

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

TABLE OF CONTENTS

FEBRUARY 29, 2016

| | <u>PAGE</u> |
|--|-------------|
| COMBINED BALANCE SHEET - ALL FUND TYPES | 1 |
| COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES | 2 |
| SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - GENERAL FUND | 3 |
| SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - GENERAL FUND | 4 |
| SCHEDULE OF FUND BALANCE UTILIZATION - GENERAL FUND | 5 |
| SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET | 6 |
| SCHEDULE OF EXPLANATION FOR COMBINED REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL TYPES | 7 |
| SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL - GENERAL FUND | 8 |

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of February 29, 2016

(With comparative totals for February 28, 2015)

| | GOVERNMENTAL FUND TYPES | | | | PROPRIETARY FUND TYPE | FIDUCIARY FUND TYPE | TOTALS (Memorandum Only) | |
|--|-------------------------|----------------------|----------------------|-----------------------|--------------------------|------------------------|-----------------------------|---------------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | INTERNAL SERVICE | AGENCY FUNDS | February 2016 | February 2015 |
| ASSETS: | | | | | | | | |
| Cash, cash equivalents and investments | \$ 526,701,174 | \$ 45,599,110 | \$ 19,174,907 | \$ 491,404,897 | \$ 113,466 | \$ 15,255,731 | \$ 1,098,249,285 | \$ 885,558,986 |
| Due from other agencies | 10,143,346 | 21,162,423 | - | 525,394 | - | - | 31,831,163 | 35,256,218 |
| Due from other funds | 43,219,565 | - | - | - | - | - | 43,219,565 | 48,773,156 |
| Inventories | 6,932,377 | 3,686,691 | - | - | 21,638 | - | 10,640,706 | 9,899,972 |
| Fixed assets | - | - | - | - | 857 | - | 857 | 655 |
| Other assets | 4,758,438 | 87,904 | 1,219 | 64,088 | 27 | - | 4,911,676 | 6,994,323 |
| TOTAL ASSETS | \$ 591,754,900 | \$ 70,536,128 | \$ 19,176,126 | \$ 491,994,379 | \$ 135,988 | \$ 15,255,731 | \$ 1,188,853,252 | \$ 986,483,310 (A) |
| LIABILITIES AND FUND EQUITY: | | | | | | | | |
| LIABILITIES: | | | | | | | | |
| Accounts payable and accrued expenditures/expenses | \$ 16,360,763 | \$ 6,959,753 | \$ 10,143,682 | \$ 1,987,114 | \$ 8,130 | \$ 15,255,731 | \$ 50,715,173 | \$ 50,829,087 |
| Salaries, benefits and payroll taxes payable | 46,120,984 | - | - | - | - | - | 46,120,984 | 37,718,980 |
| Deferred summer pay | 53,656,954 | - | - | - | - | - | 53,656,954 | 61,011,771 |
| Payroll deductions and withholdings payable | 23,742,903 | - | - | - | - | - | 23,742,903 | 24,594,737 |
| Due to other agencies | 11,718,456 | - | - | - | - | - | 11,718,456 | 11,633,110 |
| Due to other funds | - | 11,251,921 | - | 31,967,644 | - | - | 43,219,565 | 48,773,156 |
| Deferred revenue | 249,122,826 | 83,454 | 2,774,038 | 35,885,527 | - | - | 287,865,845 | 253,003,429 |
| Liability for compensated absences | 7,657,253 | 97,505 | - | - | - | - | 7,754,758 | 9,129,263 |
| Estimated liability for self-insured risks | 19,519,206 | - | - | - | - | - | 19,519,206 | 29,550,896 |
| Retainages payable | - | - | - | 4,918,305 | - | - | 4,918,305 | 6,328,189 |
| TOTAL LIABILITIES | 427,899,345 | 18,392,633 | 12,917,720 | 74,758,590 | 8,130 | 15,255,731 | 549,232,149 | 532,572,618 (B) |
| FUND EQUITY: | | | | | | | | |
| Net assets-invested in capital assets | - | - | - | - | 857 | - | 857 | 655 |
| Net assets-unrestricted | - | - | - | - | 127,001 | - | 127,001 | 44,000 |
| Fund balances: | | | | | | | | |
| Nonspendable | 20,497,174 | 3,686,691 | - | - | - | - | 24,183,865 | 9,878,334 |
| Restricted | 3,972,622 | 45,104,443 | 6,258,406 | 417,235,789 | - | - | 472,561,260 | 303,246,666 |
| Committed | 54,634,639 | - | - | - | - | - | 54,634,639 | 55,018,639 |
| Assigned/Unassigned | 84,751,120 | 3,352,361 | - | - | - | - | 88,113,481 | 85,722,398 |
| TOTAL FUND EQUITY | 163,855,555 | 52,143,495 | 6,258,406 | 417,235,789 | 127,858 | - | 639,621,103 | 453,910,692 (C) |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 591,754,900 | \$ 70,536,128 | \$ 19,176,126 | \$ 491,994,379 | \$ 135,988 | \$ 15,255,731 | \$ 1,188,853,252 | \$ 986,483,310 |

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES

For The Eight Months Ended February 29, 2016

(With comparative amounts for the eight months ended February 28, 2015)

| | GOVERNMENTAL FUND TYPES | | | | TOTALS | |
|---|-------------------------|----------------------|---------------------|-----------------------|-----------------------|-----------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | (Memorandum Only) | |
| | | | | | February 2016 | February 2015 |
| REVENUES: | | | | | | |
| Local sources: | | | | | | |
| Ad valorem taxes | \$ 583,347,094 | \$ - | \$ 7,270,862 | \$ 177,827,235 | \$ 768,445,191 | \$ 723,787,890 (D) |
| Food sales | - | 10,364,122 | - | - | 10,364,122 | 11,645,758 |
| Interest income and other | 37,875,998 | 5,276,205 | 117,244 | 18,060,396 | 61,329,843 | 60,393,544 |
| Total local sources | 621,223,092 | 15,640,327 | 7,388,106 | 195,887,631 | 840,139,156 | 795,827,192 |
| State sources: | | | | | | |
| Florida education finance program | 422,772,418 | - | - | - | 422,772,418 | 415,463,850 |
| Other | 253,631,950 | 1,972,050 | - | 11,236,476 | 266,840,476 | 272,825,107 |
| Total state sources | 676,404,368 | 1,972,050 | - | 11,236,476 | 689,612,894 | 688,288,957 |
| Federal sources: | | | | | | |
| Food service | - | 51,902,056 | - | - | 51,902,056 | 51,919,609 |
| Other | 6,925,227 | 110,531,255 | - | - | 117,456,482 | 121,762,228 |
| Total federal sources | 6,925,227 | 162,433,311 | - | - | 169,358,538 | 173,681,837 |
| TOTAL REVENUES | 1,304,552,687 | 180,045,688 | 7,388,106 | 207,124,107 | 1,699,110,588 | 1,657,797,986 |
| EXPENDITURES: | | | | | | |
| Current Operating: | | | | | | |
| Instructional services | 896,084,374 | 73,982,407 | - | - | 970,066,781 | 971,186,482 |
| Student and instructional support services | 97,269,976 | 33,571,906 | - | - | 130,841,882 | 130,141,326 |
| Pupil transportation services | 49,880,682 | 271,394 | - | - | 50,152,076 | 52,343,954 |
| Operation and maintenance of plant | 153,473,496 | 35,753 | - | - | 153,509,249 | 153,809,645 |
| School administration | 86,165,013 | 29,786 | - | - | 86,194,799 | 86,763,338 |
| Food service | - | 64,576,747 | - | - | 64,576,747 | 64,857,678 |
| Instruction related technology | 15,706,401 | - | - | - | 15,706,401 | 15,856,452 |
| General administration | 49,767,020 | 5,016,630 | - | - | 54,783,650 | 54,824,356 |
| Total current operating | 1,348,346,962 | 177,484,623 | - | - | 1,525,831,585 | 1,529,783,231 |
| Debt Service: | | | | | | |
| Principal reduction | - | - | 7,360,556 | - | 7,360,556 | 6,394,059 |
| Interest and other charges | 125,257 | - | 43,682,097 | - | 43,807,354 | 44,490,081 |
| Capital Outlay | - | 29,245 | - | 84,923,015 | 84,952,260 | 47,046,412 (E) |
| TOTAL EXPENDITURES | 1,348,472,219 | 177,513,868 | 51,042,653 | 84,923,015 | 1,661,951,755 | 1,627,713,783 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (43,919,532) | 2,531,820 | (43,654,547) | 122,201,092 | 37,158,833 | 30,084,203 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds of certificates of participation | - | - | 65,205,000 | - | 65,205,000 | 423,165,000 (F) |
| Premiums on refunding bonds | - | - | - | - | - | 84,088,845 |
| Proceeds of capital leases | - | - | - | - | - | 6,000,000 |
| Proceeds from sale capital assets | - | - | - | 649,575 | 649,575 | 448,445 |
| Payments to refunded bond escrow agents | - | - | (65,000,000) | - | (65,000,000) | (505,318,426) (F) |
| Operating transfers in | 46,343,190 | - | 46,994,174 | - | 93,337,364 | 104,835,060 |
| Operating transfers out | - | (535,590) | - | (92,801,774) | (93,337,364) | (104,835,060) |
| TOTAL OTHER FINANCING SOURCES (USES) | 46,343,190 | (535,590) | 47,199,174 | (92,152,199) | 854,575 | 8,383,864 |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 2,423,658 | 1,996,230 | 3,544,627 | 30,048,893 | 38,013,408 | 38,468,067 |
| FUND BALANCES, BEGINNING OF PERIOD | 161,431,897 | 50,147,265 | 2,713,779 | 387,186,896 | 601,479,837 | 415,397,970 |
| FUND BALANCES, END OF PERIOD | \$ 163,855,555 | \$ 52,143,495 | \$ 6,258,406 | \$ 417,235,789 | \$ 639,493,245 | \$ 453,866,037 |

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Eight Months Ended February 29, 2016

(With comparative amounts for the eight months ended February 28, 2015)

| | BUDGET | REVENUES YEAR-TO-DATE | BALANCE REMAINING | REVENUES Y-T-D AS % OF BUDGET | REVENUES AS OF FEBRUARY 2015 |
|---|-------------------------|----------------------------------|------------------------------|--|---|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Ad valorem taxes - current year | \$ 901,618,384 | \$ 583,347,094 | \$ 318,271,290 | 65% | \$ 578,978,071 |
| Interest on investments | 1,350,000 | 872,505 | 477,495 | 65% | 599,212 |
| After school supervision | 15,900,000 | 11,195,300 | 4,704,700 | 70% | 10,494,191 |
| Course fees | 10,544,567 | 6,543,707 | 4,000,860 | 62% | 6,259,016 |
| Gifts, grants, bequests | - | 292 | (292) | | 10,000 |
| Receipt of federal indirect cost rate | 8,400,000 | 5,659,652 | 2,740,348 | 67% | 5,862,919 |
| Rental income | 1,500,000 | 935,474 | 564,526 | 62% | 903,073 |
| E-rate rebate | 3,300,000 | 1,118,112 | 2,181,888 | 34% | 1,105,532 (G) |
| Other | 17,300,000 | 11,550,956 | 5,749,044 | 67% | 17,686,634 |
| Total local sources | 959,912,951 | 621,223,092 | 338,689,859 | 65% | 621,898,648 |
| State sources: | | | | | |
| Florida education finance program | 653,434,959 | 422,772,418 | 230,662,541 | 65% | 415,463,850 |
| Workforce development | 70,923,617 | 45,887,580 | 25,036,037 | 65% | 47,279,034 |
| Adult w/Disabilities | - | - | - | - | 518,087 |
| Discretionary lottery funds | 980,758 | 634,550 | 346,208 | 65% | 1,759,845 |
| Class size reduction | 303,738,465 | 196,518,787 | 107,219,678 | 65% | 198,560,125 |
| State license tax | 301,000 | 259,254 | 41,746 | 86% | 257,795 (H) |
| Racing commission | 446,500 | 223,250 | 223,250 | 50% | 223,250 (I) |
| School recognition/merit schools | 12,111,086 | 7,835,873 | 4,275,213 | 65% | 7,808,427 |
| Other | 2,623,565 | 2,272,656 | 350,909 | 87% | 1,067,150 (J) |
| Total state sources | 1,044,559,950 | 676,404,368 | 368,155,582 | 65% | 672,937,563 |
| Federal sources: | | | | | |
| ROTC | 2,000,000 | 1,307,511 | 692,489 | 65% | 1,154,603 |
| Other | 10,405,655 | 5,617,716 | 4,787,939 | 54% | 6,643,157 (K) |
| Total federal sources | 12,405,655 | 6,925,227 | 5,480,428 | 56% | 7,797,760 |
| Other financing sources: | | | | | |
| Transfer from special revenue funds | 800,000 | 535,590 | 264,410 | 67% | 521,367 |
| Transfer from capital projects funds | 70,800,000 | 45,807,600 | 24,992,400 | 65% | 47,644,538 |
| Proceeds of bonds sold | - | - | - | | - |
| Total other financing sources | 71,600,000 | 46,343,190 | 25,256,810 | 65% | 48,165,905 |
| TOTAL REVENUES & OTHER FINANCING SOURCES | \$ 2,088,478,556 | \$ 1,350,895,877 | \$ 737,582,679 | 65% | \$ 1,350,799,876 |

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Eight Months Ended February 29, 2016

(With comparative amounts for the eight months ended February 28, 2015)

| | <u>BUDGET</u> | <u>EXPENDITURES YEAR-TO-DATE</u> | <u>BALANCE AVAILABLE</u> | <u>EXPENDITURES Y-T-D AS % OF BUDGET</u> | <u>EXPENDITURES AS OF FEBRUARY 2015</u> |
|--|-------------------------|--------------------------------------|------------------------------|--|---|
| EXPENDITURES: | | | | | |
| Instructional services | \$ 1,381,391,136 | \$ 884,248,281 | \$ 497,142,855 | 64% | \$ 882,321,041 |
| Pupil personnel services | 109,608,178 | 68,978,186 | 40,629,992 | 63% | 70,017,492 |
| Instructional media | 21,894,233 | 13,167,008 | 8,727,225 | 60% | 14,100,517 |
| Instruction & curriculum development | 18,802,788 | 12,789,375 | 6,013,413 | 68% | 11,725,636 |
| Instruction & staff training | 4,642,933 | 2,335,407 | 2,307,526 | 50% | 2,488,415 (L) |
| Technology-Instructional | 22,000,629 | 13,981,102 | 8,019,527 | 64% | 14,072,156 |
| Board of education | 4,566,948 | 2,877,194 | 1,689,754 | 63% | 3,182,506 |
| General administration | 5,910,727 | 3,796,279 | 2,114,448 | 64% | 3,603,564 |
| School administration | 130,113,189 | 86,165,013 | 43,948,176 | 66% | 85,210,726 |
| Fiscal services | 8,402,473 | 5,742,281 | 2,660,192 | 68% | 5,238,933 |
| Central services | 58,211,135 | 37,351,266 | 20,859,869 | 64% | 37,642,662 |
| Technology-Administrative | 2,655,062 | 1,725,299 | 929,763 | 65% | 1,714,841 |
| Transportation services | 81,144,308 | 49,880,682 | 31,263,626 | 61% | 51,950,684 |
| Operation services | 174,398,947 | 113,458,733 | 60,940,214 | 65% | 115,156,097 |
| Maintenance services | 62,581,103 | 40,014,763 | 22,566,340 | 64% | 38,550,187 |
| Community services | 18,265,369 | 11,836,093 | 6,429,276 | 65% | 11,772,520 |
| Debt Service | 125,838 | 125,257 | 581 | 100% | 123,914 (M) |
| TOTAL EXPENDITURES | <u>2,104,714,996</u> | <u>1,348,472,219</u> | <u>756,242,777</u> | 64% | <u>1,348,871,891</u> |
| Other financing uses: | | | | | |
| Transfer to special revenue funds | 40,000 | - | 40,000 | - | - |
| Transfer to capital projects funds | - | - | - | - | 652,000 |
| Transfer to debt service funds | 5,021,638 | - | 5,021,638 | - | 466,803 |
| Total other financing uses | <u>5,061,638</u> | <u>-</u> | <u>5,061,638</u> | - | <u>1,118,803</u> |
| TOTAL EXPENDITURES & OTHER FINANCING USES | <u>\$ 2,109,776,634</u> | <u>\$ 1,348,472,219</u> | <u>\$ 761,304,415</u> | 64% | <u>\$ 1,349,990,694</u> |

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Eight Months Ended February 29, 2016

(With comparative amounts for the eight months ended February 28, 2015)

| | <u>FEBRUARY 2016</u> | <u>FEBRUARY 2015</u> |
|--|-----------------------|-----------------------|
| BEGINNING FUND BALANCE | \$ 161,431,897 | \$ 144,780,664 |
| Plus: | | |
| Revenues and other financing sources | 1,350,895,877 | 1,350,799,876 |
| Less: | | |
| Expenditures and other financing uses | <u>1,348,472,219</u> | <u>1,349,990,694</u> |
| EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>2,423,658</u> | <u>809,182</u> |
| ENDING FUND BALANCE: | | |
| Nonspendable | 20,497,174 | 6,567,494 |
| Restricted | 3,972,622 | 1,292,193 |
| Committed | 54,634,639 | 55,018,639 |
| Assigned/Unassigned | 84,751,120 | 82,711,520 |
| TOTAL ENDING FUND BALANCE | <u>\$ 163,855,555</u> | <u>\$ 145,589,846</u> |
| Assigned/Unassigned fund balance as a percentage of projected General Fund revenues | <u>4.20%</u> | <u>4.19%</u> |
| Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues | <u>4.87%</u> | <u>4.87%</u> |

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET

For The Eight Months Ended February 29, 2016

Comparison of Combined Balance Sheet ended February 2016 to Combined Balance Sheet ended February 2015.

Criteria used: Actual balance that was greater or less than \$10 million of the February 2016 Combined Balance Sheet compared to the February 2015 Combined Balance Sheet.

TOTAL ASSETS

(A) Total Assets increased approximately \$202.4 million of which the increase is primarily made up of the following:

(1) Cash, cash equivalents and investments increased \$212.7 million. The increase of \$147.0 million pertains to the General Obligation Bond (GOB) and Bond Premium proceeds. The remaining \$65.7 million of the \$212.7 million increase primarily pertains to funds received per Ad Valorem Tax, Florida Education Finance Program and Class Size Reduction.

(2) Assets other than cash, cash equivalents and investments decreased \$10.3 million.

TOTAL LIABILITIES

(B) Total Liabilities increased approximately \$16.7 million of which the increase is primarily made up of the following:

(1) Deferred revenue: \$34.9 million increase in deferred revenue per Ad Valorem Tax, Florida Education Finance Program and Class Size Reduction.

(2) Estimated liability for self-insured risks: \$10 million decrease primarily due to the change in estimates for projected claims as of February 2016 compared to February 2015.

(3) Liabilities other than deferred revenue and estimated liability for self-insured risks decreased \$8.2 million.

TOTAL FUND EQUITY

(C) Total Fund Equity increased approximately \$185.7 million of which \$14.3 million pertains to nonspendable fund balance consisting of inventory and prepaid insurance. Prepaid insurance was included in assigned fund balance last year, however, GASB 54 stipulates that prepaid insurance is included in nonspendable fund balance.

Additionally, restricted fund balance increased approximately \$169.3 million. The increase in restricted fund balance is primarily due to \$160.7 million increase in capital project funds. \$147.0 million of the increase pertains to the General Obligation Bond (GOB) and Bond Premium proceeds. The remaining increase primarily represents the net change in revenues and expenses.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**SCHEDULE OF EXPLANATION FOR COMBINED REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES
For The Eight Months Ended February 29, 2016**

Comparison of combined statement of revenues, expenditures and changes in fund balances for the month ended February 2016 to combined statement of revenues, expenditures and changes in fund balances for the month ended February 2015.

Criteria used: Actual balance that was greater or less than \$20 million of the February 2016 combined revenues, expenditures, and changes in fund balances compared to the February 2015 combined revenues, expenditures, and changes in fund balances.

REVENUES

LOCAL SOURCES

(D) Ad valorem taxes

Additional educational funding from local taxes.

EXPENDITURES

(E) Capital Outlay

The increase is due to the Safety, Music & Arts, Athletics, Renovation & Technology (S.M.A.R.T.) initiative where all the schools that are in phase A of the project have begun the infrastructure changes and have ordered and received equipment.

OTHER FINANCING SOURCES (USES)

(F) Proceeds of certificates of participation & payments to refund bond escrow

The increase and decrease pertains to the refunding of Certificate Of Participation Series 2006B and issuance of Series 2015C.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Eight Months Ended February 29, 2016

Comparison of February 2016 General Fund budget to actual revenues and expenditures on pages 3 and 4 of the Interim Financial Statements as of February 2016.

Criteria used: Budgeted information that was greater or less than 10% compared to the actual revenues/expenditures reported on the monthly Interim Financial Statements.

ESTIMATED REVENUES

LOCAL SOURCES

(G) E-Rate Rebate

The estimated revenue is anticipated to be received by the end of the school year. Approximately \$2 million was recognized as revenue through March 2016.

STATE SOURCES

(H) State License Tax

Most of this revenue was collected in the first few quarters of the year and therefore the state license tax revenue collection rate through February 2016 was 86%.

(I) Racing Commission

The estimated revenue is anticipated to be received by the end of the school year. \$446,500 was recognized by April 2016.

(J) Other

Most of this revenue was collected in the first few quarters of the year and therefore the state sources - other collection rate through February 2016 was 87%.

FEDERAL SOURCES

(K) Medicaid-Admission Claiming

The estimated revenue is anticipated to be received by the end of the school year. Additionally, \$2.9 million is expected to be collected by May 2016.

EXPENDITURES

(L) Instruction and Staff Training

The estimated appropriation is anticipated to be paid by the end of the school year.

(M) Debt Service

The Tax Anticipation Note was paid off in January 2016.