5,312,424)	-
(33,414,044)	-
(123,672,130)	-
(212,234,374)	-
(49,959,231)	-
(34,613,679)	-
(49,158,595)	-
(30,402,567)	-
(185,914,851)	-
<u>(2,783,081,480)</u>	<u>-</u>
-	(175,224,541)
1,050,098,369	-
320,491,074	-
379,697,805	-
1,198,574,219	184,713,101
111,766,596	693,864
175,923,014	1,681,216
<u>3,236,551,077</u>	<u>187,088,181</u>
-	(4,721)
<u>3,236,551,077</u>	<u>187,083,460</u>
<u>453,469,597</u>	<u>11,858,919</u>
6,475,630,621	31,699,789
(9,617,960)	712,771
<u>6,466,012,661</u>	<u>32,412,560</u>
<u>\$ 6,919,482,258</u>	<u>\$ 44,271,479</u>

**Orange County District School Board  
Balance Sheet – Governmental Funds  
June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue - Federal Education Stabilization Fund</u>	<u>Capital Projects - Capital Improvement Tax Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 45,662,214	\$ 4,101,483	\$ 133,020,572
Investments	330,196,043	133,166	474,681,107
Restricted Investments	-	-	-
Accounts Receivable	1,390,120	-	-
Interest Receivable	-	-	-
Due from Other Funds	11,947,921	-	-
Due from Other Agencies	100,945,594	-	27,622,336
Inventories	1,601,477	-	-
Prepaid Items	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 491,743,369</u>	<u>\$ 4,234,649</u>	<u>\$ 635,324,015</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accrued Salaries and Benefits	\$ 41,369,090	\$ -	\$ -
Payroll Deductions and Withholdings	491,124	19	-
Accounts Payable	25,552,129	10,555	1,684,121
Construction Contracts Payable	-	-	353,792
Construction Contracts Payable - Retained Percentage	-	-	1,809,837
Due to Other Funds	-	3,832,973	-
Due to Other Agencies	5,311,706	391,102	-
Sales Tax Payable	42,451	-	-
Unearned Revenue	-	-	-
<b>Total Liabilities</b>	<u>72,766,500</u>	<u>4,234,649</u>	<u>3,847,750</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>2,534,641</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable	1,601,477	-	-
Spendable:			
Restricted	42,494,328	-	631,476,265
Assigned	242,716,620	-	-
Unassigned	129,629,803	-	-
<b>Total Fund Balances</b>	<u>416,442,228</u>	<u>-</u>	<u>631,476,265</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 491,743,369</u>	<u>\$ 4,234,649</u>	<u>\$ 635,324,015</u>

The accompanying notes to financial statements are an integral part of this statement.

<b>Capital Projects - Other Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 245,689,753	\$ 72,545,267	\$ 501,019,289
1,749,162,731	184,416,777	2,738,589,824
198,375,034	27,738,981	226,114,015
-	63,099	1,453,219
497,828	488,872	986,700
-	-	11,947,921
50,775,575	19,741,781	199,085,286
-	4,595,184	6,196,661
-	447,230	447,230
<u>\$ 2,244,500,921</u>	<u>\$ 310,037,191</u>	<u>\$ 3,685,840,145</u>

\$ -	\$ 748,948	\$ 42,118,038
-	1,454	492,597
13,033,507	5,930,180	46,210,492
35,081,507	49,801	35,485,100
15,874,204	17,068	17,701,109
37,719	8,077,229	11,947,921
-	19,758	5,722,566
-	-	42,451
-	651,753	651,753

<u>64,026,937</u>	<u>15,496,191</u>	<u>160,372,027</u>
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<u>3,311,616</u>	<u>-</u>	<u>5,846,257</u>
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-	159,684	1,761,161
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2,177,162,368	280,641,102	3,131,774,063
-	13,740,214	256,456,834
-	-	129,629,803

<u>2,177,162,368</u>	<u>294,541,000</u>	<u>3,519,621,861</u>
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<u>\$ 2,244,500,921</u>	<u>\$ 310,037,191</u>	<u>\$ 3,685,840,145</u>
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**Orange County District School Board  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2025**

**Total Fund Balances - Governmental Funds** \$ 3,519,621,861

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	5,420,573,214
Deferred charges on bond refundings are not expensed in the government-wide statements, but are reported as deferred outflows of resources and amortized over the life of the debt.	24,117,539
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of capital assets.	117,418,022
Interest on long-term debt is accrued as a liability in the government-wide statements, but not recognized in the governmental funds until due, except for accrued interest received as part of a debt issue.	(12,095,601)
Revenues earned but not received within the availability period are reported as unavailable revenue in the governmental funds, but are recorded as revenue in the government-wide statements.	5,846,257

The deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions	\$ 404,652,169	
Deferred Outflows Related to OPEB	14,626,589	
Deferred Inflows Related to Pensions	(166,134,821)	
Deferred Inflows Related to OPEB	(15,277,538)	237,866,399

Long-term liabilities are not due and payable in the fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

Subscription Liabilities	\$ (4,090,435)	
Lease Payable	(57,307,580)	
Certificates of Participation Payable	(799,073,582)	
Compensated Absences Payable	(156,584,591)	
Total OPEB Liability	(48,866,588)	
Net Pension Liability	(1,327,942,657)	(2,393,865,433)

**Net Position - Governmental Activities** \$ 6,919,482,258

The accompanying notes to financial statements are an integral part of this statement.

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**Orange County District School Board**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances – Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	General Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Capital Improvement Tax Fund
<b>Revenues</b>			
Intergovernmental:			
Federal Direct	\$ 1,952,756	\$ 3,553	\$ -
Federal Through State and Local	5,785,520	70,396,551	-
State	957,417,769	-	-
Local:			
Property Taxes	1,050,098,370	-	320,491,074
Local Sales Taxes	-	-	-
Impact Fees	-	-	-
Food Services	-	-	-
Miscellaneous	62,739,709	-	54,249,012
Total Local Revenues	<u>1,112,838,079</u>	<u>-</u>	<u>374,740,086</u>
<b>Total Revenues</b>	<u>2,077,994,124</u>	<u>70,400,104</u>	<u>374,740,086</u>
<b>Expenditures</b>			
Current - Education:			
Instruction	1,369,367,247	45,810,850	-
Student Support Services	103,756,573	2,544,441	-
Instructional Media Services	22,252,174	817,040	-
Instruction and Curriculum Development Services	85,936,996	12,005,791	-
Instructional Staff Training Services	28,801,034	897,439	-
Instruction-Related Technology	12,850,442	345,414	-
Board	4,943,140	-	-
General Administration	10,575,057	1,556,063	-
School Administration	147,149,227	911,169	-
Facilities Acquisition and Construction	7,004,814	-	10,274,742
Fiscal Services	8,830,035	61,656	-
Food Services	303,481	-	-
Central Services	32,075,484	457,274	-
Student Transportation Services	104,877,667	448,142	-
Operation of Plant	205,780,587	2,004,384	-
Maintenance of Plant	47,999,017	4,027	-
Administrative Technology Services	33,566,471	723,894	-
Community Services	481,004	-	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	609,611	1,277,579	66,961,344
Charter School Local Capital Improvement	-	-	5,142,916
Other Capital Outlay	8,259,049	534,941	81,887,752
Debt Service:			
Principal	4,123,972	-	24,580,172
Interest and Fiscal Charges	170,243	-	632,308
<b>Total Expenditures</b>	<u>2,239,713,325</u>	<u>70,400,104</u>	<u>189,479,234</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(161,719,201)</u>	<u>-</u>	<u>185,260,852</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	74,330,212	-	-
Inception of Subscription and Lease Liabilities	1,416,055	-	81,887,752
Sale of Capital Assets	1,081,835	-	-
Loss Recoveries	366	-	-
Transfers Out	(29,457,376)	-	(150,736,460)
<b>Total Other Financing Sources (Uses)</b>	<u>47,371,092</u>	<u>-</u>	<u>(68,848,708)</u>
<b>Net Change in Fund Balances</b>	<u>(114,348,109)</u>	<u>-</u>	<u>116,412,144</u>
Fund Balances, Beginning	530,790,337	-	515,064,121
<b>Fund Balances, Ending</b>	<u>\$ 416,442,228</u>	<u>\$ -</u>	<u>\$ 631,476,265</u>

The accompanying notes to financial statements are an integral part of this statement.

<u>Capital Projects - Other Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 4,672,446	\$ 6,628,755
-	313,807,266	389,989,337
1,015,258	22,098,533	980,531,560
-	-	1,370,589,444
379,697,805	-	379,697,805
58,704,516	-	58,704,516
-	5,357,207	5,357,207
110,986,911	66,031,232	294,006,864
<u>549,389,232</u>	<u>71,388,439</u>	<u>2,108,355,836</u>
<u>550,404,490</u>	<u>411,966,684</u>	<u>3,485,505,488</u>
-	85,018,558	1,500,196,655
-	20,140,156	126,441,170
-	251,557	23,320,771
-	32,881,830	130,824,617
-	22,376,380	52,074,853
-	240,336	13,436,192
-	-	4,943,140
-	3,674,522	15,805,642
-	737,337	148,797,733
29,983,904	5,093,435	52,356,895
-	391,734	9,283,425
-	150,768,759	151,072,240
-	209,976	32,742,734
-	3,895,557	109,221,366
-	345,373	208,130,344
-	1,330	48,004,374
-	-	34,290,365
-	56,883,562	57,364,566
365,541,788	3,989,941	438,380,263
-	-	5,142,916
-	4,261,747	94,943,489
-	91,103,860	119,808,004
-	27,357,616	28,160,167
<u>395,525,692</u>	<u>509,623,566</u>	<u>3,404,741,921</u>
<u>154,878,798</u>	<u>(97,656,882)</u>	<u>80,763,567</u>
-	88,129,708	162,459,920
-	-	83,303,807
-	-	1,081,835
-	-	366
-	(11,723,460)	(191,917,296)
<u>-</u>	<u>76,406,248</u>	<u>54,928,632</u>
154,878,798	(21,250,634)	135,692,199
2,022,283,570	315,791,634	3,383,929,662
<u>\$ 2,177,162,368</u>	<u>\$ 294,541,000</u>	<u>\$ 3,519,621,861</u>

**Orange County District School Board  
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Fund Balances to the Statement of Activities  
For the Fiscal Year Ended June 30, 2025**

**Net Change in Fund Balances - Governmental Funds** \$ 135,692,199

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital outlays in excess of the loss on disposal and depreciation expense in the current fiscal year.

Capital Outlays net of amount not capitalized	\$ 533,323,752	
Loss on Disposal	(883,077)	
Depreciation/amortization Expense	<u>(200,040,200)</u>	332,400,475

The inception of subscription-based IT arrangements (SBITA) and lease agreements are reported as other financing sources are reported in government funds but increase long-term liabilities in the government-wide statements.

SBITA	\$ (1,416,055)	
Leases	<u>(81,887,752)</u>	(83,303,807)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 119,808,004

Deferred charges associated with long-term debt issued in a prior period are reported in the statement of activities, but are not a current financial resource and, therefore, are not reported in the governmental funds. This is the net decrease in deferred charges during the current period. (4,310,252)

Premiums and discounts on debt issued are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the statement activities. 10,143,769

Interest on long-term debt is recognized in the governmental funds when due, but is recognized as interest accrues in the statement of activities. (3,255,103)

Governmental funds recognize revenues when they are measurable and available to pay liabilities in the current period. However, in the statement of activities, revenue is recognized as soon as it is earned regardless of availability. This is the effect of the timing difference between the two methods of revenue recognition. (25,859,486)

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year. (4,338,191)

Governmental funds report District OPEB contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions, as determined through an actuarial valuation, is reported as an OPEB expense.

Increase in Total OPEB Liability	\$ (2,323,579.00)	
Increase in Deferred Outflows of Resources - OPEB	331,361.00	
Decrease in Deferred Inflows of Resources - OPEB	<u>417,241.00</u>	(1,574,977)

Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.

FRS Pension Contribution	\$ 126,052,467	
HIS Pension Contribution	26,369,667	
FRS Pension Expense	(129,918,894)	
HIS Pension Expense	<u>(18,637,748)</u>	3,865,492

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The change in net position of the internal service funds is reported with governmental activities, net of capital assets activity. (25,798,526)

**Change in Net Position - Governmental Activities** \$ 453,469,597

The accompanying notes to financial statements are an integral part of this statement.

**Orange County District School Board  
Statement of Net Position – Proprietary Funds  
June 30, 2025**

	<b>Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 51,327,569
Investments	166,724,198
Restricted Investments	3,158,762
Accounts Receivable	6,768,895
Deposits Receivable	117,185
Inventories	32,330
<b>Total Current Assets</b>	<b>228,128,939</b>
Noncurrent Assets:	
Furniture, Fixtures, and Equipment	253,087
Less Accumulated Depreciation	(144,930)
<b>Total Noncurrent Assets</b>	<b>108,157</b>
<b>TOTAL ASSETS</b>	<b>228,237,096</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	7,604,100
Unearned Revenue	61,954,572
Estimated Insurance Claims Payable	33,172,028
<b>Total Current Liabilities</b>	<b>102,730,700</b>
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	7,980,217
<b>TOTAL LIABILITIES</b>	<b>110,710,917</b>
<b>NET POSITION</b>	
Investment in Capital Assets	108,157
Restricted for Claim Payments	3,158,762
Unrestricted	114,259,260
<b>TOTAL NET POSITION</b>	<b>\$ 117,526,179</b>

The accompanying notes to financial statements are an integral part of this statement.

**Orange County District School Board  
Statement of Revenues, Expenses, and Changes in Fund  
Net Position – Proprietary Funds  
For the Fiscal Year Ended June 30, 2025**

	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 3,488,653
Premium Revenues	254,740,749
Other	242,439
<b>Total Operating Revenues</b>	<b>258,471,841</b>
<b>OPERATING EXPENSES</b>	
Salaries	964,464
Employee Benefits	500,913
Purchased Services	16,910,622
Energy Services	46,888
Materials and Supplies	193,381
Capital Outlay	3,238
Claims Expense	302,520,422
Depreciation	35,809
<b>Total Operating Expenses</b>	<b>321,175,737</b>
<b>Operating Loss</b>	<b>(62,703,896)</b>
<b>NONOPERATING REVENUES</b>	
Interest	7,440,164
<b>Loss Before Transfers</b>	<b>(55,263,732)</b>
Transfers In	29,457,376
<b>Change in Net Position</b>	<b>(25,806,356)</b>
Total Net Position - Beginning	143,332,535
<b>Total Net Position - Ending</b>	<b>\$ 117,526,179</b>

The accompanying notes to financial statements are an integral part of this statement.

**Orange County District School Board  
Statement of Cash Flows – Proprietary Funds  
For the Fiscal Year Ended June 30, 2025**

	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Services	\$ 256,192,823
Cash Received from Other Operating Revenues	242,439
Cash Payments to Suppliers for Goods and Services	(307,501,105)
Cash Payments to Employees for Services	(1,465,377)
<b>Net Cash Used by Operating Activities</b>	<b>(52,531,220)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers In from Other Funds	29,457,376
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(27,978)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	(8,657,575)
Interest Income	7,440,164
<b>Net Cash Used by Investing Activities</b>	<b>(1,217,411)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(24,319,233)</b>
Cash and Cash Equivalents, Beginning	75,646,802
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 51,327,569</b>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>	
Operating Loss	\$ (62,703,896)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	35,809
Changes in Assets and Liabilities:	
Accounts Receivable	(2,036,579)
Inventories	2,587
Accounts Payable	3,587,157
Unearned Revenue	6,868,980
Estimated Insurance Claims Payable	1,714,722
<b>Total Adjustments</b>	<b>10,172,676</b>
<b>Net Cash Used by Operating Activities</b>	<b>\$ (52,531,220)</b>
<b>Noncash Investing, Capital, and Financing Activities</b>	
Net Decrease in Fair Value of Investments	<b>\$ (69,768)</b>

The accompanying notes to financial statements are an integral part of this statement.

# **NOTES TO FINANCIAL STATEMENTS**

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## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The Orange County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of eight elected members, with seven Board members elected by district and one Board Chairman elected at large. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Orange County. Pursuant to Section 1001.51(11)(d), Florida Statutes, the Superintendent is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the Florida State Board of Education.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States (GAAP), these basis financial statements present the District (the primary government) and its component units. The Component units discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District.

**Blended Component Units.** Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The District's employee group health and life insurance program, described in a subsequent note, is administered through the School Board of Orange County Employee Benefits Trust (Trust). Assets necessary to fund the program are transferred to the Trust; however, under the terms of the Trust Agreement, the School Board retains control of the assets. Due to the substantive economic relationship between the District and the Trust, the financial activities of the Trust are reported in the accompanying basic financial statements as an internal service fund.

The Orange County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in a subsequent note. The Board of Directors of the Leasing Corporation are members of the Board who elect to serve as ex-officio Directors. Due to the subsequent economic relations between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic

financial statements as part of the debt service and capital projects funds. Separate financial statements for the Leasing Corporation are not published.

**Discretely Presented Component Units.** The component units columns in the government-wide financial statements include the financial data of the District's other component units. The Foundation for Orange County Public Schools, Inc. (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Section 1001.453, Florida Statutes, requires the Foundation to be authorized and approved by the District. The stated mission of the Foundation is to identify, develop and focus community resources to make a meaningful impact on the success of students and teachers of Orange County Public Schools. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

Charter schools included in the financial statements consist of the following for the year ended June 30, 2025: Access Charter School, Inc.; Sunshine High School – Central Orange County Campus, Inc. (d/b/a Aloma High School); Aspire Charter Academy; BridgePrep Academy of Orange County; Central Florida Leadership Academy Charter School; Sunshine High School – Orlando Campus, Inc. (d/b/a Chancery Charter High School); Sunshine High School – Greater Orlando Campus, Inc. (d/b/a Econ River Charter High School); Hope Charter School, Inc.; Innovations Middle Charter School; Innovation Montessori Ocoee, Inc.; Lake Eola Charter School, Inc.; Legacy High School, Inc.; Legends Academy; Eagles' Nest Community Charter Schools, Inc. (d/b/a Lucious and Emma Nixon Academy); Mater Academy Narcoosee; Mater Academy Narcoosee High; Orlando Science Charter School K-8; Orlando Science Elementary Charter School, Inc.; Orlando Science Middle/High Charter School, Inc.; The Passport Charter School, Inc.; Pinecrest Collegiate Academy; Pinecrest Creek Academy; Pinecrest Preparatory Charter School (Orlando Campus); Pinecrest Academy Avalon; Princeton House Charter School, Inc.; Renaissance Charter School at Chickasaw Trail; Renaissance Charter School at Crown Point; Renaissance Charter School at Goldenrod; Renaissance Charter School at Hunter's Creek; Sunshine High School – Orange County Campus, Inc. (d/b/a Sheeler Charter High School); Sunshine High School – Greater Orlando Campus, Inc. (d/b/a Sunshine Charter High School); United Cerebral Palsy (UCP) Bailes Charter School; United Cerebral Palsy (UCP) Downtown Charter School; UCP East Orange Charter School; UCP Pine Hills Charter School; UCP Transitional Learning Academy Charter School; UCP West Orange Charter School; and Workforce Advantage Academy Charter High School, Inc. (Charter Schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. These charter schools operate under charters approved by their sponsor, the Orange County District School Board.

In accordance with the Florida Department of Education (FDOE) requirements, the charter schools are included as component units of the District. According to the FDOE, the charter schools are fiscally dependent on the District for their tax levy and the majority of their funding, which creates a financial burden to the District because the charter schools' full-time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. In addition, the charter schools are reported as component units because they are considered to be misleading to exclude.

The following charter schools are reported by other governmental entities and are therefore not included in the District's basic financial statements in accordance with generally accepted accounting principles: Oakland Avenue Charter School, Cornerstone Charter Academy, and Cornerstone Charter High School. The charter schools are organized under the Town of Oakland (Oakland Avenue) and the City of Belle Isle (both are Cornerstone Charter Schools).

The audits of the financial statements of the aforementioned charter schools and of the Foundation for the fiscal year ended June 30, 2025, were conducted by independent certified public accountants whose audit reports are filed in the District's administrative offices at 445 West Amelia Street, Orlando, Florida 32801.

## **B. Basis of Presentation: Government-Wide Financial Statements**

The government-wide financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the government in its entirety. Governmental activities, which generally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which are generally supported by fees charged. The District currently does not have any business-type activities.

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District. The Statement of Activities presents a comparison between the direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Depreciation/amortization expenses associated with the District's transportation and maintenance departments are allocated to the student transportation services and maintenance of plant functions, while remaining depreciation/amortization expenses are not readily associated with a particular function and are reported as unallocated.

Amounts reported as program revenues include (1) charges for services provided to students for tuition, fees, rental, material, supplies, or other services, (2) operating grants and contributions, and (3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The District eliminates from the Statement of Net Position and the Statement of Activities most interfund receivables and payables and transfers between funds as well as the transactions associated with its Internal Service Funds.

The District's Foundation and charter schools use the economic resources management focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. Thirty-five charter schools and the Foundation follow GASB standards of accounting and financial reporting. Six charter schools (UCP) follow FASB standards of accounting and financial reporting for not-for-profit organizations.

### **C. Basis of Presentation: Fund Financial Statements**

The governmental fund financial statements are prepared utilizing the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues "susceptible to accrual" include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers revenues from ad valorem taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the fund liability is incurred, which exclude unmatured principal and interest on general long-term debt and accumulated sick and vacation pay, OPEB, claims and judgements and certain prepaid items, which are recognized when due/paid.

In applying the "susceptible to accrual" concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one type, moneys must be expended for the specific purpose or project before the District will receive any amounts; therefore, revenues are recognized based upon the occurrence of the expenditure. In the other type, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the "susceptible to accrual" criteria are met. In all cases, moneys received before the revenue recognition criteria have been met are reported as unearned revenue.

The proprietary fund financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are for self-insurance (property, casualty, liability, and workers' compensation), employee benefits (health and prescription), and printing provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, energy services, materials and supplies, claims expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide information about the District's funds, including the blended component units. Separate statements for each fund category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes. The General Fund is the District's primary operating fund.
- Special Revenue – Federal Education Stabilization Fund – to account for certain Federal grant program resources provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.
- Capital Projects – Capital Improvement Tax Fund – to account for the financial resources generated by the local capital improvement taxes (property taxes) and other local sources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, motor vehicle purchases, and debt service payments.
- Capital Projects – Other Fund – to account for various financial resources (e.g., certificates of participation, impact fees, lottery, sales tax, and other local sources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects and debt service payments.

Additionally, the District reports the following nonmajor fund types:

- Special Revenue Funds – to account for the financial resources of the school food service program, the extended day childcare program, and other such restricted resources.
- Debt Service Funds – to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related debt issuance costs
- Capital Projects Funds - to account for financial resources generated from allocations of state revenues that are to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.
- Internal Service Funds – to account for the District's limited self-insurance programs and printing services operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### **D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

## **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

### **1. Cash and Cash Equivalents**

Cash deposits are held in banks that qualify as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, and/or collateralized with securities held in Florida's multiple financial institution collateral pool required by Sections 280.07 and 280.08, Florida Statutes. For the Internal Service Funds, the statement of cash flows considers cash as those accounts used as demand deposit accounts.

Cash balances from all funds are combined and invested to the extent available. Earnings are allocated monthly to each fund based on a rolling 2-month average balance of cash and investments.

### **2. Investments and Restricted Investments**

Investments consist of amounts placed with various intergovernmental investment pools which hold a majority of U.S. government securities, municipal securities, and repurchase agreements. The investment earnings are allocated to each fund based on a rolling two-month average investment balance in that fund. Investments also consist of corporate bonds, municipal bonds, commercial paper, and United States instrumentality securities. The District's investment in SPIA is part of an investment pool managed by the Florida Department of Treasury, where the District owns a share of the pool, not the underlying shares of the assets in the pool. The District relies on policies developed by the State Treasury for managing interest and credit risk for this external investment pool. The District's investment in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments.

Investments are valued at fair value, amortized cost, or net asset value, as applicable. The types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

Restricted investments consist of \$226,114,015 restricted for the repayment of certificates of participation principal and interest, and \$3,158,762 pledged to cover certain workers' compensation claims.

### **3. Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Transportation, custodial, and school supply inventories are stated at cost on a weighted average basis. Food service inventories are stated at cost on the last invoice basis, which approximates the first-in, first-out basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer

Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

#### 4. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets acquired are reported at cost, except for subscription-based information technology arrangements and leases which are reported at present value of future payments, in the government wide statement of net position, but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those which have an estimated life of one or more years and which have minimum cost by classification as follows: \$1,000 for furniture, fixtures and equipment, motor vehicles, and computer software; \$100,000 for subscription-based information technology arrangements (SBITA); \$50,000 for improvements other than buildings and fixed equipment, and construction in progress; \$5,000,000 for lease assets. All land purchases are capital assets regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the values of the assets or materially extend assets lives are not capitalized and are expensed as incurred.

Capital assets of the primary government, excluding land and construction in progress, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements other than buildings	15 years
Buildings and fixed equipment	40 years
Furniture, fixtures, and equipment	5-15 years
Motor Vehicles	5-10 years
Lease Assets	2-5 years
SBITA	3-10 years
Computer software	5 years

Current-year information relative to changes in capital assets is described in a subsequent note.

#### 5. Unearned Revenue

Unearned revenue consists primarily of health insurance premiums collected from employees during the fiscal year for the coverage period extending through the plan year end of September 30.

#### 6. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums and discounts, as well as deferred amounts on refunding, are deferred and amortized over the life of the debt using the effective interest method. Debt is reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums and discounts, as well as issuance costs and deferred amounts on refunding, during the current period. The face amount of debt issued is reported as other financing source while discounts on debt issuances and deferred amounts on refunding are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. A liability is reported in the governmental fund financial statements only for the portion due and payable at year-end.

OPEB is reported in the government-wide financial statements. The District subsidizes the premium rates paid by Non-Medicare eligible retirees by allowing them to participate in the health plan at the blended group premium rates for both active and retired employees. OPEB is recorded by the District for the implicit subsidy for Non-Medicare eligible retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the District than those of active employees. The District funds OPEB on a pay-as-you-go basis.

The District makes healthcare available but no longer pays any portion of the healthcare benefits for Medicare eligible retirees. As a result, no health care experience for this group, whether favorable or unfavorable, would reflect on the cost of insurance to the District. Additional information on OPEB is described in a subsequent note.

In the government-wide statement of net position, pension liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Changes in long-term liabilities for the current year are reported in a subsequent note.

## **7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods, and therefore, will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. The deferred outflows of resources related to pension, OPEB, and the net carrying amount on debt refunding are discussed in subsequent notes. A deferred amount on refunding results from the difference in the carrying value of the

refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under modified accrual basis of accounting. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. The governmental activities report deferred inflows related to pension and OPEB, which are discussed in subsequent notes.

## **8. Net Position Flow Assumption**

The District occasionally funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Consequently, it is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## **9. Fund Balance Flow Assumptions**

The District may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of assigned, and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, assigned fund balance is depleted first, followed by unassigned fund balance.

## **10. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The Board does not have a policy regarding the commitment or assignment of fund balances; however, by resolution, the Board has given the ability to assign fund balance to the Superintendent and the Chief Financial Officer. The District does not have commitments imposed by formal action of its highest level of decision-making authority and, as such, the District does not report any committed fund balance.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes. The Board also assigns fund balance when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

## **F. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

### **2. State Revenue Sources**

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the FDOE under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the FDOE. The FDOE performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting during specified time periods following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain categorical educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program that the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The FDOE generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental funds' financial statements for the balance of categorical and earmarked educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money and School Hardening grants, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

### **3. District Property Taxes**

The Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. The Orange County Property Appraiser determines the real and

personal property values within the District. The Orange County Tax Collector then collects the taxes and remits them to the District.

The Board adopted the fiscal year 2024-25 tax levy on September 10, 2024. Property values are assessed as of January 1 each year. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1 and are delinquent on April 1 of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except the revenue that is accrued for taxes collected by the Orange County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes levied for the current year are presented in a subsequent note.

#### **4. Capital Outlay Surtax**

In November 2014, the voters of Orange County approved a one-half cent school capital outlay surtax on sales in the County for 10 years, effective January 1, 2016, to pay construction costs of certain school facilities and related costs in accordance with Section 212.055(6), Florida Statutes. This surtax was renewed by voters in November 2024, for 10 additional years, effective January 1, 2026.

#### **5. Voted Additional Millage**

In August 2022, the voters of Orange County approved a one mill ad valorem tax increase in the County for 4 years, effective July 1, 2023, to pay for essential operating expenses in accordance with Section 1011.71(9), Florida Statutes. Revenues will be used to fund District operating expenses, teacher and staff compensation, arts, athletics, and safety.

#### **6. Federal Revenue Sources**

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards for which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred the FDOE may require adjustments to subsequent fiscal period expenditures and related revenues based upon an audit of the District's compliance with applicable Federal award requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

## G. Use of Estimates

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

## II. ACCOUNTING CHANGES

### A. Change in Accounting Principle

The District implemented GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences and requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. At implementation on July 1, 2024, the beginning balance of the compensated absences liability was increased by \$9,617,960, which resulted in a decrease to the beginning net position by the same amount as shown in the table below.

	<b>Reporting Units Affected by Restatements of Beginning Balances</b>
	<b>Government-Wide</b>
	<b>Governmental Activities</b>
Beginning Balances, as previously reported	\$ 6,475,630,621
Change in Accounting Principle (GASB 101)	(9,617,960)
Beginning Balances, as restated	<u>\$ 6,466,012,661</u>

## III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

### A. Cash Deposits with Financial Institutions

**Custodial Credit Risk.** In the case of deposits, this is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

### B. Investments

#### **Fair Value Measurement**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements are valued using quoted prices

for similar assets or liabilities in active markets (Level 2 inputs). The District's investments at June 30, 2025, are reported as follows:

Investments measured at fair value	Fair Value Measurements			
	Value	Level 1	Level 2	Level 3
U.S. Government Agencies	\$ 570,687,129	\$ -	\$ 570,687,129	\$ -
Municipal bonds	8,357,870	-	8,357,870	-
Corporate bonds	4,995,400	-	4,995,400	-
Total investments measured at fair value	584,040,399	\$ -	\$ 584,040,399	\$ -
<b>Investments measured at net asset value (NAV):</b>				
FL Special Purpose Investment Account (SPIA)	995,939			
<b>Investments measured at amortized cost:</b>				
Florida Prime	732,501,282			
Florida Public Assets for Liquidity Management (Portfolio)	712,551,361			
FLClass	554,091,842			
FL FIT	290,788,829			
Florida Safe	58,044,542			
Money Market	201,565,703			
Commercial Paper	6,902			
Total investments measured at amortized cost	2,549,550,461			
<b>Total Investments, Primary Government</b>	<b>\$ 3,134,586,799</b>			

Certain investments are measured at fair value using the net asset value per share (or its equivalent) practical expedient or amortized cost, which approximates fair value. These amounts have not been classified in the fair value hierarchy. The District invests in these types of investments to obtain competitive market returns while ensuring the safety and liquidity of the portfolio. These types of investments may be redeemed without advance notice and there are no unfunded commitments for further investment. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

### **Interest Rate Risk**

District policy limits the maturity of the investment portfolio to a 5-year weighted average life as a means of limiting its exposure to fair value losses arising from rising interest rates. Also, at least 3 months of average disbursements should be invested in highly liquid funds with a maturity range of 0-90 days.

The District has \$584,040,399 in obligations of the United States Government Sponsored Agencies/Federal Instrumentalities, Corporate, and Municipal Bonds. These securities include embedded options to call the entire security or a portion thereof, at the option of the issuer, or depending on market conditions, the issuer may decide to leave the security intact, at the stated interest rate, until final maturity. These securities have various call dates with final maturity dates being October 2053.

At June 30, 2025, the District's investments had the following maturities:

Investment	Fair Value	Investment Maturities Less Than				
		6 Months	1 Year	2 Years	5 Years	After
FL Special Purpose Investment Account (SPIA)	\$ 995,939	\$ -	\$ -	\$ -	\$ 995,939	\$ -
FL Prime	732,501,282	732,501,282	-	-	-	-
Florida Public Assets for Liquidity Management	712,551,361	712,551,361	-	-	-	-
FLClass	554,091,842	554,091,842	-	-	-	-
FL FIT	290,788,829	290,788,829	-	-	-	-
Florida Safe	58,044,542	58,044,542	-	-	-	-
Money Market	201,565,703	201,565,703	-	-	-	-
Commercial Paper	6,902	6,902	-	-	-	-
Obligations of United States Government Agencies and Instrumentalities	570,687,129	50,857,031	27,662,454	38,995,972	136,720,634	316,451,038
Municipal Bonds	8,357,870	5,000,000	-	-	3,357,870	-
Corporate Bonds	4,995,400	4,995,400	-	-	-	-
Total Investments, Reporting Entity	<u>\$3,134,586,799</u>	<u>\$2,610,402,892</u>	<u>\$27,662,454</u>	<u>\$38,995,972</u>	<u>\$141,074,443</u>	<u>\$316,451,038</u>

For Florida PRIME, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board [State Board of Administration] can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.” As of June 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

### **Credit Risk**

Investments authorized by District policy are:

- Direct Obligations of US Treasury;
- U.S. Government Sponsored Agencies or Federal Instrumentalities;
- Investment in the Florida Prime Fund;
- Investment in the Florida Special Purpose Investment Account;
- Investment in the Florida Education Investment Trust Fund;
- Certificates of Deposit and Savings Accounts;
- Repurchase Agreements;

- State and/or Local Government Taxable or Tax-Exempt Debt;
- Corporate Bonds;
- Commercial Paper;
- Money Market Funds and other local government investment pools.

### **Custodial Credit Risk**

Section 218.415(18), Florida Statutes, requires the District to earmark all investments and (1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; (2) if in a book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other State or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or (3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's \$584,040,399 investments in obligations of Municipalities and United States Government Agencies and Instrumentalities are held by the safekeeping agent, in the name of the District.

### **Concentration of Credit Risk**

Composition of investment portfolio is limited by District policy to:

- Direct Obligations of the U. S Treasury to 100 percent
- U.S. Government Sponsored Agencies (Federal Instrumentalities) to 80 percent
- Florida Prime Fund to 100 percent
- Florida Special Purpose Investment Account 100 percent
- Florida Public Assets for Liquidity Management to 100 percent
- Florida Surplus Assets Fund Trust 100 percent
- Florida Cooperative Liquid Assets Securities System Fund to 100 percent
- Certificates of Deposit and Savings Accounts to 100 percent
- Repurchase Agreements, fully collateralized by Direct Obligations of U. S.
- Government Securities to 30 percent
- State and/or Local Govt. Taxable or Tax-Exempt Debt to 20 percent
- Corporate Bonds to 20 percent
- Commercial Paper to 30 percent
- Money Market Funds and other local government investment pools to 100 percent

As of June 30, 2025, the District investments in the State of Florida Special Purpose Investment Account (SPIA) totaled \$995,939, which is rated AA-f by S&P with an effective duration of 3.33 years. These funds allocate investment earnings monthly.

As of June 30, 2025, the District investments in the Florida Prime totaled \$732,501,282 which is rated AAAM by S&P and has a weighted average maturity of 47 days. These funds allocate investment earnings monthly.

As of June 30, 2025, the District investments in the Florida Public Assets for Liquidity Management totaled \$712,551,361. These funds are rated AAAM by S&P and have a weighted average maturity of 44 days.

As of June 30, 2025, the District investments in FLCLASS totaled \$554,091,842. These funds are rated AAAM by S&P and have a weighted average maturity of less than 37 days.

As of June 30, 2025, the District investments in FL FIT totaled \$290,788,829. These funds are rated AA Af by Fitch and have a weighted average maturity of less than 85 days.

As of June 30, 2025, the District investments in Florida SAFE totaled \$58,044,542. These funds are rated AAAM by S&P and have a weighted average maturity of 36 days.

As of June 30, 2025, the District investments in commercial paper were \$6,902. These funds are rated A1, P1, as required by the District's investment policy. The District holds these funds under a trust indenture in connection with several Certificates of Participation Series.

Management believes all District investments are in compliance with District policy in relation to interest rate risk, credit risk, and concentration of credit risk.

### **C. Receivables**

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible accounts receivable is accrued.

The following is a schedule of due from other agencies at June 30, 2025:

<b>Fund:</b>	<b>Amount</b>
Major Government Funds:	
General Fund:	
Orange County Tax Collector	
Unremitted Property Taxes	\$ 91,462,070
Miscellaneous State Agencies	9,483,524
Capital Projects Funds:	
Capital Improvement Tax Fund:	
Orange County Tax Collector	
Unremitted Property Taxes	27,622,336
Other Capital Projects Fund:	
State of Florida – Department of Revenue	
Unremitted Sales Tax	37,799,361
Orange County Board of County Commissioners	
Unremitted Impact Fee	5,369,341
Florida Department of Education	
PECO Safety and Security	3,311,617
Miscellaneous Cities Impact Fee Collections	4,295,256
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Other Federal Programs Fund:	
Federal Grant Reimbursements	9,112,258
Food Service Fund:	
Florida Department of Education	
Meal Reimbursements	1,504,775
Other Special Revenue Fund	
Miscellaneous Agencies	71,921
Capital Projects Fund:	
Florida Department of Education	
CO&DS	9,052,827
<b>Total Due From Other Agencies</b>	<b><u>\$ 199,085,286</u></b>

## D. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 371,836,903	\$ 9,638,373	\$ -	\$ 381,475,276
Construction in Progress	487,587,605	379,193,666	413,517,357	453,263,914
Total Capital Assets Not Being Depreciated/Amortized	<u>859,424,508</u>	<u>388,832,039</u>	<u>413,517,357</u>	<u>834,739,190</u>
Capital Assets Being Depreciated/Amortized:				
Improvements Other Than Buildings	98,786,023	13,984,314	-	112,770,337
Buildings and Fixed Equipment	5,676,589,964	413,517,357	-	6,090,107,321
Furniture, Fixtures and Equipment	220,450,278	20,528,950	5,960,310	235,018,918
Motor Vehicles	124,994,734	26,674,642	4,479,503	147,189,873
Computer Software	83,031	-	8,075	74,956
Lease Assets	-	81,887,752	-	81,887,752
SBITA	15,227,976	1,416,055	2,642,774	14,001,257
Total Capital Assets Being Depreciated/Amortized	<u>6,136,132,006</u>	<u>558,009,070</u>	<u>13,090,662</u>	<u>6,681,050,414</u>
Less Accumulated Depreciation/Amortization For:				
Improvements Other Than Buildings	40,724,386	5,578,153	-	46,302,539
Buildings and Fixed Equipment	1,607,979,750	147,333,493	-	1,755,313,243
Furniture, Fixtures and Equipment	182,487,818	15,521,834	5,711,023	192,298,629
Motor Vehicles	67,980,634	13,515,789	3,985,586	77,510,837
Computer Software	83,031	-	8,075	74,956
Lease Assets	-	13,697,520	-	13,697,520
SBITA	8,128,156	4,393,411	2,502,901	10,018,666
Total Accumulated Depreciation/Amortization	<u>1,907,383,775</u>	<u>200,040,200</u>	<u>12,207,585</u>	<u>2,095,216,390</u>
Total Capital Assets Being Depreciated/Amortized, net	<u>4,228,748,231</u>	<u>357,968,870</u>	<u>883,077</u>	<u>4,585,834,024</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,088,172,739</u>	<u>\$ 746,800,909</u>	<u>\$ 414,400,434</u>	<u>\$ 5,420,573,214</u>

Depreciation/amortization expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 13,027,220
Maintenance of Plant	1,098,129
Unallocated	185,914,851
Total Depreciation/Amortization Expense	<u>\$ 200,040,200</u>

## E. Retirement Plans

### 1. FRS – Defined Benefit Pension Plans

#### General Information about the FRS

The Florida Retirement System (FRS) was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and

amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state- administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The District's FRS and HIS pension expense totaled \$148,556,642 for the fiscal year ended June 30, 2025.

### **FRS Pension Plan**

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are:

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.
- *Senior Management Service* – Members in senior management level positions.
- *Special Risk* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal

retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided.** Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<b><u>Class, Initial Enrollment, and Retirement Age/Years of Service</u></b>	<b><u>Percent Value</u></b>
<b>Regular Members Initially Enrolled Before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b>Regular Members Initially Enrolled On or After July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<b>Elected County Officers</b>	3.00
<b>Senior Management Service</b>	2.00
<b>Special Risk</b>	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at

retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.79
FRS, Special Risk Administrative	3.00	39.82
DROP – Applicable to Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions to the Plan totaled \$126,052,467 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of \$862,575,101 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 2.23 percent, which was a decrease of 0.01 percent from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$129,918,894 related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 87,143,243	\$ -
Change of Assumptions	118,223,804	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	57,331,228
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	16,538,497	33,941,150
District FRS Contributions Subsequent to the Measurement Date	126,052,467	-
<b>Total</b>	<b>\$ 347,958,011</b>	<b>\$ 91,272,378</b>

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$126,052,467, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (14,212,569)
2027	138,565,485
2028	1,922,700
2029	(3,175,969)
2030	7,533,519
<b>Total</b>	<b>\$ 130,633,166</b>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Investment Rate of Return	6.70 percent, net of pension plan investment expense, including inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes

shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
<b>Total</b>	<b>100%</b>			
Assumed inflation - Mean			2.4%	1.5%

(1) As outlined in the Plan's investment policy.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2024 valuation was unchanged from the previous valuation.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.7 percent) or 1 percentage point higher (7.7 percent) than the current rate:

	<u>1% Decrease (5.7%)</u>	<u>Current Discount Rate (6.7%)</u>	<u>1% Increase (7.7%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 1,528,053,153	\$ 862,575,101	\$ 316,393,957

**Pension Plan Fiduciary Net Position.** Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

### **HIS Pension Plan**

**Plan Description.** The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of

State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided.* For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

*Contributions.* The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$26,369,667 for the fiscal year ended June 30, 2025.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2025, the District reported a net pension liability of \$465,367,556 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 3.10 percent, which was an increase of 0.07 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized the HIS Plan pension expense of \$18,637,748. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,493,439	\$ 893,574
Change of Assumptions	8,235,913	55,093,550
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	168,306
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	17,595,139	18,707,013
District HIS Contributions Subsequent to the Measurement Date	26,369,667	-
<b>Total</b>	<b>\$ 56,694,158</b>	<b>\$ 74,862,443</b>

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$26,369,667, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (7,635,420)
2027	(9,860,924)
2028	(13,141,799)
2029	(9,271,572)
2030	(3,831,720)
Thereafter	(796,517)
<b>Total</b>	<b><u>\$(44,537,952)</u></b>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate

equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65 percent to 3.93 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	<b>1% Decrease (2.93%)</b>	<b>Current Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
District's Proportionate Share of the Net Pension Liability	\$ 529,761,154	\$ 465,367,556	\$ 411,910,463

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

## 2. FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Elected County Officers	16.34
FRS, Senior Management Service	12.67
FRS, Special Risk Regular	19.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$58,314,311 for the fiscal year ended June 30, 2025.

## **F. Other Postemployment Benefit Obligations**

*Plan Description.* The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, former employees who retire from the District, and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical and prescription coverages. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. Contribution requirements of the plan members and the District are established

and may be amended by the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare benefits, including prescription drug coverage, for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above. Once the participant or spouse attains age 65, the District discontinues coverage.

Employees Covered by Benefit Terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	223
Active Employees	<u>21,458</u>
Total	<u><u>21,681</u></u>

Total OPEB Liability. The District's total OPEB liability of \$48,866,588 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, allocated on a level basis over the earnings of each individual active participant.
Inflation	2.0 percent
Salary Increases	4.0 percent
Discount Rate	5.2 percent
Mortality Rates	PUB 2010 Teachers' Headcount-weighted Mortality Projected by generational scale MO-2021
Healthcare Cost Trend Rates	Based on the Getzen Model, with trends starting at 3.9 percent for 2025. A one year forward looking projection is utilized to calculate the rate of 5.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends.

Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the purpose of this OPEB Plan actuarial valuation the municipal bond rate of 5.2 percent based on the daily rate of the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of the measurement date.

Changes in the Total OPEB Liability.

	<u>Amount</u>
Balance at June 30, 2024	\$ 46,543,009
Changes for the year:	
Service Cost	1,703,677
Interest	1,804,981
Differences Between Expected and Actual Experience	5,626,062
Changes of Assumptions or Other Inputs	(3,877,993)
Benefit Payments	<u>(2,933,148)</u>
Net Changes	<u>2,323,579</u>
Balance at June 30, 2025	<u>\$ 48,866,588</u>

The changes of assumptions or other inputs was based on the following: a change in the discount rate from 3.93 percent to 5.2 percent, a change in the healthcare cost trend from 4 percent to 3.9 percent, and changes in the likelihood of participant elections.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20 percent) or 1 percentage point higher (6.20 percent) than the current rate:

	<u>1% Decrease (4.20%)</u>	<u>Current Discount Rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
Total OPEB Liability	\$ 53,019,328	\$ 48,866,588	\$ 45,096,221

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 43,308,584	\$ 48,866,588	\$ 53,994,491

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$4,508,125. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 8,246,468	\$ 5,626,191
Changes of Assumptions or Other Inputs	<u>6,380,121</u>	<u>9,651,347</u>
<b>Total</b>	<u>\$ 14,626,589</u>	<u>\$ 15,277,538</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ 862,572
2027	(261,193)
2028	(745,119)
2029	(124,157)
Thereafter	(383,052)
<b>Total</b>	<b>\$ (650,949)</b>

## G. Construction and Other Commitments

**Construction Contracts.** The following is a schedule of major construction contract commitments at June 30, 2025:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Apopka HS	\$ 12,627,179	\$ 8,675,441	\$ 3,951,738
College Park MS	11,174,960	4,370,677	6,804,283
Colonial HS	72,362,215	1,867,649	70,494,566
Columbia ES	6,555,617	2,263,880	4,291,737
Dr. Phillips ES	8,253,043	2,118,055	6,134,988
East River HS	12,666,777	4,339,002	8,327,775
Horizon West MS	39,133,785	252,999	38,880,786
Howard MS	34,443,884	25,224,811	9,219,073
Hunters Creek ES	8,400,141	3,379,368	5,020,773
Hunters Creek MS	8,419,464	4,624,068	3,795,396
Innovation HS	147,143,039	137,262,449	9,880,590
Lake Nona HS	13,359,640	4,411,415	8,948,225
Lakeview MS	29,608,750	13,491,026	16,117,724
Lockhart MS	4,213,349	978,595	3,234,754
Luminary MS	51,054,353	46,511,203	4,543,150
Moss Park ES	6,431,506	90,398	6,341,108
Ocoee HS	18,626,861	11,205,965	7,420,896
OTC East Campus	39,479,682	35,789,799	3,689,883
Piedmont Lakes MS	14,049,459	9,697,882	4,351,577
Roberto Clemente MS	13,077,406	8,727,287	4,350,119
Site 97 Clarcona Relief	32,447,517	15,475,556	16,971,961
Stone Lake ES	6,591,996	93,766	6,498,230
Three Points ES	15,127,520	6,042,760	9,084,760
Tildenville ES	9,730,427	925,801	8,804,626
Vista Lake ES	6,365,627	87,872	6,277,755
Wekiva HS	12,160,733	1,179,317	10,981,416
West Creek ES	5,752,391	84,394	5,667,997
West Orange HS	13,519,318	1,453,992	12,065,326
Winter Park HS	63,210,575	12,054,008	51,156,567
Other major construction projects	110,571,834	89,141,580	21,430,254
<b>Total</b>	<b>\$ 826,559,048</b>	<b>\$ 451,821,015</b>	<b>\$ 374,738,033</b>

**Encumbrances.** Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next fiscal year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2025:

<b>Major Funds</b>				
<b>General</b>	<b>Capital Projects - Capital Improvement Tax</b>	<b>Capital Projects - Other</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 27,701,635	\$ 65,078,928	\$ 650,636,986	\$ 22,284,158	\$ 765,701,707

## H. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District relies on sovereign immunity and therefore does not procure general liability or automobile insurance. Other lines of coverage are being provided on a self-insurance basis subject to specific retentions. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

A liability was actuarially determined to cover estimated incurred but not reported insurance claims payable at June 30, 2025. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an investment yield rate of 4.4 percent as determined by a review of the District's interest rates received from intergovernmental pooled investment funds and government securities. These liabilities are \$14,152,245 at June 30, 2025. Settled claims resulting from the risks described above have not exceeded into the excess commercial insurance coverage in any of the past three fiscal years.

The District provides employee group health and life insurance. The group health plan is self-insured through the Employee Benefits Trust and life insurance is obtained through a commercial carrier. Under these plans, the Board contributes employee premiums as fringe benefits to employees. The employees pay a portion of the costs in the two premium group health plans while the District pays all of the employee costs in the two basic group health plans. Premiums for coverage provided for employee dependents and retirees and their dependents are paid in advance by the employee or retiree. These plans provide for maximum premiums based on the number of participants and individual or family coverage. The group health plan is administered by third-party administrators that are reimbursed by the District from a detailed record of services provided. There is no stop loss protection on the group health plan. The District has different funding arrangements with each of the groups that reimburse the claims and healthcare expenses. The District reported an estimated unpaid claims liability of \$27,000,000 in the Internal Service Fund for the group health insurance program as of June 30, 2025.

The following schedule represents the changes in claims liability for the past 2 fiscal years for the District's self-insurance program:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance at Fiscal Year End</b>
2023-24	\$ 34,401,236	\$ 281,852,650	\$(276,816,363)	\$ 39,437,523
2024-25	39,437,523	302,520,422	\$(300,805,700)	41,152,245

## I. Long-Term Liabilities

### 1. Certificates of Participation

The District entered into a master financing arrangement on May 1, 1997, with the Orange County School Board Leasing Corporation (Leasing Corporation) whereby the District secured financing of various educational facilities, vehicles, and equipment. The financing was accomplished through the issuance of Certificates of Participation (COPs). Those issuances that were offered for public sale are distinguished from direct borrowings below:

<u>Series</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Remaining Interest Rates (Percent) (13)</u>	<u>Facility Lease Term Maturity (14)</u>
<b><u>COPs:</u></b>				
2010A-QSCB (1)	\$ 36,229,000	\$ 36,229,000	None	2029
2013A (2)	19,290,000	1,370,000	4.00-5.00	2025
2015D (4)	114,170,000	5,700,000	5.00	2025
2016B (5)	36,785,000	33,310,000	2.00-5.00	2027
2017B (7)	71,080,000	69,740,000	5.00	2027
2017C (8)	59,035,000	59,035,000	5.00	2029
2021A (9)	101,940,000	101,940,000	5.00	2032
2024A (12)	165,390,000	165,390,000	5.00	2034
	<b>Subtotal</b>	<b>472,714,000</b>		
<b><u>COPs from Direct Borrowings of Debt:</u></b>				
2015B (3)	59,325,000	30,170,000	2.71	2025
2017A (6)	37,566,829	14,276,371	1.95	2025
2021B (10)	156,230,000	146,945,000	2.07	2031
2021C (11)	83,555,000	78,620,000	2.15	2032
	<b>Subtotal</b>	<b>270,011,371</b>		
	<b>Total Certificates of Participation</b>	<b>\$ 742,725,371</b>		

- (1) On November 15, 2010, the Leasing Corporation issued COPs Series 2010A-Qualified School Construction Bond (QSCB). The proceeds from the issue were used for comprehensive updates for two elementary schools and one new construction elementary school.
- (2) On September 18, 2013, the Leasing Corporation issued COPs Series 2013A to advance refund a portion of COPs Series 2004A.
- (3) On June 10, 2014, the Leasing Corporation entered into a forward refunding of the COPs Series 2005B. On May 4, 2015, the Leasing Corporation issued COPs Series 2015B.
- (4) On January 21, 2015, the Leasing Corporation issued COPs Series 2015D to advance refund COPs Series 2007A.
- (5) On April 6, 2016, the Leasing Corporation issued COPs Series 2016B to advance refund COPs Series 2008D.

- (6) On July 3, 2017, the Leasing Corporation issued COPs Series 2017A to advance refund COPs Series 2008C.
- (7) On September 7, 2017, the Leasing Corporation issued COPs Series 2017B to advance refund COPs Series 2012B.
- (8) On December 27, 2017, the Leasing Corporation issued COPs Series 2017C to advance refund COPs Series 2014A.
- (9) On April 20, 2021, the Leasing Corporation issued COPs Series 2021A to refund COPS Series 2008B.
- (10) On July 16, 2021, the Leasing Corporation issued COPs Series 2021B to refund COP's Series 2015C.
- (11) On July 16, 2021, the Leasing Corporation issued COPs Series 2021C to refund a portion of COP's Series 2015D.
- (12) On May 16, 2024, the Leasing Corporation issued COPs Series 2024A to renovate and remodel three schools; Olympia High School, Boone High School and Odyssey Middle School.
- (13) The lease payments are payable by the District, semiannually, on August 1 and February 1.
- (14) As a condition of the financing arrangements, the District has given ground leases on District property to the Leasing Corporation, with a rental fee of \$1 per year. The properties covered by the ground lease are, together with the improvement constructed thereon (facilities) and the vehicles and equipment purchased from the financing proceeds, leased back to the District. The lease agreements are automatically renewable through varying dates unless early terminated following the occurrence of an event of default or a non-appropriation of funds to make lease payments, all as described and defined in the leases. If the District fails to renew the lease and to provide for rent payments through to term, it may be required to surrender all facilities, vehicles, and equipment included under the terms of the lease agreements for the benefit of the securers of the COPs.

The District properties funded by the above-financing arrangement include the following:

Certificates	Description of Property
Series 1997A*	Renovation and remodeling at eighteen elementary, four middle, two high schools, and two 9th grade centers.
Series 1999A*	Three new elementary and one new middle school; replacement of modular buildings; and a high school expansion/replacement.
Series 2000A*	Three elementary schools.
Series 2000B*	One high school.
Series 2001A*	Refunding of COPs, Series 1997A and 2000A.
Series 2002A*	Two alternative education schools; the replacement of one elementary, one middle, and one high school; an addition at one middle school and concrete modular buildings at various sites.
Series 2003*	Financing and refinancing 295 premanufactured concrete modular structures.
Series 2004*	Two middle schools, two elementary schools, portable classrooms to meet immediate needs and portable replacements.
Series 2005A*	Refunding of COPs, Series 1997A and 1999A.
Series 2005B*	Refunding of COPs, Series 2000A.
Series 2006A*	One replacement high school and four elementary schools.
Series 2006B*	Refunding of COPs, Series 1999A and 2002A.
Series 2007A/B*	One replacement high school, one replacement middle school, one technical center, one high school, and 2 elementary schools.
Series 2007C*	Refunding of COPs, Series 1997A
Series 2008B*	Refunding of COPs, Series 2007B
Series 2008C*	Refunding of COPs, Series 2000B
Series 2008E*	Refunding of COPs, Series 2007C
Series 2009A*	Two replacement high schools.
Series 2009B-QSCB	Comprehensive needs and renovation at one middle school.
Series 2010A-QSCB	Comprehensive needs at two elementary schools and one new elementary school.

(Continued)

Certificates (Continued)	Description of Property
Series 2012A*	Refunding of COPs, Series 2001A
Series 2012B*	Refunding of COPs, Series 2002A
Series 2013A	Refunding of a portion of COPs, Series 2004A
Series 2014A	Refunding of a portion of COPs, Series 2004A
Series 2015A*	Refunding of COPs, Series 2005A
Series 2015B	Refunding of COPs, Series 2005B
Series 2015C*	Refunding of COPs, Series 2006A
Series 2015D	Refunding of COPs, Series 2007A
Series 2016A	Refunding of COPs, Series 2006B
Series 2016B	Refunding of COPs, Series 2008D
Series 2016C*	Refunding of COPs, Series 2009A
Series 2017A	Refunding of COPs, Series 2008C
Series 2017B	Refunding of COPs, Series 2012B
Series 2017C	Refunding of COPs, Series 2014A
Series 2021A	Refunding of COPs, Series 2008B
Series 2021B	Refunding of COPs, Series 2015C
Series 2021C	Refunding of a portion of COPs, Series 2015D
Series 2024A	Renovation and remodeling at three schools; Olympia High School, Boone High School and Odyssey Middle School

\* Debt no longer exists; debt instrument is presented to show the projects applicable to the refunding of COPS.

The following is a schedule by years of future minimum lease payments under the above-referenced financing agreements together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30,	Total	Certificates of Participation		Certificates of Participation from Direct Borrowings of	
		Principal	Interest	Principal	Interest
2026	\$ 87,371,940	\$ 9,495,000	\$ 23,369,738	\$ 49,456,371	\$ 5,050,831
2027	88,060,253	51,170,000	21,859,963	10,515,000	4,515,290
2028	87,992,154	53,720,000	19,237,713	10,745,000	4,289,441
2029	85,883,025	34,775,000	17,025,337	30,225,000	3,857,688
2030	121,153,551	72,719,000	14,348,856	30,870,000	3,215,695
2031-2035	438,195,563	250,835,000	45,836,219	138,200,000	3,324,344
Total Minimum Payments	908,656,486	472,714,000	141,677,826	270,011,371	24,253,289
Add: Unamortized Premium	56,348,211	56,348,211	-	-	-
Less: Interest	(165,931,115)	-	(141,677,826)	-	(24,253,289)
<b>Total Certificates of Participation</b>	<b>\$ 799,073,582</b>	<b>\$ 529,062,211</b>	<b>\$ -</b>	<b>\$ 270,011,371</b>	<b>\$ -</b>

The District does not have any outstanding or unused lines of credit. The District's certificates of participation and certificates of participation from direct borrowings contain a provision that upon an event of default or the termination of the agreement prior to the payment of all scheduled payments, the District shall immediately surrender and deliver possession of all facilities financed under the Master agreement.

## 2. Lease Payable

As of June 30, 2025, the acquisition cost, accumulated depreciation, and current value of lease assets are as follows:

<u>Asset Description</u>	<u>Acquisition Cost</u>	<u>Accumulated Depreciation</u>	<u>Current Value</u>
Computers	<u>\$ 81,887,752</u>	<u>\$ 13,697,520</u>	<u>\$ 68,190,232</u>

The District has discounted the future minimum payments using its incremental borrowing rate of 2.64 percent. Future minimum lease payments and the present value of the minimum lease payments as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Total Payments</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 24,580,171	\$ 22,768,315	\$ 1,811,856
2027	17,964,888	17,041,937	922,951
2028	17,964,888	17,497,328	467,560
<b>Total</b>	<u>\$ 60,509,947</u>	<u>\$ 57,307,580</u>	<u>\$ 3,202,367</u>

## 3. Subscription Arrangement Liability

The District has entered into SBITAs for finance, reporting, and learning software for a period of 1 to 5 years and incremental borrowing rates ranging from 3.13 percent to 4.534 percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022.

<u>Year Ending June 30,</u>	<u>Total Payments</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,988,452	\$ 2,814,621	\$ 173,831
2027	1,330,363	1,275,814	54,549
<b>Total</b>	<u>\$ 4,318,815</u>	<u>\$ 4,090,435</u>	<u>\$ 228,380</u>

For the year ended June 30, 2025, the District had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the year ended June 30, 2025, the District had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

## 4. Defeased Debt

On June 30, 2025, the outstanding balance of debt considered defeased in-substance in prior years are as follows:

<u>Debt Issues</u>	<u>Amount Outstanding</u>
Certificates of Participation, Series 2008B	\$ 105,000,000
Certificates of Participation, Series 2008C	13,850,000
Certificates of Participation, Series 2008D	35,085,000
Certificates of Participation, Series 2012B	73,470,000
Certificates of Participation, Series 2014A	62,030,000
Certificates of Participation, Series 2015C	132,340,000
Certificates of Participation, Series 2015D	70,780,000
<b>Total Defeased Debt</b>	<b>\$ 492,555,000</b>

## 5. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Certificates of Participation from Direct Borrowings	\$ 315,800,231	\$ -	\$ 45,788,860	\$ 270,011,371	\$ 49,456,371
Other Certificates of Participation Add: Unamortized Premiums	518,029,000	-	45,315,000	472,714,000	9,495,000
Other COPs	66,491,980	-	10,143,769	56,348,211	10,143,769
Total Certificates of Participation	900,321,211	-	101,247,629	799,073,582	69,095,140
Subscription Liabilities	6,798,352	1,416,055	4,123,972	4,090,435	2,814,621
Lease Payable	-	81,887,752	24,580,172	57,307,580	22,768,315
Estimated Insurance Claims Payable	14,837,523	7,119,860	7,805,138	14,152,245	6,172,028
Compensated Absences*	152,246,398	4,338,193	-	156,584,591	9,025,525
Total OPEB Liability	46,543,009	3,508,658	1,185,079	48,866,588	4,508,125
Net Pension Liability	1,376,459,550	659,227,855	707,744,748	1,327,942,657	1,619,746
<b>Total Governmental Activities</b>	<b>\$ 2,497,206,043</b>	<b>\$ 757,498,373</b>	<b>\$ 846,686,738</b>	<b>\$ 2,408,017,678</b>	<b>\$ 116,003,500</b>

\* Beginning balance was restated for GASB 101. The change in the compensated absence liability is presented as a net change.

For the governmental activities, pensions and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Funds.

## J. Fund Balance Reporting

GAAP provides for two major types of fund balances for governmental funds, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District reports its inventories and prepaid items as nonspendable and does not have any nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GAAP provides a hierarchy of spendable fund balances, based on spending constraints.

- **Restricted** - Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed** - Fund balances that contain self-imposed constraints of the government from its highest level of decision making authority such as school board resolutions.
- **Assigned** - Fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- **Unassigned** – Fund balance of the general fund that does not have a constraint for any particular purpose. General fund is the only fund that reports a positive unassigned fund balance amount.

The District has classified its fund balances with the following hierarchy:

- **Nonspendable**: The District has inventories totaling \$1,761,161 that are classified as nonspendable.
- **Spendable**: The District has classified the spendable fund balances as Restricted, Assigned and Unassigned and considered each to have been spent when expenditures are incurred. The District does not have a policy regarding the commitment or assignment of fund balances; however, by resolution, the Board has given the ability to assign fund balance to the Superintendent and the Chief Financial Officer. The District does not report any Committed fund balance. When restricted, assigned, and unassigned funds are available for use, the District's procedures are to use the restricted funds first, followed by the assigned funds and then the unassigned funds last.
- **Restricted for State Categorical Programs, State Grants, Food Service, Debt Service and Capital Projects**: Federal Laws, Florida Statutes and local ordinances require that certain revenues be specifically designated for the purposes of state categorical programs, food service, debt service, and capital projects. These funds have been included in the restricted category of fund balance. The restricted fund balances totaled \$3,131,774,063 and represented \$1,633,149 in State categorical programs, \$37,927,473 in Post-Secondary school's rollover budget, \$2,933,706 in State Grants, \$88,588,142 in food service, \$21,065,950 in student activities, \$133,933,710 in debt service and \$2,845,691,933 in capital projects.
- **Assigned for School Operations and Other Purposes**: The assigned fund balances totaled \$256,456,834. For the General Fund, the Chief Financial Officer of the Board has assigned the OPEB liability of \$48,866,588; Board Projects of \$107,518,513; and K-12 School Rollover Budgets of \$34,417,634. Also, for the General Fund, the District reports as assigned outstanding purchase obligations of \$5,078,488 that have not been previously reported as restricted and \$46,835,397 needed to eliminate expected expenditures over expected revenues in the subsequent year budget approved by the Board. In addition, \$13,740,214 of positive fund balance in non-General Funds that has not been reported as nonspendable or restricted is reported as assigned fund balance.
- **Unassigned**: The unassigned fund balance for the General Fund is \$129,629,803.

	Major Funds					Total Governmental Funds
	General Fund	Special Revenues- Education Stabilization Fund	Capital Projects - Nonvoted Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Nonmajor Governmental Funds	
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventories						
General Fund	\$ 1,601,477	\$ -	\$ -	\$ -	\$ -	\$ 1,601,477
Special Revenues - Student Activities	-	-	-	-	159,684	159,684
<b>Restricted:</b>						
Categorical Programs	1,633,149	-	-	-	-	1,633,149
Post Secondary	37,927,473	-	-	-	-	37,927,473
State Grants	2,933,706	-	-	-	-	2,933,706
Special Revenues - Food Service	-	-	-	-	88,588,142	88,588,142
Debt Service	-	-	-	-	133,933,710	133,933,710
Capital Projects	-	-	631,476,265	2,177,162,368	37,053,300	2,845,691,933
Student Activities	-	-	-	-	21,065,950	21,065,950
<b>Assigned:</b>						
School Operations:						
Encumbrances	5,078,488	-	-	-	-	5,078,488
Board Projects	107,518,513	-	-	-	-	107,518,513
School Rollover Budgets	34,417,634	-	-	-	-	34,417,634
Next Year's Budget Deficit	46,835,397	-	-	-	-	46,835,397
Other Purposes						
OPEB	48,866,588	-	-	-	-	48,866,588
Special Revenues - Other	-	-	-	-	13,740,214	13,740,214
<b>Unassigned:</b>	129,629,803	-	-	-	-	129,629,803
<b>Total Fund Balances</b>	<b>\$ 416,442,228</b>	<b>\$ -</b>	<b>\$ 631,476,265</b>	<b>\$ 2,177,162,368</b>	<b>\$ 294,541,000</b>	<b>\$ 3,519,621,861</b>

The District has not established a contingency reserve or "Rainy Day Fund". Instead the Board has approved in the budget to set aside 3 percent of recurring budgeted revenues at the beginning of each year to cover unforeseen events (e.g., revenue shortfalls, student enrollment under projections, etc.). At the end of the fiscal year, the unassigned general fund balance was \$129,629,803, or 5.4 percent, of general fund total budgeted revenues for fiscal year 2026.

## K. Interfund Balances and Transfers

The following is a summary of interfund receivables and payables reported in the fund financial statements:

Funds	Interfund	
	Receivables	Payables
Major :		
General	\$ 11,947,921	\$ -
Capital Projects:		
Other	-	37,719
Special Revenue:		
Federal Education Stabilization	-	3,832,973
Nonmajor	-	8,077,229
<b>Total</b>	<b>\$ 11,947,921</b>	<b>\$ 11,947,921</b>

The interfund receivable and payable represents payments made prior to year-end but reimbursed by the grantor after year end and therefore is repaid within 12 months.

The following is a summary of interfund transfers reported in the fund financial statements:

<b>Funds</b>	<b>Interfund</b>	
	<b>Transfers In</b>	<b>Transfers Out</b>
Major:		
General	\$ 74,330,212	\$ 29,457,376
Capital Projects:		
Capital Improvement Tax	-	150,736,460
Nonmajor Governmental	88,129,708	11,723,460
Internal Service	29,457,376	-
<b>Total</b>	<b>\$ 191,917,296</b>	<b>\$ 191,917,296</b>

The interfund transfers represent the payments of expenditures by one fund for another fund. The transfers in for the General Fund consist of \$11.7 million from the nonmajor Capital Projects – PECO Fund for Charter School Capital Outlay and \$62.6 from the Capital Projects – Capital Improvement Tax Fund for portable leasing and a portion of maintenance and salaries for bus operators. The transfers in for the nonmajor debt service fund are from the capital projects funds to cover the debt service payments for lease obligations. The transfers in to the Internal Service Fund from the General Fund are to cover the shortfall in the Employee Benefit Insurance Fund.

## L. Revenues

### 1. Schedule of State Revenue Sources

The following is a schedule of the District’s State revenue sources for the 2024-25 fiscal year:

<b>Sources</b>	<b>Amount</b>
Florida Education Finance Program	\$ 686,546,573
Categorical Educational Programs	206,734,492
Workforce Development	34,642,130
Florida School Recognition	16,476,807
Charter Schools Capital Outlay	11,723,460
CO&DS Distributed to District	9,195,730
Voluntary Pre-Kindergarten Program	7,545,576
Food Service Supplement	1,312,448
State License Tax	447,107
Miscellaneous State Grants	5,907,237
<b>Total</b>	<b>\$ 980,531,560</b>

### 2. Property Taxes

The following is a summary of millage and taxes levied on the 2024 tax roll for the 2024-2025 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<b>General Fund</b>		
Nonvoted School Tax:		
Required Local Effort	3.216	\$ 763,317,247
Basic Discretionary Local Effort	0.748	177,537,718
Voted School Tax:		
Additional Voted Millage	1.000	237,349,890
<b>Capital Projects</b>		
Nonvoted Tax:		
Local Capital Improvements	1.500	356,024,835
<b>Total</b>	<b>6.464</b>	<b>\$ 1,534,229,690</b>

#### IV. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the internal service funds for the 2024-25 fiscal year:

	<u>Total</u>	<u>Group Health Insurance</u>	<u>Employee Benefit Insurance</u>	<u>District Print Center</u>
Total Assets	\$ 228,237,096	\$ 81,315,776	\$ 145,288,262	\$ 1,633,058
Liabilities and Net Position:				
Accounts Payable	\$ 7,604,100	\$ 626,148	\$ 6,963,334	\$ 14,618
Unearned Revenue	61,954,572	-	61,954,572	-
Estimated Insurance Claims Payable - Current	33,172,028	6,172,028	27,000,000	-
Estimated Insurance Claims Payable - Noncurrent	7,980,217	7,980,217	-	-
Net Position:				
Investment in Capital Assets	108,157	-	-	108,157
Restricted for Claims Payments	3,158,762	3,158,762	-	-
Unrestricted	114,259,260	63,378,621	49,370,356	1,510,283
Total Liabilities and Net Position	<u>\$ 228,237,096</u>	<u>\$ 81,315,776</u>	<u>\$ 145,288,262</u>	<u>\$ 1,633,058</u>
Revenues:				
Charges for Services	\$ 3,488,653	\$ -	\$ -	\$ 3,488,653
Premium Revenues	254,740,749	10,375,624	244,365,125	-
Other Operating Revenues	242,439	242,439	-	-
Miscellaneous Revenues	7,440,164	3,892,113	3,497,251	50,800
Total Revenues	265,912,005	14,510,176	247,862,376	3,539,453
Total Expenses	(321,175,737)	(7,805,138)	(309,918,584)	(3,452,015)
Transfers In	29,457,376	-	29,457,376	-
Change in Net Position	<u>\$ (25,806,356)</u>	<u>\$ 6,705,038</u>	<u>\$ (32,598,832)</u>	<u>\$ 87,438</u>

## **V. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

### **A. Litigation**

The District is a defendant in numerous lawsuits as of June 30, 2025. It is the opinion of management, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations on governmental liabilities on uninsured risks, that the amount of loss resulting from litigation would not be material to the financial position of the District.

### **B. Other Loss Contingencies**

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The Walt Disney Company has filed lawsuits against the Orange County Property Appraiser challenging the valuation and assessment methods for its commercial properties for several years and asserting that it overpaid taxes to various taxing authorities, including the District. The District deposited \$119 million in escrowed funds with the Orange County Tax Collector representing the estimated disputed portion of ad valorem taxes paid by the Walt Disney Company for the tax years 2015 to 2025. Funds are held by the Tax Collector to accommodate the resolution of the tax appeals. The District has recorded the \$119 million payment as a reduction of ad valorem tax revenue in the District's fiscal year 2025 financial statements.

## **VI. SUBSEQUENT EVENTS**

On August 1, 2025, the District issued \$220.6 million of Certificates of Participation Series 2025A and 2025B to advance refund Certificates of Participation Series 2021B and 2021C, which also reduced interest rates and projects a cost savings of \$4.2 million through the final maturity of August 2031.

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# OTHER REQUIRED SUPPLEMENTARY INFORMATION

## Budgetary Comparison Schedule General and Major Special Revenue Funds For the Fiscal Year Ended June 30, 2025

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
Federal Direct	\$ 1,452,852	\$ 1,452,852	\$ 1,952,756	\$ 499,904
Federal Through State and Local State	5,886,670 1,084,725,298	5,886,670 1,085,398,745	5,785,520 957,417,769	(101,150) (127,980,976)
Local:				
Property Taxes	1,172,930,133	1,079,035,392	1,050,098,370	(28,937,022)
Miscellaneous	-	-	62,739,709	62,739,709
Total Local Revenues	<u>1,172,930,133</u>	<u>1,079,035,392</u>	<u>1,112,838,079</u>	<u>33,802,687</u>
<b>Total Revenues</b>	<u>2,264,994,953</u>	<u>2,171,773,659</u>	<u>2,077,994,124</u>	<u>(93,779,535)</u>
<b>Expenditures</b>				
Current - Education:				
Instruction	1,538,121,596	1,496,586,779	1,369,367,247	127,219,532
Student Support Services	99,565,767	103,765,767	103,756,573	9,194
Instructional Media Services	21,635,167	22,255,167	22,252,174	2,993
Instruction and Curriculum Development Services	94,354,878	94,354,878	85,936,996	8,417,882
Instructional Staff Training Services	27,637,296	29,637,296	28,801,034	836,262
Instruction-Related Technology Board	27,144,600 5,852,916	24,524,600 5,852,916	12,850,442 4,943,140	11,674,158 909,776
General Administration	11,689,505	11,689,505	10,575,057	1,114,448
School Administration	140,951,763	147,951,763	147,149,227	802,536
Facilities Acquisition and Construction	7,055,221	7,055,221	7,004,814	50,407
Fiscal Services	9,062,818	9,062,818	8,830,035	232,783
Food Services	-	305,000	303,481	1,519
Central Services	35,930,807	35,930,807	32,075,484	3,855,323
Student Transportation Services	89,722,128	106,722,128	104,877,667	1,844,461
Operation of Plant	206,835,298	206,835,298	205,780,587	1,054,711
Maintenance of Plant	54,010,446	54,010,446	47,999,017	6,011,429
Administrative Technology Services	36,946,005	36,946,005	33,566,471	3,379,534
Community Services	-	500,000	481,004	18,996
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	650,000	609,611	40,389
Other Capital Outlay	-	8,259,049	8,259,049	-
Debt Service:				
Principal	-	4,123,972	4,123,972	-
Interest and Fiscal Charges	-	170,243	170,243	-
<b>Total Expenditures</b>	<u>2,406,516,211</u>	<u>2,407,189,658</u>	<u>2,239,713,325</u>	<u>167,476,333</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(141,521,258)</u>	<u>(235,415,999)</u>	<u>(161,719,201)</u>	<u>73,696,798</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	35,831,089	62,606,752	74,330,212	11,723,460
Inception of Subscription Liabilities	-	-	1,416,055	1,416,055
Sale of Capital Assets	1,921,885	1,921,885	1,081,835	(840,050)
Loss Recoveries	-	-	366	366
Transfers Out	-	(29,457,376)	(29,457,376)	-
<b>Total Other Financing Sources</b>	<u>37,752,974</u>	<u>35,071,261</u>	<u>47,371,092</u>	<u>12,299,831</u>
<b>Net Change in Fund Balances</b>	<u>(103,768,284)</u>	<u>(200,344,738)</u>	<u>(114,348,109)</u>	<u>85,996,629</u>
Fund Balances, Beginning	530,790,337	530,790,337	530,790,337	-
<b>Fund Balances, Ending</b>	<u>\$ 427,022,053</u>	<u>\$ 330,445,599</u>	<u>\$ 416,442,228</u>	<u>\$ 85,996,629</u>

**Special Revenue - Federal Education Stabilization Fund**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
\$ -	\$ 3,553	\$ 3,553	\$ -
-	70,396,551	70,396,551	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	70,400,104	70,400,104	-
-	45,810,850	45,810,850	-
-	2,544,441	2,544,441	-
-	817,040	817,040	-
-	12,005,791	12,005,791	-
-	897,439	897,439	-
-	345,414	345,414	-
-	-	-	-
-	1,556,063	1,556,063	-
-	911,169	911,169	-
-	-	-	-
-	61,656	61,656	-
-	-	-	-
-	457,274	457,274	-
-	448,142	448,142	-
-	2,004,384	2,004,384	-
-	4,027	4,027	-
-	723,894	723,894	-
-	-	-	-
-	1,277,579	1,277,579	-
-	534,941	534,941	-
-	-	-	-
-	-	-	-
-	70,400,104	70,400,104	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**Schedule of Changes in the District's  
Total OPEB Liability and Related Ratios**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 1,703,677	\$ 1,930,990	\$ 1,400,654	\$ 2,017,589	\$ 2,153,966
Interest	1,804,981	1,920,059	1,666,877	1,198,008	1,272,707
Differences Between Expected and Actual Experience	5,626,062	(5,011,978)	127,388	2,199,970	(6,192,053)
Changes of Assumptions or Other Inputs	(3,877,993)	(1,784,279)	6,517,244	(9,237,522)	6,021,519
Benefit Payments	(2,933,148)	(4,301,268)	(4,618,536)	(4,910,164)	(4,679,461)
<b>Net Change in Total OPEB Liability</b>	<u>2,323,579</u>	<u>(7,246,476)</u>	<u>5,093,627</u>	<u>(8,732,119)</u>	<u>(1,423,322)</u>
Total OPEB Liability - Beginning	46,543,009	53,789,485	48,695,858	57,427,977	58,851,299
<b>Total OPEB Liability - Ending</b>	<u>\$ 48,866,588</u>	<u>\$ 46,543,009</u>	<u>\$ 53,789,485</u>	<u>\$ 48,695,858</u>	<u>\$ 57,427,977</u>
Covered-Employee Payroll	\$ 1,139,332,323	\$ 1,085,547,366	\$ 1,060,632,347	\$ 987,698,647	\$ 994,034,919
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	4.29%	4.29%	5.07%	4.93%	5.78%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 2,778,334	\$ 1,394,593	\$ 1,279,658
Interest	1,856,511	1,863,816	1,850,513
Differences Between Expected and Actual Experience	3,678,706	11,235,281	1,422,670
Changes of Assumptions or Other Inputs	3,102,696	(5,749,617)	
Benefit Payments	(2,981,772)	(4,722,815)	(3,140,450)
<b>Net Change in Total OPEB Liability</b>	<u>8,434,475</u>	<u>4,021,258</u>	<u>1,412,391</u>
Total OPEB Liability - Beginning	50,416,824	46,395,566	44,983,175
<b>Total OPEB Liability - Ending</b>	<u>\$ 58,851,299</u>	<u>\$ 50,416,824</u>	<u>\$ 46,395,566</u>
Covered-Employee Payroll	\$ 951,638,242	\$ 904,238,966	\$ 909,395,909
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	6.18%	5.58%	5.10%

**Schedule of the District's Proportionate Share  
of the Net Pension Liability –  
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2.36%	\$ 304,309,382	\$ 943,941,480	32.24%	92.00%
2016	2.18%	551,681,215	950,205,116	58.06%	84.88%
2017	2.23%	659,196,997	1,002,052,509	65.78%	83.89%
2018	2.23%	672,999,279	1,029,829,605	65.35%	84.26%
2019	2.24%	770,043,626	1,070,294,126	71.95%	82.61%
2020	2.27%	985,442,035	1,135,080,334	86.82%	78.85%
2021	2.35%	177,733,377	1,101,319,115	16.14%	96.40%
2022	2.41%	898,336,927	1,162,758,833	77.26%	82.89%
2023	2.24%	894,820,309	1,202,115,931	74.44%	82.38%
2024	2.23%	862,575,101	1,313,162,550	65.69%	83.70%

(1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of District Contributions –  
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	\$ 53,281,522	\$ (53,281,522)	\$ -	\$ 950,205,116	5.61%
2017	58,015,247	(58,015,247)	-	1,002,052,509	5.79%
2018	63,677,320	(63,677,320)	-	1,029,829,605	6.18%
2019	69,331,806	(69,331,806)	-	1,070,294,126	6.48%
2020	75,543,975	(75,543,975)	-	1,135,080,334	6.66%
2021	89,634,580	(89,634,580)	-	1,101,319,115	8.14%
2022	103,025,247	(103,025,247)	-	1,162,758,833	8.86%
2023	108,030,191	(108,030,191)	-	1,202,115,931	8.99%
2024	126,262,996	(126,262,996)	-	1,313,162,550	9.62%
2025	126,052,467	(126,052,467)	-	1,318,683,439	9.56%

(1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of the District's Proportionate Share  
of the Net Pension Liability –  
Health Insurance Subsidy Pension Plan (1)**

<b>Fiscal Year Ending June 30</b>	<b>District's Proportion of the HIS Net Pension Liability</b>	<b>District's Proportionate Share of the HIS Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	3.11%	\$ 317,278,898	\$ 943,941,480	33.61%	0.50%
2016	3.08%	358,647,515	950,205,116	37.74%	0.97%
2017	3.14%	336,094,455	1,002,052,509	33.54%	1.64%
2018	3.15%	333,602,013	1,029,829,605	32.39%	2.15%
2019	3.20%	358,041,137	1,070,294,126	33.45%	2.63%
2020	3.27%	399,222,865	1,135,080,334	35.17%	3.00%
2021	3.11%	381,575,244	1,101,319,115	34.65%	3.56%
2022	3.19%	337,764,042	1,162,758,833	29.05%	4.81%
2023	3.03%	481,639,241	1,202,115,931	40.07%	4.12%
2024	3.10%	465,367,556	1,313,162,550	35.44%	4.80%

(1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of District Contributions –  
Health Insurance Subsidy Pension Plan (1)**

<b>Fiscal Year Ending June 30</b>	<b>Contractually Required HIS Contribution</b>	<b>HIS Contributions in Relation to the Contractually Required Contribution</b>	<b>HIS Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>HIS Contributions as a Percentage of Covered Payroll</b>
2016	\$ 15,773,166	\$ (15,773,166)	\$ -	\$ 950,205,116	1.66%
2017	16,635,167	(16,635,167)	-	1,002,052,509	1.66%
2018	17,092,904	(17,092,904)	-	1,029,829,605	1.66%
2019	17,768,950	(17,768,950)	-	1,070,294,126	1.66%
2020	18,841,646	(18,841,646)	-	1,135,080,334	1.66%
2021	18,284,775	(18,284,775)	-	1,101,319,115	1.66%
2022	19,296,022	(19,296,022)	-	1,162,758,833	1.66%
2023	19,949,886	(19,949,886)	-	1,202,115,931	1.66%
2024	26,264,550	(26,264,550)	-	1,313,162,550	2.00%
2025	26,369,667	(26,369,667)	-	1,318,683,439	2.00%

(1) The amounts presented for each fiscal year were determined as of June 30.

## 1. Budgetary Basis of Accounting

The Board follows procedures established by State law and State Board of Education (SBE) rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by State law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year end and encumbrances outstanding are honored from the subsequent year's appropriations.

## 2. Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*Changes of Assumptions.* The June 30, 2025, total OPEB liability increased from the prior fiscal year as a result of changes to assumptions which included a change in the discount rate from 3.93 percent to 5.2 percent, a change in the healthcare cost trend from 4 percent to 3.9 percent, and changes in the likelihood of participant elections.

## 3. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

*Changes of Assumptions.* In 2024, salary increase including inflation increased from 3.25 percent to 3.5 percent in the mortality assumptions were updated.

## 4. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

*Changes of Assumptions.* In 2024, the municipal bond rate used to determine total pension liability was increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

## Orange County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>Clustered</b>				
<b>Child Nutrition Cluster</b>				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	25002	\$ -	\$ 25,708,267
National School Lunch Program	10.555	25001, 25003	-	103,315,217
Summer Food Service Program for Children	10.559	24006, 24007, 25006, 25007	-	2,169,824
Fresh Fruit and Vegetable Program	10.582	25004	-	823,870
<b>Total Child Nutrition Cluster</b>			-	132,017,178
<b>Student Financial Assistance Cluster</b>				
United States Department of Education:				
Federal Pell Grant Program	84.063	N/A	-	3,754,510
<b>Special Education Cluster</b>				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	298,285	52,087,703
Special Education - Preschool Grants	84.173	267	-	1,347,573
<b>Total Special Education Cluster</b>			298,285	53,435,276
<b>Child Care and Development Fund Cluster</b>				
United States Department of Health and Human Services:				
Early Learning Coalition of Orange County:				
Child Care and Development Block Grant	93.575	None	-	417,125
<b>Head Start Cluster</b>				
United States Department of Health and Human Services:				
Head Start	93.600	N/A	-	285,396
<b>Not Clustered</b>				
<b>United States Department of Agriculture</b>				
Urban Agriculture and Innovation Production	10.935	N/A	-	77,603
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-4413	-	11,225,941
<b>Total United States Department of Agriculture</b>			-	11,303,544
<b>United States Department of Defense</b>				
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	-	639,188
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	396,797
Marine Corps Junior Reserve Officers Training Corps	12.UNK	N/A	-	257,102
Navy Junior Reserve Officers Training Corps	12.UNK	N/A	-	602,793
Coast Guard Junior Reserve Officers Training Corps	12.UNK	N/A	-	56,876
<b>Total United States Department of Defense</b>			-	1,952,756
<b>United States Department of Labor</b>				
Valencia College:				
YouthBuild	17.274	None	-	62,350
<b>United States Department of the Treasury</b>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	64,660
<b>United States Department of Education</b>				
School PULSE Panel	84.830	N/A	-	3,553

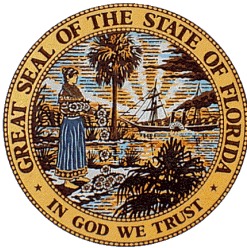
(Continued)

**Orange County District School Board  
Schedule of Expenditures of Federal Awards (Continued)  
For the Fiscal Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<b>Not Clustered (Continued)</b>				
<b>United States Department of Education (Continued)</b>				
Innovative Approaches to Literacy, Promise Neighborhoods; Full-Service Community Schools; and Congressionally Spending for Elementary and Secondary Education Community Projects	84.215	NA	\$ -	\$ 425,526
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	2,850,729
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	2,232,472	87,107,035
Migrant Education - State Grant Program	84.011	217	-	369,382
Career and Technical Education - Basic Grants to States	84.048	161	-	2,795,995
Education for Homeless Children and Youth	84.196	127	-	160,889
Twenty-First Century Community Learning Centers	84.287	244	-	141,796
English Language Acquisition State Grants	84.365	102	-	5,039,821
Supporting Effective Instruction State Grants	84.367	224	40,547	10,961,459
Comprehensive Literacy Development	84.371	404	-	174,241
Student Support and Academic Enrichment Program	84.424	241	221,800	6,440,041
Education Stabilization Fund:	84.425			
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	17,320,626	69,674,815
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children & Youth Fund	COVID-19, 84.425W	122	-	422,881
Total Education Stabilization Fund	84.425		<u>17,320,626</u>	<u>70,097,696</u>
<b>Total United States Department of Education</b>			<u>19,815,445</u>	<u>186,568,163</u>
<b>United States Department of Health and Human Services</b>				
Central Florida Regional Workforce Development Board d/b/a/ Workforce Central: Temporary Assistance for Needy Families	93.558	None	-	127,765
<b>United States Department of Homeland Security</b>				
Florida Division of Emergency Management: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1102	-	840,957
<b>Total Expenditures of Federal Awards</b>			<u>\$ 20,113,730</u>	<u>\$ 390,829,680</u>

The notes below are an integral part of this Schedule.

- Notes: (1) **Basis of Presentation.** The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Orange County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) **Summary of Significant Accounting Policies.** Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) **Indirect Cost Rate.** The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) **Noncash Assistance:**
- (A) **National School Lunch Program** – Includes \$11,648,844 of USDA-donated food used during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (B) **Child and Adult Care Food Program** – Includes \$712,464 in cash in lieu of donated foods used during the fiscal year.
- (5) **Disaster Grants – Public Assistance (Presidentially Declared Disaster).** The District incurred \$840,957 in expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disaster) grant in the 2023-24 fiscal year.



Sherrill F. Norman, CPA  
Auditor General

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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## **INDEPENDENT AUDITOR'S 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***

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orange County District School Board as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 27, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

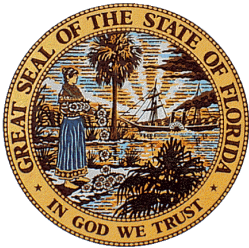
### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 27, 2026



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited the Orange County District School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2025. The District's major Federal programs are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2025.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the **Auditor's Responsibilities for the Audit of Compliance** section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each

major Federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

The District's basic financial statements include the operations of Access Charter School, Inc.; Innovation Montessori Ocoee, Inc.; Legends Academy; Orlando Science Middle/High Charter School, Inc.; Renaissance Charter School at Chickasaw Trail; Renaissance Charter School at Crown Point; Renaissance Charter School at Goldenrod; and Renaissance Charter School at Hunter's Creek (Charter Schools) as part of the reported aggregate discretely presented component units on the accompanying basic financial statements. The Charter Schools expended Federal awards which are not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2025. Our compliance audit, described in the ***Opinion on Each Major Federal Program*** section of our report, does not include the operations of the Charter Schools because the Charter Schools engaged other auditors to perform an audit in accordance with the Uniform Guidance.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's Federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major Federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the ***Auditor's Responsibilities for the Audit of Compliance*** section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 27, 2026

# **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

## **SECTION I – SUMMARY OF AUDITOR’S RESULTS**

### **Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

    Material weakness(es) identified? No

    Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

### **Federal Awards**

Internal control over major Federal programs:

    Material weakness(es) identified? No

    Significant deficiency(ies) identified? None reported

Type of auditor’s report issued on compliance for major Federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major Federal programs:

Assistance Listing Numbers:	Name of Federal Program or Cluster:
10.558	Child and Adult Care Food Program
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low risk auditee? Yes

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters are reported.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters are reported.

## ***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

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The District did not have prior audit findings required to be reported under Title 2, Section 200.511, Code of Federal Regulations.