

**ERUM MOTIWALA, DIRECTOR**  
**ACCOUNTING AND FINANCIAL REPORTING DEPARTMENT**

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*Signatures on File*

**DATE:** November 18, 2021

**TO:** Audit Committee Members

**FROM:** Erum Motiwala, Director  
Accounting & Financial Reporting Department

**VIA:** Oleg Gorokhovsky, Acting Chief Financial Officer  
Office of the Chief Financial Officer

**SUBJECT: ACFR SUMMARY FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This memorandum analyzes the financial position and the results of operations for the fiscal year ended June 30, 2021.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

- The District had \$3.06 billion in **revenues**, an increase of \$17.2 million, or 0.6 percent, from \$3.04 billion for the prior year. The increase in revenues is due to an increase in other general revenues including Federal Education Stabilization Funds and Florida Education Finance Program (FEFP), and an increase in ad valorem taxes (including General, Referendum, Debt Service and Capital Projects Funds), offset by a decrease in program revenues including charges for services, operating grants and contributions, and capital grants and contributions. Ad valorem taxes increased due to an increase in the total assessed property values. *Refer to ACFR MD&A, Table 2.*
- The District had \$3.1 billion in **expenses**, a decrease of \$20 million, or 0.6 percent, from the prior year primarily due to a decrease in interest expense. There were decreases in food services expense and student transportation services expense as a result of hybrid learning. Additionally, instructional services expense decreased as the District continues to face the challenges of the COVID-19 pandemic with reductions in substitutes, temporary employees, supplemental payments, and supplies. *Refer to ACFR MD&A, Table 2.*
- The District's **debt** (Bonds Payable, Certificates of Participation and Capital Leases) increased by \$133.3 million, or 7.4 percent, to \$1.9 billion from \$1.8 billion in the prior year. The increase was due to the issuance of General Obligation Bond Series 2021, and additions in capital leases, offset by decreases due to the payment of Certificates of Participation and Capital Outlay Bond Issues. *Refer to ACFR MD&A, Table 5.*
- The District's **net position** decreased by \$54.1 million, or 18.6 percent, to \$236.5 million as of June 30, 2021, from prior year's restated net position of \$290.6 million. A significant portion of the District's net position reflects its net investment in capital assets (i.e., land, buildings, furniture and equipment) less any related debt used to acquire those assets. A large amount of the remaining net position (\$270.9 million) is restricted for capital projects to complete construction in progress and perform property maintenance. *Refer to ACFR MD&A Table 1.*



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PAGE: 2

### **FUND FINANCIAL STATEMENTS**

- The overall **General Fund Balance** (the primary operating fund) increased by \$3.9 million, or 2 percent, to \$201.3 million from \$197.3 million in the prior year. The increase is due to increases in state sources including FEFP and local sources such as revenues from ad valorem taxes, including referendum funds, and other financing sources. As a result of school closures due to the COVID-19 pandemic, there were reductions in costs related to substitutes, temporary employees, supplemental payments, and supplies. *Refer to ACFR Exhibit 4 and the Footnotes.*

### **OTHER**

- On July 28, 2020, the School Board of Broward County, Florida, issued \$157.6 million **Tax Anticipation Notes, Series 2020**, pursuant to section 1011.13, Florida Statutes, to provide interim funds for the payment of operating expenses of the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021, in anticipation of the receipt of the ad valorem taxes.
- On February 16, 2021, the District issued General Obligation Bond Series 2021 in the amount of \$207.5 million that is secured by the general taxing authority of the District.
- There were 88 operating Charter School sites in fiscal year 2021. For financial reporting purposes, all 88 of the Charter schools are included in the basic financial statements of the District as discretely presented **component units**. The operations of Charter schools within multiple locations operating under a single contract with the District are presented on a consolidated basis. As of June 30, 2021, BridgePrep Academy Broward County charter school ceased to provide educational services. The audited financial information for the Broward Education Foundation is included in the ACFR.
- The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2020. Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the District the Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the fiscal year ended June 30, 2020.

GASB 34 requires management to provide readers of the District's financial statements the Management's Discussion and Analysis (MD&A). This summary provides some major financial highlights from the MD&A, and the information contained within this summary should be considered only a part of a greater whole. The reader of this summary should evaluate all sections of the Annual Comprehensive Financial Report, including the footnotes and other required supplemental information.

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