

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



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

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Foundation for Orange County Public Schools, Inc. (the Foundation), a component unit of the Orange County District School Board, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Foundation, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation 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.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Foundation restated beginning balances to correct accounting errors that occurred in a prior year. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

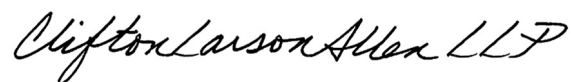
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the Foundation for Orange County Public Schools, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation for Orange County Public Schools, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation for Orange County Public Schools, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Orlando, Florida
December 7, 2023

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

As the leadership of The Foundation for Orange County Public Schools, Inc. (the Foundation), we offer readers of the Foundation's financial statements this narrative overview and analysis of the financial activities for the years ended June 30, 2023, and 2022. This report represents the Foundation leadership's overview of the organization's health and well-being. It is important to note that the Foundation, like many other nonprofits, continues to experience disruptions from increased costs of doing business and supply chain delays. Despite the volatility of the stock market from July 2022 through June 2023 we were able to improve our unrestricted net position. Specific impacts are described below. We encourage readers to consider this information in conjunction with the independent auditors' report and the basic financial statements included herein.

Financial Highlights

- The Foundation's overall combined net position totaled \$4,467,200 as of the year ended June 30, 2023, as compared to \$3,791,375 as of the year ended June 30, 2022.
- Unrestricted net position totaled \$595,260 and \$374,297 for the years ended June 30, 2023 and 2022, respectively. These funds represent monies available to provide academic program support to students, teachers and staff in Orange County Public Schools, as well as general and administrative support.
- Restricted (Expendable and Nonexpendable) net position totaled \$3,871,940 and \$3,417,078 for the years ended June 30, 2023 and 2022, respectively. These funds represent monies which have been limited by donors with time restrictions, special purpose restrictions, or are funds that are invested in perpetuity.

Overview of the Financial Statements

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

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Statements of Assets as of June 30:

	2023	2022
Cash and Investments	\$ 4,549,973	\$ 3,738,844
Other Assets	398,760	265,456
Florida Prepaid Tuition Scholarships	15,395	15,395
Total Assets	<u>\$ 4,964,128</u>	<u>\$ 4,019,695</u>

Statements of Liabilities as of June 30:

	2023	2022
Accounts Payable and Accrued Expenses	\$ 392,528	\$ 187,228
Unearned Revenue	104,400	41,092
Total Liabilities	<u>\$ 496,928</u>	<u>\$ 228,320</u>

Statements of Net Position as of June 30:

	2023	2022
Restricted:		
Teacher Grants	\$ 316,944	\$ 143,412
Read2Succeed	51,255	116,000
District Support	975,427	768,745
Scholarships and Endowments	2,170,349	2,034,452
Nonspendable Endowment	357,965	354,469
Unrestricted	595,260	374,297
Total Net Position	<u>\$ 4,467,200</u>	<u>\$ 3,791,375</u>

Foundation Investment Portfolio Grows

The Foundation's capital reserves and endowed funds have been actively managed by an investment firm for nine years. The portfolio was established in FY2014 with an initial balance of \$640,000. As of June 30, 2023, and 2022, investment holdings accounted for 87% and 82% of total assets, respectively. The purpose of the investment pool is to preserve and enhance the real purchasing power of contributed funds, while providing an earnings stream to support Orange County Public Schools. The value of the Foundation's enterprise fund investments totaled approximately \$4,351,445 as of June 30, 2023. That represents an increase of approximately \$1,052,611 from the previous fiscal year-end value of approximately \$3,298,834. This growth is primarily due to additional contributions, and potential losses in this year's volatile market were moderated by our investment firm's proprietary investment formulas, which buffered our funds from the worst effects of that volatility. The total portfolio of custodial and enterprise funds under the Foundation's management is now valued at \$5,318,610, which represents 731% growth since inception. The Foundation's finance committee reviews the investment portfolio quarterly with representatives of the investment firm to review the portfolio and asset allocation, analyze performance returns, and rebalance the account as necessary.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Liabilities

Accounts payable and accrued expenses includes amounts due to vendors as of June 30, 2023 and 2022, for operating expenses and other commitments of the Foundation. There were no long-term liabilities as of June 30, 2023 and 2022.

Board-Designated Assets

Included in the Unrestricted Net Assets are \$127,107 in Board-Designated Assets. These include a reserve of \$100,000 and the remaining funds from an unrestricted estate gift of \$98,540. After the Foundation received the latter gift, the donor's family shared that the donor had intended to support a program at Princeton Elementary School that serves children with disabilities. The Board chose to honor this donor designation. In the past four years, the Board has voted to use \$71,433 to fund equipment needs for the Princeton Elementary School program. The Balance also includes \$10,000 designated for Nancy Peed, former Foundation Director, to be spent in her name; this amount will be contributed to the new Superintendent's Scholarship Fund (see more below) in honor of Dr. Barbara Jenkins' retirement as Superintendent of Orange County Public Schools as of December 1, 2022.

Statements of Revenues, Expenses, and Changes in Net Position:

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

Operating Revenues for the Year Ended:

	2023	2022
Contributions	\$ 319,013	\$ 125,473
Fundraising Events	419,362	430,062
Grants	2,479,174	1,842,111
Read2Succeed	326,683	524,256
Scholarships and Endowments	295,917	623,445
Other Income	28,668	2,750
In-Kind Donations	41,305	56,788
Total Revenue and Support	<u>\$ 3,910,122</u>	<u>\$ 3,604,885</u>

Program Services Expenses by Function for the

Year Ended:

	2023	2022
Read2Succeed	\$ 393,114	\$ 524,375
Teacher Grants	231,426	236,341
District Support	2,346,501	1,847,677
Scholarships	197,353	131,327
Total Program Services Expenses	<u>\$ 3,168,394</u>	<u>\$ 2,739,720</u>

Support Services Expenses by Function for the

Year Ended:

	2023	2022
Fundraising	\$ 197,126	\$ 110,702
General and Administrative	474,476	369,407
Total Support Services Expenses	<u>\$ 671,602</u>	<u>\$ 480,109</u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Operating Revenue Increased 8.47 Percent

Total operating revenue for the 2022-23 fiscal year increased \$305,237 to \$3,910,122. This includes increases in fundraising events that could be held now that the pandemic is abating, grant awards, support for Read2Succeed, and new endowment funds received compared to the prior year. Contributions for the year totaled \$319,013.

Foundation Managed More Than \$5.37 Million for Program Support, Scholarships, School Funds and District Funds

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

Read2Succeed

Many of our youngest students are still showing some learning loss or delay as a result of the pandemic, and benefit from the optimal impact of face-to-face interaction and learning that Read2Succeed helps to provide for developing readers. The program offered individualized reading instruction to 1,130 Kindergarten, 1,022 first-grade, 781 second-grade and 148 higher-grade students in 105 elementary schools. Of the students for whom data were available, 2,125 participants overall had comparable measures on the year-opening and year-end diagnostic assessments. Pre- and post-test assessments were also used to measure student progress. Of those for whom data were available, students improved as follows:

- Kindergarteners: 92.5% showed growth from beginning to end-of-year phonics assessments.
- First graders: 98% showed growth from vocabulary pre-test to post-test score.
- Second graders: 100% showed growth from fluency pre-test to post-test score.

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

- Kindergarten students increased their score by 25 points or higher as follows:
 - 72.3% on the iReady phonological awareness assessment;
 - 81.7% on the iReady phonics assessment; and
 - 84.4% on the iReady high-frequency words assessment
- First-grade students increased their score by 25 points or higher as follows:
 - 69.0% on the iReady vocabulary assessment; and
 - 82.6% on the iReady pre- and post-test assessment
- Second-grade students increased their score by 25 points or higher as follows:
 - 76.3% on the iReady reading assessment; and
 - 61.4% on the iReady pre- and post-assessment for fluency.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

City Year Orlando

City Year AmeriCorps members provided academic support, attendance monitoring and activities like assemblies and celebrations that improve the overall school environment at eight schools across the district: Catalina and Eccleston elementary schools; Meadowbrook, Memorial and Walker middle schools; and Evans, Jones and Oak Ridge high schools. The Foundation supports the program at Walker.

Throughout FY2023, City Year tutored, mentored and coached 88 “focus list” students (16 attendance, 18 behavior, 43 literacy and 18 math) at Walker Middle School, providing more than 775 service hours directly to these students. In addition, they logged more than 1,800 small-group and/or one-to-one sessions with these and other students.

Like many organizations across the country, City Year Orlando is facing recruitment challenges that are lasting effects from the COVID pandemic. What was originally anticipated as a short-term issue during the 2021-22 school year has now become a multi-year recovery effort to return to pre-pandemic enrollment levels for its school-based AmeriCorps teams. At Walker, this translated to a team of four AmeriCorps members rather than the typical 10. Despite the smaller team size, the AmeriCorps members’ positive morning greetings, before- and after-school initiatives, and academic, attendance and cultural celebration projects provided a positive school climate and culture for all 1,078 Walker Middle School students. The smaller team size also led to improved experiences for AmeriCorps members during their service year.

Teacher Grants

This year, teachers submitted 277 applications for grants in the areas of arts education support, non-fiction classroom libraries, middle school book clubs, and STEM projects. The program awarded more than \$173,000 in classroom grants to 132 teachers for equipment and materials that directly impact classroom learning. In total, approximately 18,615 students directly benefited from these grants. Grant check distribution to winners was completed in November, with highlights posted on the Foundation for OCPS website. All grant winners provided their year-end reporting virtually in April, and the portal opened for 2022-23 proposals in July.

- Classroom Library Grants put nonfiction books in the hands of approximately 6,300 students in 36 schools; 74% cultivated a growing interest in reading as a direct result of this program; 49% demonstrated improvement in their reading skills; and 36% demonstrated improvement in writing skills.
- Middle School Book Club grants were awarded to clubs in 10 schools. These clubs helped 215 reluctant readers strengthen their literacy skills while encouraging reading for enjoyment.
- Math, Science, Energy Education and STEM grants provide funds for equipment and/or materials for hands-on, experiential projects. Of the 7,420 students who participated in these projects, 66% increased their interest in STEM topics; 56% increased their interest in pursuing STEM careers; and 41% improved their grades in math, science, or other STEM subjects.
- Arts Education Grants totaling \$12,960 supported visual and performing arts programs in 27 schools, benefiting 4,680 students and 27 teachers.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Fleet Farming

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

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

CHILL

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

- 386 students were referred CHILL services.
- 210 students enrolled in individual or family services in individual sessions.
- CHILL counselors held approximately 1,347 individual sessions.
- 200 students enrolled in group services.
- 243 group sessions were provided during the year.

The main topics addressed during the 2022-23 school year were:

- Coping Skills
- Dealing with Feelings
- Stress Management

Health Care Services

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Hurricane Ian Relief

The Foundation team secured contributions and distributed support to help employees, students and their respective families who experienced damage or challenges from Hurricane Ian. Gift cards for groceries, gas, clothing and school supplies were distributed to individuals in need; hotel rooms were secured for displaced families; and special efforts to assist Riverdale Elementary resulted in a \$11,000 grant from the DeVos Family Foundation and a \$20,000 grant from Dollar General. Between existing funds (OCPS Family Fund and Distressed Students & Families Fund) and new contributions, the Foundation distributed more than \$110,000 in hurricane relief assistance.

Video Storytelling: "The Slice" and "Mondays with Maria"

The Foundation's board of directors approved up to \$60,000 in funding from its unrestricted reserves to launch a new community engagement effort: video storytelling, now known as "The Slice" and "Mondays with Maria." Through the end of May, 175 segments (141 Slice and 34 Mondays with Maria) were created and produced by Jamie Holmes, Nancy Alvarez and the Media Relations team, and were very well-received by the community. The Foundation's board has approved funding to support this effort in FY2024 as well. This aligns with the Foundation's support of OCPS Transportation employee retention initiatives in FY2022; the latter project was completed in August 2022 with the renovation of lounge spaces at five of the transportation depots.

Coach Pennington Scholarship

This endowed fund was established by Evans High School alumni in honor of Coach Fred Pennington for the positive impact he had on students both on and off the court during his tenure at Maynard Evans High School. It continues Coach Pennington's legacy of creating positive impact for graduating seniors as follows:

- Six seniors from the graduating Class of 2022 – basketball players and cheerleaders from low-income families – were awarded scholarships totaling \$9,000 (\$750 per semester, \$1,500 total).

Above and Beyond Scholarship

This endowed fund was established by an Oak Ridge High School alumnus from the Class of 1967 to provide scholarships to graduating seniors from Oak Ridge High School who seek a certificate or a two- or four-year postsecondary degree at a technical or vocational school, college or university. Scholarships are renewable on an academic year-by-year basis for a maximum of four years. Throughout FY2022, 45 students were awarded \$1,500 each, for a total of \$67,500.

The Fund for Maitland Public Schools

This endowed fund was established by the city of Maitland in FY2017 to support before- and after-school educational and enrichment activities for students at traditional public schools within the city limits of Maitland, Florida. Existing schools are Dommerich and Lake Sybelia elementary schools, and Maitland Middle School. The fourth annual disbursement to schools was made in August 2022. The eligible schools received \$8,000, distributed proportionally on a per-student basis.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

New Bobbie Lytle Outstanding Teacher Award and Endowment

When Bobbie Lytle, a beloved and dedicated teacher, passed away in the summer of 2022, her daughter Tiffany knew she wanted to do something special to honor and continue her mother's legacy. After a few discussions with the Foundation, she decided to create the Bobbie Lytle Outstanding Teacher Award at both Dommerich and Brookshire elementary schools, where her mother spent her career as a classroom teacher. Tiffany and her husband provided generous gifts of cash and appreciated stock to establish a new endowed fund using one of the ETF portfolios we offer. As the Fund grows, the family hopes to establish more awards to recognize teachers at additional schools.

Bobbie Lytle believed in Christa McAuliffe's words, "I touch the future: I teach." A lifelong educator, Bobbie touched the lives of thousands of students. Her infectious smile and love of learning encouraged children to extend their curiosity into all areas of knowledge. Whether it was storytelling, creating a cookbook for her second-grade parents at the holidays, or fabulous art projects, she made sure her students' abilities shone brightly.

All members of the two schools' communities – faculty, staff, parents, students and neighbors – may nominate teachers for these new awards. The teachers selected for this recognition each year must be a current teacher at either Dommerich Elementary or Brookshire Elementary and must embody the following qualifications, among others:

- Communicate effectively with parents
- Possess the ability to connect with their students, showing a genuine interest in individuals
- Be encouraging
- Believe in individuals and help all children realize their potential and what they can do
- Be compassionate
- Engage children with enthusiasm, humor, respect and a sense of caring
- Overcome challenging personalities with a positive attitude
- Be altruistic
- Cultivate and nurture a sense of belonging in his or her classroom
- Be responsive, loving, and go the extra mile
- The first recipients of the award were named in May: Kelly Wilhite at Dommerich Elementary School, and Annette Gidus at Brookshire Elementary School.

School and District Funds

The Foundation continued to experience considerable growth this year in the school and district funds it manages. These funds help schools build their capacity and district programs to serve unmet needs. This year, the Foundation managed 280 school and 128 district funds, a 29% increase in the number of funds managed by the Foundation during FY2022. These funds raised \$1,011,345, a 11% decrease over FY2022 results. Since the adoption of the Foundation's new structure in FY2017, the number of student and district funds under management have increased 592%.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

School and District Funds (Continued)

Since the adoption of the Foundation's new structure in FY2017, the number of school and district funds under management have increased 592%. The three most active school funds were Audubon Park Falcon Fund (raising \$132,329), Edgewater 1952 Club (raising \$84,871), and Lake Whitney Elementary School (raising \$49,160).

Memorial Funds

Utilizing online giving tools, the Foundation helped raise more than \$33,100 in 37 memorial and support funds for students, employees and others who experienced tragedies this year. While these contributions are not considered charitable gifts and no tax receipts were provided, the contributions gave great comfort to the families who received them.

OCPS Gives

The 2022-23 OCPS Gives employee giving campaign opened in October and raised approximately \$110,000 in gifts and pledges for Heart of Florida United Way, United Arts of Central Florida, United Negro College Fund, A Gift For Teaching, and the Foundation, with the largest number of dollars designated to the Foundation and to OCPS schools and programs via the Foundation. This year, those who chose to give to the Foundation for OCPS had the opportunity to support the Superintendent's Scholarship Fund in honor of Dr. Jenkins' retirement. Employees could also give to their favorite school, program, or one of the other four nonprofits the campaign supports: A Gift for Teaching, Heart of Florida United Way, United Arts, or United Negro College Fund.

Teach-In

Teach-In 2022 spanned November 14-18 and featured 1,337 speakers who shared their expertise and interests with more than 39,500 students across the district. Presentations have returned to an in-person format, but the option to present virtually provided flexibility to classrooms and presenters alike.

Pick Read & Roll

On Friday, November 4, the Foundation partnered with the Orlando Magic and the Orlando Magic Youth Foundation to bring back Pick Read & Roll as a live, in-person event at the Amway Center Arena! The top three most-improved readers from the fifth-grade classes of 48 Title I elementary schools were honored for their achievements and had the opportunity to interact and play games with members of the Orlando Magic NBA team and team mascot Stuff, while being cheered on by all members of the fourth-grade classes from their respective schools. Teachers and principals joined the fun as well, which included a panel discussion with the Orlando Magic players, music, contests, snacks, and even a spontaneous reading/rap of "Llama Llama Red Pajama" by the players. All students were encouraged to read, read, read! Data from FAST testing was reviewed to assess impact, and revealed that participating students improved their reading scores by 12%.

Alumni Network

The Foundation's OCPS Alumni Network hosted an OCPS Employee Appreciation luncheon Friday, January 6, in the RBELC. This upbeat gathering recognized and honored employees for their hard work, and raised awareness about the Alumni Network itself, giving employees who are also OCPS alumni a chance to connect.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Alumni Network (Continued)

The Alumni Network also hosted a new event in February: the MAGIC of Networking at the Amway Center on Saturday, Feb. 25. The event included a panel discussion by young OCPS alumni who now work for the Orlando Magic, as well as special seating at that night's game.

By the end of December 2023, the Alumni Network committee is working to grow its membership to 2,023. Membership in the Network is free, and is extended to parents and employees as well as alumni in recognition of the importance of these relationships in keeping our alumni connected.

Charity Recycling Services

The Foundation formed a partnership with Charity Recycling Services (CRS) in FY2019. This school-based fundraising opportunity also allows schools to earn Green School credit for recycling. CRS places bins in easy-to-access locations on school campuses; schools encourage parents, employees, local businesses, partners and neighbors to recycle old clothing, shoes, purses, leather goods, blankets, sheets, towels and even small appliances by depositing items in the CRS bins. Each bin is equipped with a small camera inside so that CRS can monitor its contents. When a bin is full, CRS comes to the school's campus to empty and weigh the contents. Materials are transported offsite, sorted, and either repurposed or recycled, keeping them out of landfills. The school receives 10 cents per pound of material collected, and also receives credit for Green School initiatives that honor efforts focused on recycling, conservation and sustainability. As of June 30, 2023, 166 schools had recycled more than 2.3 million pounds of material and received more than \$230,000 in return, including sign-up and Partner in Education bonuses.

ADDITIONS Volunteers and Partners In Education

On March 31, SeaWorld hosted the annual Crystal Awards celebration of outstanding volunteers and Partners in Education. Students from Castleview Elementary School and Boone High School provided entertainment, the filmed interviews were moving and inspirational, and attendees had the opportunity to play in the park after the celebration. By the end of the school year, the number of volunteers assisting our schools has increased to 65,817, which is above pre-pandemic levels. The number of Partners in Education is nearing pre-pandemic levels, reaching 1,961 as of the end of June.

Community Outreach

The Community Outreach Committee was established in FY2018 to help share resources (volunteers, fundraising efforts, and more) throughout the district. In FY2023, the Committee continued to assist 20 high-need schools (18 elementary and 2 middle schools), identified based on multiple criteria and with input from area superintendents, by using the Five Star School designation framework to focus on areas where increased community involvement can help improve student achievement.

Data clearly show the positive impact of this ongoing effort. The Committee reviewed multiple data points to determine that 13 schools are now stable enough to move on in order to make room for other schools in need of this strategic, targeted support.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Trend Micro

On January 12, Trend Micro returned to Orlando to provide school beautification projects and much-needed contributions to McCoy, Shingle Creek, and Palmetto elementary schools, along with Orlando Gifted Academy. Murals were painted, gardening projects were completed and outdoor classrooms were built. Nearly 1,500 volunteers from 85 countries traveled to participate in this mass outpouring of volunteerism, which also included classroom visits, cultural enrichment and career talks for the students. Trend Micro provided more than \$100,000 in materials for the projects, and also gave more than \$15,000 to each school to spend on additional needs.

Teacher Appreciation

The Partner in Education program secured more than \$6.4 million in prize giveaways for Teacher Appreciation Week in May! Some of the offerings were available to all OCPS staff members, and instructional staff had the opportunity to register to win gift cards, park tickets, hotel stays, and many other items. More than 5,650 teachers registered to win, with 136 randomly selected as prize winners.

Special Events

22nd Annual "Fore Our Schools" Golf Tournament

On Friday, October 21, we were able to return to the Walt Disney Palm and Magnolia Golf Courses and Shades of Green Resort for the 22nd annual "Fore Our Schools" Golf Tournament. Morning and afternoon tee times were offered, with both sets of teams gathering for lunch, raffle prizes, and a brief presentation of thanks for their support. The event raised approximately \$176,000 in critical operating dollars for the Foundation. The FY2024 event will be held at the Omni Resort in ChampionsGate, and will return to a morning tee time on two courses.

Second Annual School Spirit Run at SeaWorld

The second annual School Spirit Run, powered by title sponsor Delta Dental, was held at SeaWorld Saturday, February 4, 2023. With 1,882 runners registered, we achieved a 124% increase over last year, and the event raised more than \$135,000, more than double last year's total. The Wekiva High School Marching Mustangs and the Oak Ridge High School Cheer Squad ramped up the school spirit, and Sesame Street characters, SeaWorld animal ambassadors, giveaways for kids, and the addition of a theme animal (penguins) made for a fantastic morning. Even the Tooth Fairy made an appearance, in honor of title sponsor Delta Dental. Schools earned a total of \$5,000 in cash awards for most school spirit, most participants, and best mascot display. We are excited to return to SeaWorld for the third annual School Spirit Run February 17, 2024.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Top Talent 2023

Top Talent LIVE 2023 returned as a live matinee in the Alexis & Jim Pugh Theater at the Dr. Phillips Center for Performing Arts Saturday, April 29! A total of 18 acts, including a Wild Card act chosen by the community at large via text2give voting, were selected from nearly 250 submissions. Celebrity judges included former director Karen Rugerio, singer and songwriter Pollyanna Dorrough, alumnus Wayne Brady (virtually), alumnus and "The Voice" Season 22 finalist Omar Jose Cardona and "The Voice" Season 23 finalist Kala Banham. The show opened with a duet by Omar and Kala, and closed with performances by No Lonely Hearts, an up-and-coming boy band from Wright Entertainment Group, who launched Backstreet Boys and N'Sync, among many other artists.

The event raised over \$120,000 in cash and in-kind contributions, provided cash awards to students and their schools, and supported two vital funds: the Arts Access for All Fund and the Pursuit of the Arts Fund. Arts Access provides arts materials and supplies to every school in the district, and Pursuit of the Arts assists talented students who experienced homelessness or extreme poverty while at OCPS with costs a family usually covers: plane tickets, warm clothing, meal plans, dormitory supplies, that extra pair of tap shoes, and so forth. Both funds help OCPS students learn from outstanding teachers and experience the arts in many forms as they find their own "voice" through music, dance, drama, paint, pastels, photography, and so much more.

Strategic Plan in Place Through 2025

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

Our philanthropic priorities are:

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

Future Outlook

The Foundation for Orange County Public Schools serves as the sole designated direct-support organization for the eighth-largest school district in the nation and supports 210,000 students and 25,000 employees, including 15,000 teachers, in 220 schools across the county. We align our focus with the plans of the Orange County Public Schools district and the School Board, and are committed to collaborating with the school district to invest in student achievement.

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

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

In short, the Foundation partners with corporations, foundations, small businesses, and members of the community to create a sustainable difference in Orange County Public Schools. Through the support of these partnerships, the Foundation provided more than \$5.37 million in program support last school year, including managing \$904,180 for district and school funds.

In addition to implementing the Foundation's strategic plan, other priorities for FY2024 will include:

Continue Supporting "The Slice" and "Mondays with Maria" Video Storytelling

- In September 2022, "The Slice" and "Mondays with Maria" video storytelling packages were launched as a new way to communicate with the community at large, including (and especially) parents, employees and others with a close connection to OCPS. The short interviews and videos on topics of interest to parents and others are broadcast several times a week on YouTube, and are promoted via social media and email, and have been extremely well-received. The Foundation board approved utilizing unrestricted funding to launch the effort in FY2023 and again to continue supporting it during FY2024. The Foundation team continues to work closely with the other departments in the district's Communications Division to vet and provide content, seek funding partners and sponsors, and gather feedback on this successful engagement method.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Continue to Implement Efficiencies Among Technological Tools

- The Community Outreach, Partners in Education and ADDitions Volunteers programs utilize Samaritan, a custom-built software system for recruiting, registering, and tracking partnerships and volunteers, as well as promoting school needs with an outward interface. The entire Foundation team utilizes DonorPerfect as its constituent relationship management system (CRM) and QuickBooks for accounting. At the beginning of FY2023, DonorPerfect and QuickBooks were integrated, allowing for imports of data from DonorPerfect into QuickBooks, and cutting data entry time in half. The team continues to refine this integration, specifically improving and streamlining coding, as well as identifying and implementing additional efficiencies among and between these tools that enhance each system and improve our daily work.

Research Upgrades to Services and Platforms

- As the Foundation's work and team grows, we are discovering needs for additional functionality in several areas, including our banking services and website platform. During FY2024, we will explore how we can add such elements as Positive Pay, remote deposit capture, and electronic payment functions to strengthen our security, more quickly and safely handle deposits from donors, and move to more paperless functions for speed, efficiency and safety. In addition, we will vet other website platforms to identify those that can allow donors to cover processing fees if they so choose, offer more flexible formatting for the outward-facing site, and integrate online giving directly with our CRM.

Secure Approval of Policy Changes

- In collaboration with district teams in Finance and Legal, the Foundation team prepared and presented proposed, updated School Board policies regarding student fundraising activities, grants from external sources and school internal funds, and crowdfunding to the district's Legal team to bring before the School Board for discussion and approval. These updates clarify the role of the Foundation and the assistance we can offer to maximize schools' ability to secure additional charitable resources, address crowdfunding options, and help ensure that school-based fundraising efforts follow ethical, statutory and legal guidelines and requirements. In June 2023, the Foundation and School Board amended their MOU to specify that all charitable contributions (i.e., not funded by taxpayer dollars) to the School Board will flow to the Foundation in its role as the designated direct-support organization, unless donor intent or giving restrictions (such as private foundations which must support only specific grantees) require otherwise.

Increase Stewardship Activities

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Arts Conservatory School Capital Campaign

- The Foundation team has worked with School Choice and Visual and Performing Arts to strategically share this capital campaign opportunity with selected prospective donors. Community interest seems strong and more funds may be available from the district than originally anticipated. At the same time, challenges have arisen with regard to issues such as parking. In FY2024, we hope to have final numbers from the Facilities team regarding charitable funds needed to convert Cherokee School into an arts conservatory school. Campaign totals, sponsorship and naming opportunities, and gift pyramids and strategies will be modified as needed.

Complete Implementation of AwardSpring Scholarship Platform

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

Reach \$10 Million in Annual Revenue by FY2031

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

Continue Implementation of Long-Range Staffing Plan

- The Foundation's Board of Directors and staff continue to follow its staffing plan to ensure the team is able to reach our long-term goal of raising \$10 million annually by FY2031. Two positions were added (Senior Administrator of Philanthropic Strategy and a Graphics Manager for the Public Relations team) and two positions were upgraded (Senior Administrator of Finance and Administrator, Partners In Education) during FY2023 or early in FY2024. Additional positions are now planned for FY2025, with an emphasis on Alumni Relations, engagement via social media (including the Foundation's website) and stewardship.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Our purpose- and mission-driven work and financial outcomes shared in this report would not have been possible without the commitment and service of Foundation staff and its dedicated board of directors. During the upcoming year, we will continue to connect with and empower those who wish to invest in our children today to strengthen our entire community tomorrow. We invite you to contact us to discuss how you can invest in Orange County Public Schools.

Respectfully submitted,

Jose Fernandez
Board Chair
Foundation for Orange County Public Schools

Scott D. Howat
President
Foundation for Orange County Public Schools
scott.howat@ocps.net
407-317-3494

Requests for Information

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION –
PROPRIETARY FUND
JUNE 30, 2023

	Enterprise Fund
ASSETS	
Cash and Cash Equivalents	\$ 198,528
Investments	4,351,445
Other Assets	398,760
Florida Prepaid Tuition Scholarships	15,395
Total Assets	<u>4,964,128</u>
LIABILITIES	
Accounts Payable and Accrued Expenses	392,528
Unearned Revenue	104,400
Total Liabilities	<u>496,928</u>
NET POSITION	
Restricted:	
Teacher Grants	316,944
Read2Succeed	51,255
District Support	975,427
Scholarships and Endowments	2,170,349
Nonexpendable Endowment	357,965
Unrestricted	<u>595,260</u>
Total Net Position	<u><u>\$ 4,467,200</u></u>

See accompanying Notes to Financial Statements

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Enterprise Fund
OPERATING REVENUE AND SUPPORT	
Contributions	\$ 319,013
Fundraising Events	419,362
Grants	2,479,174
Read2Succeed	326,683
Scholarships and Support	295,917
Other Income	28,668
In-Kind Donations	41,305
Total Operating Revenue and Support	<u>3,910,122</u>
OPERATING EXPENSES	
Read2Succeed	393,114
Teacher Grants	231,426
District Support	2,346,501
Scholarships and Endowments	197,353
Fundraising	197,126
General and Administrative	474,476
Total Operating Expenses	<u>3,839,996</u>
NET OPERATING INCOME	70,126
NONOPERATING INCOME (EXPENSE)	
Investment Income (Expense), Net of Investment	
Management Fees of \$44,399	285,088
Total Nonoperating Income (Expense)	<u>285,088</u>
CHANGE IN NET POSITION	355,214
Net Position - Beginning of Year, as Previously Reported	3,791,375
Restatement (See Note 8)	320,611
Net Position - Beginning of Year, as Restated	<u>4,111,986</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,467,200</u></u>

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS –
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023**

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Grantors, Private Contributors, and Others	\$ 3,794,009
Cash Paid to Suppliers, Scholarship Recipients, Grantees, and Others	<u>(3,588,579)</u>
Net Cash Provided by Operating Activities	205,430
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(1,103,650)
Investment Earnings	(419,742)
Proceeds from Sales of Investments	<u>1,076,480</u>
Net Cash Used by Investing Activities	<u>(446,912)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(241,482)
Cash and Cash Equivalents - Beginning of Year	<u>440,010</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 198,528</u></u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income	\$ 70,126
Adjustments to Reconcile Change in Net Operating Income to Net Cash Provided by Operating Activities:	
Increase (Decrease) in Assets:	
Other Assets	(133,304)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	205,300
Unearned Revenue	<u>63,308</u>
Net Cash Provided by Operating Activities	<u><u>\$ 205,430</u></u>

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
JUNE 30, 2023**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 10,998
Investments	893,182
Total Assets	<u>904,180</u>
NET POSITION	
Restricted for:	
Endowment	107,299
School and District Projects	796,881
Total Net Position	<u><u>\$ 904,180</u></u>

See accompanying Notes to Financial Statements.

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Custodial Funds</u>
ADDITIONS	
Contributions	\$ 592,622
DEDUCTIONS	
School and District Projects	<u>886,408</u>
CHANGE IN FIDUCIARY NET POSITION	(293,786)
Fiduciary Net Position - Beginning of Year, as Previously Stated	1,518,577
Restatement (See Note 8)	<u>(320,611)</u>
Fiduciary Net Position - Beginning of Year, as Restated	<u>1,197,966</u>
NET POSITION - END OF YEAR	<u><u>\$ 904,180</u></u>

See accompanying Notes to Financial Statements.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Established in 1987, the Foundation serves the 8th largest public-school system in the nation and supports more than 209,000 students and 15,000 teachers in 206 schools. The Foundation works hand-in-hand with OCPS to enable successful education by providing schools with support, teachers with tools, and students with care not only to decrease the achievement gap, but to work toward erasing it.

The Foundation focuses on five goals:

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

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

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Foundation, being a component unit of a local government, complies with accounting standards established by the Governmental Accounting Standards Board (GASB).

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The Foundation's operating fund includes unrestricted and restricted resources, representing the portion of expendable and nonexpendable funds that are available for support of operations and funds available for use in accordance with specific restrictions, respectively. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The purpose of the Foundation's funds are as follows:

Proprietary Funds

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

Fiduciary Funds

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

The Foundation evaluates its tax positions for uncertainties on a regular basis and has determined it has no material uncertain tax positions as of June 30, 2023. The Foundation recognizes accrued interest and penalties, if any, associated with uncertain tax positions in "operating expenses" in the accompanying financial statements.

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

Unearned Revenue

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

Cash and Cash Equivalents

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

Investments

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

Estimates

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 IN-KIND DONATIONS

Donated facilities, goods, and professional services that are measurable are recorded as contributions at their fair values at the date of receipt by the Foundation with a corresponding amount recorded as expense. In-kind donations are summarized as follows for the year ended June 30, 2023:

Donated Facilities	\$	41,295
Technology		10
Total	\$	<u>41,305</u>

During the year ended June 30, 2023, donations related to occupancy necessities were received from the School Board of Orange County Florida, a related party. Numerous volunteers provide personnel services to the Foundation. The value of this contributed time is not reflected in these financial statements since they do not meet criteria for recognition.

NOTE 3 SCHOOL/DISTRICT ASSETS HELD

The Foundation held funds for use by schools and district programs in the amount of \$796,881, at June 30, 2023. The Foundation disburses these funds upon request from the schools or programs. These funds are classified as custodial funds and are included in the statement of fiduciary of net position.

NOTE 4 FLORIDA PREPAID TUITION SCHOLARSHIPS

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

In 2001, the Foundation terminated participation in the Take Stock in Children program in support of other mission-critical programs. As a result, the Foundation has donated and returned these scholarships in years past. During the year ended June 30, 2023, the Foundation did not donate or sell any scholarships.

While the Foundation ceased participation in the Take Stock in Children program in 2001, it continued to serve enrolled students who graduated through 2005. During the year ended June 30, 2023, the Foundation did not award scholarships under the program.

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 INVESTMENTS, DEPOSITS, AND FAIR VALUE MEASUREMENTS

The Foundation had the following investments at June 30, 2023:

	Original Cost	Fair Value
REITs	\$ 191,230	\$ 180,897
Fixed Income	2,303,549	2,138,832
U.S. and International Equities	2,304,916	2,924,898
Investments	4,799,695	5,244,627
Cash Held in Investment Accounts	72,815	72,815
Total Held in Investment Accounts	<u>\$ 4,872,510</u>	<u>\$ 5,317,442</u>

Concentration of Credit Risks – Deposits

As of June 30, 2023, the carrying amount of the Foundation's deposits was \$209,526 and the bank balance was \$275,276. The Foundation's policy is to place its cash with high credit quality financial institutions. Cash and cash equivalents consist of bank deposits which, at times, may exceed federally insured limits. The Foundation maintains its cash deposit accounts in institutions which are insured by either the Federal Deposit Insurance Corporation or the National Credit Union Administration, both of which provide coverage on balances up to \$250,000 per depositor per institution.

The uncollateralized combined bank balance comprised of demand deposits is subject to custodial credit risk as it exceeds the FDIC limits by \$25,276 for the year ended June 30, 2023. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2023, the Foundation had the following investments and maturities subject to interest rate risk:

	Investment Maturities (in Years)			
	Less than 1 year	1 - 5 Years	6 - 10 Years	Fair Value
Collateralized Bank Loan	\$ -	\$ 147,343	\$ -	\$ 147,343
Corporate Bonds and Bond Funds	23,800	12,988	977,601	1,014,389
Government Bond Funds	-	87,403	-	87,403
High-Yield Bond Funds	-	595,664	-	595,664
Preferred Stock Funds	-	36,003	-	36,003
Short-Term Bond Funds	-	81,278	-	81,278
Ultrashort Bond Funds	-	176,752	-	176,752
Total	<u>\$ 23,800</u>	<u>\$ 1,137,431</u>	<u>\$ 977,601</u>	<u>\$ 2,138,832</u>

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Credit Risk

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

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

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

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

The following illustrates the credit quality distribution with credit exposure as a percentage of the Foundation's debt securities. As of June 30, 2023, the Foundation had the following credit risk exposure:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Percentage of Portfolio</u>	<u>Market Value In U.S. Dollars</u>
Government Bond Funds	AAA	4.09	\$ 87,403
High-Yield Bond Funds	B	26.48	566,414
High-Yield Bond Funds	BBB	1.37	29,250
Preferred Stock Funds	BB	1.68	36,003
Corporate Bonds and Bond Funds	BB+	0.82	17,453
Corporate Bonds and Bond Funds	BBB+	0.30	6,347
Corporate Bonds and Bond Funds	BBB	45.93	982,431
Corporate Bonds and Bond Funds	BBB-	0.38	8,158
Collateralized Bank Loan	B	6.89	147,343
Short-Term Bond Funds	A	3.80	81,278
Ultrasort Bond Funds	A	8.26	176,752
Total			<u>\$ 2,138,832</u>

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Concentrations of Credit Risk

The Foundation's investment policy states that the allocation of total fixed income and total equity investments shall range from 45% - 75% and 25% - 55% of total investments, respectively. In addition, no individual economic sector shall exceed 20% of the total Equity Income Strategy. As of June 30, 2023, the Foundation was in compliance with the investment policy.

As of June 30, 2023, the following investments constitute a credit risk as they are greater than 5% of the Foundation's Investment portfolio:

iShares 0-5 Year High Yield Corporate Bond ETF	\$ 265,280
Vanguard Intermediate-Term Corporate Bond ETF	478,132
Total	<u>743,412</u>

Investment Income

Investment income is comprised of the following as of June 30, 2023:

Unrealized and Realized Gain (Loss), Net of	
Investment Management Fees	\$ 116,822
Interest and Dividend Income	<u>168,266</u>
Investment Income, Net of Investment	
Management Fees	<u>\$ 285,088</u>

Fair Value Measurement

Information related to the Foundation's assets measured at fair value on a recurring basis are as follows at June 30, 2023:

	Level 1	Level 2	Level 3	Total
REITs	\$ 180,897	\$ -	\$ -	\$ 180,897
Fixed Income	2,138,832	-	-	2,138,832
U.S. and International Equities	2,924,898	-	-	2,924,898
Total	<u>\$ 5,244,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,244,627</u>

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

Statement of Net Position:	
Investments	\$ 4,351,445
Statement of Fiduciary Net Position:	
Investments	<u>893,182</u>
Total	<u>\$ 5,244,627</u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 ENDOWMENT FUNDS

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

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

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

NOTE 7 RELATED PARTY TRANSACTIONS OTHER THAN IN-KIND

On July 1, 2016, OCPS and the Foundation entered into an agreement whereby district philanthropic and fundraising activities will be conducted by the Foundation effective July 1, 2016. As part of this agreement and other agreements, Foundation employees will become employees of OCPS; OCPS will share district data with the Foundation; and OCPS and the Foundation will jointly utilize the Foundation's donor software. Pursuant to the agreements, the Foundation and OCPS will reimburse each other for certain shared costs as defined in the respective agreements. The terms of the various agreements are for one to three year(s) with automatic renewals and can be terminated by either party pursuant to the terms of the agreements. During the years ended June 30, 2023, the Foundation reimbursed OCPS \$492,881 for salaries. In addition, the Foundation owes OCPS \$123,766 as of June 30, 2023, which is included in accounts payable and accrued expenses on the accompanying statements of net position.

NOTE 8 RESTATEMENT OF PRIOR PERIOD

The Foundation performed a reassessment of activities recorded in the custodial funds. The Foundation determined certain activities did not meet the criteria to be recorded as custodial activities under GASB Statement No. 84, *Fiduciary Activities*. Opening net position balances as of June 30, 2022 were restated to correct the errors as follows:

	Enterprise Funds	Custodial Funds
Net Position, June 30, 2022 as Previously Reported	\$ 3,791,375	\$ 1,518,577
Cumulative Effect of Reassessment of GASB Statement No. 84	320,611	(320,611)
Net Position, June 30, 2022 as Restated	<u>\$ 4,111,986</u>	<u>\$ 1,197,966</u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS
JUNE 30, 2023**

	<u>Custodial Funds</u>		
	<u>Scholarships and Endowments</u>	<u>School and District Funds</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,737	\$ 8,261	\$ 10,998
Investments	104,562	788,620	893,182
Total Assets	<u>107,299</u>	<u>796,881</u>	<u>904,180</u>
NET POSITION			
Restricted for:			
Endowment	107,299	-	107,299
School and District Projects	<u>-</u>	<u>796,881</u>	<u>796,881</u>
Total Net Position	<u>\$ 107,299</u>	<u>\$ 796,881</u>	<u>\$ 904,180</u>

**FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Custodial Funds		Total Custodial Funds
	Scholarships and Endowments	School and District Funds	
ADDITIONS			
Contributions	\$ 11,585	\$ 581,037	\$ 592,622
DEDUCTIONS			
School and District Projects	-	886,408	886,408
CHANGE IN FIDUCIARY NET POSITION	11,585	(305,371)	(293,786)
Fiduciary Net Position - Beginning of Year, as Previously Stated	95,714	1,422,863	1,518,577
Restatement (See Note 8)	-	(320,611)	(320,611)
Fiduciary Net Position - Beginning of Year, as Restated	95,714	1,102,252	1,197,966
NET POSITION - END OF YEAR	<u>\$ 107,299</u>	<u>\$ 796,881</u>	<u>\$ 904,180</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of the Foundation for Orange County Public Schools, Inc. (the Foundation), a component unit of the Orange County District School Board, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated December 7, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

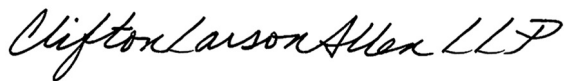
As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Orlando, Florida
December 7, 2023

FOUNDATION FOR ORANGE COUNTY PUBLIC SCHOOLS, INC.
A COMPONENT UNIT OF THE ORANGE COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023

2023-001 – Material Adjustments

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

Condition: Material errors were detected in the Foundation's accounts payable and custodial fund account balances during our audit. As a result, material adjustments were proposed to correct the account balances.

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

Effect: Liabilities and Net Position were misstated.

Cause: One accounts payable transaction, totaling \$70,820, was not identified during the year-end closing process. Additionally, management's reassessment of activities recorded in the custodial funds identified material amounts that did not meet the criteria to be recorded as custodial activities under GASB Statement No. 84, *Fiduciary Activities*. The reassessment resulted in a restatement of prior period balances.

Repeat Finding: Yes. Material adjustments were also reported as finding 2022-001; however, the nature of the adjustments was not repeated in the current year.

Recommendation: A process should be established to review payments made subsequent to year-end to ensure transactions are recoded in the proper accounting period. Management should evaluate new activities when initiated to ensure they are reported in the appropriate fund type.

Views of Responsible Officials and Planned Corrective Actions:

We appreciate the thoroughness and precision with which CliftonLarsonAllen's audit staff performed their duties in this audit cycle, and thank them for bringing to light the need for an additional internal control. The Foundation always strives for accuracy in its financial reporting and takes this matter very seriously.

The following corrective actions are being taken to address the matter. Additional controls regarding accounts payable for projects which have activity at the end of the fiscal year are being implemented to ensure transactions are coded in the proper accounting period. In addition, our reassessment of activities previously recorded as custodial activities was a result of staff's improved understanding of GASB 84 and efforts to more accurately characterize activities into the appropriate fund type. Moving forward, this improved understanding will help ensure accurate characterization and recording.