

INTRODUCTION

The Orange County Mayor and the Board of County Commissioners are pleased to present the proposed budget for fiscal year 2021-22, encompassing the period beginning October 1, 2021 and ending September 30, 2022. This is a brief overview of the Orange County budget.



As our community recovers, Orange County will continue to support our businesses and residents who have been adversely impacted by COVID-19. Under the American Rescue Plan Act (ARPA) signed by President Biden on March 11, 2021, Orange County will receive \$270 million over two (2) years to help our local recovery. Similar to the CARES Act, the ARPA goal is to infuse a majority of funding directly into affected communities. Orange County is directing this additional financial assistance across a spectrum of needs. In addition to strengthening businesses, we will continue to emphasize social service programs targeting employment, child care, emergency food assistance, mental health, and homelessness, along with other social services. Furthermore, we are looking to invest in broadband connectivity and increase access for residents with limited or no access to the internet. Lastly, we will invest a portion of funding in county infrastructure and equipment that is outdated and needs to be replaced.

In response to the fiscal challenges brought on by the pandemic, the County froze all non-bargaining employee salaries and all non-essential operating expenses in the current fiscal year. This measure was necessary to guarantee the long-term health of Orange County's finances given the stark uncertainty of the pandemic. Fortunately, the upcoming fiscal year is looking brighter, and Orange County is seeing a recovery in some of its major revenues. Included in the budget is a well-deserved 3.5% salary increase for employees as the County continues looking for ways to streamline the variety of operational services necessary to meet the needs of our residents.

Orange County's most important and largest single revenue source, property tax, is up 3.85%. This is a lower growth rate than in the past several years due to the combined effect of a commercial property market negatively impacted by the pandemic and a residential property market on the rise due to an increasing demand for housing. The revenue collected from property tax is based on the taxable value as of January 1, 2021. According to the Property Appraiser's preliminary tax roll, Orange County's countywide taxable value is \$161 billion, providing property tax proceeds of about \$716 million or a 3.85% increase over the current fiscal year. As the County emerges from a relatively severe economic crisis, we are fortunately in a position to propose a healthy general fund reserve of \$87 million or 7.5% of the overall fund. Thanks to prudent planning, fiscal constraints, and continuous monitoring, the reserves is at an appropriate level should the County face any other emergencies requiring immediate funding.

Sales tax, another major revenue source, is used by Orange County to pay for county services, capital construction, transportation, and debt service. As the local economy recovers, the County expects sales tax revenue to recover as well. In fiscal year 2021-22, we anticipated an uptick from our current budget of \$173 million to \$191 million, an \$18 million or 10% increase. This will be slightly below fiscal year 2018-19 level when we received \$197 million.

We have four (4) gasoline tax revenue sources in Orange County dedicated to funding our transportation program needs, including road maintenance and repair, new roadways, and stormwater management. As a result of more residents telecommuting, more fuel-efficient, and electric cars on the road, we anticipate maintaining a relatively steady gas tax revenue of \$43 million. This stagnation in transportation funding will continue to hamper the county's ability to meet the growing transportation needs of our dynamic community.

Orange County Convention Center revenues are also seeing an uptick as events have returned in earnest. As the first convention center in the nation to safely reopen, we will host more than 100 events in the current fiscal year with nearly 700,000 attendees. The outlook for fiscal year 2021-22 is even more encouraging as we expect to host about the same number of events, but with nearly 1.2 million attendees and a total economic impact of more than \$2.5 billion. The Orange County Convention Center has positioned itself as the industry leader coming out of the pandemic. It is benefiting from several events relocating to Orlando from other parts of the country. The reason is that we are open and deemed safe. The preliminary TDT revenue estimate for fiscal year 2021-22 is \$175 million. However, we believe the potential is much higher and will likely be adjusted upward in January as further information becomes available.

The pandemic has been challenging for communities across the nation. This public health crisis has tested the limits of our healthcare professionals, our essential workers, and our residents. Still, through it all, we have persevered and found strength in one another. The budget plan continues the strategy of fiscal prudence and transparency and provides a blueprint for sustainable service delivery to the community. Orange County's \$5.4 billion budget maintains the current property tax rate while focusing on vital areas such as public safety, housing affordability, transportation, and other services.

**ORANGE COUNTY
BUDGET SUMMARY
FISCAL YEAR 2021-22**

CLASSIFICATION	General Revenue Fund	Transportation Trust Fund	Grant Funds	Fire & EMS District Funds
REVENUES :				
Ad Valorem Taxes	\$ 652,974,658	\$ 0	\$ 0	\$ 191,516,517
Other General Taxes	2,509,000	1,050,000	0	0
Permits and Fees	1,151,900	1,983,500	0	2,450,000
Grants	2,520,120	0	69,391,537	0
Shared Revenues	1,206,600	7,200,000	0	360,000
Service Charges	47,620,163	1,074,000	0	33,628,326
Fines and Forfeitures	1,064,025	3,326,000	0	0
Interest and Other	13,012,750	139,550	6,409,767	1,150,500
Total Revenues	722,059,216	14,773,050	75,801,304	229,105,343
Less: Statutory Deduction	-37,202,961	-738,653	0	-11,530,267
Net Revenues	<u>\$ 684,856,255</u>	<u>\$ 14,034,397</u>	<u>\$ 75,801,304</u>	<u>\$ 217,575,076</u>
NON-REVENUES:				
Debt/Lease Proceeds	76,500	0	0	0
Interfund Transfers	196,509,097	20,000,000	0	49,608,753
Fund Balance	288,278,311	111,100,000	3,240,000	0
Other Sources	22,000,000	0	0	1,500,000
TOTALS	<u>\$ 1,191,720,163</u>	<u>\$ 145,134,397</u>	<u>\$ 79,041,304</u>	<u>\$ 268,683,829</u>
EXPENDITURES/EXPENSES:				
General Government	\$ 296,056,088	\$ 0	\$ 61,400	\$ 0
Public Safety	509,038,726	0	1,589,425	242,417,724
Physical Environment	13,866,372	10,237,380	103,357	0
Transportation	57,277,527	124,544,690	0	0
Economic Environment	38,685,041	0	36,084,092	0
Human Services	139,758,197	0	38,869,894	0
Internal Services	0	0	0	0
Culture and Recreation	5,258,874	0	0	0
Total Expenditures/Expenses	<u>\$ 1,059,940,825</u>	<u>\$ 134,782,070</u>	<u>\$ 76,708,168</u>	<u>\$ 242,417,724</u>
NON-EXPENSE DISBURSEMENTS:				
Debt Service	0	0	0	0
Reserves	86,631,286	10,232,327	0	26,266,105
Interfund Transfers	45,148,052	120,000	2,333,136	0
TOTALS	<u>\$ 1,191,720,163</u>	<u>\$ 145,134,397</u>	<u>\$ 79,041,304</u>	<u>\$ 268,683,829</u>

**ORANGE COUNTY
BUDGET SUMMARY
FISCAL YEAR 2021-22**

CLASSIFICATION	Special Tax Equalization Fund	Debt Service Funds	Capital Construction Funds	Other Revenue Funds
REVENUES :				
Ad Valorem Taxes	\$ 154,083,141	\$ 0	\$ 36,329,294	\$ 39,576,069
Other General Taxes	17,000,000	80,003,289	0	25,155,250
Permits and Fees	0	0	29,535,214	161,150,243
Grants	0	0	0	0
Shared Revenues	0	234,812,000	0	19,043,661
Service Charges	0	0	0	76,829,883
Fines and Forfeitures	0	1,100,000	0	2,857,579
Interest and Other	20,000	192,000	2,607,293	4,392,791
Total Revenues	171,103,141	316,107,289	68,471,801	329,005,476
Less: Statutory Deduction	-8,587,657	-15,805,364	-3,423,592	-16,450,686
Net Revenues	<u>\$ 162,515,484</u>	<u>\$ 300,301,925</u>	<u>\$ 65,048,209</u>	<u>\$ 312,554,790</u>
NON-REVENUES:				
Debt/Lease Proceeds	0	100,000,000	0	0
Interfund Transfers	3,382,268	461,056,446	297,806,421	296,563,727
Fund Balance	71,416,469	0	181,000,000	69,975,518
Other Sources	650,000	0	0	8,162
TOTALS	<u>\$ 237,964,221</u>	<u>\$ 861,358,371</u>	<u>\$ 543,854,630</u>	<u>\$ 679,102,197</u>
EXPENDITURES/EXPENSES:				
General Government	\$ 0	\$ 255,964	\$ 45,709,918	\$ 18,050,600
Public Safety	0	15,878	45,855,572	63,906,805
Physical Environment	0	0	102,824,000	88,678,121
Transportation	0	0	77,512,901	88,567,862
Economic Environment	0	0	0	13,740,280
Human Services	0	0	9,239,919	111,504,569
Internal Services	0	0	0	0
Culture and Recreation	0	0	10,139,100	54,270,967
Total Expenditures/Expenses	<u>\$ 0</u>	<u>\$ 271,842</u>	<u>\$ 291,281,410</u>	<u>\$ 438,719,204</u>
NON-EXPENSE DISBURSEMENTS:				
Debt Service	0	39,908,164	0	0
Reserves	0	395,712,855	252,573,220	239,403,614
Interfund Transfers	237,964,221	425,465,510	0	979,379
TOTALS	<u>\$ 237,964,221</u>	<u>\$ 861,358,371</u>	<u>\$ 543,854,630</u>	<u>\$ 679,102,197</u>

**ORANGE COUNTY
BUDGET SUMMARY
FISCAL YEAR 2021-22**

CLASSIFICATION	Enterprise Funds	Internal Service Funds	Total
REVENUES :			
Ad Valorem Taxes	\$ 0	\$ 0	\$ 1,074,479,679
Other General Taxes	175,000,000	0	300,717,539
Permits and Fees	32,774,002	0	229,044,859
Grants	0	0	71,911,657
Shared Revenues	0	0	262,622,261
Service Charges	312,462,509	185,105,846	656,720,727
Fines and Forfeitures	21,899	0	8,369,503
Interest and Other	7,664,057	7,351,100	42,939,808
Total Revenues	527,922,467	192,456,946	2,646,806,033
Less: Statutory Deduction	-26,396,124	-367,555	-120,502,859
Net Revenues	<u>\$ 501,526,343</u>	<u>\$ 192,089,391</u>	<u>\$ 2,526,303,174</u>
NON-REVENUES:			
Debt/Lease Proceeds	80,000,000	0	180,076,500
Interfund Transfers	449,804,650	130,845,121	1,905,576,483
Fund Balance	326,403	0	725,336,701
Other Sources	0	0	24,158,162
TOTALS	<u>\$ 1,031,657,396</u>	<u>\$ 322,934,512</u>	<u>\$ 5,361,451,020</u>
EXPENDITURES/EXPENSES:			
General Government	\$ 1,000,000	\$ 0	\$ 361,133,970
Public Safety	0	0	862,824,130
Physical Environment	419,584,819	0	635,294,049
Transportation	0	0	347,902,980
Economic Environment	168,099,528	0	256,608,941
Human Services	0	0	299,372,579
Internal Services	0	255,991,206	255,991,206
Culture and Recreation	5,700,000	0	75,368,941
Total Expenditures/Expenses	<u>\$ 594,384,347</u>	<u>\$ 255,991,206</u>	<u>\$ 3,094,496,796</u>
NON-EXPENSE DISBURSEMENTS:			
Debt Service	107,141,825	0	147,049,989
Reserves	316,804,821	66,943,306	1,394,567,534
Interfund Transfers	13,326,403	0	725,336,701
TOTALS	<u>\$ 1,031,657,396</u>	<u>\$ 322,934,512</u>	<u>\$ 5,361,451,020</u>

GENERAL INFORMATION

Orange County was founded in 1824, and at that time it was named Mosquito County. It was renamed Orange County in 1845 for the fruit that constituted the county's main product. At its peak in the early 1970's, there were some 80,000 acres of citrus.

Orange County is approximately 1,003.3 square miles of which 903.4 square miles are land and 99.9 square miles are water. The county is at the approximate geographic center of the state. Four (4) counties border it: Lake County to the west, Brevard County to the east, Seminole County to the north, and Osceola County to the south. In addition, Orange County is comprised of 13 municipalities in the incorporated area and 17 distinct neighborhoods in the unincorporated area. Orange County has a population of 1,415,260 based on 2020 estimates from the University of Florida Bureau of Economic and Business Research.



Orange County is a leading center for tourism and a premier business center. The Orange County Convention Center is now the second largest convention facility in the country. Orange County is also the first destination in the country that can say it has welcomed 75 million visitors in a single year in 2019. It is home to seven (7) of the ten (10) most visited theme parks in the United States, including Walt Disney World's Magic Kingdom, which is the most visited theme park in the world. Some of the leading tourist attractions located in Orange County includes Walt Disney World, Sea World, and the Universal Orlando Resort. In addition to tourism, some other major businesses include: Orlando Health, AdventHealth, Publix, Orlando Regional Healthcare, Darden Restaurants, and Lockheed Martin.

GOVERNMENT STRUCTURE

In 1986, Orange County became a charter government. A charter form of government has its own constitution and is self-governing. Having a charter gives the county the ability to respond to a changing environment and meet local needs. It enables the county to adopt laws without the need for prior authorization of the Florida state legislature. Orange County established a Charter Review Commission that is appointed every four (4) years to study the charter, propose amendments and revisions, which are then placed on ballots and voted on. The charter was revised first in November 1988, when voters approved major revisions to the county's home rule charter. Subsequent revisions occurred in November 1992, when the charter was amended to create the offices of the Property Appraiser, the Tax Collector, and the Sheriff as charter offices. In 1996, voters amended the charter again to abolish the offices of the Property Appraiser, the Tax Collector, and the Sheriff thereby creating Constitutional Officers governed by the Constitution and the laws of the state of Florida rather than the charter.

In November 2004, the charter was revised as follows:

1. To allow terms of office for the Board of County Commissioners to begin as late as the first Tuesday after the first Monday in January. Require temporary substitutes for board members absent for military service or temporary incapacity. Provide for board-member succession during war, terrorism, and other emergencies. Change the title of "County Chairman" to "County Mayor" (with no change in powers).
2. Created an Orange County/City of Orlando Consolidation of Services Study Commission consisting of citizen volunteer members, who have been charged with conducting a comprehensive study of the consolidation of services between the City of Orlando and Orange County. The commission provided a report to both governments on June 27, 2006.
3. To allow enactment of an ordinance requiring that rezonings or comprehensive-plan amendments (or both) that increase residential density in an overcrowded school zone and for which the school district cannot accommodate the expected additional students, but will only take effect upon approval by each local government located within the boundaries of that school zone.

In November 2008, the following amendments were approved:

1. All future Charter Review Commissions must include, in their reports to the Board of County Commissioners, an analysis and financial impact statement of the estimated increase or decrease in any revenues or costs to county or local governments and the citizens, resulting from the proposed amendments or revisions to the Orange County Charter and that a summary of such analysis be included on the ballot.
2. The Orange County Charter was amended to require that a Local Code of Ethics be adopted that among other things, shall contain provisions requiring the disclosure of financial and business relationships by elected officials and certain county employees, restricting gifts to the Mayor and Board of County Commissioners,

restricting post-county employment for certain employees, providing for enforcement provisions and providing that the board and certain employees receive annual educational sessions on ethics.

3. The Orange County Charter was also amended to provide citizens the right to appear before the Board of County Commissioners for presentations on issues within the county's authority, to require the Board to set aside at least 15 minutes before each meeting for citizens to speak on any matter regardless of whether the item is on the board's agenda and to allow the board to adopt rules for the orderly conduct of meetings.

In November 2012, the following amendments were approved:

1. The Orange County Charter must place proposed amendments and revisions of the charter on the ballot at general elections only, providing a report of the proposed changes has been delivered to the clerk of the Board of County Commissioners no later than the last day for qualifying for election to county office under general law.
2. The Orange County Charter was amended to prescribe, when authorized under Florida law, a method for locally filling offices of Commissioner and Mayor during vacancy or suspension, providing generally for appointment by the Board of County Commissioners to fill vacant and suspended offices until the next general election, and for special election to fill the vacant office of Mayor where the Mayor's remaining term exceeds one (1) year.
3. The Orange County Charter was also amended to provide that Orange County ordinances shall be effective within municipalities and prevail over municipal ordinances when Orange County sets stricter minimum standards for prohibiting or regulating simulated gambling or gambling.

In November 2014, the following amendments were approved:

1. The Orange County Charter was amended to require petition initiatives to have signatures verified at least 150 days prior to the primary, general, or special election.
2. The Orange County Charter was also amended to limit initiative, and the enactment, amendment or repeal of ordinances where the initiative concerns the regulation of employer wages, benefits, or hours of work; or the encumbrance or allocation of tax revenues not authorized by law or conditioned upon a prospective change in law; and, to impose prohibitions on the Board of County Commissioners.
3. The Orange County Charter was also amended for the purpose of establishing term limits and nonpartisan elections for the Orange County Clerk of the Circuit Court, Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. This amendment provides for County Constitutional Officers to be elected on a nonpartisan basis and subject to term limits of four (4) consecutive full 4-year terms.

In November 2016, the following amendments were approved:

1. The Orange County Charter was amended to reform the charter's initiative process to provide clarity, accountability and transparency; and, ensure equal treatment of voters.
2. The Orange County Charter was also amended to change County Constitutional Officers to Charter Officers and provide for nonpartisan elections and term limits.
3. The Orange County Charter was also amended to preserve the term limits and nonpartisan elections for County Constitutional Officers and Charter Officers.

In November 2020, the following amendments were approved:

1. The Orange County Charter was amended to establish definitions, create natural rights for the waters of Orange County, the right to clean water, and private right of action and standing for citizens of Orange County to enforce these rights and injunctive remedies.
2. The Orange County Charter was also amended to include additional protections for the wildlife, vegetation, and environment of Split Oak Forest by restricting the Board of County Commissioners' ability to amend, modify, or revoke the current restrictions and covenants limiting the use of Split Oak Forest.
3. The Orange County Charter was also amended to provide petitioners a full one hundred and eighty (180) days to gather necessary signatures during mandatory reviews and procedures and set a ten (10) day deadline for the Supervisor of Elections to provide a 1% notification to the Board of County Commissioners, Comptroller, and Legal Review Panel.

The charter establishes the separation between the legislative and executive branches of county government. The legislative branch (the Board of County Commissioners) is responsible for the establishment and adoption of policy and the executive branch (County Mayor) is responsible for the execution of established policy. Additional information on the Orange County Charter is available at the following website: <http://www.orangecountyfl.net/> by clicking on the “Residents” tab, selecting “Open Government”, then “Boards and Special Districts” and finally “Charter Review Commission.”

COUNTY MAYOR & BOARD OF COUNTY COMMISSIONERS

The office of the County Mayor (formerly County Chairman) was first created in 1988. The County Mayor is elected on a countywide basis and serves for a term of four (4) years. The County Mayor serves as the chair of the Board of County Commissioners and manages the operations of all elements of county government under the jurisdiction of the board, consistent with the policies, ordinances, and resolutions enacted by the board. The duties of the County Mayor include appointment of the County Administrator, supervision of the daily activities of employees, convene all regular and special meetings of the board, and prepare and submit the county budget as prescribed by state statute.

The Board of County Commissioners (BCC) consists of the Mayor and six (6) members. Each member is elected by district. The term of office for Board members is four (4) years. The powers, duties, and responsibilities of the BCC are defined by the Orange County Charter and by state statute. The board has the power to originate, terminate and regulate legislative and policy matters including but not limited to adoption or enactment of ordinances and resolutions it deems necessary and proper for the good governance of the county. The board also adopts and amends as necessary the county administrative code to govern the operation of the county and adopts such ordinances of county wide force and effect as are necessary for the health, safety, and welfare of the residents. For more information regarding the Orange County Charter, powers and responsibilities of the County Mayor and the Board of County Commissioners, go to the Orange County website at www.orangecountyfl.net/.

LONG-TERM GOALS

Orange County Government’s long-term goals focus on the six (6) primary areas listed below. The Budget Message and Department Objectives provide numerous examples of what Orange County is doing to achieve these goals.

1. Attract higher-paying jobs and promote long-term economic stability.
2. Continually raise the bar on ethics, accountability, and transparency to eliminate even the appearance of corruption and favoritism.
3. Maintain a culture in Orange County Government that makes citizens the priority – not politicians, and not special interests.
4. Ensure greater efficiency in government by measuring performance and productivity and by conducting audits and efficiency reviews.
5. Protect and improve quality of life by keeping our streets safe, supporting strong schools, and protecting natural resources.
6. Run a fiscally sound government and ensure that taxpayers’ dollars are spent wisely and efficiently.

FISCAL POLICY STATEMENT

Orange County has an important responsibility to its citizens to correctly account for public funds, to manage municipal finances wisely, and to plan for adequate funding of services desired by the public. Orange County shall collect public funds through taxes, fees, borrowing, and other legal means to provide for the needs and desires of its citizens. Orange County shall establish and maintain sound financial and budgeting systems to accurately account for all public funds collected and expended for the public good. Orange County shall establish sound fiscal policies and procedures that comply with all applicable state and federal laws.

Annual Budget: The annual operating budget prepared by the County Mayor and approved by the Board of County Commissioners is the basis for all expenditures necessary for conducting daily county business. The budget is a fund budget structured to provide departmental appropriations in conformance with Florida Statutes Chapter 129 and the Uniform Accounting System prescribed by the Florida Department of Financial Services and Generally Accepted Accounting Principles (GAAP) for governments. Orange County shall operate under a unified and uniform budget system. The County Administrator shall be responsible for developing appropriate budgetary procedures consistent with Florida Statutes, which shall be followed by all departments or divisions submitting budgets to the Board of County Commissioners for approval.

Capital Improvement Program and Budget: The Orange County capital improvements program shall include any expenditure for the acquisition, construction, installation and/or renovation of facilities that are expected to be in service for at least 10 years, and have a value in excess of \$25,000. Capital projects are relatively large in scale,

nonrecurring projects that may require multi-year financing. The capital improvement budget may have large fluctuations from year-to-year due to project schedules. Revenues for capital projects come from diverse sources, including long-term bonds, impact fees, taxes, and grants.

The Capital Improvements Program and Budget provide the means through which Orange County Government takes a planned and programmed approach to utilize its financial resources in the most responsible and efficient manner in order to meet the service and facility needs of Orange County. All Orange County capital improvements will be made substantially in accordance with the adopted Capital Improvements Program, and as outlined in the Growth Management Policy. A five-year plan for capital improvements will be developed and updated annually. Orange County will enact an annual capital budget based on the five-year capital improvements plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections. The Office of Management and Budget will coordinate development of the capital improvement budget and development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts. Orange County will finance only those capital improvements that are consistent with the Capital Improvements Program and county priorities, and that have operating and maintenance costs included in operating budget forecasts. Orange County will attempt to maintain all assets at a level adequate to protect Orange County's capital investment, and to minimize future maintenance and replacement costs. The maintenance of existing assets is Orange County's primary capital expenditure consideration. Orange County will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed. Orange County will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval. Orange County will determine the least costly financing method for all new projects.

General Operating Budget: The County Mayor shall plan and prepare a balanced budget that conforms to the uniform classification of accounts as prescribed by the Florida Department of Financial Services. The budget shall include operating revenues that equal 95% of all receipts anticipated from all sources including taxes. The budget shall include provisions for balances brought forward, which shall equal total appropriations (expenditures) and reserves. The Office of Management and Budget, under the direction of the County Mayor, shall be responsible for the preparation and monitoring of the Annual County Budget and also for ensuring department compliance with this policy. It is unlawful for the county to expend or contract for the expenditures of more than the amount budgeted in any fund's annual appropriation for any fiscal year. An exception may be made for multi-year construction contracts where funding has been approved in the five-year Capital Improvements Program plan and sufficient monies are available in the current year's budget to meet the progress payments within the current fiscal year. The fiscal year of Orange County shall commence October 1 and end September 30 in accordance with Florida Statutes.

Reserves: Sound fiscal policy dictates some level of reserves for a governmental entity. Reserves serve the following purposes: ensures that funds are available to provide citizens with services and assistance following a natural disaster, such as a hurricane; debt service reserves are a mechanism that ensures there will be no interruption in bond payments should the county experience an unexpected dip in revenues. (These reserves are also required by bond covenants.); and, reserves are used for fiscal management, some because of legal requirements, and some simply to provide a safety net for unexpected expenses.

Budget Amendments and Transfers: Orange County's budgeting process must be dynamic and flexible enough to meet the changing needs of the departments and divisions throughout the fiscal year. A means must be provided through which these changing needs can be accommodated within the framework of applicable Florida Statutes and local ordinances and resolutions. Changes may be made to the budget at any time throughout the fiscal year and up to 60 days after fiscal year end or as permitted by Florida Statute in accordance with the procedures outlined in this regulation.

For Orange County policies in Issuance of Revenue Bonds, Continuing Disclosure for Debt Issues, and Bond Waiver Procedures, please refer to the Debt Management section.

For a more in-depth explanation of all Orange County Government's Financial Policies, please see Orange County's Administrative Regulations or contact the Office of Management and Budget at 407-836-7390.

FINANCIAL STRUCTURE

To provide proper accountability for different kinds of resources, "funds" are established. Each fund is a separate entity with its own resources, liabilities, and residual balance. Some homogeneous funds have been consolidated for budget presentation.

Funds with similar objectives, activities and legal restrictions are, for reporting purposes, placed in one (1) of three (3) groups:

- I. Governmental Funds: Governmental Funds account for general governmental activities, such as law enforcement, which are largely supported by taxes and fees. They are accounted for on a "spending" or current financial resources basis. Governmental Funds include the following five (5) fund types:
 1. The General Fund reflects all county revenues and expenditures that are not required to be accounted for in another fund. Most countywide activities are accounted for in this fund.
 2. Special Revenue Funds account for resources received from special sources, dedicated or restricted to specific uses.
 3. Debt Service Funds account for the accumulation of resources for, and the payment of, interest, principal, and other costs of debt.
 4. Capital Projects Funds account for the accumulation and use of resources for the acquisition of major buildings and other capital facilities where a specific project is designated or required.
 5. Permanent Funds account for legally restricted resources where only the earnings and not principal, may be used for the benefit of the county or its citizenry.
- II. Proprietary Funds: Proprietary Funds account for those external and internal business-type activities that are provided on a basis consistent with private enterprise. They are accounted for on a cost of service or "capital maintenance" basis. Proprietary Funds include the following two (2) fund types:
 1. Enterprise Funds account for activities such as water and water reclamation services that are similar to those provided by private enterprise, and whose costs are paid from user charges or from revenue sources other than general governmental revenue. Orange County's Enterprise Funds consist of the Convention Center, Solid Waste System, and the Water Utilities System.
 2. Internal Service Funds account for operations in which the county provides itself with essential services, which would otherwise be purchased from commercial suppliers. The governmental departments using the services on a cost reimbursement basis pay costs of operating these funds. Orange County's Internal Service Funds consist of Risk Management, Fleet Management, and the Employee Benefits Fund for Medical Benefits.
- III. Fiduciary Funds: Fiduciary Funds account for assets that do not belong to the county, but are under county control for administration. These funds are not available to support county programs. Fiduciary Funds include the following four (4) fund types:
 1. Pension Trust Funds account for resources required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans.
 2. Investment Trust Funds account for external investment pools where legally separate governments commingle or pool their resources in an investment portfolio for the benefit of all participants.
 3. Private-purpose Trust Funds account for assets held by the county in trust for administration, and for disbursement for specific purposes that are not properly reported in a Pension Trust or Investment Trust Fund
 4. Agency Funds account for assets belonging to others that are held in a custodial capacity pending disposition.

BUDGETARY BASIS

Orange County uses the same basis for budgeting and accounting. Orange County adopts budgets for all Government Funds on a modified accrual basis. Under this method, revenues are recognized in the period they become measurable and available to finance expenditures of the period and expenditures are recorded when incurred, with the exception of principal and interest on long term debt, which are recorded when due. The budgets for Proprietary Funds are adopted on a full accrual basis. Under the full accrual basis, revenues and expenditures are recognized in the period in which the transaction takes place. This method is similar to the accounting used for private businesses. Depreciation expense is not budgeted; however, expenditures for capital outlays are budgeted. These outlays are capitalized into fixed assets and eliminated from the results of operations on a Generally Accepted Accounting Principles (GAAP) basis.

Fund balance allocations (residual unappropriated liquid assets resulting from prior years' operations) are budgeted and included as revenue on a budgetary basis, but are eliminated on a GAAP basis for financial reporting.

CAPITAL BUDGETING

Orange County maintains a Capital Improvement Program (CIP), which covers a five-year period. The Office of Management and Budget (OMB) determines the amount of funding available for capital projects. Proposed projects are prioritized and the available funds are allocated accordingly. The CIP projects detail is included in Section 16 of this document; the funding for these projects is also included in the budget within each appropriate department. Projects in the CIP for FY 2021-22 are funded through FY 2025-26 based on estimated revenues and projected annual project costs. Both estimated revenues and expenditures are subject to change, which may require adjustments to the five-year CIP plan.

Budgeted Fund Structure

Fund Group / Fund	FY 2019 - 20 Actual	FY 2020 - 21 Budget as of 03/31/2021	FY 2021 - 22 Proposed Budget	Percent Change
General Fund and Sub Funds				
General Fund and Subfunds	\$ 921,122,046	\$ 1,196,217,015	\$ 1,191,720,163	(0.4)%
Total:	\$ 921,122,046	\$ 1,196,217,015	\$ 1,191,720,163	(0.4)%
Special Revenue Funds				
7000 Level (Federal) Grant - Funds	\$ 75,547,671	\$ 149,798,622	\$ 73,654,671	(50.8)%
8000 Level (State) Grants - Funds	7,568,281	28,400,922	5,386,633	(81.0)%
911 Fee	7,152,315	26,957,735	25,408,619	(5.7)%
Air Pollution Control	1,006,083	1,611,240	1,553,148	(3.6)%
Air Quality Improvement	-	449,334	395,016	(12.1)%
Animal Services Trust Funds	52,354	234,459	214,432	(8.5)%
Aquatic Weed (Non-Tax) Districts	25,481	626,913	479,821	(23.5)%
Aquatic Weed (Tax) Districts	466,029	6,757,882	5,860,128	(13.3)%
Boating Improvement Program	318,854	1,600,082	1,634,573	2.2%
Building Safety	29,722,682	62,882,157	64,936,980	3.3%
Conservation Trust and Subfunds	451,093	5,715,125	4,927,891	(13.8)%
Constitutional Gas Tax	7,662,509	41,952,581	38,447,506	(8.4)%
Coronavirus Grant Funds	145,363,220	155,043,188	-	(100.0)%
Court Facilities	4,500,591	8,165,194	7,861,317	(3.7)%
Court Technology	5,061,719	7,332,793	6,290,134	(14.2)%
Crime Prevention ORD 98-01	78,711	272,126	186,026	(31.6)%
Cyber Safety	-	1,238	1,057	(14.6)%
Driver Education Safety Trust Fund	402,914	560,906	522,975	(6.8)%
Drug Abuse Trust Fund	148,815	411,891	326,744	(20.7)%
Energy Efficiency Renew Energy & Conservation	-	14,635	14,582	(0.4)%
I-Drive MSTU Funds	7,642,522	8,148,922	7,610,115	(6.6)%
Inmate Commissary Fund	1,244,435	4,604,926	5,407,633	17.4%
International Drive CRA	1,526,184	104,541,580	119,495,667	14.3%
Juvenile Court Programs	217,459	389,581	307,927	(21.0)%
Law Enf. Federal Forfeiture Funding	-	2,022,000	3,449,500	70.6%
Law Enforce Educ-Corrections	92,701	849,665	811,435	(4.5)%
Law Enforcement / Education Sheriff	134,423	661,189	589,400	(10.9)%
Law Enforcement/Confiscated Prop	155,485	1,778,690	1,399,250	(21.3)%
Law Library	193,891	285,475	285,475	0.0%
Legal Aid Programs	1,292,357	1,292,357	1,292,357	0.0%
Local Court Programs	1,216,752	1,339,987	1,424,546	6.3%
Local Housing Asst (SHIP)	7,929,739	7,324,073	10,391,654	41.9%
Local Option Gas Tax	42,940,628	67,915,723	52,765,171	(22.3)%
Mandatory Refuse Collection	48,211,972	72,478,954	77,876,327	7.4%
Municipal Service Districts	22,083,909	53,928,178	51,459,687	(4.6)%
OBT Comm Redev Area Trust Fund	295,847	2,166,583	2,198,626	1.5%
OC Fire Prot & EMS/MSTU	189,072,756	282,340,337	268,683,829	(4.8)%
Orange Blossom Trail NID 90-24	57,190	266,504	249,484	(6.4)%
Parks and Recreation Scholarship	-	49,434	-	(100.0)%
Parks Fund	38,382,086	61,929,123	58,739,019	(5.2)%
Pine Hills Local Govt NID	118,028	393,489	381,709	(3.0)%
Pollutant Storage Tank	-	21,523	7,994	(62.9)%
School Impact Fees	64,637,990	109,345,000	109,345,000	0.0%
Special Tax MSTU	210,492,324	227,298,373	237,964,221	4.7%
Teen Court	609,655	784,515	611,250	(22.1)%
Transportation Trust	94,672,804	141,175,094	145,134,397	2.8%
Tree Replacement Trust	1,701,036	843,465	192,500	(77.2)%
Water and Navigation Funds	909,868	14,938,812	13,749,522	(8.0)%
Total:	\$ 1,021,361,361	\$ 1,667,902,575	\$ 1,409,925,948	(15.5)%

Budgeted Fund Structure

Fund Group / Fund	FY 2019 - 20 Actual	FY 2020 - 21 Budget as of 03/31/2021	FY 2021 - 22 Proposed Budget	Percent Change
<u>Enterprise Funds</u>				
Convention Center Funds	\$ 335,983,079	\$ 455,178,769	\$ 430,643,538	(5.4)%
Other Enterprise Funds	149,023	1,395,367	-	(100.0)%
Solid Waste System	60,898,404	125,161,596	112,213,190	(10.3)%
Water Utilities System	318,560,022	523,727,600	488,471,587	(6.7)%
Water Utilities System MSTUs	162,007	98,682	329,081	233.5%
Total:	\$ 715,752,534	\$ 1,105,562,014	\$ 1,031,657,396	(6.7)%
<u>Internal Service Funds</u>				
Employees Benefits	\$ 116,106,298	\$ 206,557,955	\$ 212,500,000	2.9%
Fleet Management Dept	14,283,361	21,131,248	22,041,506	4.3%
Risk Management Program	28,619,593	90,316,262	88,393,006	(2.1)%
Total:	\$ 159,009,252	\$ 318,005,465	\$ 322,934,512	1.5%
<u>Capital Construction Funds</u>				
Fire Impact Fees	\$ 1,266,529	\$ 14,599,737	\$ 14,457,483	(1.0)%
Horizons West Village H Adequate Public Facility	-	574,002	513,018	(10.6)%
Lakeside Village Adequate Public Facility	264,764	295,898	110,023	(62.8)%
Law Enforce Impact Fees	2,569,523	11,558,532	7,555,000	(34.6)%
Misc Construction Projects	39,585,654	309,569,505	330,809,890	6.9%
Parks & Recreation Impact Fees	2,275,063	46,239,260	51,700,924	11.8%
Transportation - Deficient Segment Funds	3,618,951	16,950,482	17,266,682	1.9%
Transportation Impact Fees	18,064,190	146,078,442	121,441,610	(16.9)%
Total:	\$ 67,644,674	\$ 545,865,858	\$ 543,854,630	(0.4)%
<u>Debt Service Funds</u>				
Capital Improvement Bonds	\$ 28,795,392	\$ 88,303,902	\$ 104,123,245	17.9%
Orange County Promissory Note Series 2010	1,539,774	2,142,940	1,513,400	(29.4)%
Public Facilities Bonds	4,497,322	-	-	0.0%
Public Service Tax Bonds	83,788,580	172,190,535	176,434,571	2.5%
Sales Tax Trust Fund	224,845,006	437,455,647	579,287,155	32.4%
Total:	\$ 343,466,073	\$ 700,093,024	\$ 861,358,371	23.0%
County Total:	\$ 3,228,355,939	\$ 5,533,645,951	\$ 5,361,451,020	(3.1)%

Note: General Fund Subfunds include the Mosquito Control Fund, the Affordable Housing Trust Fund, as well as donations funds. MSBU agency funds and other fiduciary activities may be presented separately.

**MILLAGE SUMMARY
FISCAL YEAR 2021-2022**

	Prior Millage	Current Year Rolled-Back	Current Year Proposed	Percent Change Over Rolled- Back	Percent Change FY 21 to FY 22
COUNTY-WIDE					
General Fund	4.0441	3.9409	4.0441	N/A	0.00%
Capital Projects Fund	0.2250	0.2409	0.2250	N/A	0.00%
Parks Fund	0.1656	0.1773	0.1656	N/A	0.00%
Total County-Wide	4.4347	4.3591	4.4347	1.73%	0.00%
Special Tax - MSTU					
Service Districts					
Cnty - Unincorporated	1.8043	1.7736	1.8043	1.73%	0.00%
County Fire And EMS	2.2437	2.2040	2.2437	1.80%	0.00%
OBT Corridor Improvements	0.5932	0.5841	0.5932	1.56%	0.00%
OBT Neighborhood Improv.	0.2554	0.2404	0.2554	6.24%	0.00%
Orlando Central Park MSTU	1.1549	1.0442	1.1549	10.60%	0.00%
I-Drive Master Transit	0.2334	0.2565	0.2334	-9.01%	0.00%
I-Drive Bus Service	0.7523	0.8051	0.7523	-6.56%	0.00%
N. I-Drive Improvement	0.1601	0.1669	0.1601	-4.07%	0.00%
Apopka-Vineland Improv.	0.6000	0.5894	0.6000	1.80%	0.00%
Lake Districts					
Bass Lake	1.3872	1.2975	1.3872	6.91%	0.00%
Big Sand Lake	0.1378	0.1427	0.1378	-3.43%	0.00%
Lake Holden	2.5337	2.4605	2.5337	2.98%	0.00%
Lake Horseshoe	-	-	-	N/A	N/A
Lake Irma	0.6200	0.6025	0.6200	2.90%	0.00%
Lake Jean	0.2048	0.1967	0.1638	-16.73%	-20.02%
Lake Jessamine	0.6545	0.6189	0.6545	5.75%	0.00%
Lake Killarney	0.8613	0.8388	0.8613	2.68%	0.00%
Lake Mary	3.0000	2.9739	3.0000	0.88%	0.00%
Lake Ola	2.0000	1.9291	2.0000	3.68%	0.00%
Lake Pickett	1.7597	1.5919	1.7597	10.54%	0.00%
Lake Price	1.1910	1.1819	1.1910	0.77%	0.00%
Lake Rose	2.0125	1.9389	2.0125	3.80%	0.00%
Lake Sue	-	-	-	N/A	N/A
Lake Whippoorwill	-	-	-	N/A	N/A
Little Lake Fairview	0.5000	0.4721	0.5000	5.91%	0.00%
South Lake Fairview	0.1707	0.1602	0.1707	6.55%	0.00%
Water And Navigation					
Lake Conway Water & Nav.	0.4107	0.3912	0.4107	4.98%	0.00%
Windermere Navigation	0.2528	0.2468	0.2528	2.43%	0.00%
COUNTY:					
Aggregate Comparison	6.6443	6.7299	6.6546	-1.12%	0.16%
Indep. Spec. Dist.-Voted Millage					
Library Operating	0.3748	0.3701	0.3748	1.27%	0.00%

Note: With the exception of Lake Jean, the proposed millage for each entity is the prior year adopted millage.

TAX AND MILLAGE INFORMATION

The five (5) pages that follow provide information on the millages levied by Orange County. Orange County has, in addition to its countywide tax millage, several additional millages, which may be levied in special taxing districts encompassing territory smaller than the overall county. These special taxing districts provide services ranging from cleaning of lakes to provision of law enforcement services by the Sheriff in the unincorporated area.

Under Florida law, counties are required to sum all ad valorem revenues derived from the countywide levy and all special taxing districts (excluding voted levies and taxing districts independent of the county), and divide this revenue by the countywide tax roll. This is called the "aggregate millage" and is the rate that determines whether or not the county is required to advertise its intent to increase taxes.

The millage schedule presents the rolled back millage compared with the prior year's millage and the current year's millage levy.

QUESTIONS AND ANSWERS

1. What is included in the countywide millage?

The countywide millage of 4.4347 consists of three (3) components: 1) General Fund (4.0441), 2) Capital Projects Fund (0.2250), and 3) Parks Fund (0.1656). The General Fund is the backbone of the county's financial structure. The bulk of Orange County's services are paid for out of this fund.

Given the major infrastructure needs in our ever-growing community, the Board of County Commissioners decided in 1985 to levy a separate millage to pay for major capital projects. FY 1997-98 was the first year a portion of the countywide millage was dedicated for Parks & Recreation's operation and capital improvements.

2. Are millage rates changing for FY 2021-22?

The only millage change is for the Lake Jean MSTU (municipal services taxing unit), going down from 0.2048 to 0.1638 mills. All other millages are remaining unchanged.

For FY 2021-22 the Library Operating millage is also remaining unchanged at 0.3748 mills.

3. How are property taxes calculated?

All taxes are computed based upon taxable value.

$(\text{Taxable value} / 1000) * \text{millage rate} = \text{property tax}$

Example:

Assessed value:	\$250,000
Less homestead exemption:	<u>(50,000)</u>
Taxable value:	\$200,000

First, $(\$200,000 / 1000) = \200.00

Then, $\$200.00 * 5.0000 \text{ mills} = \$1,000.00 \text{ property tax}$
(sample millage)

Common Terms used in budgeting:

Millage: The rate charged per \$1,000 of taxable value. (For example: On a house with a taxable value of \$100,000 each mill would equal \$100 in taxes.)

Tax Base: The total value of land and personal property on which a taxing entity, such as the county, can levy property taxes. Because some land is partially or completely exempt from taxes, the tax base is usually smaller than the actual value of the property in the county.

Rolled-Back Rate: The millage which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100%, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115% of the previous year's total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year less the amount, if any, paid or applied as a consequence of an obligation measured by the dedicated increment value.

Aggregate Millage Rate: That millage rate obtained from the quotient of the sum of all ad valorem taxes levied by the county for countywide purposes plus the ad valorem taxes levied for all districts dependent to the county, divided by the total taxable value of the county.

Exemptions: Exemptions are granted by the state and either lower the taxable value of property or can result in removing it from the tax rolls completely. Available exemptions include the following: Homestead Exemption, Widow/Widower, Disability, Limited Income Senior, Military/Veterans, Fallen Hero, and Total and Permanent Disability.