State of Florida Auditor General

Financial and Federal Single Audit

Report No. 2022-186
March 2022

BROWARD COUNTY DISTRICT SCHOOL BOARD

For the Fiscal Year Ended
June 30, 2021

Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2020-21 fiscal year, Robert W. Runcie served as Superintendent of the Broward County Schools and the following individuals served as School Board Members:

	District No.
Ann Murray	1
Patricia Good	2
Sarah Leonardi from 11-17-20	3
Heather P. Brinkworth through 11-16-20	3
Lori Alhadeff	4
Dr. Rosalind Osgood, Chair from 11-17-20, Vice Chair through 11-16-20	5
Laurie Rich Levinson, Vice Chair from 11-17-20	6
Nora Rupert	7
Donna P. Korn, Chair through 11-16-20	At-Large, Countywide
Debra Hixon from 11-17-20	At-Large, Countywide
Robin Bartleman through 11-16-20	At-Large, Countywide

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

The team leader was Samantha M. Palaigos, CPA, and the audit was supervised by Diana G. Garza, CPA.

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

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SUMMARY

Summary of Report on Financial Statements

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

Summary of Report on Internal Control and Compliance

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

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

Summary of Report on Federal Awards

We audited the District's compliance with applicable Federal awards requirements. The Coronavirus Relief Fund, Student Financial Assistance Cluster, Title I, Twenty-First Century, Teacher and School Leader Incentive Grants, Education Stabilization Fund, and Disaster Grants programs were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs.

Audit Objectives and Scope

Our audit objectives were to determine whether the School Board and its officers with administrative and stewardship responsibilities for District operations:

- Presented the District's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements or on the District's major Federal programs; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements, and those applicable to the District's major Federal programs.

The scope of this audit included an examination of the District's basic financial statements and the accompanying Schedule of Expenditures of Federal Awards, as of and for the fiscal year ended June 30, 2021. We obtained an understanding of the District's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements and Federal awards. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

AUDIT METHODOLOGY

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

AUDITOR GENERAL
STATE OF FLORIDA

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Auditor General

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Broward County District School Board, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Broward County District School Board, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I.P. to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the 2020-21 fiscal year with amounts reported for the 2019-20 fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General and Major Special Revenue Funds**, **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of The School Board of Broward County, Florida (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. The narrative is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, and identify individual fund issues or concerns. As with other sections of this financial report, the information contained within this narrative should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other required supplemental information.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The District's financial status, as reflected in the ***total net position***, decreased by $54.1 million, or 18.6 percent, from $290.6 million as restated, to $236.5 million when compared to the prior year (refer to Table 2 of the Management's Discussion and Analysis). The decrease in total net position is due to the fact that net increases in total liabilities of $468.6 million offset by a net decrease in deferred inflows of resources of $49 million exceeded the net increases in total assets of $299 million and the net increase in deferred outflows of resources of $67.1 million. Moreover, the decrease in net position is attributable to the increase in net pension liability and other long-term obligations such as liability for compensated absences. Beginning net position was increased by $574 thousand due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, as certain school internal activities did not meet the criteria for reporting in a fiduciary fund. These activities are now reported in special revenue funds.
- ***Total revenues*** increased by $17.2 million, or 0.6 percent, from $3.04 billion to $3.06 billion when compared to the prior year, primarily due to an increase in other general revenues (including Federal Education Stabilization Funds and Florida Education Finance Program (FEFP)) of $43.8 million and an increase in ad valorem taxes of $17.1 million (including General, Referendum, Debt Service, and Capital Projects Funds) attributable to an increase in the total assessed property values offset by a decrease in program revenues (charges for services, operating grants and contributions, and capital grants and contributions) of $43.7 million. The decrease in program revenues is attributable to a decrease in charges for services of $27.7 million, a decrease in capital grants and contributions of $11.2 million, and a decrease in operating grants and contributions of $4.9 million.
- The District had $3.1 billion in ***expenses*** related to programs, 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. Hybrid learning is a combination of students learning physically in schools and eLearning. 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.
- 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. This increase was primarily due to the issuance of General Obligation Bonds and additions in capital leases, offset by the payment of debt (refer to Notes VIII. through X. of the Notes to Financial Statements for more information).

- The District implemented GASB Statement No. 84, *Fiduciary Activities* for the fiscal year ended June 30, 2021. This Statement establishes criteria for identifying fiduciary activities of state and local governments. The focus of the criteria generally is on (1) whether the government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Due to the implementation of GASB Statement No. 84, the District's restated beginning net position for the fiscal year ended June 30, 2021, is $290.6 million, an increase of $574 thousand, or 0.2 percent.

Governmental Funds 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 assigned and unassigned portion of the fund balance decreased by $119 thousand compared to prior year from $108.2 million as of June 30, 2020, to $108.1 million as of June 30, 2021.

OVERVIEW OF FINANCIAL STATEMENTS

The District's Annual Financial Report (AFR) includes a series of basic financial statements and accompanying notes, with the primary focus being on the District as a whole. The Statement of Net Position and the Statement of Activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The governmental fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the governmental fund financial statements focus on major funds rather than fund types. The proprietary fund statements offer short-term and long-term financial information about the activities the District operates like businesses, such as printing services. The remaining statements, the fiduciary fund statements, provide financial information for those activities in which the District acts solely as a trustee or agent for the benefit of others. The accompanying notes provide essential information that may not be readily available on the face of the basic financial statements. Consequently, these notes form an integral part of the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements incorporate governmental activities, as well as its nonfiduciary component units. They contain various adjustments, elimination and classification entries, such as the recording of depreciation, the recognition of other revenues, and the recognition of long-term liabilities. The government-wide financial statements are designed to provide the readers with a view of the District as a whole. While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did the District do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities, and use the economic resources measurement focus and the accrual basis of accounting similar to the accounting used by most private-sector companies, matching the financial impact of long-term financial decisions to the period in which the expense or revenue is more properly attributed. In short, the financial impact of long-term decisions is promptly recorded as the transaction occurs, as opposed to recording it when paid. A good example of this is the recording of compensated absences, such as vacation and sick leave. In the fund financial statements, vacation and sick leave are expensed when used, not when accrued, with the unused hours accumulating over time. Consequently, the reader of the AFR would never see the potential financial impact the accumulated leave would have on the District's financial health. In the government-wide financial statements, vacation and sick leave are expensed when accrued, allowing the reader to see the full financial impact.

The Statement of Net Position combines and/or consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. The Statement of Net Position also provides information about the nature and amounts of investment of resources and obligations to creditors.

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

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position, is one way to measure the District's financial health or financial position. A reader can think of the District's net position as the difference between what the District owns (assets) and what the District owes (liabilities). Over time, the increase or decrease in the District's net position, as reported in the Statement of Activities, is another indicator of whether its financial health is improving or deteriorating. The difference between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. To fully assess the financial health of any government entity, the reader must also consider other non-financial factors such as the quality of education provided, the safety of the schools, fluctuations in the local economy, state-mandated programs, administrative changes, and the physical condition of the District's capital assets.

Fund Financial Statements

Fund financial statements are generally presented on a modified accrual basis, using the current financial resources measurement focus, and report expenditures rather than expenses as used in the government-wide financial statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for the multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, the Federal Education Stabilization Funds, the Certificates of Participation (COP) Series Debt Service Funds, District Bonds Funds, Local Millage Capital Improvement Funds, and Other Capital Projects Funds. Data from the other 10 governmental funds are combined into a single, aggregated presentation.

Governmental Funds: Most of the District's activities are reported in governmental funds which describe how money flows into and out of those funds and the balances remaining at year-end that are available for spending in future periods. These funds are reported using an accounting method called "modified accrual accounting," which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and services. Governmental fund information helps determine what financial resources will be available in the near future to support educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds: Based on the nature of the activities, proprietary funds are used to report the activities in the District's Internal Service Funds. The Internal Service Funds are used to record the financing of goods or services provided by one department to another on a cost reimbursement basis.

Proprietary funds are reported in the same way as government-wide financial statements. The Internal Service Funds are presented in the proprietary fund financial statements. The proprietary funds are included in the governmental activities in the government-wide financial statements.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's fiduciary fund consists of a custodial fund used to account for student activity funds.

Notes to Financial Statements

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

Other Information

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

The analysis below focuses on the Net Position (Table 1) and Changes in Net Position (Table 2) of the District's governmental activities.

Table 1
Summary Statement of Net Position
(in thousands)

	As of June 30,		Increase
	2021	2020	(Decrease)
Current and non-current assets	$ 1,383,256	$ 1,251,797	$ 131,459
Capital assets	3,037,731	2,870,216	167,515
Total assets	4,420,987	4,122,013	298,974
Deferred outflows of resources	649,732	582,634	67,098
Current liabilities	564,797	588,888	(24,091)
Non-current liabilities	4,155,016	3,662,280	492,736
Total liabilities	4,719,813	4,251,168	468,645
Deferred inflows of resources	114,441	163,439	(48,998)
Net position:			
Net investment in capital assets	1,308,120	1,265,239	42,881
Restricted	390,392	325,926	64,466
Unrestricted	(1,462,047)	(1,301,125)	(160,922)
Total net position	$ 236,465	$ 290,040	$ (53,575)

Government-Wide Financial Analysis. The District's financial status, as reflected in the total net position, decreased by $54.1 million, from $290.6 million as restated, to $236.5 million when compared to the prior year (refer to Table 2). The decrease in total net position is due to the fact that net increases in total liabilities and deferred inflows of resources exceeded the net increases in total assets and deferred outflows of resources. By far, the largest portion of the District's net position reflects its net investment in capital assets (i.e., land; buildings; furniture, fixtures, and equipment).

Although the District's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase in the long-term liabilities is primarily caused by an increase in the pension liabilities and debt related to the issuance of General Obligation Bonds.

The second largest portion of the District's net position represents resources that are subject to external restrictions on how they may be used. Of the $390.4 million in restricted net position, $270.9 million is restricted for capital projects. There was a deficit of $1.5 billion in the unrestricted net position at June 30, 2021. The deficit in the Statement of Net Position should not be viewed as an indication of financial difficulties. The District would only experience an actual deficit if it had to pay all of its long-term liabilities at once.

As shown in Table 2, governmental activities decreased the District's net position by $54.1 million from the prior year. The ending net position of $236.5 million includes an increase of $574 thousand due to the restatement adjustment for the implementation of GASB 84. Key highlights are as follows:

- Other general revenues increased by $43.8 million due to increases in Federal Education Stabilization Funds and FEFP.
- Ad valorem taxes (property taxes) increased by $17.1 million (including General, Referendum, Debt Service, and Capital Funds) due to an increase in the total assessed property values.
- Program revenues (charges for services, operating grants and contributions, and capital grants and contributions) decreased by $43.7 million due to the impact of COVID-19.
- Total expenses decreased by $20 million, primarily due to a decrease in interest expense of $55.5 million as a result of the interest rate swap termination fees for the refunding of COP Series 2014A and 2015C in the prior fiscal year. Food services expense decreased by $19.2 million, student transportation services expense decreased by $16.5 million, and school administration expense decreased by $5.4 million as attributable to the impact of COVID-19. The District also had increased expenses in facilities acquisition and construction due to increases in capital improvements, athletics maintenance, and environmental health and safety projects. Additionally, the District incurred a loss of $3.3 million due to the construction in progress write-off for Rickards Middle School Building 1 (refer to Note V. of the Notes to Financial Statements for more information).

Table 2
Summary Statement of Changes in Net Position
(in thousands)

	For the Fiscal Years Ended June 30, 2021	For the Fiscal Years Ended June 30, 2020	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	$ 13,975	$ 41,665	$ (27,690)
Operating grants and contributions	677,643	682,503	(4,860)
Capital grants and contributions	41,933	53,091	(11,158)
Total program revenues	733,551	777,259	(43,708)
General revenues:			
Ad valorem taxes	1,411,125	1,393,995	17,130
Other general revenues (including FEFP)	913,551	869,796	43,755
Total general revenues	2,324,676	2,263,791	60,885
Total revenues	3,058,227	3,041,050	17,177
Functions/Program Expenses:			
Instructional services	1,880,381	1,887,766	(7,385)
Instructional support services	350,322	319,624	30,698
Operation and maintenance of plant	303,062	284,671	18,391
School administration	160,596	166,039	(5,443)
Food services	86,446	105,671	(19,225)
Facilities acquisition and construction	48,294	37,260	11,034
General administration	135,442	111,480	23,962
Student transportation services	90,898	107,446	(16,548)
Interest expense	56,935	112,436	(55,501)
Total expenses	3,112,376	3,132,393	(20,017)
Change in net position	(54,149)	(91,343)	37,194
Beginning net position	290,040	381,383	(91,343)
Restatement adjustment due to the implementation of GASB 84	574	-	574
Beginning net position, as restated	290,614	381,383	(90,769)
Ending net position	$ 236,465	$ 290,040	$ (53,575)

Financial Analysis of the Government's Funds. As was noted earlier, the District uses funds to help control and manage money for particular purposes. Looking at the funds aids in determining if the District is being accountable for the resources taxpayers and others provide, and may also give more insight into the District's overall financial health. In particular, the combination of assigned and unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

Governmental Funds. As of June 30, 2021, the District's governmental funds reported a combined fund balance of $997.7 million, an increase of $111.1 million, or 12.5 percent from the prior year. The $997.7 million combined fund balance includes an increase of $45.4 million due to the adjustment to the District's beginning fund balance for the fiscal year ended June 30, 2021. The increase in fund balance is due to the following funds: $145.9 million in the District Bonds (Capital Projects) Funds, $3.9 million in the General Fund, and $1.3 million in the Other Governmental Funds, offset by decreases of $35.1 million in the Other Capital Projects Funds, $4.9 million in the Local Millage Capital Improvement Funds, and $16 thousand in the COP Series Debt Service Funds.

General Fund. The fund balance for the General Fund increased by $3.9 million, mainly due to increases in State sources including FEFP. The assigned and unassigned portion of the fund balance decreased by $119 thousand compared to the prior year from $108.2 million as of June 30, 2020, to $108.1 million as of June 30, 2021.

Other Major Funds:

Federal Education Stabilization Funds. There is no fund balance as assets equal liabilities. These funds were established as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed into law on March 27, 2020. These funds are composed of the following emergency relief funds: Elementary and Secondary School Emergency Relief (ESSER) Funds and Governor's Emergency Education Relief (GEER) Fund.

District Bonds (Capital Projects) Funds. The fund balance of the major District Bonds (Capital Projects) Funds increased by $145.9 million. The General Obligation Bond Series 2021 were issued on February 16, 2021, in the amount of $207.5 million as part of the District's $800 million bond referendum for the Safety, Music & Art, Athletics, Renovation, and Technology (SMART) Program. The District continues to complete approved projects funded by the accumulated capital reserves of the General Obligation Bonds.

COP Series Debt Service Funds. The fund balance of the major COP Series Debt Service Funds decreased by $16 thousand (refer to Note IX. of the Notes to Financial Statements for more information).

Local Millage Capital Improvement Funds. The fund balance of the major Local Millage Capital Improvement Funds decreased by $4.9 million compared to the prior year mainly due to an increase in expenditures for facilities acquisition and construction.

Other Capital Projects Funds. The fund balance of the Other Capital Projects Funds decreased by $35.1 million compared to the prior year mainly due to an increase in expenditures for facilities acquisition and construction.

General Fund Budgetary Highlights (Reported on a Budgetary Basis). Over the course of the year, the District revises its budget to deal with unexpected changes in revenues and expenditures. The District's original and final budget amounts compared with actual amounts are provided in Table 3.

The final budget as compared to the original budget for revenues and other financing sources decreased by $86.7 million primarily due to a decrease in the State's FEFP, federal revenue including Medicaid, local revenues including ad valorem taxes, and other sources such as interest earned on investments, school-age childcare fees, course fees, and other financing sources. The decreases were offset by increases in state revenues such as Voluntary Prekindergarten Program. The decrease in ad valorem taxes is due to the fact that the District collected less than the original budgeted proceeds based on 96 percent of the current year gross taxable value per Section 1011.62(4)(a), Florida Statutes. The District's original budgeted revenues also declined due to school closures as a result of the COVID-19 pandemic.

During the year, final appropriations including other financing uses decreased by $49 million from original appropriations as the District continues to face the challenges of COVID-19 such as reductions in substitutes, temporary employees, supplemental payments, and supplies. The decreases were offset by the bonus given to all Broward teachers, education support professionals, and technical support professionals during the year.

Table 3
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance of General Fund Budget and Actual (Budgetary Basis)
(in thousands)

	Budget Original	Budget Final	Actual	Variance Positive (Negative)
Revenues:				
Local sources:				
Ad valorem taxes	$1,069,510	$1,065,979	$1,065,979	$ -
Other	56,546	42,324	42,324	-
Total local sources	1,126,056	1,108,303	1,108,303	-
State sources:				
Florida Education Finance Program	823,154	775,209	775,209	-
Other	384,738	386,943	386,943	-
Total state sources	1,207,892	1,162,152	1,162,152	-
Federal sources	29,000	13,537	13,537	-
Total revenues	2,362,948	2,283,992	2,283,992	-
Other financing sources	134,481	126,698	126,698	-
Total amounts available for appropriations	2,497,429	2,410,690	2,410,690	-
Expenditures:				
Instructional services	1,635,039	1,549,888	1,546,973	2,915
Student and instructional support services	229,362	231,829	231,829	-
Student transportation services	86,362	85,166	85,166	-
Operation and maintenance of plant	270,082	286,133	286,133	-
School administration	145,395	144,913	144,913	-
General administration	103,120	126,663	129,618	(2,955)
Capital outlay	10,121	9,375	13,918	(4,543)
Interest	2,135	944	944	-
Total expenditures	2,481,616	2,434,911	2,439,494	(4,583)
Other financing uses	4,338	2,030	2,030	-
Total charges against appropriations	2,485,954	2,436,941	2,441,524	(4,583)
Net change in fund balances	$ 11,475	$ (26,251)	(30,834)	$ (4,583)
Adjustments to conform with GAAP:				
Elimination of encumbrances			34,771	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			3,937	
Fund balances, beginning of year			197,313	
Fund balances, end of year			$ 201,250	

Capital Assets and Debt Administration

Capital Assets. As shown in Table 4, at June 30, 2021, the District had invested approximately $3 billion in a broad range of capital assets. This amount represents a net increase (including additions, deletions, and depreciation) of $167.5 million from the prior year. The District is focused on keeping vital components of school buildings running, such as air conditioning and roofing systems while keeping the schools safe and accessible. The District had $321.1 million committed towards various construction contracts (refer to Note XVIII. of the Notes to Financial Statements for more information).

On February 14, 2018, the District experienced a horrific tragedy at Marjory Stoneman Douglas (MSD) High School. As a result of this tragedy, the 1200 Building (Florida Inventory of School Houses (FISH), Building 12) at the school is deemed evidentiary and cannot be used by the District or demolished until the conclusion of all investigations and legal matters. In 2018, Senate Bill, SB 7026, cited as the "Marjory Stoneman Douglas High School Public Safety Act," earmarked $26.3 million for the projects at MSD to meet the facility needs necessary to recover from this tragedy that includes providing portables, building a new permanent building, demolishing the 1200 Building (FISH, Building 12), and constructing a memorial.

On March 5, 2021, there was a partial roof collapse in the media center at the District's James S. Rickards Middle School. As a result of the partial roof collapse, Building 1 of Rickards Middle School has been deemed a total loss and will be entirely replaced. The District's efforts to continue educating the Rickards Middle School students will include: temporary placement of the students in three nearby campuses, renovations to Buildings 2 and 5 on the Rickards Middle School campus to restore life safety and communications systems that were originally housed in Building 1, placement of temporary modular buildings on the Rickards Middle School campus so that all the students can return, and a full building replacement project for Building 1. It is currently anticipated that the replacement building will be completed in three years. When the replacement building is completed, the temporary modular buildings will be removed from the campus.

Table 4
Capital Assets at Year-End
(in thousands)

	As of June 30,		Increase
	2021	2020	Decrease
Land	$ 231,314	$ 231,314	$ -
Land improvements	481,458	478,760	2,698
Construction in progress *	436,366	278,928	157,438
Broadcast license intangible	3,600	3,600	-
Buildings and fixed equipment *	3,774,049	3,720,257	53,792
Furniture, fixtures, and equipment	311,668	293,921	17,747
Asset under capital leases	123,934	89,664	34,270
Audio visual	715	717	(2)
Computer software	58,377	58,377	-
Motor vehicles	81,657	84,486	(2,829)
Less, accumulated depreciation *	(2,465,407)	(2,369,808)	(95,599)
Total capital assets, net	$ 3,037,731	$ 2,870,216	$ 167,515

* Includes deletions for Rickards Middle School, Building 1.

Debt Administration. As shown in Table 5, at the end of June 30, 2021, the District had $1.9 billion in debt outstanding compared to $1.8 billion in the prior year, an increase of $133.3 million, or 7.4 percent, from the prior year. The increase was primarily due to a net increase of $200 million in the General Obligation Bonds (GOB). The increase in GOB is for the issuance of Series 2021 for $207.5 million. This increase was offset by a decrease of $7.5 million for GOB principal payments. There was an additional $16.1 million net increase in capital leases as a result of $21.7 million in technology equipment purchases and $14.4 million in yellow and white fleet purchases offset by a decrease of $20 million for capital leases principal payments. There was a decrease of $80.8 million in Certificates of Participation (COP) due to COP principal payments. Lastly, there was a decrease in Capital Outlay Bond Issues (COBI) of $2 million for COBI principal payments (refer to Notes VIII. through X. of the Notes to Financial Statements for more information).

Table 5
Debt Outstanding at Year-End
(in thousands)

	As of June 30, 2021	As of June 30, 2020	Increase (Decrease)
Capital outlay bond issues	$ 5,565	$ 7,568	$ (2,003)
General obligation bonds	506,865	306,915	199,950
Certificates of participation *	1,319,468	1,400,228	(80,760)
Capital leases	105,730	89,593	16,137
Total	$ 1,937,628	$ 1,804,304	$ 133,324

* Note: Series 2004-QZAB, Series 2009A and 2010A QSCBs (Qualified School Construction Bonds) adjusted to reflect the bond payment schedule for the fiscal year ended June 30, 2020.

Other obligations include accrued vacation pay and sick leave (refer to Note XI. of the Notes to Financial Statements for more information).

ECONOMIC FACTORS

The State of Florida, by constitution, does not have a State personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. State funds to school districts are provided by legislative appropriations from the State's general revenue funds under the Florida Education Finance Program (FEFP) and local property taxes. The level of tourism in the State heavily influences the amount collected. Any change in the anticipated amount of revenues collected by the State would directly impact the revenue allocation to the District.

On August 28, 2018, Broward County residents approved the Secure the Next Generation Referendum which became effective July 1, 2019. This referendum supports the District's continued commitment to secure a high-quality education and safe learning environment for students, teachers, and staff. The referendum increased the local millage by ½ mill for a period of four years through June 30, 2023. Referendum funds have secured safety and security positions, improved compensation for teachers and school-related staff, and expanded educational opportunities for our students.

The District continues to recover from the impact of the COVID-19 pandemic. Over the past 18 months, the District has faced and overcome unique and extraordinary challenges brought about by the pandemic. Among the greatest of these was the safe reopening of schools. Keeping students, teachers, and staff safe has been the number one priority, while continuing the District's mission to educate all students to reach their highest potential. In August 2020, Broward County Public Schools (BCPS) opened the school year with 100 percent eLearning. The District consulted with local public health officials and medical experts to determine when students, teachers, and staff could return safely to our school campuses. In October 2020, BCPS brick-and-mortar schools reopened with new and expanded sanitation procedures, personal protective equipment, safety signage, and additional medical personnel; providing an option for face-to-face instruction. The District continues to consult with local medical experts and follows recommendations for health and safety from the Centers for Disease Control and Prevention (CDC) and the American Academy of Pediatrics to help ensure our schools are not a major source of transmission of the virus.

REQUESTS FOR INFORMATION

The District's financial statements are designed to present users (participants, investors, creditors, and regulatory agencies) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report should be addressed to the Director of the Accounting and Financial Reporting Department, The School Board of Broward County, Florida, 600 Southeast Third Avenue, Fort Lauderdale, Florida 33301. For additional information, visit the District's website at https://www.browardschools.com/.

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The School Board of Broward County, Florida
Statement of Net Position
June 30, 2021
(in thousands)

	Primary Government Governmental Activities	Component Units
ASSETS		
Current Assets:		
Cash, cash equivalents, and investments (includes $446.5 million in cash and investments with trustees)	$ 835,756	$ 88,560
Due from other governmental agencies	47,652	7,937
Due from other schools	-	25,122
Accrued interest receivable	1,171	-
Inventories	12,463	2,237
Prepaid and other assets	48,619	10,665
Total current assets	945,661	134,521
Non-current Assets:		
Restricted cash, cash equivalents, and investments	437,595	2,857
Capital assets:		
Non-depreciable	802,520	6,627
Depreciable, net	2,235,211	191,999
Total non-current assets	3,475,326	201,483
TOTAL ASSETS	4,420,987	336,004
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding debt (net)	45,249	5,340
Pension actuarial adjustments	568,943	4,224
OPEB actuarial adjustments	35,540	-
Total deferred outflows of resources	649,732	9,564
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	182,567	9,000
Accrued payroll taxes and withholding	16,010	15,394
Matured debt and interest payable	114,813	447
Due to other governmental agencies	12,666	977
Due to other schools	-	5,273
Retainage payable	19,801	-
Unearned revenue	14,118	1,308
Management fees payable	-	1,227
Obligations under capital leases	24,148	3,549
Liability for compensated absences	9,957	274
Debt, net of premiums and discounts	126,987	842
Estimated liability for self-insured risks	38,604	-
Net pension liability	5,126	-
Other liabilities	-	6,002
Total current liabilities	564,797	44,293
Non-current Liabilities:		
Obligations under capital leases	81,582	120,638
Liability for compensated absences	182,324	87
Debt, net of premiums and discounts	1,959,907	68,375
Estimated liability for self-insurance risks	30,673	-
Other postemployment benefits obligations	197,602	4
Other liabilities	-	24,193
Net pension liability	1,702,928	9,287
Total non-current liabilities	4,155,016	222,584
TOTAL LIABILITIES	4,719,813	266,877
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding debt (net)	30	1,245
Pension actuarial adjustments	64,424	1,046
OPEB actuarial adjustments	49,987	-
Total deferred inflows of resources	114,441	2,291
NET POSITION		
Net investment in capital assets	1,308,120	18,303
Restricted for:		
State required carryover programs	13,417	310
Debt service	63,059	2,306
Capital projects	270,925	2,162
Scholarships and other purposes	42,991	4,631
Unrestricted (deficit)	(1,462,047)	48,688
TOTAL NET POSITION	$ 236,465	$ 76,400

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

The School Board of Broward County, Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2021
(in thousands)

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PROGRAM EXPENSES AND REVENUES:				
PRIMARY GOVERNMENT:				
Instructional services	$ 1,880,381	$ 13,242	$ 483,880	$ -
Instructional support services	350,322	-	82,204	-
Student transportation services	90,898	180	397	-
Operation and maintenance of plant	303,062	-	13,020	-
School administration	160,596	-	14,730	-
General administration	135,442	-	9,086	-
Food services	86,446	553	73,988	-
Facilities acquisition and construction	48,294	-	338	39,645
Interest expense	56,935	-	-	2,288
Total governmental activities	$ 3,112,376	$ 13,975	$ 677,643	$ 41,933
Component Units	$ 361,109	$ 4,680	$ 36,429	$ 27,611

GENERAL REVENUES:
Ad valorem taxes levied for:
General purposes
Debt service
Capital outlays
Grants and contributions not restricted to specific programs:
Florida education finance program
Other
Other federal sources
Other state sources
Other local sources
Unrestricted investment earnings
Total general revenues
Change in net position
Total net position, beginning of year
Restatement adjustment to beginning net position (GASB 84) (1)
Total net position, beginning of year, as restated
Total net position, end of year

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

Notes: (1) Change in accounting principle due to GASB 84 implementation effective July 1, 2020.

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
$ (1,383,259)	$ -
(268,118)	-
(90,321)	-
(290,042)	-
(145,866)	-
(126,356)	-
(11,905)	-
(8,311)	-
(54,647)	-
(2,378,825)	-
-	(292,389)
1,065,979	-
19,786	-
325,360	-
775,209	-
-	209,602
85,294	3,317
2,210	87,763
45,793	7,180
5,045	2,427
2,324,676	310,289
(54,149)	17,900
290,040	58,500
574	-
290,614	58,500
$ 236,465	$ 76,400

The School Board of Broward County, Florida
Balance Sheet – Governmental Funds
June 30, 2021
(in thousands)

	GENERAL FUND	FEDERAL EDUCATION STABILIZATION FUNDS	COP SERIES DEBT SERVICE FUNDS
ASSETS:			
Equity in pooled cash and investments	$ 325,875	$ -	$ 621
Cash and investments with trustees	-	-	112,582
Total cash, cash equivalents, and investments	325,875	-	113,203
Due from other governmental agencies	5,114	8,637	-
Due from other funds	11,602	-	-
Accrued interest receivable	944	-	-
Inventories	9,298	-	-
Prepaids and other assets	48,336	-	-
TOTAL ASSETS	$ 401,169	$ 8,637	$ 113,203
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenditures	$ 145,372	$ 2,929	$ 386
Accrued payroll taxes and withholdings	15,933	6	-
Due to other governmental agencies	12,666	-	-
Due to other funds	-	5,702	-
Unearned revenue	200	-	-
Retainage payable	9	-	-
Matured debt and interest payable	-	-	112,812
Estimated liability for self-insured risks	25,739	-	-
Total liabilities	199,919	8,637	113,198
Fund balances:			
Nonspendable	25,450	-	-
Restricted	13,417	-	5
Committed	54,327	-	-
Assigned	61,719	-	-
Unassigned	46,337	-	-
Total fund balances	201,250	-	5
TOTAL LIABILITIES AND FUND BALANCES	$ 401,169	$ 8,637	$ 113,203

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

DISTRICT BONDS FUNDS	LOCAL MILLAGE CAPITAL IMPROVEMENT FUNDS	OTHER CAPITAL PROJECTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 222,374	$ 186,813	$ 403	$ 86,925	$ 823,011
-	-	277,553	56,396	446,531
222,374	186,813	277,956	143,321	1,269,542
-	1	15,243	18,657	47,652
-	-	-	-	11,602
-	50	-	177	1,171
-	-	-	3,126	12,424
-	47	156	80	48,619
$ 222,374	$ 186,911	$ 293,355	$ 165,361	$ 1,391,010
$ 10,241	$ 4,790	$ 7,959	$ 7,251	$ 178,928
-	-	-	71	16,010
-	-	-	-	12,666
-	-	-	5,900	11,602
-	-	8,161	5,757	14,118
15,394	1,767	2,177	454	19,801
-	-	-	1,666	114,478
-	-	-	-	25,739
25,635	6,557	18,297	21,099	393,342
-	-	-	3,126	28,576
196,739	180,354	275,058	141,136	806,709
-	-	-	-	54,327
-	-	-	-	61,719
-	-	-	-	46,337
196,739	180,354	275,058	144,262	997,668
$ 222,374	$ 186,911	$ 293,355	$ 165,361	$ 1,391,010

The School Board of Broward County, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021
(in thousands)

Total fund balances - governmental funds		$ 997,668
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the fund financial statements. These assets consist of:		
Land	$ 231,314	
Land improvements - nondepreciable	131,240	
Land improvements, net of accumulated depreciation	152,162	
Broadcast license intangible	3,600	
Buildings and fixed equipment, net of accumulated depreciation	1,943,575	
Furniture, fixtures, and equipment, net of accumulated depreciation	45,110	
Assets under capital lease, net of accumulated depreciation	89,344	
Audio visual, net of accumulated depreciation	11	
Computer software, net of accumulated depreciation	234	
Motor vehicles, net of accumulated depreciation	4,772	
Construction in progress	436,366	3,037,728
Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.		568,943
Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.		(64,424)
Certain OPEB-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.		35,540
Certain OPEB-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.		(49,987)
Deferred losses on refunding is not a use of current financial resources and, therefore, are not reported in the fund financial statements.		45,249
Deferred gains on refunding is not a use of current financial resources and, therefore, are not reported in the fund financial statements.		(30)
Internal service funds are used by the District to charge the costs of services, such as printing services, to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Position.		212
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, and other deferred inflow of resources are reported in the Statement of Net Position.		
Balances at June 30, 2021, are:		
Accrued interest on long-term debt	$ (335)	
Certificates of participation	(1,319,468)	
Debt premiums and discounts, net	(254,996)	
Bonds payable	(512,430)	
Capital leases payable	(105,730)	
Compensated absences	(192,281)	
Other postemployment benefits (OPEB)	(197,602)	
Estimated liability for self-insured risks	(43,538)	
Net pension liability	(1,708,054)	
Total long-term liabilities		(4,334,434)
Total net position of governmental activities		$ 236,465

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

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The School Board of Broward County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2021
(in thousands)

	GENERAL FUND	FEDERAL EDUCATION STABILIZATION FUNDS	COP SERIES DEBT SERVICE FUNDS
REVENUES:			
Local sources:			
Ad valorem taxes	$ 1,065,979	$ -	$ -
Food sales	-	-	-
Interest on investments	2,388	-	45
Other	39,936	-	-
Total local sources	1,108,303	-	45
State sources:			
Florida education finance program	775,209	-	-
Categorical programs and other	386,943	-	-
Total state sources	1,162,152	-	-
Federal sources:			
Food service	-	-	-
Grants and other	13,537	58,130	-
Total federal sources	13,537	58,130	-
Total Revenues	2,283,992	58,130	45
EXPENDITURES:			
Current operating:			
Instructional services	1,537,214	25,441	-
Student and instructional support services	226,383	18,246	-
Student transportation services	83,029	444	-
Operation and maintenance of plant	272,744	11,625	-
School administration	144,844	120	-
General administration	127,305	2,254	-
Food services	-	-	-
Total current operating	2,391,519	58,130	-
Debt service:			
Principal retirement	341	-	100,465
Interest charges and other	603	-	66,096
Total debt service	944	-	166,561
Capital outlay	12,260	-	-
Total Expenditures	2,404,723	58,130	166,561
Excess (deficiency) of revenues over (under) expenditures	(120,731)	-	(166,516)
OTHER FINANCING SOURCES (USES):			
District bonds	-	-	-
Premium (discount) on long-term debt issued	-	-	-
Capital lease	-	-	-
Sales of capital assets	-	-	-
Transfers in	126,698	-	166,500
Transfers out	(2,030)	-	-
Total other financing sources (uses)	124,668	-	166,500
Net change in fund balances	3,937	-	(16)
Fund balances, beginning of year	197,313	-	21
Adjustments to fund balances	-	-	-
Fund balances, beginning of year (restated)	197,313	-	21
Fund balances, end of year	$ 201,250	$ -	$ 5

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

DISTRICT BONDS FUNDS	LOCAL MILLAGE CAPITAL IMPROVEMENT FUNDS	OTHER CAPITAL PROJECTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ 325,360	$ -	$ 19,786	$ 1,411,125
-	-	-	553	553
614	-	110	1,888	5,045
-	2,970	21,720	11,743	76,369
614	328,330	21,830	33,970	1,493,092
-	-	-	-	775,209
-	63	30,456	14,657	432,119
-	63	30,456	14,657	1,207,328
-	-	-	65,311	65,311
-	5,006	-	226,809	303,482
-	5,006	-	292,120	368,793
614	333,399	52,286	340,747	3,069,213
-	-	-	141,449	1,704,104
-	-	-	71,537	316,166
-	-	-	125	83,598
-	-	-	310	284,679
-	-	-	805	145,769
-	-	-	9,039	138,598
-	-	-	81,270	81,270
-	-	-	304,535	2,754,184
-	-	-	9,518	110,324
-	-	-	23,077	89,776
-	-	-	32,595	200,100
131,693	63,243	95,830	14,476	317,502
131,693	63,243	95,830	351,606	3,271,786
(131,079)	270,156	(43,544)	(10,859)	(202,573)
207,465	-	-	-	207,465
69,477	-	-	-	69,477
-	-	36,183	-	36,183
-	138	369	-	507
-	-	1,664	12,164	307,026
-	(275,232)	(29,764)	-	(307,026)
276,942	(275,094)	8,452	12,164	313,632
145,863	(4,938)	(35,092)	1,305	111,059
50,876	185,292	310,150	97,595	841,247
-	-	-	45,362	45,362
50,876	185,292	310,150	142,957	886,609
$ 196,739	$ 180,354	$ 275,058	$ 144,262	$ 997,668

The School Board of Broward County, Florida
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2021
(in thousands)

Total net change in fund balances - governmental funds			$	111,059
Amounts reported for governmental activities in the Statement of Activities are different because:				
Governmental funds report capitalizable and non-capitalizable capital outlays as expenditures. However, in the Statement of Activities, the cost of those capitalizable assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlays ($282,793) were greater than depreciation ($109,492) in the current period.				173,301
The issuance of long-term debt provides a source of current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the Statement of Net Position. Refundings of debt represent a use of current financial resources in governmental funds. However, refunding of debt decreases long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of debt premiums, discounts, deferral amounts on refunding when debt is first issued, but these amounts are deferred and amortized in the Statement of Activities.				
Debt proceeds	$	(276,942)		
Capital lease		(36,183)		(313,125)
The repayment of long-term debt principal amount is reported as an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. Premiums and discounts on debt issued are reported in the governmental funds in the year the debt is issued and are amortized over the life of the debt in the Statement of Activities.				
Net principal payments and amortized premiums and discounts				137,183
Internal service funds are used by the District to charge the costs of services, such as printing services to individual funds. The change in net position of internal service funds is reported within the governmental activities.				(90)
In the Statement of Activities, certain expenses - compensated absences (vacation and sick leave and other postemployment benefits) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid) and for new retirees, the amount expected to be paid out for terminal sick leave over the next year.				
Net change in postemployment benefits obligation	$	(11,094)		
Net change in compensated absences		(4,020)		
Net change in estimated liability for self-insured risks		881		(14,233)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due, except matured interest payable which is accrued in the debt service funds.				
Net change in accrued interest on long-term debt				168
Change in debt related deferrals including deferred amounts are recognized as paid or received in the governmental funds but must be capitalized and amortized in the government-wide presentation. This amount represents the net amount between current year's additions and amortization of current and prior year's amounts.				5,814
Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In addition, the amortization of changes in deferred pension adjustments is recorded through pension expense.				(148,440)
Net effect of various miscellaneous transactions involving capital assets (i.e., changes in capitalization threshold, sales, disposals, recoveries, and donations).				(5,786)
Change in net position - governmental activities			$	(54,149)

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

The School Board of Broward County, Florida
Statement of Net Position – Proprietary Funds
June 30, 2021
(in thousands)

	INTERNAL SERVICE FUNDS
ASSETS	
Current Assets:	
Equity in pooled cash and investments	$ 3,809
Inventories	39
Total current assets	3,848
Noncurrent Assets:	
Furniture and equipment (net of accumulated depreciation)	3
Total assets	3,851
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	3,639
Total current liabilities	3,639
NET POSITION	
Net investment in capital assets	3
Unrestricted	209
Total net position	$ 212

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

The School Board of Broward County, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(in thousands)

	INTERNAL SERVICE FUNDS
OPERATING REVENUES:	
Charges for services	$ 75,753
Other	3
Total operating revenues	75,756
OPERATING EXPENSES:	
Personnel services	63,478
Depreciation	3
Other	12,367
Total operating expenses	75,848
Operating loss	(92)
NONOPERATING REVENUE:	
Interest and other	2
Change in net position	(90)
Total net position, beginning of year	302
Total net position, end of year	$ 212

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

The School Board of Broward County, Florida
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(in thousands)

	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from District operating departments	$ 75,756
Cash payments for goods and services	(12,335)
Cash payments to employees	(63,147)
Net cash provided by operating activities	274
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	3
Net increase in cash, cash equivalents, and investments	277
CASH, CASH EQUIVALENTS, AND INVESTMENTS:	
Beginning of year	3,532
End of year	$ 3,809
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	$ (92)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	3
Changes in assets and liabilities:	
Increase in inventory, prepaids and other assets	(1)
Increase in accounts payable and accrued expenditures	364
Net cash provided by operating activities	$ 274

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

The School Board of Broward County, Florida
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2021
(in thousands)

		CUSTODIAL FUND
ASSETS:		
Equity in pooled cash and investments	$	5,969
Cash and cash equivalents		13,529
TOTAL ASSETS		19,498
LIABILITIES:		
Accounts payable and accrued expenses		191
NET POSITION:		
Restricted for student organizations	$	19,307

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

The School Board of Broward County, Florida
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2021
(in thousands)

	CUSTODIAL FUND
ADDITIONS	
Student Group Collections	$ 21,286
DEDUCTIONS	
Student Group Disbursements	21,904
Net decrease in fiduciary net position	(618)
Total net position, beginning of year	-
Adjustments to net position	19,925
Total net position, beginning of year (restated)	19,925
Total net position, end of year	$ 19,307

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School Board of Broward County, Florida (the District) has direct responsibility of operation, control, and supervision of schools in Broward County and is considered a primary government for financial reporting purposes. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The general operating authority of the District and the Superintendent is contained in Chapters 1000 and 1013, Florida Statutes. Pursuant to Section 1010.01, Florida Statutes, the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education. The District's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The District was created by the State Constitution and is part of the state system of public education operated under the general direction and control of the State Board of Education. Established in 1915, the District is governed by nine elected board members (the Board). The appointed Superintendent of Schools is the executive officer of the District. The District has taxing authority and provides elementary, secondary, and vocational education services to the residents of Broward County, Florida (Broward County).

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

Based on the application of these criteria, District management has determined that the component units reportable with the accompanying basic financial statements are the Broward School Board Leasing Corporation (the Corporation), the Broward Education Foundation (the Foundation), and 88 charter schools.

Blended Component Units. The Corporation was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note X. of the Notes to Financial Statements. Due to the substantive economic relationship between the District and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements for the Corporation are not published.

Discretely Presented Component Units. The Foundation, a non-profit direct-support organization of the District, is included as a discretely presented component unit in the accompanying basic financial statements. The purpose of the Foundation is exclusively educational and charitable, namely, to receive, hold, invest, and administer property and to make expenditures for the benefit of the District. In addition, the Foundation is fiscally dependent on the District to provide financial support for its ongoing operating expenses.

Additionally, in accordance with Section 1002.33, Florida Statutes, district school boards are authorized to approve charter school applications. Charter schools are public schools operating under a performance contract with the local school district and are fiscally dependent on the District for a majority of their funding. Revenues such as Florida Education Finance Program (FEFP), State Categoricals, and other State and Federal revenue sources are received by the District on behalf of the charter schools and then remitted to them. As such, charter schools are funded on the same basis and are subject to the same financial reporting requirements as the District. Additionally, all students enrolled in charter schools are included in the District's total enrollment. There were 88 operating charter school sites in the 2021 fiscal year. All of the charter schools are considered component units of the District or another legal entity. For financial reporting purposes, 88 of the charter schools are included in the basic financial statements of the District as discretely presented component units. BridgePrep Academy Broward County was closed as of June 30, 2021.

The component units beginning net position does not agree to prior year ending net position on the Statement of Net Position because availability of financial information for individual charter schools varies from year to year. The accompanying basic financial statements include the operations of the District, the Corporation, the Foundation, and the 88 charter schools. The District is independent of and is not financially accountable for any other local governmental units or civic entities other than those mentioned above. The Foundation and charter schools are presented as discrete component units in the government-wide presentation.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The Statement of Net Position includes all assets, deferred outflows, liabilities, and deferred inflows of the District. The Statement of Activities presents a comparison between the direct expenses and program revenues of the District. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function.

Amounts reported as program revenues include: (1) charges to students for tuition fees, rentals, materials, supplies, or services provided, (2) operating grants and contributions, and (3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The District eliminates from the Statement of Net Position and the Statement of Activities most interfund receivables and payables and transfers between funds as well as the transactions associated with its Internal Service Funds to minimize the effect of double counting. However, direct expenses are not eliminated from the various functional categories.

Fund Financial Statements – Governmental fund financial statements are prepared using the current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are interest and principal on long-term debt, compensated absences, pension obligation, self-insured claims, and other postemployment benefits, which are recognized when due, unless funds have been set aside in the debt service funds for repayments. Allocations of cost, such as depreciation, are recognized in governmental funds.

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value and (b) non-exchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange.

Revenue resulting from exchange transactions is recorded on the modified accrual basis when the exchange takes place, if available.

Revenues resulting from non-exchange transactions are further classified into (a) derived tax revenues, (b) imposed non-exchange revenues, (c) government-mandated non-exchange transactions, and (d) voluntary non-exchange transactions. Derived tax revenues (e.g., sales taxes) are recorded when the transaction occurs. Imposed non-exchange transactions (e.g., property taxes) are recorded when the use of the resource is required or first permitted by time requirement (e.g., property taxes, the period for which they are levied). Government-mandated and voluntary non-exchange transactions (e.g., Federal mandates, grants, and donations) are recorded when all eligibility requirements have been met and the item is susceptible to accrual.

When applying the "susceptible to accrual" concept under the modified accrual basis, revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met if available. The District considers all revenues except grant revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered available if collected within 6 months of the end of the current fiscal period.

The Proprietary fund financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are for graphics and printing, maintenance services and facility construction management provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, supplies, materials, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary (Custodial) funds are prepared under the economic resources measurement focus and the accrual basis of accounting.

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Non-major funds are aggregated and reported in a single column. Currently, the District does not have any funds classified as enterprise funds. The District reports the following major funds:

GENERAL FUND

The General Fund is the primary operating fund of the District. The General Fund is used to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

FEDERAL EDUCATION STABILIZATION FUNDS

These funds are used to account for a Governor's Emergency Education Relief (GEER) Fund and the Elementary and Secondary School Emergency Relief (ESSER) Funds provided to Local Educational Agencies (LEAs) to address the impact that the COVID-19 pandemic has had, and continues to have, on elementary and secondary schools in Florida. These funds are intended to provide emergency relief to ensure school districts are equipped to provide instructional services despite the challenges caused by COVID-19 and to assist students who have fallen behind as a result of the pandemic.

CERTIFICATE OF PARTICIPATION (COP) SERIES DEBT SERVICE FUNDS

These funds are used to account for the accumulation of resources for the payment of debt principal, interest, and related costs on the long-term certificates of participation series.

DISTRICT BONDS FUNDS – (SMART) SAFETY, MUSIC & ART, ATHLETICS, RENOVATION, AND TECHNOLOGY

On November 4, 2014, the residents of Broward County approved the issuance of up to $800 million of General Obligation Bond funds; the District has provided additional funding to aid in this project. This amount will be used to provide resources to fund critically needed projects and programs in Safety, Music and Art, Athletics, Renovation and Technology.

LOCAL MILLAGE CAPITAL IMPROVEMENT FUNDS

These funds are used to account for financial resources received from millage to be used for maintenance and other educational capital needs, including new construction, renovation, and remodeling projects.

OTHER CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources that are not already captured in one of the other capital outlay funds. This includes proceeds from certificates of participation, proceeds from capital equipment leases, school impact fees revenues, and also includes School Safety/School Hardening Grant proceeds from the State of Florida.

The District also reports the following additional fund types:

PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. These funds are used to account for printing and other services provided to other District funds. Proprietary funds are included in the governmental activities in the government-wide financial statements.

FIDUCIARY FUND – CUSTODIAL FUND

This fund is used to account for resources of each schools' internal fund, which is used to administer monies collected at the schools in connection with school, student athletics, classes, and club activities.

C. DEPOSITS AND INVESTMENTS

The District maintains an accounting system in which substantially all general District cash, investments, and accrued interest are recorded and maintained in a separate group of accounts. All such cash and investments are reflected as "Equity in Pooled Cash and Investments" in each fund in the accompanying financial statements. Investment income is allocated based on the weighted average balances of each fund's Equity in Pooled Cash and Investments.

Cash includes amounts in demand and time accounts as well as cash on hand. For purposes of the statement of cash flows, cash and cash equivalents also include highly liquid investments with an original maturity of three months or less at time of purchase.

The District's investment in the Florida Public Assets for Liquidity Management (FL PALM), which the FL PALM indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2021, is similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at amortized cost which approximates fair value.

Investments are stated at fair value as determined from quoted market prices. Funds are invested in various instruments allowed by the District's investment policy and by Florida Statutes, including money market funds and bank certificates of deposit.

Types and amounts of investments held at fiscal year-end are described in a subsequent note.

D. INVENTORIES AND PREPAIDS

Inventories consist of expendable supplies held for consumption in the course of the District's operations. Inventories are stated at cost, as determined on the first-in, first-out basis, or a moving weighted average cost basis. United States Department of Agriculture commodities received from the federal government are recorded at the unit rate established by the Federal Government. This inventory is accounted for under the consumption method, and as such, is recorded as an expenditure when used.

Prepaid expenses are recognized when the goods or services are purchased but not consumed at year end. The expenditure is recorded when the asset is used.

E. CAPITAL ASSETS

Capital assets, which the District defines as those costing more than $1,000 for furniture and equipment, audio visual equipment, computer software, and motor vehicles; $5,000 for land, buildings and fixed equipment, improvements other than buildings with an initial useful life of more than one year are reported in the government-wide financial statements. Such assets are recorded at historical cost or at estimated historical cost if the actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Land, construction in progress, broadcast license intangible, and certain land improvements are not depreciated. Other capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide financial statements.

The estimated useful lives are as follows:

Description	Estimated Useful Lives
Land improvements	15 to 35 years
Buildings and fixed equipment	7 to 50 years
Furniture, fixtures, and equipment	5 to 20 years
Audio visual	5 years
Computer software	5 years
Motor vehicles	10 to 15 years

Depreciation expense on school buses has been allocated to the student transportation services function on the government-wide Statement of Activities. All other depreciation expense has been ratably allocated to the various expense functions based on an analysis of the use of each room in the District and its relative square footage.

Capital assets owned by the Proprietary Funds, principally equipment, are stated at cost. Straight-line depreciation has been provided over the estimated useful lives of these assets, which range from 5 to 20 years.

When capital assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the results of operations in the government-wide statements.

The District is required annually to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in manner or duration of use of a capital asset, and construction stoppage. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. Based on this criteria, there was no impairment recognized in the 2021 fiscal year.

F. REVENUE

***State Revenue Sources* –** Revenues from state sources for current operations are primarily from the Florida Education Finance Program (FEFP), administered by the Florida Department of Education (FDOE), under the provisions of Section 1011.62, Florida Statutes. The District files reports on full time equivalent (FTE) student membership with the FDOE. The FDOE accumulates information from these reports and calculates the allocation of FEFP funds to the District. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review. Normally, such adjustments are treated as reductions of revenue in the year the reduction is made.

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. These funds are described as “restricted for categorical carryover programs” in the Statement of Net Position and the Governmental Funds Balance Sheet. The revenues for FEFP and categorical programs are recognized in the period in which the funds are available for use, when all eligibility requirements have been met, and when the funds are available.

The State allocates the gross receipts tax (GRT), generally known as Public Education Capital Outlay (PECO), to the District on an annual basis. PECO works to fund the District’s long-term need for education facilities with a portion of the GRT on utilities. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

Educational Impact Fees – Broward County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1982. The ordinance was most recently amended in May 2020 when Ordinance 2020-22 established revisions to the educational impact fees. The educational impact fee is collected for most new residential development by the County and each municipality within the County based on an interlocal agreement. A new interlocal agreement was entered on September 2020 providing additional clarity on expending school impact fees. The fees are to be used solely for the acquisition of school sites or the provision of facilities to the public educational system necessitated by new residential development and are not to be used to pay new or existing debt for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential development. The authorized uses primarily include needed school facilities including, but are not limited to, acquiring new school sites; construction of new schools; classroom additions; addition to core capacities; and acquiring technology by the growth necessitated by new residential development.

Property Taxes – In the fund financial statements, property tax revenue is recognized when levied for, and available, which is when received, except at year end when revenue is accrued for taxes collected by the Broward County Revenue Collector as of fiscal year end, but remitted to the District within 60 days subsequent to fiscal year end. Any delinquent taxes expected to be collected in the subsequent fiscal year are accrued for and reported as unavailable revenue at year end. Delinquent taxes collected in subsequent periods are recognized as revenue during the fiscal year in which they are received. In the government-wide financial statements, property tax revenue is recognized when levied for, net of allowance for estimated uncollectible amounts. Accordingly, uncollected, but earned, property tax revenue, net of uncollectible amounts, represent a reconciling item between the fund and government-wide presentation.

Federal Revenue Sources – The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally awarded based on applications submitted to, and approved by, various granting agencies. For Federal awards for which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred, at the government-wide level and if incurred and available in the governmental funds.

G. UNEARNED/UNAVAILABLE REVENUE

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the fund financial statements. In addition, amounts related to government fund receivables that are measurable, but not available are recorded as unavailable revenue in the governmental fund financial statements.

H. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Debt premiums and discounts and deferral amounts on refunding are deferred and amortized over the life of the bonds using the effective interest method, or the straight-line method if it does not differ materially from the effective interest method. Debt payable is reported net of the applicable debt premium or discount. Debt issuance costs are expensed when incurred. Deferred gains (losses) on refundings are reported as deferred outflows or inflows of resources.

In the fund financial statements, governmental fund types recognize debt premiums and discounts and prepaid insurance costs during the current period. The face amount of the debt issues is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received and principal payments, are reported as debt service expenditures.

I. COMPENSATED ABSENCES

Compensated absences are salary related payments to employees for accumulated vacation and sick leave. These amounts also include the related employer's share of Social Security and Medicare and retirement contributions. They are recorded as expenditures when used or are accrued as a payable to employees who are entitled to cash payment in lieu of taking leave. District employees may accumulate unused sick leave without limitation and unused vacation up to a specified amount depending on their date of hire. Vacation leave is payable to employees upon termination or retirement at the current rate of pay on the date of termination or retirement. Sick leave is payable to employees upon retirement at the rate of pay in effect at the time the leave is earned. The number of days payable is subject to limitations as set forth in District policies.

The government-wide financial statements report long-term liabilities or obligations that are expected to be paid in the future. Long-term liabilities reported include vested vacation and sick pay benefits and an estimate for anticipated non-vested sick pay benefits. The current portion represents the estimated terminal sick-leave amount that is due to, and has not been paid out to, employees who have retired on or prior to June 30, 2021.

The noncurrent portion (the amount established to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund financial statements and government-wide financial statements.

J. SELF-INSURANCE

The District is self-insured for portions of its general and automobile liability insurance, workers' compensation, and health insurance. The estimated liability for self-insured risks represents an estimate of the amount to be paid on claims reported and on claims incurred but not reported (see Note XV. of the Notes to Financial Statements). For the governmental funds, in the fund financial statements, the liability for self-insured risks is considered long-term and therefore, is not a fund liability (except for any amounts due and payable at year end) and represents a reconciling item between the governmental fund level and government-wide presentations.

K. FUND BALANCE

Fund balance is the difference between fund assets and liabilities in the governmental fund financial statements that are based on the modified accrual basis of accounting. GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, provides for two major fund balance classifications: nonspendable and spendable. Nonspendable fund balance includes amounts that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of nonspendable fund balance include inventory, prepaid items, and the principal (corpus) of a permanent fund. The District has classified inventory and prepaids as nonspendable.

GASB 54 provides for four categories of the spendable fund balance classification based on the level of constraint placed on the use of those resources:

- Restricted fund balance includes amounts on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions or enabling legislation.
- Committed fund balance includes resources constrained to a specific purpose by the District's highest level of decision-making authority, the School Board. This formal action is completed through a Board resolution. These items cannot be used for any other purpose unless the Board takes action to remove or change the constraint through the same formal action of a Board resolution.
- Assigned fund balance represents amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Under the provisions of Section 1001.51, Florida Statutes, Duties and Responsibilities of District School Superintendent, the superintendent is delegated certain financial authority. The District's management can assign fund balance based on Board direction.
- Unassigned fund balance in the General Fund includes the remaining fund balance, or net resources, available for any purpose. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

In addition, the District has adopted Board Policy 3111 which provides for a minimum unreserved and undesignated General Fund balance of 3 percent of the total annual operating expenditures. In the event the fund balance falls below 3.5 percent, the Chief Financial Officer must notify the Superintendent and the Board and future requests to draw from the fund balance must be approved by the Board by super majority. In the event the fund balance falls below 3 percent, the Chief Financial Officer is required to provide a financial plan to the Board to restore the funds to the minimum 3 percent amount, along with a timeline for restoration.

L. NET POSITION

In the Statement of Net Position, assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position on the government-wide and proprietary fund financial statements that are based on the accrual basis of accounting. Net position is displayed in three components:

- The Net Investment in Capital Assets component of net position consists of capital assets (net of accumulated depreciation) and deferred outflow of resources for losses on refunding transactions, reduced by the outstanding balance of debt related to the acquisition or construction of those assets and deferred inflow of resources for gains on refunding transactions.

- The Restricted component of net position consists of restricted net assets (where constraints on their use are: (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation), reduced by liabilities and deferred inflows of resources related to those assets.
- The Unrestricted component of net position (deficit) consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the other two components of net position.

When both restricted and unrestricted assets are available for a specific purpose, it is the District's policy to use restricted assets first, until exhausted, before using unrestricted resources. Further descriptions of the components of net position are addressed in Note XVII. of the Notes to Financial Statements.

M. MANAGEMENT'S USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows, contingent assets and liabilities disclosed at the date of the financial statements, and the reported amount of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position has a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources include deferred loss on refunding debt, pension actuarial adjustments, and OPEB actuarial adjustments.

In addition to liabilities, the Statement of Net Position has a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include deferred gain on refunding debt, pension actuarial adjustments, and OPEB actuarial adjustments.

A deferred loss/gain on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or new refunding debt. The deferred outflows/inflows of resources related to pensions and OPEB are discussed in subsequent notes.

O. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and HIS pension plans, and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the government-wide financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. ACCOUNTING CHANGE – RESTATEMENT

Governmental Accounting Standards Board Statement No. 84 – The District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The District reviewed each schools' internal fund and identified which activities did not meet the criteria for reporting in a fiduciary (custodial) fund. These activities are now reported in special revenue funds.

For each schools' internal fund meeting the criteria for reporting as fiduciary activities in the custodial fund, beginning net position was increased by $19.9 million. For each schools' internal fund not meeting the criteria and reported in special revenue funds, beginning government-wide net position and other governmental funds balance was increased by $574 thousand.

Q. PRIOR PERIOD ADJUSTMENT

In prior years, the District reported the amounts paid into the sinking funds held by fiscal agents for the Series 2009A and 2010A Qualified School Construction Bonds (QSCBs) and the Series 2004 Qualified Zone Academy Bond (QZAB) as matured debt and interest payable. During the 2020-21 fiscal year, the District reclassified these amounts to restricted fund balance since the balance of the QSCBs is not due until the debt matures on July 1, 2024, for Series 2009A and July 1, 2027, for Series 2010A. The Series 2004A QZAB matured on December 22, 2020. As a result of this correction, the District increased the beginning long-term debt balance and the beginning fund balance of Other Governmental Funds by $44.8 million.

R. IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement became effective for fiscal year end June 30, 2021. This Statement establishes criteria for identifying fiduciary activities of state and local governments. The focus of the criteria generally is on (1) whether the government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This standard did impact the District's financial statements. The District's beginning net position and special revenue fund balance increased by $574 thousand. The fiduciary fund beginning net position was increased by $19.9 million due to the implementation of GASB Statement No. 84.

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement will become effective for fiscal year end June 30, 2022. This Statement changes the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee government is required to recognize a lease liability and an intangible right-to-use asset and a lessor government is required to recognize a lease receivable and a deferred inflow of resources. Management is aware of this Statement and intends to properly evaluate the impact and ensure that any accounting and reporting impact is properly addressed in the year the Statement is required to be implemented.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement will become effective for fiscal year end June 30, 2022. This Statement changes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard is not expected to impact the District's financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. This Statement became effective for fiscal year end June 30, 2021. This Statement modifies previous guidance for reporting government's majority equity interest in a legally separate organization. The Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or a permanent fund. The Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. This standard did not impact the District's financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement will become effective for fiscal year end June 30, 2023. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosure. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosure. This standard is not expected to impact the District's financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This Statement will become effective for fiscal year end June 30, 2022. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) the effective date of Statement No.87, *Leases*, and Implementation Guide No. 2019-3, Leases for interim financial reports; (2) reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit plan; (3) the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; (4) the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (5) measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; (6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and (8) terminology used to refer to derivative instruments. This standard is not expected to impact the District's financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement will become effective for fiscal year end June 30, 2022, with the exception of the removal of LIBOR as an appropriate benchmark interest rate which will become effective June 30, 2023. This Statement addresses accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate. This Statement achieves that objective by: (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. This standard is not expected to impact the District's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement will become effective for fiscal year end June 30, 2023. This Statement will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This standard is not expected to impact the District's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Agreements*. This Statement will become effective for fiscal year end June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This standard is not expected to impact the District's financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal year end June 30, 2022, while all other requirements are effective immediately. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard is not expected to impact the District's financial statements.

Management of the District is still in the process of determining what effect, if any, the above Statements with an implementation date after June 2021 will have on the basic financial statements and related disclosures.

II. DEPOSITS AND INVESTMENTS

Board Policy Number 3110, a comprehensive investment policy pursuant to Section 218.415, Florida Statutes, establishes permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the District's cash and investment assets. The policy's main objectives are geared to maintaining the safety of principal, liquidity, and return on investment.

Cash and Cash Equivalents:

As of June 30, 2021, the carrying amount of the District's bank deposit account was $102 million. Banks qualified as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes, holds all deposits.

Cash equivalents consist of amounts placed with Bank of America, FL PALM, and Florida PRIME.

Funds can be invested in non-negotiable interest-bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in National Banks organized by the laws of the United States and doing business and situated in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. A maximum of 25 percent of available funds may be invested in non-negotiable interest-bearing time certificates of deposit. A maximum of 15 percent of available funds may be deposited with any one issuer. The maximum maturity on any certificate is one year from the date of purchase.

Cash and investments at June 30, 2021, are show below (in thousands):

	Governmental Funds	Internal Service Funds	Total Government-Wide	Custodial Fund
Total Investments Measured at Fair Value Level	$ 722,337	$ 2,151	$ 724,488	$ 5,969
Total Non-Negotiable - Certificates of Deposit	-	-	-	159
Total Money Market	394,147	1,165	395,312	-
Total Demand Deposits	153,058	493	153,551	13,370
Total Cash, Cash Equivalents, and Investments	$ 1,269,542	$ 3,809	$ 1,273,351	$ 19,498

Fair Value:

In February 2015, GASB issued Statement No. 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices for similar assets in markets that are not active. As of June 30, 2021, the District did not have any Level 3 investments.

In accordance with GASB No. 79, the Bank of America Money Market Funds, FL PALM, and Florida PRIME accounts meet the necessary criteria and report their investments at amortized cost. Therefore, the pool participants do not need to adjust the investments to fair value.

As of June 30, 2021, the District has the following recurring fair value measurements (in thousands):

Investments by fair value level	Total Assets 6/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
		Fair Value Measurement Using	
Asset-Backed Securities	$ 12,885	$ -	$ 12,885
Commercial Paper	328,018	-	328,018
Corporate Notes	93,393	-	93,393
Federal Agency (U.S. Government Sponsored Agencies):			
Fed Agency CMO/MBS	13,456	-	13,456
Fed Agency Coupon	36,429	-	36,429
Fed Agency Discount Note	29,995	-	29,995
Municipal Bonds	3,040	-	3,040
U.S. Government Securities:			
Treasury Bills	29,998	29,998	-
Treasury Bonds/Notes	183,243	183,243	-
Total investments measured at fair value	$ 730,457	$ 213,241	$ 517,216

Credit Risk:

The District has adopted an investment policy that authorizes the District to participate in the Florida PRIME. The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, Federal Agencies, discount notes, and money market funds with the highest credit quality rating from nationally recognized statistical rating organizations and registered with the Securities and Exchange Commission, State and/or local governmental taxable and/or exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt; and bankers acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's. Additionally, the bank shall not be listed with any recognized credit watch information service.

The Policy also authorizes the District to invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). Additionally, the company shall not be listed with any recognized credit watch information service. Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long-term debt rating of "AA" by Standard & Poor's.

As of June 30, 2021, the District's investment in Florida PRIME is rated AAAm by Standard & Poor's and the District's investment securities had the following ratings as shown in the chart below (in thousands):

Investments		Fair Value	Moody's or S & P Rating
Short-term portfolio:			
Asset-Backed Securities	$	127	AAA
Commercial Paper		328,018	A-1
Corporate Notes		30,207	AA- to AAA
Federal Agency (U.S. Government sponsored agencies):			
Fed Agency CMO/MBS		2,627	AA+
Fed Agency Coupon		2,325	AA+ to AAA
Fed Agency Discount Note		29,995	AAA
Municipal Bonds		2,062	AA
U.S. Government Securities:			
Treasury Bills		29,998	AA+
Treasury Bonds/Notes		72,364	AA+
Long-term portfolio:			
Asset-Backed Securities		12,758	AAA
Corporate Notes		63,186	AA- to AAA
Federal Agency (U.S. Government sponsored agencies):			
Fed Agency CMO/MBS		10,829	AA+ to AAA
Fed Agency Coupon		34,104	AA+
Municipal Bonds		978	AAA
U.S. Government Securities:			
Treasury Bonds/Notes		110,879	AA+
Total Investments	$	730,457	

Interest Rate Risk:

The District manages its exposure to interest rate risk by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than 24 months. According to the District's policy, securities may be purchased at a premium or traded for other securities to improve yield, maturity, or credit risk.

Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed 5 years.

The following table shows the District's portfolio weighted average maturity at June 30, 2021 (in thousands):

Investments	Fair Value	Maturity: Less than 1 Year	Maturity: 1 - 5 Years	Maturity: Greater Than 5 Years
Asset-Backed Securities	$ 12,885	$ 127	$ 12,758	$ -
Commercial Paper	328,018	328,018	-	-
Corporate Notes	93,393	30,207	63,186	-
Federal Agency (U.S. Government sponsored agencies):				
Fed Agency CMO/MBS	13,456	2,627	8,620	2,209
Fed Agency Coupon	36,429	2,325	34,104	-
Fed Agency Discount Note	29,995	29,995	-	-
Municipal Bonds	3,040	2,062	978	-
U.S. Government Securities:				
Treasury Bills	29,998	29,998	-	-
Treasury Bonds/Notes	183,243	72,364	100,594	10,285
Total Investments	$ 730,457	$ 497,723	$ 220,240	$ 12,494

The following table shows the District’s portfolio effective duration at June 30, 2021:

Investments	Effective Duration in Years
Asset-Backed Securities	3.22
Commercial Paper	0.00
Corporate Notes	0.94
Federal Agency (U.S. Government sponsored agencies):	
Fed Agency CMO/MBS	2.57
Fed Agency Coupon	1.94
Fed Agency Discount Note	0.32
Municipal Bonds	1.05
U.S. Government Securities:	
Treasury Bills	0.19
Treasury Bonds/Notes	1.37
Average effective duration	1.29

Concentration of Credit Risk:

The District’s Investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the District’s Investment Portfolio.

Asset-Backed Securities (ABS):

The Treasurer may invest in asset-backed securities (ABS) which are bonds or notes backed by financial assets. A maximum of 10 percent of available funds may be invested in ABS. A maximum of 5 percent of available funds may be invested with any one ABS. ABS shall be “AA” rated or better by Standard & Poor's or the equivalent by another nationally recognized rating agency. A maximum length to maturity for an investment in any ABS is 10 years from the date of purchase.

Commercial Paper:

The Treasurer may invest in commercial paper of any United States company that is rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” by Standard & Poor’s (prime commercial paper).

If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated “A” or better by at least two nationally recognized rating agencies. A maximum of 35 percent of available funds may be directly invested in prime commercial paper. The maximum length to maturity for prime commercial paper shall be 270 days from the date of purchase.

Corporate Notes:

The Treasurer may invest in Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum “Aa” by Moody’s and a minimum long-term debt rating of “AA” by Standard & Poor’s. A maximum of 25 percent of available funds may be invested in corporate notes. Only 5 percent may be invested with any one issuer. The length of maturity shall be 5 years from the date of purchase.

Federal Agency (U.S. Government sponsored agencies):

The Treasurer may invest in bonds, debentures, notes or callables issued or guaranteed by the United States Government sponsored Agencies (Federal Instrumentalities), which are non-full faith. A maximum of 80 percent of available funds may be invested in Federal Instrumentalities. A maximum of 40 percent may be invested in any one issuer. The maximum length to maturity for an investment is 10 years from the date of purchase.

Municipal Bonds:

The Treasurer may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least “Aa” by Moody’s and “AA” by Standard & Poor’s for long-term debt, or rated at least “MIG-2” by Moody’s and “SP-2” by Standard & Poor’s for short-term debt. A maximum of 20 percent of available funds may be invested in taxable and tax-exempt debts. A maximum length to maturity for an investment in any state or local government debt security is 3 years from the date of purchase.

U.S. Government Securities:

The Treasurer may invest in negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. A maximum of 100 percent of available funds may be invested in these securities; the maximum length to maturity is 10 years from the date of purchase. These securities include but are not limited to: Cash Management Bills, Treasury Securities – State and Local Government Series (SLGS), Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips.

Custodial Risk:

Pursuant to Florida Statute 218.415(10), securities, with the exception of certificates of deposit, are held with a third-party custodian, and all securities purchased by, and all collateral obtained by the District is properly designated as an asset of the District. The securities are held in an account separate and apart from the assets of the financial institution.

As of June 30, 2021, the District’s investment portfolio was held by Bank of America, N.A., a third-party custodian, as required by the School Board’s investment policy.

III. DUE TO/FROM OTHER GOVERNMENTAL AGENCIES AND UNEARNED REVENUE

Due To/From Other Governmental Agencies:

At June 30, 2021, the District's due to/from other governmental agencies balances are as follows (in thousands):

	General Fund	Federal Education Stabilization Funds	Local Millage Capital Improvement Funds	Other Capital Projects Funds	Other Governmental Funds	Total
Due from other governments:						
Federal Government:						
Food Reimbursement	$ -	$ -	$ -	$ -	$ 6,127	$ 6,127
Miscellaneous Federal	4,901	8,637	-	-	12,530	26,068
State Government:						
Miscellaneous State	191	-	-	7,176	-	7,367
Local Government:						
Taxes Receivable	2	-	1	-	-	3
Miscellaneous Local	20	-	-	8,067	-	8,087
Total due from other governmental agencies	$ 5,114	$ 8,637	$ 1	$ 15,243	$ 18,657	$ 47,652
Due to other governments:						
Florida Retirement System Contribution	$ 12,666	$ -	$ -	$ -	$ -	$ 12,666

Unearned Revenue:

Governmental funds and government-wide activities defer revenue recognition in connection with resources from exchange transactions that have been received, but not yet earned. At June 30, 2021, the various components of unearned revenue reported in the government-wide statements and the governmental funds were as follows (in thousands):

	Unearned Revenue Government-Wide	Unearned Revenue Governmental Funds
Broward Educational Communications Network (BECON)	$ 200	$ 200
Grant Proceeds	5,757	5,757
Local Capital Improvement	985	985
Marjory Stoneman Douglas High School (MSD) Modulars	2,512	2,512
Marjory Stoneman Douglas High School (MSD) Memorial	1,000	1,000
Educational Security Grant	3,664	3,664
Total	$ 14,118	$ 14,118

IV. AD VALOREM TAXES

The District is authorized by Florida Statutes to levy property taxes for District operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the Broward County Property Appraiser and are collected by the Broward County Revenue Collector who remits them to the District. The Board adopted the 2020 tax levy on September 9, 2020.

Property values are assessed as of January 1 of each year, and levied on November 1, at which time taxes become an enforceable lien on property. Such levy serves to finance expenditures of the following fiscal year. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

On April 1 of the year following the year of assessment, taxes become delinquent and Florida Statutes provide for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing certificates to satisfy unpaid taxes at any time after they become delinquent. The District recognizes revenue during the fiscal year following the year of assessment. Accordingly, substantially all the taxes assessed on January 1, 2020, have been recognized during the fiscal year ended June 30, 2021.

The following is a summary of millages and taxes levied on the final 2020 tax rolls for the 2021 fiscal year (in thousands):

		Taxes		
	Millages	**Levied**	**Collected**	**Uncollected**
General Fund				
Non-voted School Tax:				
Required Local Effort	3.666	$ 831,095	$ 795,268	$ 2,583
Discretionary Local Effort	0.748	169,621	162,309	527
	4.414	$ 1,000,716	$ 957,577	$ 3,110
Voted Tax:				
Referendum	0.500	$ 113,357	$ 108,402	$ 421
Capital Project Funds				
Non-voted School Tax:				
Capital Improvements	1.500	$ 340,071	$ 325,360	$ 1,108
Debt Service Funds				
Voted Tax:				
Debt Service	0.091	$ 20,676	$ 19,786	$ 63

The State Constitution limits the non-voted levying of taxes by the District to 10 mills ($10.00 per thousand of assessed valuation). State law prescribes the upper limit of non-voted taxes to be levied on an annual basis, with the 2021 fiscal year limit being 5.91 mills, which includes up to 1.50 mills for the Capital Projects Funds. The voter approved levy for debt service is limited to 6.00 mills; for the 2021 fiscal year, the levy was 0.09 mills for the Debt Service Funds and 0.50 mills for the Referendum Fund.

The total assessed value for calendar year 2020, on which the fiscal 2021 levy was based, was approximately $226.7 billion, which is subject to change based upon appeals to the Broward County Value Adjustment Board.

The Broward County Revenue Collector is not required by law to make an accounting to the District of the difference between taxes levied and taxes collected. The State required the District to budget at a 96 percent collection rate. The actual property taxes collected or accrued for the 2021 fiscal year were 95.68 percent of the taxes levied.

V. CAPITAL ASSETS

A summary of changes in capital assets is as follows (in thousands):

	Balance 6/30/2020	Additions	Deletions	Transfers	Balance 6/30/2021
Primary Government:					
Capital assets not being depreciated:					
Land	$ 231,314	$ -	$ -	$ -	$ 231,314
Land improvements	131,240	-	-	-	131,240
Construction in progress (1)	278,928	206,783	(3,307)	(46,038)	436,366
Broadcast license intangible	3,600	-	-	-	3,600
Total capital assets not being depreciated	645,082	206,783	(3,307)	(46,038)	802,520
Other capital assets:					
Land improvements	347,520	1,543	-	1,155	350,218
Buildings and fixed equipment (1)	3,720,257	11,113	(2,204)	44,883	3,774,049
Furniture, fixtures, and equipment	293,329	10,795	(3,778)	10,730	311,076
Assets under capital leases	89,664	53,290	(3,228)	(15,792)	123,934
Audio visual	717	-	(2)	-	715
Computer software	58,377	-	-	-	58,377
Motor vehicles:					
Buses	60,156	-	(7,604)	5,062	57,614
Other	24,330	40	(327)	-	24,043
Total capital assets at historical cost	4,594,350	76,781	(17,143)	46,038	4,700,026
Less accumulated depreciation for:					
Land improvements	(186,975)	(11,081)	-	-	(198,056)
Buildings and fixed equipment (1)	(1,766,555)	(66,123)	2,204	-	(1,830,474)
Furniture, fixtures, and equipment	(247,832)	(17,202)	3,759	(4,691)	(265,966)
Assets under capital leases	(30,108)	(12,798)	-	8,316	(34,590)
Audio visual	(699)	(7)	2	-	(704)
Computer software	(57,228)	(915)	-	-	(58,143)
Motor vehicles:					
Buses	(59,680)	(553)	7,604	(3,625)	(56,254)
Other	(20,145)	(813)	327	-	(20,631)
Total accumulated depreciation*	(2,369,222)	(109,492)	13,896	-	(2,464,818)
Total other capital assets, net	2,225,128	(32,711)	(3,247)	46,038	2,235,208
Total primary government, net	2,870,210	174,072	(6,554)	-	3,037,728
Internal Service Fund:					
Machinery and equipment	592	-	-	-	592
Accumulated depreciation*	(586)	(3)	-	-	(589)
Total internal service fund, net	6	(3)	-	-	3
Total capital assets, net	$ 2,870,216	$ 174,069	$ (6,554)	$ -	$ 3,037,731

*Depreciation expense was recorded in the following governmental functions:

Instructional services	$ 80,722
Instructional support services	11,983
Student transportation services	1,262
Operation and maintenance of plant	6,057
School administration	2,887
General administration	1,409
Food services	5,175
Total depreciation expense	$ 109,495

(1) Deletions consist of Rickards Middle School, Building 1.

VI. INTERFUND TRANSACTIONS

Interfund Transfers. A summary of interfund transfers for the fiscal year ended June 30, 2021, is as follows (in thousands):

	Transfers In				
	GENERAL FUND	COP SERIES DEBT SERVICE FUNDS	OTHER CAPITAL PROJECTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL
Transfers Out:					
General Fund	$ -	$ 321	$ 1,664	$ 45	$ 2,030
Local Millage Capital Improvement Funds	100,542	166,179	-	8,511	275,232
Other Capital Projects Funds	26,156	-	-	3,608	29,764
Total Primary Government	$ 126,698	$ 166,500	$ 1,664	$ 12,164	$ 307,026

Transfers to the General Fund relate primarily to the funding of maintenance and repairs of existing school facilities and funding for the property and casualty insurance premiums pursuant to Chapter 1011.71 of the Florida Statutes. The transfers in the General Fund also include the capital outlay pass-through PECO funds for charter schools pursuant to Chapter 1013 of the Florida Statutes. The transfers in the Debt Service Funds relate to the funding of principal and interest payments on the District's outstanding debt issues.

Interfund Receivables and Payables. Individual fund receivable and payable balances as reported in the Governmental Funds Balance Sheet at June 30, 2021, are as follows (in thousands):

	Payable Fund		
	Federal Education Stabilization Funds	Other Governmental Funds	Total
Receivable Fund:			
General Fund	$ 5,702	$ 5,900	$ 11,602

Interfund receivables and payables relate to temporary funding of negative cash balances.

VII. TAX ANTICIPATION NOTES

On July 28, 2020, the District issued Tax Anticipation Notes (TANS), Series 2020. The $157.6 million note proceeds were used to pay 2021 fiscal year operating expenditures prior to the receipt of ad valorem taxes. Interest costs incurred on the life of this issue for the year ended June 30, 2021, were $402.6 thousand, with the effective yield of 0.27 percent. There was no arbitrage rebate due on the TANS, Series 2020. The notes came due June 30, 2021.

Short-term debt activity for the fiscal year ended June 30, 2021, was as follows (in thousands):

	Beginning Balance July 1, 2020	Issued	Redeemed	Ending Balance June 30, 2021
Tax Anticipation Notes	$ -	$ 157,625	$ 157,625	$ -

VIII. CAPITAL LEASES

Property acquired under capital leases, which is stated at acquisition cost, is included in the government-wide financial statements. At June 30, 2021, the various components of property acquired under capital leases reported in the government-wide statements were as follows (in thousands):

	Amount
Buildings and Fixed Equipment	$ 10,618
Furniture, Fixtures, and Equipment	41,841
Buses	63,275
Other Motor Vehicles	8,200
Subtotal	123,934
Less: Accumulated Depreciation	(34,590)
Total net book value	$ 89,344

The following is a summary of changes in capital leases for the fiscal year ended June 30, 2021 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2020	Increases	Decreases	June 30, 2021
School Buses	1.81%	5/10/2021	$ 669	$ -	$ (669)	$ -
Buses/Hard Drive	1.95%	2/27/2022	2,726	-	(1,350)	1,376
School Buses	2.00%	4/3/2023	5,906	-	(1,930)	3,976
Buses/White Fleet	2.07%	3/2/2025	14,366	-	(2,756)	11,610
Technology Equipment	2.80%	5/1/2021	2,724	-	(2,724)	-
Security Equipment	2.16%	12/28/2025	3,529	-	(611)	2,918
School Buses	2.77%	5/23/2026	8,087	-	(1,257)	6,830
Security Equipment	2.66%	2/13/2026	17,191	-	(2,679)	14,512
Buses/White Fleet	1.91%	10/1/2027	13,282	-	(1,663)	11,619
Technology Equipment	1.24%	6/30/2024	16,570	-	(4,066)	12,504
Energy Efficiency Improvements	1.55%	6/1/2032	4,543	-	(341)	4,202
Technology Equipment	0.58%	6/1/2025	-	21,770	-	21,770
Transportation Equipment	1.01%	6/1/2029	-	14,413	-	14,413
Total capital leases			$ 89,593	$ 36,183	$ (20,046)	105,730
Less: portion due within 1 year						(24,148)
Total capital leases due in more than 1 year						$ 81,582

The following is a summary of the future minimum lease payments under capital leases together with the present value of minimum lease payments as of June 30, 2021 (in thousands):

Fiscal Year	Amount
2022	$ 25,732
2023	24,348
2024	22,323
2025	18,078
2026	9,199
2027-2033	10,818
Total minimum lease payments	110,498
Less:	
Amount representing interest	(4,768)
Present value of minimum lease payments	$ 105,730

The amount representing interest was calculated using annual rates ranging from 0.58 percent to 2.8 percent.

IX. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2021 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2020	Increases	Decreases	June 30, 2021	Amounts Due Within One Year
Bonds Payable:							
Capital Outlay Bond Issues:							
Series 2011A-Refunding	3.00 - 5.00%	1/1/2023	$ 2,410	$ -	$ (735)	$ 1,675	$ 810
Series 2017A-Refunding	3.00 - 5.00%	1/1/2028	2,871	-	(270)	2,601	293
Series 2019A-Refunding	5.00%	1/1/2029	635	-	(46)	589	52
Series 2020A-Refunding	5.00%	1/1/2022	1,652	-	(952)	700	700
Total capital outlay bond issues			7,568	-	(2,003)	5,565	1,855
General Obligation Bonds:							
Series 2015	3.50 - 5.00%	7/1/2040	136,260	-	(4,395)	131,865	4,615
Series 2019	5.00%	7/1/2047	170,655	-	(3,120)	167,535	3,280
Series 2021	5.00%	7/1/2050	-	207,465	-	207,465	3,325
Total general obligation bonds			306,915	207,465	(7,515)	506,865	11,220
Certificates of Participation:							
Series 2004-QZAB *	(i)	12/22/2020	221	-	(221)	-	-
Series 2009A-QSCB *	(ii)	7/1/2024	49,913	-	-	49,913	-
Series 2010A-QSCB *	6.45%	7/1/2027	51,645	-	-	51,645	-
Series 2011A-Refunding	5.00%	7/1/2021	27,700	-	(27,700)	-	-
Series 2012A-Refunding	4.00 - 5.00%	7/1/2028	94,280	-	(9,880)	84,400	10,380
Series 2015A-Refunding	5.00%	7/1/2030	230,930	-	(12,465)	218,465	23,905
Series 2015B-Refunding	5.00%	7/1/2032	156,490	-	(9,835)	146,655	10,325
Series 2016A-Refunding	3.25 - 5.00%	7/1/2033	179,350	-	(10,140)	169,210	10,645
Series 2016B-Refunding	5.00%	7/1/2027	18,735	-	-	18,735	-
Series 2017A-Refunding	1.58%	7/1/2021	10,519	-	(10,519)	-	-
Series 2017B-Refunding	5.00%	7/1/2034	56,300	-	-	56,300	-
Series 2017C-Refunding	5.00%	7/1/2026	151,230	-	-	151,230	28,345
Series 2019A-Refunding	5.00%	7/1/2029	105,240	-	-	105,240	690
Series 2019B-Refunding	5.00%	7/1/2029	65,085	-	-	65,085	-
Series 2020A	5.00%	7/1/2034	202,590	-	-	202,590	-
Total certificates of participation			1,400,228	-	(80,760)	1,319,468	84,290
Total bonds and certificates of participation payable			1,714,711	207,465	(90,278)	1,831,898	97,365
Add: net premiums and discounts			212,546	69,477	(27,027)	254,996	29,622
Total debt, net of premiums and discounts			$ 1,927,257	$ 276,942	$ (117,305)	$ 2,086,894	$ 126,987

(i) Interest on the Series 2004-QZAB is paid by the Federal Government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of $53,062 are being made for 16 consecutive years, being deposited in an escrow account held by a fiscal agent, which when coupled with interest earnings and net appreciation in market value will be sufficient to pay off the principal balance of the QZAB, in full, at maturity on December 22, 2020.

(ii) Series 2009A-QSCBs (Qualified School Construction Bonds) are issued with principal only repaid by the District (no interest) and the investor receives a tax credit in lieu of interest payment. Annual payments of $4,540,000 are being made for 11 consecutive years, being deposited in an escrow account held by a fiscal agent. The annual payment, however, may be reduced through the purchase of Treasury Strips by the fiscal agent, which when coupled with interest earnings and net appreciation in market value, will be sufficient to pay off the principal balance of the QSCB, in full, at maturity on July 1, 2024.

* Beginning balance of the Series 2004-QZAB, Series 2009A-QSCBs, and 2010A-QSCBs were adjusted in the 2021 fiscal year to reflect the bond payment schedule.

On November 4, 2014, the residents of Broward County approved the issuance of up to $800 million of General Obligation Bond funds; the District has also provided an additional $516 million to aid in this project. This amount will be used to provide resources over a 5-year period to fund critically needed projects and programs in Safety, Music and Art, Athletics, Renovation and Technology.

Three separate bond series have been issued pursuant to this referendum. The General Obligation Bonds, Series 2015 were issued on June 18, 2015, in the amount of $155 million, General Obligation Bonds, Series 2019 were issued on February 13, 2019, in the amount of $174.7 million, and General Obligation Bonds, Series 2021 were issued on February 16, 2021, in the amount of $207.5 million. All series are secured by the general taxing authority of the District. In addition to the Series 2015 bonds, Series 2019 bonds, and Series 2021 bonds, the District plans to issue such approved general obligation bonds in several tranches over the next 5 to 6 years.

The Capital Outlay Bond Issues (COBI) are retired by the State for the District. The bonds mature serially and are secured by a pledge of the District's share of revenue from the sale of license plates. The State Board of Administration determines the sinking fund requirements for these bonds annually. The sinking fund, maintained in the COBI Debt Service Fund, at June 30, 2021, was $122 thousand.

State school bonds are issued by the State Board of Education (SBE) on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investments of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

The Certificates of Participation are liquidated through the COP Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note X. of the Notes to Financial Statements for further discussion of the Certificates.

The Tax Reform Act of 1986 requires local units of government to rebate to the Federal Government the income (in excess of interest costs) received from investing proceeds on substantially all tax-exempt debt issued subsequent to August 1986. Such rebate of cumulative arbitrage earnings must be paid every 5 years until such time as the proceeds have been expended. For the fiscal year ended June 30, 2021, the District has no accrued liability for rebatable arbitrage.

The Tax Cut and Job Act of 2017 amended the Internal Revenue Code of 1986. One of the changes affecting the District and other public issuers was the elimination of advance refunding.

Annual requirements to amortize all bond issues outstanding as of June 30, 2021, are as follows (in thousands):

Fiscal Year Ending June 30	Capital Outlay Bond Issues			General Obligation Bonds (1)			Certificates of Participation (2)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	$ 1,855	$ 236	$ 2,091	$ 11,220	$ 24,210	$ 35,430	$ 84,290	$ 63,592	$ 147,882
2023	1,238	159	1,397	11,780	23,649	35,429	88,457	59,377	147,834
2024	407	115	522	12,370	23,060	35,430	142,819	54,955	197,774
2025	442	94	536	12,990	22,442	35,432	102,066	50,309	152,375
2026	479	72	551	13,635	21,793	35,428	107,171	45,206	152,377
2027-2031	1,144	77	1,221	78,080	99,078	177,158	587,283	128,018	715,301
2032-2036	-	-	-	97,795	79,350	177,145	207,382	18,683	226,065
2037-2041	-	-	-	112,450	54,617	167,067	-	-	-
2042-2046	-	-	-	96,855	29,923	126,778	-	-	-
2047-2051	-	-	-	59,690	6,777	66,467	-	-	-
Total	$ 5,565	$ 753	$ 6,318	$ 506,865	$ 384,899	$ 891,764	$ 1,319,468	$ 420,140	$ 1,739,608

(1) The District does not have any direct placement for General Obligation Bond debt.

(2) Includes Series 2009A-QSCB, 2010A-QSCB, 2012A, 2015A, 2015B, 2016A, 2016B, 2017B, 2017C, 2019A, 2019B, and 2020A.

Other Liabilities

Compensated absences, pensions, and other postemployment benefits are generally liquidated with resources from the General Fund.

X. OBLIGATION UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION

The District entered into a Lease Purchase Agreement with the Corporation on June 15, 1989, and a Master Lease Purchase Agreement on July 1, 1990, (the lease agreements) to finance the acquisition or construction of certain facilities, vehicles, and equipment for District operations.

The following table shows issues/refunding to third parties, evidencing undivided proportionate interest in basic lease payments to be made by the District as lessee pursuant to the lease agreements. Interest rates ranged from 3.25 percent to 6.45 percent. The actual interest rate for the outstanding issuance as of June 30, 2021, is reflected in the table below:

Series	Date	Amount Issued (in thousands)	Amount Outstanding (in thousands)	Interest Rates	Lease Term Maturity
2009A-QSCB (1)	6/17/2009	$ 49,913	$ 49,913	(i)	2024
2010A-QSCB (2)	8/5/2010	51,645	51,645	6.45%	2027
2012A (3)	5/9/2012	270,650	84,400	4.00% - 5.00%	2028
2015A (4)	2/11/2015	252,360	218,465	5.00%	2030
2015B (5)	2/11/2015	170,805	146,655	5.00%	2032
2016A (6)	4/27/2016	198,205	169,210	3.25% - 5.00%	2033
2016B (7)	4/27/2016	18,735	18,735	5.00%	2027
2017B (8)	12/28/2017	56,300	56,300	5.00%	2034
2017C (9)	12/28/2017	151,230	151,230	5.00%	2026
2019A (10)	7/18/2019	105,240	105,240	5.00%	2029
2019B (11)	7/18/2019	65,085	65,085	5.00%	2029
2020A (12)	5/19/2020	202,590	202,590	5.00%	2034
			$ 1,319,468		

(i) Series 2009A-QSCBs are issued with principal only repaid by the District (no interest) and the investor receives a tax credit in lieu of interest payment. Annual payments of $4,540,000 are being made for 11 consecutive years, being deposited in an escrow account held by a fiscal agent.

(1) **2009A-QSCB**
Issued to finance the cost of acquisition, construction, installation, and equipping education facilities. These are non-interest obligations and are issued as “principal only” (i.e., the principal is repaid by the District). The Certificates are not insured by any municipal bond insurance policy. Principal payments may be reduced through the purchase of Treasury Strips by the fiscal agent, which when coupled with interest earnings and net appreciation in market value, will be sufficient to pay off the principal balance of the QSCB, in full, at maturity on July 1, 2024.

(2) **2010A-QSCB**
Issued to finance the cost of acquisition, construction, installation, and equipping education facilities. This is a taxable obligation with the District receiving a direct subsidy rebate of a portion of the interest cost from the U.S. Treasury. The Certificates are not insured by any municipal bond insurance policy. Principal payments may be reduced through the purchase of Treasury Strips by the fiscal agent, which when coupled with interest earnings and net appreciation in market value, will be sufficient to pay off the principal balance of the QSCB, in full, at maturity on July 1, 2027.

(3) **2012A**
Issued to refund outstanding Series 2001A, Series 2001B, and portions of Series 2003A and Series 2004C. The Certificates are not insured by any municipal bond insurance policy.

(4) **2015A**
Issued to refund a majority of outstanding Series 2005A and Series 2006A. The Certificates are insured by Assured Guaranty Municipal Corporation.

(5) **2015B**
Issued to refund a majority of outstanding Series 2007A. The Certificates are not insured by any municipal bond insurance policy.

(6) **2016A**
Issued to refund a majority of outstanding Series 2008A. The Certificates are not insured by any municipal bond insurance policy.

(7) **2016B**
Issued to refund outstanding Series 2009A-Tax Exempt. The Certificates are not insured by any municipal bond insurance policy.

(8) **2017B**
Issued to refund outstanding Series 2009A-BAB (Build America Bonds). The Certificates are not insured by any municipal bond insurance policy.

(9) **2017C**
Issued to refund a portion of outstanding Series 2011A and Series 2012A. The Certificates are not insured by any municipal bond insurance policy.

(10) **2019A**
Issued to refund outstanding Series 2014A. The Certificates are not insured by any municipal bond insurance policy.

(11) **2019B**
Issued to refund outstanding Series 2015C. The Certificates are not insured by any municipal bond insurance policy.

(12) **2020A**
Issued to provide supplemental funding for the additional projects for the Safety, Music & Art, Athletics, Renovation, and Technology (SMART) Program. The Certificates are not insured by any municipal bond insurance policy.

The Certificates are not separate legal obligations of the District, but represent undivided interests in the basic lease payments to be made from appropriated funds budgeted annually by the Board for such purposes from current or other funds authorized by law and regulations of the Department of Education. However, neither the District, the State of Florida, nor any political subdivision thereof, shall be obligated to pay, except from appropriated funds, any sums due under the leases from any source of taxation. The full faith and credit of the District is not pledged for payment of such sums due hereunder and such sums do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created another category of direct subsidy debt for school districts: Qualified School Construction Bonds (QSCBs). The QSCBs does not represent incremental Federal funding and must be repaid by the District.

The Corporation leases the facilities, vehicles, and equipment to the District under the lease agreements, which are automatically renewable through varying dates (see summary below), unless earlier terminated following the occurrence of an event of default or a non-appropriation of funds to make lease payments, all as described and defined in the leases. Failure to appropriate funds to pay lease payments under any lease will, and an event of default under any lease may, result in the termination of all leases, including the 2009A-QSCB, 2010A-QSCB, 2012A, 2015A, 2015B, 2016A, 2016B, 2017B, 2017C, 2019A, 2019B, and 2020A. Events of default related to a lease would result from the School Board's failure to pay in full any lease payment, failure to observe and perform any covenant or condition or agreement for 60 days after written notice specifying such failure and requesting that it be remedied, filing of a petition in bankruptcy, insolvency, or reorganization. The remedies on default include the immediate surrender and delivery of possession of all facilities, vehicles, and certain equipment (excludes certain computer equipment) financed under all leases to the Trustee in the condition, state of repair and appearance required under the leases. Upon such surrender, the Trustee will sell or lease such facilities, vehicles, and certain equipment in such manner and to such person as it determines appropriate. The proceeds of any sale or lease will be applied first to the payment in full of the Certificates and then to the payment of the District's obligations under the reimbursement agreement and finally to the payment of the District.

The remaining obligation as of June 30, 2021, through maturity to the holders of the Certificates, is as follows (in thousands):

Year Ending June 30	Series 2009A QSCB	Series 2010A QSCB	Series 2012A	Series 2015A	Series 2015B
2022	$ -	$ 3,332	$ 14,411	$ 34,828	$ 17,658
2023	-	3,332	14,407	34,828	17,657
2024	49,913	3,332	14,412	34,823	17,660
2025	-	3,332	14,410	34,826	17,655
2026	-	3,332	14,410	34,827	17,658
2027-2031	-	54,978	28,818	95,847	88,265
2032-2036	-	-	-	-	17,656
Subtotal	49,913	71,638	100,868	269,979	194,209
Less: Interest	-	(19,993)	(16,468)	(51,514)	(47,554)
Total Principal	$ 49,913	$ 51,645	$ 84,400	$ 218,465	$ 146,655

Year Ending June 30	Series 2016A	Series 2016B	Series 2017B	Series 2017C	Series 2019A
2022	$ 18,659	$ 937	$ 2,815	$ 35,907	$ 5,952
2023	18,662	937	2,815	35,124	6,688
2024	18,663	937	2,815	35,135	6,700
2025	18,666	6,707	2,815	34,138	6,442
2026	18,659	6,733	2,815	34,125	6,434
2027-2031	93,303	7,223	40,528	-	107,516
2032-2036	37,324	-	30,706	-	-
Subtotal	223,936	23,474	85,309	174,429	139,732
Less: Interest	(54,726)	(4,739)	(29,009)	(23,199)	(34,492)
Total Principal	$ 169,210	$ 18,735	$ 56,300	$ 151,230	$ 105,240

Year Ending June 30	Series 2019B	Series 2020A	Total
2022	$ 3,254	$ 10,130	$ 147,883
2023	3,254	10,130	147,834
2024	3,254	10,130	197,774
2025	3,254	10,130	152,375
2026	3,254	10,130	152,377
2027-2031	74,849	123,974	715,301
2023-2036	-	140,378	226,064
Subtotal	91,119	315,002	1,739,608
Less: Interest	(26,034)	(112,412)	(420,140)
Total Principal	$ 65,085	$ 202,590	$ 1,319,468

The Corporation entered into trust agreements with the Trustee pursuant to which the Certificates will be executed, delivered, and paid under the terms of which (together with the leases) the facilities, vehicles and equipment will be acquired and/or constructed. Trust funds have been established with the Trustee to facilitate payments in accordance with the lease purchase agreement and the trust agreements securing payment of the Certificates.

As a condition of the financing arrangement, the District has given ground leases on District properties to the Broward School Board Leasing Corporation, with a rental fee of $1 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the various Ground Lease Agreements for the benefit of the securers of the Certificates until the earlier of the date paid in full or for a period of time as specified by the respective lease term.

XI. COMPENSATED ABSENCES

District employees are granted a specific number of vacation days and sick leave with pay as services are rendered. Certain employees are paid for portions of sick leave accrued but not used in a fiscal year. Administrative, supervisory and non-instructional professional employees are paid for unused vacation (up to a maximum of 60 days) upon termination. All other eligible employees are paid for unused vacation (up to a maximum of 50 days) upon termination.

All employees are eligible to receive portions of accumulated unused sick pay upon retirement. Such portions are determined based upon the employee’s length of service. Prior to July 1, 2004, Florida Statutes and Board policy limited retirement sick leave payments to no more than 25 percent of the sick leave accumulated on or after July 1, 2001, up to a maximum payment of 60 days. Beginning July 1, 2004, this limitation was eliminated.

At June 30, 2021, the balance of compensated absences payable from future resources was $35.5 million for accumulated vacation leave and $146.8 million for accumulated sick leave and are only reflected in the governmental activities in the government-wide presentation. The net change between the prior year balance and the current year balance of the non-current portion was recorded in the government-wide statements as a current year expense. The General and Special Revenue Funds are typically used to liquidate the long-term liabilities associated with compensated absences.

The following is a summary of changes in the liability for compensated absences for the fiscal year ended June 30, 2021 (in thousands):

Balance - June 30, 2020	$	188,261
Additions		83,847
Reductions		(79,827)
Balance - June 30, 2021	$	192,281
Long-Term Liabilities:		
Due Within One Year	$	9,957
Due After One Year		182,324
Total Long-Term Liabilities	$	192,281

XII. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit OPEB plan (Plan) for certain postemployment benefits, including continued coverage for retirees and dependents in the medical/prescription plans, as well as participation in the employer-sponsored dental group plan. In addition, retirees are eligible to continue the employer-sponsored term life insurance policy provided by the District. The benefits of the Plan conform to Florida Statutes, which are the legal authority for the Plan. Eligible retirees may choose among the same medical plan options available for active employees of the District. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the medical plan options. Covered retirees and their dependents are subject to all the same medical, prescription and life insurance benefits and rules for coverage as are active employees. Retirees and their dependents are permitted to remain covered under the District's respective medical plans as long as they pay the premium for the plan and coverage elected. This conforms to the requirement for Florida governmental employers' provision of Section 112.0801, Florida Statutes. The premiums charged are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees actually have higher costs, that means that the District is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, providing an implicit rate subsidy. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate under the District's Retirement Assistance Program. The District, therefore, has assumed an obligation to pay for that implicit subsidy for the covered lifetime of the current retirees and their dependents, as well as the covered lifetime of the current employees after they retire in the future. The District does not prepare a standalone financial report for the Plan, and the Plan is not included in the report of a Public Entity Retirement System or another entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. For the governmental activities, other postemployment benefits are generally liquidated with resources of the General Fund.

Benefit Terms and Employees Covered

The authority for establishing and amending the Plan funding policy and benefit terms rests with the Board. The District has not advanced funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation and plans to fund this postemployment benefit on a pay-as-you-go basis. As of the valuation date, June 30, 2020, there were approximately 25,716 active participants and 702 inactive participants (retirees and beneficiaries) receiving postemployment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of $7 million, comprised of benefit payments made on behalf of retirees for claims expense and retention costs.

Total OPEB Liability

The District's total OPEB liability of $197.6 million was based on the measurement date of June 30, 2020, and was determined using the results of a full actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Discount Rate	2.45 percent
20-Year Municipal Bond Rate	2.45 percent
Municipal Bond Rate Basis	Fidelity 20-Year Municipal GO AA Index
Assumed Rate of Payroll Growth	3.4 percent - 7.8 percent (including inflation)
General Inflation	2.25 percent
Mortality Rates - Active Members	PUB-2010 mortality tables for K-12 Instructional Regular Class members with generational mortality improvements using scale MP-2018. Female: Headcount Weighted Teachers Employee, set forward one year. Male: Benefits Weighted Teachers Below Median Employee, set forward two years.
Mortality Rates - Nondisabled Inactive Members	PUB-2010 mortality tables for K-12 Instructional Regular Class members with generational mortality improvements using scale MP-2018. Female: Headcount Weighted Teachers Healthy Retiree, set forward one year. Male: Benefits Weighted Teachers Below Median Healthy Retiree, set forward two years.
Mortality Rates - Impaired (from Disability) Members	PUB-2010 mortality tables for Disabled members with generational mortality improvements using scale MP-2018. Female: Headcount Weighted General Disabled Retiree, set forward three years. Male: Headcount Weighted Disabled Retiree, set forward three years.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.25 percent for the 2021 calendar year, 6.00 percent for 2022, and gradually decreasing to an ultimate trend rate of 3.99 percent.
Projected Retiree Premium Contributions	$679.00 (Medicare and Non-Medicare)
Projected Spouse Premium Contributions	$739.00 (Medicare and Non-Medicare)
Administrative Expenses	Included in the per capita health costs
Actuarial Cost Method	Entry Age Normal
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
Valuation Date	June 30, 2020
Census Data	As of June 30, 2020

The District furnished the participant data, economic, demographic, healthcare trend and mortality assumptions, and benefit provisions used in the June 30, 2020, valuation. The demographic assumptions were based on those employed in the July 1, 2020, actuarial valuation of the FRS, which were developed by the FRS from a statewide experience study covering the period 2013 through 2018. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions for development of the pattern of the normal cost increases were the same as those used by the FRS.

There were no benefit changes during the measurement period. The schedule of changes to the total OPEB liability for fiscal year ending June 30, 2021, is as follows:

Changes to the Total OPEB Liability

Below are the details regarding the total OPEB liability from June 30, 2020, to June 30, 2021 (in thousands):

	Total OPEB Liability
Balance at June 30, 2020	$ 216,322
Changes for the Fiscal Year:	
Service Cost	12,639
Interest on the Total OPEB Liability	7,056
Difference Between Expected and Actual Experience of the Total OPEB Liability	1,119
Changes of Assumptions and Other Inputs	(32,501)
Benefit Payments	(7,033)
Net Change in Total OPEB Liability	(18,720)
Balance at June 30, 2021	$ 197,602

The changes of assumptions or other inputs was based on the following:

- The discount rate was changed from 3.13 percent as of the beginning of the measurement period to 2.45 percent as of June 30, 2020.
- The salary increase assumption was updated based on revised inflation and individual member pay increases adopted by the 2020 FRS Actuarial Assumptions Conference.
- Assumed rates of postemployment coverage acceptance were lowered from 35 percent to 30 percent.
- The expected claims costs and premiums were updated to reflect recent information provided for the valuation.
- The healthcare cost assumption was revised to reflect a lower inflation assumption (from 2.5 percent to 2.25 percent) and the assumed load to model the excise tax was removed, as it was repealed in December 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District (in thousands), as well as what the District's total OPEB liability would be (in thousands) if it were calculated using a discount rate that is 1 percentage point lower (1.45 percent) or 1 percentage point higher (3.45 percent):

	1% Decrease (1.45%)		Current Discount Rate (2.45%)		1% Increase (3.45%)	
Total OPEB Liability	$	222,105	$	197,602	$	176,546

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Rate

The following presents the total OPEB liability of the District (in thousands), as well as what the District's total OPEB liability would be (in thousands) if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.25 percent to 2.99 percent) or 1 percentage point higher (7.25 percent to 4.99 percent) than the current healthcare cost trend rates (6.25 percent to 3.99 percent):

	1% Decrease (5.25% to 2.99%)		Healthcare Cost Trend Rates (6.25% to 3.99%)		1% Increase (7.25% to 4.99%)	
Total OPEB Liability	$	167,735	$	197,602	$	235,728

Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of $17.8 million. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

Description	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	$	1,024	$	11,062
Changes of Assumptions or Other Inputs		27,836		38,925
Benefits Paid Subsequent to the Measurement Date		6,680		-
Total	$	35,540	$	49,987

The deferred outflows of resources related to OPEB resulting from District contributions to the Plan subsequent to the measurement date, totaling $6.7 million, will be recognized as a reduction in the total OPEB liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized and recognized as OPEB expense as follows:

Fiscal Year Ending June 30	Amount (in thousands)
2022	$ (1,921)
2023	(1,921)
2024	(1,921)
2025	(1,921)
2026	(1,921)
Thereafter	(11,522)
Total	$ (21,127)

XIII. RETIREMENT PLANS

The District provides retirement benefits to its employees through the Florida Retirement System (FRS), a State-administered cost-sharing multiple-employer defined benefit retirement plan with a Deferred Retirement Option Program (DROP) and the Retiree Health Insurance Subsidy (HIS) Program available for eligible employees. The General Fund typically has been used in prior years to liquidate the long-term liabilities associated with the net pension obligation.

Florida State Retirement Programs

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

FRS Pension Plan

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

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

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

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

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

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-21 fiscal year were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer (1)**
FRS, Regular	3.00	10.00
FRS, Elected County Officers	3.00	49.18
FRS, Senior Management Service	3.00	27.29
FRS, Special Risk	3.00	24.45
Teachers' Retirement System, Plan E	6.25	11.90
DROP – Applicable to Members from All of the Above Classes	0.00	16.98
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

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

The District's contributions to the Plan totaled $115.6 million for the fiscal year ending June 30, 2021, which was equal to the required contributions for the fiscal year.

Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As a result of GASB 68, at June 30, 2021, the District reported a liability of $1.2 billion for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 2.81 percent, which was constant from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of $247.4 million related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 46,551	$ -
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	72,421	-
Changes of Assumptions	220,194	-
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	9,322	24,393
District FRS Contributions Subsequent to the Measurement Date	115,638	-
Total	$ 464,126	$ 24,393

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling $115.6 million, will be recognized as a reduction in the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as pension expense as follows:

Fiscal Year Ending June 30	Amount (in thousands)
2022	$ 63,283
2023	106,784
2024	90,768
2025	52,101
2026	11,159
Total	$ 324,095

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment Rate of Return	6.80 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed inflation - Mean			2.4%	1.7%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.8 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2020 valuation was updated from 6.9 percent to 6.8 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share (in thousands) of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.8 percent) or 1 percentage point higher (7.8 percent) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District's Proportionate Share of the Net Pension Liability	$ 1,942,270	$ 1,216,327	$ 610,016

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

Payables to the Pension Plan. At June 30, 2021, the District reported a payable of $9.7 million for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2021.

HIS Pension Plan

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

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

Benefits Provided. For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan for the fiscal year ending June 30, 2021, totaled $23.4 million, which was equal to the required contributions for the fiscal year.

Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the District reported a net pension liability of $491.7 million for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 4.03 percent, which was constant from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized the HIS Plan pension expense of $40.1 million. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 20,115	$ 379
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	393	-
Changes of Assumptions	52,874	28,592
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	8,045	11,060
District HIS Contributions Subsequent to the Measurement Date	23,390	-
Total	$ 104,817	$ 40,031

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling $23.4 million, will be recognized as a reduction in the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as pension expense as follows:

Fiscal Year Ending June 30	Amount (in thousands)
2022	$ 11,761
2023	8,803
2024	3,145
2025	4,687
2026	6,420
Thereafter	6,580
Total	$ 41,396

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.21 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions for July 1, 2020, which were to determine the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate. The discount rate used to measure the total pension liability was 2.21 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.5 percent to 2.21 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share (in thousands) of the net pension liability calculated using the discount rate of 2.21 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21 percent) or 1 percentage point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
District's Proportionate Share of the Net Pension Liability	$ 568,415	$ 491,727	$ 428,959

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

Payables to the Pension Plan. At June 30, 2021, the District reported a payable of $1.5 million for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2021.

Aggregate Net Pension Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

The District's FRS and HIS pension expense totaled $287.5 million for the fiscal year ended June 30, 2021. Aggregate net pension liability for all plans was $1.7 billion, with balances of $569 million for deferred outflows of resources and $64.4 million for deferred inflows of resources.

Below is a summary for each of the District's plans related to pensions (in thousands):

Defined Benefit Pension Plans	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Total Expense
FRS	$ 1,216,327	$ 464,126	$ 24,393	$ 247,392
HIS	491,727	104,817	40,031	40,103
Total	$ 1,708,054	$ 568,943	$ 64,424	$ 287,495

FRS – Defined Contribution Pension Plan

The District contributed $6.6 million in the 2021 fiscal year to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (SBA) and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2020-21 fiscal year were as follows:

Class	**Percent of Gross Compensation**
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

Payables to the Investment Plan. At June 30, 2021, the District reported a payable of $0.8 million for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2021.

XIV. FICA ALTERNATIVE

The District has established the FICA Alternative Retirement Plan (the FICA Plan), a defined contribution retirement plan, for certain temporary employees not covered under the Plan. Under provision of the Internal Revenue Code (IRC) section 3121(b)(7)(F), public employers could place employees not covered under existing employer pension plans into an alternative retirement plan in place of social security contributions. The FICA Plan was established under IRC section 401(a) and requires a mandatory pre-tax contribution of 7.5 percent in lieu of social security. The FICA Plan is noncontributory for the District and eliminates the required match of social security contributions. Approximately 2,461 temporary employees are currently participating in the FICA Plan. For the period ended June 30, 2021, $1.4 million was contributed by participating employees based on gross wages of $19 million. A third-party administrator administers the FICA Plan with administrative fees being paid for by the District. The District does not have any fiduciary responsibility.

XV. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, general liability, and health insurance coverage are being provided on a self-insured basis up to specified limits. The District purchases commercial insurance for certain risks in excess of the self-insurance coverage and for other risks of loss. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

The District is self-insured for portions of its health insurance, general and automobile liability insurance, and workers' compensation. Claim activity (expenditures for general and automobile liability, workers' compensation and health insurance) is recorded in the General Fund as payments become due each period. The estimated liability for self-insured risks represents an estimate of the amount to be paid on claims reported and on claims incurred but not reported. For the governmental funds, in the fund financial statements, the liability for self-insured risks is considered long-term and therefore, is not a fund liability (except for any amounts due and payable at year end) and represents a reconciling item between the fund level and government-wide presentations. Settled claims resulting from risks described above have not exceeded commercial coverage for the past 3 years.

The claims liability for workers compensation, automobile liability, and general liability are based on an actuarial valuation performed by an independent actuary as of June 30, 2021, using a margin for a 50 percent confidence level. With the 50 percent confidence level, the actuary is estimating the margin necessary so that there is a 50 percent likelihood that the funding level will be sufficient to cover the actual liabilities. The employee health insurance liability is based on an actuarial calculation of estimated claims that have been incurred but not reported. The total claims liability of $69.3 million at June 30, 2021, includes estimated losses for all reported claims and for claims incurred but not reported.

A summary of changes in the estimated liability for self-insured risks is as follows (in thousands):

	2021	2020
Balance, beginning of year	$ 68,117	$ 73,145
Additions:		
Claims incurred	275,901	234,917
Reductions:		
Claims paid	(274,741)	(239,945)
Balance, end of year	$ 69,277	$ 68,117
Estimated Liability:		
Current Portion	$ 25,739	$ 23,698
Portion Due Within One Year	12,865	15,205
Portion Due After One Year	30,673	29,214
Total Estimated Liability	$ 69,277	$ 68,117

XVI. FUND BALANCE REPORTING

The District's fund balance is reported with the following hierarchy:

Nonspendable: The District has $12.4 million in inventory and $16.2 million in prepaids classified as nonspendable.

Spendable:

Restricted for State Categorical Programs, Debt Service, Capital Projects, Food Service and Special Revenue:

Florida Statutes require certain revenues to be designated for the purposes of State required carryover programs, debt service, capital projects, food service, and special revenue. The restricted fund balance totaling $806.7 million represents $11.5 million in State required carryover programs, $1.9 million for workforce development, $63.4 million in debt service, $690 million in capital projects, $39.2 million in food service, and $0.7 million for special revenue.

Committed for Self-Insurance: The School Board through resolution has committed $54.3 million for future self-insured claims.

Assigned for School Operations: The District has assigned spendable fund balance for its school operations totaling $61.7 million. The assigned fund balance is comprised of outstanding encumbrances of $28.8 million for goods and services including supplies, furniture, fixtures and equipment, and fuel; next year's budget appropriations of $27.9 million; and obligations for other postemployment benefits of $5 million.

Unassigned: The District's General Fund unassigned fund balance is $46.3 million.

The following table shows the District's fund balance classification at June 30, 2021 (in thousands):

	Major Funds						
	General	COP Series Debt Service	District Bonds	Local Millage Capital Improvement	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund Balances							
Nonspendable:							
Inventories:							
General Fund	$ 9,298	$ -	$ -	$ -	$ -	$ 3,126	$ 12,424
Prepaids	16,152	-	-	-	-	-	16,152
Total Nonspendable	25,450	-	-	-	-	3,126	28,576
Restricted:							
State Required Carryover Programs	11,547	-	-	-	-	-	11,547
Workforce Development	1,870	-	-	-	-	-	1,870
Capital Projects	-	-	196,739	180,354	275,058	37,882	690,033
Special Revenue:							
Food Service	-	-	-	-	-	39,178	39,178
Other	-	-	-	-	-	687	687
Debt Service	-	5	-	-	-	63,389	63,394
Total Restricted	13,417	5	196,739	180,354	275,058	141,136	806,709
Committed:							
Self-Insurance	54,327	-	-	-	-	-	54,327
Assigned:							
School Operations:							
Encumbrances	28,774	-	-	-	-	-	28,774
Next Year Budget:							
Appropriations	27,916	-	-	-	-	-	27,916
OPEB	5,029	-	-	-	-	-	5,029
Total Assigned	61,719	-	-	-	-	-	61,719
Unassigned	46,337	-	-	-	-	-	46,337
Total Fund Balances	$ 201,250	$ 5	$ 196,739	$ 180,354	$ 275,058	$ 144,262	$ 997,668

The total of the unassigned and unassigned amounts will be used to calculate fund balance as a percentage of revenues under the provisions of Section 1011.051, Florida Statutes. At the end of the fiscal year, the total amount of the assigned and unassigned General Fund balance was $108 million or 4.7 percent of the General Fund's total revenues, and 5.7 percent of the General Fund's total revenues excluding charter school revenues.

XVII. NET POSITION

The government-wide Statement of Net Position reports all financial and capital resources of the District, as well as its liabilities. The difference between assets and deferred outflows and liabilities and deferred inflows are reported as net position. Net position is displayed in three components:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position: Net position where constraints on their use are (1) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position (deficit): All other assets and liabilities not part of the above categories. This amount represents the accumulated results of all past years' operations. The deficit in net position of governmental activities is due to long-term liabilities, including compensated absences, pension liabilities, and OPEB.

The composition of net investment in capital assets as of June 30, 2021, is shown in the table below (in thousands):

Total capital assets, net of accumulated depreciation		$ 3,037,731
Less:		
Total debt outstanding, net of unspent proceeds	$ (1,709,810)	
Retainage payable	(19,801)	
Total related debt		(1,729,611)
Total net investment in capital assets (1)		$ 1,308,120

(1) The deferred amount on refunding is included in the calculation of the net investment in capital assets.

XVIII. COMMITMENTS AND CONTINGENCIES

The District has entered into various construction and other contracts that extend beyond year-end. The District has capital outlay commitments of $343.2 million, of which $321.1 million was for various construction contracts, and other encumbrances of $28.8 million as of June 30, 2021.

The following is a summary of the District's commitments and contingencies as of June 30, 2021 (in thousands):

	Other Encumbrances	Capital Outlay Commitments	Total
General Fund	$ 28,774	$ -	$ 28,774
District Bonds Fund	-	154,724	154,724
Local Millage Capital Improvement Fund	-	45,596	45,596
Other Capital Projects Fund	-	120,319	120,319
Other Governmental Funds	-	22,516	22,516
Total Commitments and Contingencies	$ 28,774	$ 343,155	$ 371,929

The District has various agreements with other governmental agencies that may require the District to contribute additional financial resources, as anticipated by such agreements. Such liabilities are accrued at the time they become known to the District.

The District receives funding from the State of Florida under the FEFP and is based in part on a computation of the number of students attending different types of instruction (FTE Computation). The accuracy of data compiled by individual schools supporting the FTE Computation is subject to audit by the State and, if found to be in error, could result in refunds to the State or in decreases to future funding allocations. Additionally, the District participates in a number of federal, state and local grants, which are subject to financial, and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the State due to errors in the FTE computation or the amount of grant expenditures, which may be disallowed by grantor agencies, would not be material to the financial position of the District.

The District is a defendant in numerous lawsuits as of June 30, 2021. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated liability for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the

Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management in consultation with its legal counsel, that the final settlements of these matters will not have a material adverse effect on the financial condition, changes in financial position, cash flows or changes in fund balance of the affected fund.

XIX. SUBSEQUENT EVENTS

On July 29, 2021, the District issued $157.3 million Tax Anticipation Notes, Series 2021, 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, 2021, and ending June 30, 2022, in anticipation of the receipt of the ad valorem taxes. The Notes and the interest thereon will be special, limited obligations of the District, payable from and collected secured by a pledge of the ad valorem taxes levied and collected for the benefit of the District for operating purposes. The Notes are not subject to redemption prior to maturity.

On April 20, 2021, the District approved the issuance of the Certificates of Participation, Series 2022A, forward refunding of Certificate of Participation, Series 2012A, with an aggregate principal amount not to exceed $75 million, with the funds being delivered on April 4, 2022.

Budgetary Comparison Schedule (in thousands)
General and Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
SOURCES/INFLOWS				
Revenues:				
Local sources:				
Ad valorem taxes	$ 1,069,510	$ 1,065,979	$ 1,065,979	$ -
Interest on investments	9,000	2,388	2,388	-
Other	47,546	39,936	39,936	-
Total local sources	1,126,056	1,108,303	1,108,303	-
State sources:				
Florida education finance program	823,154	775,209	775,209	
Categorical programs and other	384,738	386,943	386,943	-
Total state sources	1,207,892	1,162,152	1,162,152	-
Federal sources:				
Grants and other	29,000	13,537	13,537	-
Total federal sources	29,000	13,537	13,537	-
Total revenues	2,362,948	2,283,992	2,283,992	-
Other financing sources:				
Transfers in	134,481	126,698	126,698	-
Total other financing sources	134,481	126,698	126,698	-
Total amounts available for appropriations	2,497,429	2,410,690	2,410,690	-
USES/OUTFLOWS:				
Expenditures:				
Current operating:				
Instructional services	1,635,039	1,549,888	1,546,973	2,915
Student and instructional support services	229,362	231,829	231,829	-
Student transportation services	86,362	85,166	85,166	-
Operation and maintenance of plant	270,082	286,133	286,133	-
School administration	145,395	144,913	144,913	-
General administration	103,120	126,663	129,618	(2,955)
Total current operating	2,469,360	2,424,592	2,424,632	(40)
Debt service:				
Interest charges and other	2,135	944	944	-
Total debt service	2,135	944	944	-
Capital outlay	10,121	9,375	13,918	(4,543)
Total expenditures	2,481,616	2,434,911	2,439,494	(4,583)
Other financing uses:				
Transfer out	4,338	2,030	2,030	-
Total charges against appropriations	2,485,954	2,436,941	2,441,524	(4,583)
Net change in fund balances	$ 11,475	$ (26,251)	(30,834)	$ (4,583)
Adjustment to conform with GAAP:				
Elimination of encumbrances			34,771	
Excess (deficiency) of revenues and other sources over (Under) expenditures and other uses (GAAP Basis)			3,937	
Fund balances, beginning of year			197,313	
Fund balances, end of year			$ 201,250	

Special Revenue - Federal Education Stabilization Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
68,791	74,637	58,130	(16,507)
68,791	74,637	58,130	(16,507)
68,791	74,637	58,130	(16,507)
-	-	-	-
-	-	-	-
68,791	74,637	58,130	(16,507)
21,307	24,858	28,173	(3,315)
39,241	34,521	24,707	9,814
-	-	444	(444)
5,263	12,085	14,109	(2,024)
12	12	120	(108)
2,968	3,161	2,423	738
68,791	74,637	69,976	4,661
-	-	-	-
-	-	-	-
-	-	-	-
68,791	74,637	69,976	4,661
-	-	-	-
68,791	74,637	69,976	4,661
$ -	$ -	(11,846)	$ (11,846)
		11,846	
		-	
		-	
		$ -	

Schedule of Changes in the District's Total OPEB Liability and Related Ratios (in thousands)

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 12,639	$ 10,736	$ 8,746	$ 9,696
Interest	7,056	7,385	6,403	5,454
Differences Between Expected and Actual Experience	1,119	-	(15,316)	-
Changes of Assumptions or Other Inputs	(32,501)	8,497	28,955	(14,423)
Benefit Payments	(7,033)	(7,133)	(6,133)	(7,298)
Net Change in Total OPEB Liability	(18,720)	19,485	22,655	(6,571)
Total OPEB Liability - Beginning	216,322	196,837	174,182	180,753
Total OPEB Liability - Ending	$ 197,602	$ 216,322	$ 196,837	$ 174,182
Covered-Employee Payroll	$ 1,175,304	$ 1,273,276	$ 1,233,197	$ 1,145,721
Total OPEB Liability as a Percentage of Covered-Employee Payroll	16.81%	16.99%	15.96%	15.20%

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

Fiscal Year Ending June 30	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	3.14%	$ 540,324	$ 1,176,412	45.93%	88.54%
2014	3.13%	190,768	1,209,179	15.78%	96.09%
2015	3.05%	393,881	1,227,048	32.10%	92.00%
2016	2.75%	694,160	1,225,971	56.62%	84.88%
2017	2.91%	860,624	1,319,977	65.20%	83.89%
2018	2.90%	874,567	1,346,477	64.95%	84.26%
2019	2.81%	969,020	1,347,013	71.94%	82.61%
2020	2.81%	1,216,327	1,398,226	86.99%	78.85%

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

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

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2014	$ 68,486	$ (68,486)	$ -	$ 1,209,179	5.66%
2015	74,349	(74,349)	-	1,227,048	6.06%
2016	67,042	(67,042)	-	1,225,971	5.47%
2017	75,743	(75,743)	-	1,319,977	5.74%
2018	82,749	(82,749)	-	1,346,477	6.15%
2019	87,247	(87,247)	-	1,347,013	6.48%
2020	93,244	(93,244)	-	1,398,226	6.67%
2021	115,638	(115,638)	-	1,409,003	8.21%

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

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

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2013	4.05%	$ 352,835	$ 1,176,412	29.99%	1.78%
2014	4.07%	380,520	1,209,179	31.47%	0.99%
2015	4.04%	412,416	1,227,048	33.61%	0.50%
2016	3.96%	461,221	1,225,971	37.62%	0.97%
2017	4.14%	442,465	1,319,977	33.52%	1.64%
2018	4.13%	436,710	1,346,477	32.43%	2.15%
2019	4.03%	450,497	1,347,013	33.44%	2.63%
2020	4.03%	491,727	1,398,226	35.17%	3.00%

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

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

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2014	$ 13,941	$ (13,941)	$ -	$ 1,209,179	1.15%
2015	15,458	(15,458)	-	1,227,048	1.26%
2016	20,284	(20,284)	-	1,225,971	1.65%
2017	21,900	(21,900)	-	1,319,977	1.66%
2018	22,376	(22,376)	-	1,346,477	1.66%
2019	22,357	(22,357)	-	1,347,013	1.66%
2020	23,207	(23,207)	-	1,398,226	1.66%
2021	23,390	(23,390)	-	1,409,003	1.66%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Budgetary Basis of Accounting

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by State law and SBE rules.

- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. (A description of any differences in the basis of accounting used to prepare the budgets should be included, if applicable. For example: "except that no budget appropriation is made for capital leases in the year of inception.")
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year end and encumbrances outstanding are honored from the subsequent year's appropriations.

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

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

Changes of Assumptions. The June 30, 2021, total OPEB liability decreased from the prior fiscal year as a result of changes to assumptions as discussed below:

- The discount rate was changed from 3.13 percent at the beginning of the measurement period to 2.45 percent as of June 30, 2020.
- The salary increase assumption was updated based on revised inflation and individual pay member increases adopted by the 2020 FRS Actuarial Assumptions Conference.
- The assumed rates of postemployment coverage acceptance were lowered from 35 percent to 30 percent.
- The expected claims costs and premiums were updated to reflect recent information provided for the valuation.
- The healthcare cost assumption was revised to reflect a lower inflation assumption (from 2.5 percent to 2.25 percent) and the assumed load to model the excise tax was removed, as it was repealed in December 2019.

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

Changes of Assumptions. In 2020, the long-term expected rate of return was decreased from 6.9 percent to 6.8 percent, and the active member mortality assumption was updated.

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

Changes of Assumptions. In 2020, the municipal bond rate used to determine total pension liability was decreased from 3.5 percent to 2.21 percent, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

Broward County District School Board
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Total Expenditures
Clustered			
Child Nutrition Cluster			
United States Department of Agriculture:			
Florida Department of Agriculture and Consumer Services:			
School Breakfast Program	10.553	21002	$ 268,313
National School Lunch Program	10.555	21001, 21003	8,016,195
COVID-19 National School Lunch Program	COVID-19, 10.555	21001, 21003	8,623,330
Total National School Lunch Program	10.555		16,639,525
Summer Food Service Program for Children	10.559	20006, 20007, 21006, 21007	48,670,627
Total Child Nutrition Cluster			65,578,465
WIOA Cluster			
United States Department of Labor:			
CareerSource Broward:			
WIOA Youth Activities	17.259	None	382,278
Student Financial Assistance Cluster			
United States Department of Education:			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	147,493
Federal Pell Grant Program	84.063	N/A	4,796,169
Total Student Financial Assistance Cluster			4,943,662
Special Education Cluster			
United States Department of Education:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	54,933,217
Special Education - Preschool Grants	84.173	267	1,595,008
Total Special Education Cluster			56,528,225
Head Start Cluster			
United States Department of Health and Human Services:			
Head Start	93.600	N/A	18,275,177
COVID-19 Head Start	COVID-19, 93.600	N/A	1,238,727
Total Head Start Cluster			19,513,904
Not Clustered			
United States Department of Agriculture			
Florida Department of Health:			
Child and Adult Care Food Program	10.558	A-3804	15,885,593
United States Department of Defense			
Army Junior Reserve Officers Training Corps	12.UNK	N/A	1,760,769
Air Force Junior Reserve Officers Training Corps	12.UNK	N/A	203,998
Marine Junior Reserve Officers Training Corps	12.UNK	N/A	136,312
Total United States Department of Defense			2,101,079
United States Department of Justice			
Antiterrorism Emergency Reserve	16.321	N/A	259,348
Public Safety Partnership and Community Policing Grants	16.710	N/A	253,736
Children Exposed to Violence	16.818	N/A	129,354
STOP School Violence	16.839	N/A	504,924
Total United States Department of Justice			1,147,362

(continued)

Broward County District School Board
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Total Expenditures
Not Clustered (Continued)			
United States Department of the Treasury			
Broward County Board of County Commissioners:			
Coronavirus Relief Fund	COVID-19, 21.019	None	$ 2,542,903
United States Department of Education			
Career and Technical Education - National Programs	84.051	N/A	$ 115,637
Magnet Schools Assistance	84.165	N/A	1,907,627
School Safety National Activities	84.184	N/A	2,200,721
Teacher and School Leader Incentive Grants	84.374	N/A	9,930,828
Education Stabilization Fund:	84.425		
Higher Education Emergency Relief Fund - Student Aid Portion	COVID-19, 84.425E	N/A	1,972,856
Higher Education Emergency Relief Fund - Institutional Portion	COVID-19, 84.425F	N/A	922,159
Florida Department of Education:			
Governor's Emergency Education Relief Fund	COVID-19, 84.425C	123	7,142,697
Elementary and Secondary School Emergency Relief Fund	COVID-19, 84.425D	124	50,986,904
Total Education Stabilization Fund	84.425		61,024,616
Florida Department of Education:			
Adult Education - Basic Grants to States	84.002	191, 193	2,856,539
Title I Grants to Local Educational Agencies	84.010	126, 212, 223, 226	80,166,729
Migrant Education - State Grant Program	84.011	217	106,019
Career and Technical Education - Basic Grants to States	84.048	161	3,942,471
Education for Homeless Children and Youth	84.196	127	145,920
Charter Schools	84.282	298	225,874
COVID-19 Charter Schools	COVID-19, 84.282	298	1,112,612
Total Charter Schools	84.282		1,338,486
Twenty-First Century Community Learning Centers	84.287	244	3,175,178
English Language Acquisition State Grants	84.365	102	4,750,226
Supporting Effective Instruction State Grants	84.367	224	10,314,570
School Improvement Grants	84.377	126	494,924
Student Support and Academic Enrichment Program	84.424	241	3,467,744
Disaster Recovery Assistance for Education	84.938	107	68,938
Total United States Department of Education			186,007,173
United States Department of Health and Human Services			
Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	N/A	293,136
COVID-19 Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance	COVID-19, 93.079	N/A	10,713
Total Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance	93.079		303,849
United States Department of Homeland Security			
Florida Division of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1102	5,005,136
Total United States Department of Homeland Security			5,005,136
Total Expenditures of Federal Awards			$ 359,939,629

The accompanying notes are an integral part of this Schedule.

(continued)

Broward County District School Board
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2021

Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Broward County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

(2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

(4) Noncash Assistance – National School Lunch Program. Includes $7,529,640 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(5) COVID-19 National School Lunch Program. The District incurred $8,623,330 in expenditures for the National School Lunch Program in the 2019-20 fiscal year.

(6) Head Start. Expenditures include $5,492,164 for grant number/program year 04CH011046/02 and $12,783,013 for grant number/program year 04CH0111046/03.

(7) Disaster Grants – Public Assistance (Presidentially Declared Disaster). The District incurred $5,005,136 in expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disaster) grant in the 2005-06, 2016-17, and 2017-18 fiscal years.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Broward County District School Board as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 28, 2022, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2022

Sherrill F. Norman, CPA
Auditor General

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

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

Report on Compliance for Each Major Federal Program

We have audited the Broward County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2021. The District's major Federal programs are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

The District's basic financial statements include the operations of Avante Garde Academy of Broward, Avante Garde Academy K-5 Broward, Central Charter School, Franklin Academy Sunrise, Hollywood Academy of Arts & Science, Renaissance Charter School at Coral Springs, Renaissance Charter School at Pines, Renaissance Charter School at Plantation, Renaissance Charter School at University, and Somerset Preparatory Academy Charter School at North Lauderdale (Charter Schools) as part of the reported aggregate discretely presented component units on the accompanying basic financial statements. The Charter Schools expended $794,210, $1,033,200, $2,278,863, $980,618, $1,079,529, $766,516, $1,130,083, $1,053,832, $1,152,368, and $1,181,198, respectively, in Federal awards, which is not included in the District's **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** during the fiscal year ended June 30, 2021. Our audit, described below, did not include the operations of this Charter Schools because, pursuant to Section 218.39(1)(e), Florida Statutes, the Charter Schools engaged other auditors to perform an audit in accordance with Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 28, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal programs:	
Assistance Listing Numbers:	Name of Federal Program or Cluster:
21.019	Coronavirus Relief Fund
84.007 and 84.063	Student Financial Assistance Cluster
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Century Community Learning Centers
84.374	Teacher and School Leader Incentive Grants
84.425	Education Stabilization Fund
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Dollar threshold used to distinguish between type A and type B programs:	$3,000,000
Auditee qualified as low risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported.

PRIOR AUDIT FOLLOW-UP

There were no prior financial statement or Federal award findings requiring follow-up.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The District did not have prior audit findings required to be reported under 2 CFR 200.511.