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DATE: November 16, 2023

Signatures on File

TO: Audit Committee Members

FROM: Oleg Gorokhovsky, Director
Accounting & Financial Reporting Department

VIA: Erum Motiwala, Associate Superintendent, Finance
Office of Associate Superintendent, Finance

**SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT SUMMARY FOR THE FISCAL
YEAR ENDED JUNE 30, 2023**

This memorandum analyzes the financial position and the results of operations for the fiscal year ended June 30, 2023.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

- The District had \$3.5 billion in **revenues**, an increase of \$133.9 million, or 4.0 percent, from \$3.3 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 \$3.3 billion in **expenses**, an increase of \$235.8 million, or 7.6 percent, from the prior year primarily due to an increase in instructional services, student transportation services, operation and maintenance of plant, school administration, and food service expenses. There were decreases in general administration and interest expenses. *Refer to ACFR MD&A, Table 2.*
- The District's **debt** (Bonds Payable, Certificates of Participation, Leases, and Equipment Finance Agreements) decreased by \$121.8 million, or 5.4 percent, to \$2.1 billion from \$2.3 billion in the prior year. The decrease was primarily due to the payment of debt. *Refer to ACFR MD&A, Table 5.*
- The District's **net position** increased by \$146.1 million, or 30.1 percent, to \$630.5 million as of June 30, 2023, from prior year's net position of \$484.4 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 (\$434.7 million) is restricted for capital projects to complete construction in progress and perform property maintenance. *Refer to ACFR MD&A Table 1.*

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FUND FINANCIAL STATEMENTS

- The overall **General Fund Balance** (the primary operating fund) decreased by \$27.2 million, or 12.5 percent, to \$190.9 million from \$218.1 million in the prior year. The decrease is due to the School Board opting to give substantial four percent raises and to increase payments for School Resource Officers. *Refer to ACFR Exhibit 4 and the Footnotes.*

OTHER

- On July 28, 2022, the School Board of Broward County, Florida, issued \$156.8 million **Tax Anticipation Notes, Series 2022**, 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, 2022 and ending June 30, 2023, in anticipation of the receipt of the ad valorem taxes.
- There were 87 operating Charter School sites in fiscal year 2023. For financial reporting purposes, 84 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, 2023, Alpha International Academy, Championship Academy of Distinction High School, Championship Academy of Distinction of West Broward, and The Ben Gamla Preparatory Academy ceased to provide educational services. The audited financial information for the following three charter schools were not reported to the District as of the date of publication of the ACFR: Alpha International Academy, Championship Academy of Distinction High School, and Championship Academy of Distinction of West 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, 2022. 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, 2022.

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

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