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Signatures on File

DATE: November 17, 2022

TO: Audit Committee Members

FROM: Oleg Gorokhovsky, Director
Accounting & Financial Reporting Department

VIA: Erum Motiwala, Chief Financial Officer
Office of the Chief Financial Officer

SUBJECT: ACFR SUMMARY FOR THE FISCAL YEAR ENDED JUNE 30, 2022

This memorandum analyzes the financial position and the results of operations for the fiscal year ended June 30, 2022.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

- The District had \$3.3 billion in **revenues**, an increase of \$283.0 million, or 9.3 percent, from \$3.1 billion for the prior year. The increase in revenues is due to an increase in other general revenues including Federal Education Stabilization Funds and Florida Education Finance Program (FEFP), an increase in ad valorem taxes (including General, Referendum, Debt Service and Capital Projects Funds), and an increase in program revenues (including charges for services and operating and capital grants and contributions). Ad valorem taxes increased due to an increase in the total assessed property values. *Refer to ACFR MD&A, Table 2.*
- The District had \$3.1 billion in **expenses**, a decrease of \$8.8 million, or 0.3 percent, from the prior year primarily due to a decrease in instructional services expense. There were increases in food services expense, student transportation services expense, and general administration expense as a result of schools reopening at full capacity. *Refer to ACFR MD&A, Table 2.*
- The District's **debt** (Bonds Payable, Certificates of Participation, Leases, and Equipment Finance Agreements) increased by \$329.8 million, or 17.0 percent, to \$2.3 billion from \$1.9 billion in the prior year. The increase was primarily due to the issuance of General Obligation Bonds and additions in Certificates of Participation, and equipment finance agreements, offset by the payment of debt. *Refer to ACFR MD&A, Table 5.*
- The District's **net position** increased by \$237.7 million, or 100.5 percent, to \$474.2 million as of June 30, 2022, from prior year's net position of \$236.5 million. A significant portion of the District's net position reflects its net investment in capital assets (i.e., land, buildings, furniture and equipment) less any related debt used to acquire those assets. A large amount of the remaining net position (\$302.7 million) is restricted for capital projects to complete construction in progress and perform property maintenance. *Refer to ACFR MD&A Table 1.*

SUBJECT: **ACFR SUMMARY FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

PAGE: 2

FUND FINANCIAL STATEMENTS

- The overall **General Fund Balance** (the primary operating fund) increased by \$16.9 million, or 8.4 percent, to \$218.1 million from \$201.3 million in the prior year. The increase is due to increases in state sources including FEFP and local sources such as revenues from ad valorem taxes, including referendum funds, and other financing sources. *Refer to ACFR Exhibit 4 and the Footnotes.*

OTHER

- On July 29, 2021, the School Board of Broward County, Florida, issued \$157.4 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.
- On May 18, 2022, the District issued General Obligation Bond Series 2022 in the amount of \$262.7 million that is secured by the general taxing authority of the District.
- There were 89 operating Charter School sites in fiscal year 2022. For financial reporting purposes, 87 of the Charter schools are included in the basic financial statements of the District as discretely presented **component units**. The operations of Charter schools within multiple locations operating under a single contract with the District are presented on a consolidated basis. As of June 30, 2022, Excelsior Charter of Broward and SunFire High of Fort Lauderdale ceased to provide educational services. The audited financial information for the following two charter schools were not reported to the District as of the date of publication of the ACFR: Alpha International Academy and Excelsior Charter of Broward. The audited financial information for the Broward Education Foundation is included in the ACFR.
- The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2021. Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the District the Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the fiscal year ended June 30, 2021.

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

EM/OG: mh