

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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MAY 31, 2017

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of May 31, 2017

(With comparative totals for May 31, 2016)

	GOVERNMENTAL FUND TYPES					PROPRIETARY	FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	INTERNAL	AGENCY	(Memorandum Only)	
						SERVICE	FUNDS	May 2017	May 2016
ASSETS:									
Cash, cash equivalents and investments	\$ 561,407,470	\$ 49,702,039	\$ 26,760,902	\$ 109,447,883	\$ 333,526,277	\$ 868,664	\$ 15,344,619	\$ 1,097,057,854	\$ 905,256,093 (A)
Due from other agencies	12,147,042	29,403,156	-	-	162,027	-	-	41,712,225	52,293,042
Due from other funds	39,696,369	-	-	-	-	-	-	39,696,369	60,704,631
Inventories	7,649,296	4,432,982	-	-	-	14,005	-	12,096,283	11,518,193
Fixed assets	-	-	-	-	-	-	-	-	857
Prepays and Other assets	18,769,534	128,879	10,221	112,319	89,167	6,776	-	19,116,896	18,196,429
TOTAL ASSETS	\$ 639,669,711	\$ 83,667,056	\$ 26,771,123	\$ 109,560,202	\$ 333,777,471	\$ 889,445	\$ 15,344,619	\$ 1,209,679,627	\$ 1,047,969,245
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 18,440,550	\$ 5,680,058	\$ 14,590,169	\$ 439,129	\$ 1,483,405	\$ 760,369	\$ 15,344,619	\$ 56,738,299	\$ 49,143,080
Salaries, benefits and payroll taxes payable	68,517,326	-	-	-	-	-	-	68,517,326	66,872,500
Deferred summer pay	84,045,814	-	-	-	-	-	-	84,045,814	77,491,948
Payroll deductions and withholdings payable	30,496,214	-	-	-	-	-	-	30,496,214	24,879,929
Due to other agencies	12,801,890	-	-	-	-	-	-	12,801,890	11,375,808
Due to other funds	-	17,717,592	-	-	21,978,777	-	-	39,696,369	60,704,631
Deferred revenue	70,567,932	824,613	695,991	-	15,803,422	-	-	87,891,958	28,164,871 (B)
Liability for compensated absences	6,897,799	91,690	-	-	-	-	-	6,989,489	7,754,758
Estimated liability for self-insured risks	29,064,214	-	-	-	-	-	-	29,064,214	28,544,112
Notes payable	125,000,000	-	-	-	-	-	-	125,000,000	- (C)
Retainages payable	19,904	-	-	2,950	2,701,704	-	-	2,724,558	3,443,675
TOTAL LIABILITIES	445,851,643	24,313,953	15,286,160	442,079	41,967,308	760,369	15,344,619	543,966,131	358,375,312
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	-	-	-	857
Net assets-unrestricted	-	-	-	-	-	129,076	-	129,076	197,277
Fund balances:									
Nonspendable	20,958,832	4,432,982	-	-	-	-	-	25,391,814	25,061,352
Restricted-Other	15,900,689	50,459,618	11,484,963	80,259,264	279,130,031	-	-	437,234,565	474,051,884 (D)
Restricted-Capital Encumbrances	-	-	-	28,858,859	12,680,132	-	-	41,538,991	- (D)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,634,639
Assigned/Unassigned	102,631,252	4,460,503	-	-	-	-	-	107,091,755	135,647,924 (E)
TOTAL FUND EQUITY	193,818,068	59,353,103	11,484,963	109,118,123	291,810,163	129,076	-	665,713,496	689,593,933
TOTAL LIABILITIES AND FUND EQUITY	\$ 639,669,711	\$ 83,667,056	\$ 26,771,123	\$ 109,560,202	\$ 333,777,471	\$ 889,445	\$ 15,344,619	\$ 1,209,679,627	\$ 1,047,969,245

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

ALL GOVERNMENTAL FUND TYPES

For The Eleven Months Ended May 31, 2017

(With comparative amounts for the eleven months ended May 31, 2016)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						May 2017	May 2016
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 837,644,856	\$ -	\$ 11,027,277	\$ -	\$ 235,441,132	\$ 1,084,113,265	\$ 1,083,575,795
Food sales	-	14,898,651	-	-	-	14,898,651	15,580,439
Interest income and other	60,007,842	7,619,134	(711,584)	751,405	22,146,754	89,813,551	82,230,454
Total local sources	<u>897,652,698</u>	<u>22,517,785</u>	<u>10,315,693</u>	<u>751,405</u>	<u>257,587,886</u>	<u>1,188,825,467</u>	<u>1,181,386,688</u>
State sources:							
Florida education finance program	633,528,241	-	-	-	-	633,528,241	622,298,828
Other	363,499,218	4,795,582	-	-	18,866,499	387,161,299	385,517,330
Total state sources	<u>997,027,459</u>	<u>4,795,582</u>	<u>-</u>	<u>-</u>	<u>18,866,499</u>	<u>1,020,689,540</u>	<u>1,007,816,158</u>
Federal sources:							
Food service	-	91,387,665	-	-	-	91,387,665	82,782,414
Other	15,435,375	170,250,298	-	-	-	185,685,673	174,011,130
Total federal sources	<u>15,435,375</u>	<u>261,637,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,073,338</u>	<u>256,793,544</u>
TOTAL REVENUES	<u>1,910,115,532</u>	<u>288,951,330</u>	<u>10,315,693</u>	<u>751,405</u>	<u>276,454,385</u>	<u>2,486,588,345</u>	<u>2,445,996,390</u>
EXPENDITURES:							
Current Operating:							
Instructional services	1,318,965,550	120,643,176	-	-	-	1,439,608,726	1,402,228,320 (F)
Student and instructional support services	150,132,100	49,667,572	-	-	-	199,799,672	187,929,294
Pupil transportation services	79,941,413	536,040	-	-	-	80,477,453	74,300,853
Operation and maintenance of plant	205,686,370	49,597	-	-	-	205,735,967	210,689,353
School administration	122,297,552	746,718	-	-	-	123,044,270	122,260,391
Food service	-	102,515,003	-	-	-	102,515,003	95,569,423
Instruction related technology	24,125,264	-	-	-	-	24,125,264	22,125,563
General administration	71,495,903	8,130,391	-	-	(1)	79,626,293	75,391,383
Total current operating	<u>1,972,644,152</u>	<u>282,288,497</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>2,254,932,648</u>	<u>2,190,494,580</u>
Debt Service:							
Principal reduction	-	-	13,370,771	-	-	13,370,771	10,393,062
Interest and other charges	1,250	-	42,659,786	-	-	42,661,036	50,382,479
Capital Outlay	-	-	-	26,463,909	70,186,819	96,650,728	109,124,911 (G)
TOTAL EXPENDITURES	<u>1,972,645,402</u>	<u>282,288,497</u>	<u>56,030,557</u>	<u>26,463,909</u>	<u>70,186,818</u>	<u>2,407,615,183</u>	<u>2,360,395,032</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(62,529,870)</u>	<u>6,662,833</u>	<u>(45,714,864)</u>	<u>(25,712,504)</u>	<u>206,267,567</u>	<u>78,973,162</u>	<u>85,601,358</u>
OTHER FINANCING SOURCES (USES):							
Proceeds of certificates of participation	-	-	-	-	-	-	282,145,000 (H)
Premiums on refunding bonds	-	-	-	-	-	-	36,978,474 (H)
Proceeds of capital leases	-	-	-	-	22,300,000	22,300,000	-
Proceeds from sale capital assets	-	-	-	-	583,768	583,768	983,407
Payments to refunded bond escrow agents	-	-	-	-	-	-	(317,752,277) (H)
Operating transfers in	77,213,262	40,000	52,652,140	-	8,452	129,913,854	123,081,947
Operating transfers out	(48,452)	(1,002,872)	-	-	(128,862,530)	(129,913,854)	(123,121,947)
TOTAL OTHER FINANCING SOURCES (USES)	<u>77,164,810</u>	<u>(962,872)</u>	<u>52,652,140</u>	<u>-</u>	<u>(105,970,310)</u>	<u>22,883,768</u>	<u>2,314,604</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>14,634,940</u>	<u>5,699,961</u>	<u>6,937,276</u>	<u>(25,712,504)</u>	<u>100,297,257</u>	<u>101,856,930</u>	<u>87,915,962</u>
FUND BALANCES, BEGINNING OF PERIOD	<u>179,183,128</u>	<u>53,653,142</u>	<u>4,547,687</u>	<u>134,830,627</u>	<u>191,512,906</u>	<u>563,727,490</u>	<u>601,479,837</u>
FUND BALANCES, END OF PERIOD	<u>\$ 193,818,068</u>	<u>\$ 59,353,103</u>	<u>\$ 11,484,963</u>	<u>\$ 109,118,123</u>	<u>\$ 291,810,163</u>	<u>\$ 665,584,420</u>	<u>\$ 689,395,799</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Eleven Months Ended May 31, 2017

(With comparative amounts for the eleven months ended May 31, 2016)

	<u>BUDGET</u>	<u>REVENUES YEAR-TO-DATE</u>	<u>BALANCE REMAINING</u>	<u>REVENUES Y-T-D AS % OF BUDGET</u>	<u>REVENUES AS OF MAY 2016</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 915,933,252	\$ 837,644,856	\$ 78,288,396	91%	\$ 849,324,518
Interest on investments	3,400,000	3,785,099	(385,099)	OVER 100%	2,899,699 (I)
After school supervision	16,900,000	18,858,114	(1,958,114)	OVER 100%	16,742,512 (J)
Course fees	10,444,567	9,244,060	1,200,507	89%	9,473,590
Gifts, grants, bequests	-	-	-	-	292
Receipt of federal indirect cost rate	8,000,000	8,852,284	(852,284)	OVER 100%	7,116,575 (K)
Rental income	1,500,000	1,395,569	104,431	93%	1,265,767
E-rate rebate	3,732,407	3,362,784	369,623	90%	3,356,044
Other	12,276,743	14,509,932	(2,233,189)	OVER 100%	14,401,955 (L)
Total local sources	<u>972,186,969</u>	<u>897,652,698</u>	<u>74,534,271</u>	92%	<u>904,580,952</u>
State sources:					
Florida education finance program	688,422,453	633,528,241	54,894,212	92%	622,298,828
Workforce development	70,846,690	64,647,605	6,199,085	91%	66,810,047
Adult w/Disabilities	800,000	730,000	70,000	91%	-
Discretionary lottery funds	-	-	-	-	127,584
Class size reduction	308,125,743	281,164,740	26,961,003	91%	286,121,634
State license tax	301,000	288,199	12,801	96%	299,722 (M)
Racing commission	446,500	446,500	-	100%	446,500 (N)
School recognition/merit schools	13,865,739	12,652,487	1,213,252	91%	11,408,643
Other	3,398,864	3,569,687	(170,823)	OVER 100%	2,989,905
Total state sources	<u>1,086,206,989</u>	<u>997,027,459</u>	<u>89,179,530</u>	92%	<u>990,502,863</u>
Federal sources:					
Federal impact					
ROTC	2,000,000	1,855,818	144,182	93%	1,936,053 (O)
Other	12,889,407	13,579,557	(690,150)	OVER 100%	9,887,820
Total federal sources	<u>14,889,407</u>	<u>15,435,375</u>	<u>(545,968)</u>	OVER 100%	<u>11,823,873</u>
Other financing sources:					
Transfer from general fund	-	-	-	-	-
Transfer from special revenue funds	920,000	1,002,873	(82,873)	OVER 100%	734,423 (P)
Transfer from capital projects funds	83,518,235	76,210,389	7,307,846	91%	66,693,600
Total other financing sources	<u>84,438,235</u>	<u>77,213,262</u>	<u>7,224,973</u>	91%	<u>67,428,023</u>
TOTAL REVENUES & OTHER FINANCING SOURCES	<u>\$ 2,157,721,600</u>	<u>\$ 1,987,328,794</u>	<u>\$ 170,392,806</u>	92%	<u>\$ 1,974,335,711</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Eleven Months Ended May 31, 2017

(With comparative amounts for the eleven months ended May 31, 2016)

	BUDGET	EXPENDITURES YEAR-TO-DATE	BALANCE AVAILABLE	EXPENDITURES	
				Y-T-D AS % OF BUDGET	EXPENDITURES AS OF MAY 2016
EXPENDITURES:					
Instructional services	\$ 1,432,223,430	\$ 1,300,010,082	\$ 132,213,348	91%	\$ 1,270,518,803
Pupil personnel services	111,178,016	102,743,658	8,434,358	92%	99,714,419
Instructional media	21,912,544	22,106,194	(193,650)	OVER 100%	18,902,360
Instruction & curriculum development	19,645,889	21,058,755	(1,412,866)	OVER 100%	17,575,269
Instruction & staff training	4,640,100	4,223,493	416,607	91%	3,698,695 (Q)
Technology-Instructional	22,005,545	21,771,881	233,664	99%	19,769,028
Board of education	4,626,101	4,078,677	547,424	88%	3,640,320
General administration	5,966,648	5,317,428	649,220	89%	5,271,739
School administration	131,700,825	122,297,552	9,403,273	93%	122,053,736
Fiscal services	8,816,865	8,108,119	708,746	92%	7,911,577
Food services	-	-	-	-	(1,196)
Central services	59,056,590	53,991,679	5,064,911	91%	50,780,709
Technology-Administrative	5,041,024	2,353,383	2,687,641	47%	2,356,535 (R)
Transportation services	82,061,516	79,941,413	2,120,103	97%	73,928,847
Operation services	176,943,163	148,172,632	28,770,531	84%	152,987,614
Maintenance services	64,600,704	57,513,738	7,086,966	89%	57,650,543
Community services	19,322,529	18,955,468	367,061	98%	17,096,285
Debt Service	376,507	1,250	375,257	-	125,257 (S)
TOTAL EXPENDITURES	2,170,117,996	1,972,645,402	197,472,594	91%	1,923,980,540
Other financing uses:					
Transfer to special revenue funds	40,000	40,000	-	100%	264,783 (T)
Transfer to capital projects funds	8,452	8,452	-	100%	- (U)
Transfer to debt service funds	5,016,638	-	5,016,638		- (V)
Total other financing uses	5,065,090	48,452	5,016,638	1%	264,783
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 2,175,183,086	\$ 1,972,693,854	\$ 202,489,232	91%	\$ 1,924,245,323

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Eleven Months Ended May 31, 2017

(With comparative amounts for the eleven months ended May 31, 2016)

	<u>MAY 2017</u>	<u>MAY 2016</u>
BEGINNING FUND BALANCE	\$ 179,183,128	\$ 161,431,897
Plus:		
Revenues and other financing sources	1,987,328,794	1,974,335,711
Less:		
Expenditures and other financing uses	<u>1,972,693,854</u>	<u>1,924,245,323</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>14,634,940</u>	 <u>50,090,388</u>
 ENDING FUND BALANCE:		
Nonspendable	20,958,832	21,181,574
Restricted	15,900,689	3,972,622
Committed	54,327,295	54,634,639
Assigned/Unassigned	102,631,252	131,733,450
TOTAL ENDING FUND BALANCE	<u>\$ 193,818,068</u>	<u>\$ 211,522,285</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>4.95%</u>	 <u>6.53%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>5.84%</u>	 <u>7.56%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET
For The Eleven Months Ended May 31, 2017

TOTAL ASSETS

- (A) Cash, cash equivalents and investments increased by \$191.8 million resulting from an increase in Ad Valorem taxes, Florida Education Finance Program (FEFP), revenues from federal sources, and proceeds from the issuance of Tax Anticipation Notes.

TOTAL LIABILITIES

- (B) Deferred revenue increased by \$59.7 million as the revenues such as FEFP and Ad Valorem taxes are proportionately recognized during the year.
- (C) Notes payable increased by \$125.0 million as the 2016 TANs repayment was extended to June to capitalize on the competitive interest rates on the investment of the proceeds. Historically, the District has issued TANs with a January maturity.

TOTAL FUND EQUITY

- (D) Restricted-Other fund balance decreased by \$36.8 million and Restricted-Capital Encumbrances increased by \$41.5 million as the District continues to complete approved projects funded by the accumulated capital reserves of the General Obligation Bond and other Capital Outlay resources.
- (E) Assigned/Unassigned fund balance decreased by \$28.6 million due to encumbrances, salaries and fringe.

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 Eleven Months Ended May 31, 2017**

EXPENDITURES

(F) Instructional Services

The increase of \$37.4 million is due to the increases in salaries and fringe.

(G) Capital Outlay

The decrease of \$12.5 million is primarily due to the purchase of buses, other motor vehicles and computer/technology equipment in 2015-16 as a result of the capital leases.

OTHER FINANCING SOURCES (USES)

(H) Proceeds of Certificates of Participation & Payments to refunded bond escrow agents

In fiscal year 2015-16, the refunding of Certificate of Participation Series 2006B, 2008A and 2009A and issuance of Series 2015C, 2016A and 2016B resulted in proceeds and payments of \$319.1 million and \$317.8 million, respectively.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Eleven Months Ended May 31, 2017

ESTIMATED REVENUES

LOCAL SOURCES

(I) Interest on investments

The increase is due to the investment of District's portfolios in higher yielding instruments.

(J) After school supervision

Revenues collected through May 2017 were higher as compared to last year as more fees were collected.

(K) Receipt of federal indirect cost rate

The collection of the federal indirect cost revenue was higher than anticipated.

(L) Other local sources

Most of the revenue from fees and other local sources was collected at the beginning of the year. The revenue collected was higher than the estimated revenue.

(M) State License Tax

Due to the timing of revenue collection, the collection rate is higher through May 2017. The estimated revenue is anticipated to be received by the end of the school year.

(N) Racing commission

The total estimated revenue was received by April 2017.

FEDERAL SOURCES

(O) ROTC

The budgeted revenues are anticipated to be collected by the end of the year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Eleven Months Ended May 31, 2017

ESTIMATED REVENUES

OTHER FINANCING SOURCES

(P) Transfer from Special Revenue Funds

Transfers are recorded as the After Care fees are collected. Revenues collected through May 2017 were higher as compared to last year as more fees were collected.

EXPENDITURES

(Q) Instruction & staff training

The budgeted allocation is anticipated to be paid by the end of the school year when most of the training generally takes place.

(R) Technology-Administrative

The budget increased mid-year following the School Board's approval of the Agenda Item No. EE-4 on January 18, 2017 for the implementation of IBM Maximo to replace the current work order management system with a financial impact to the District of \$2,052,928. Since the approval, funds set aside were not spent through May 2017.

(S) Debt Service

The Tax Anticipation Notes will be paid in June 2017.

(T) Transfer to Special Revenue Funds

The budgeted appropriation was transferred to special revenue funds.

(U) Transfer to Capital Projects Funds

Transfer from Workforce Reserve to cover additional costs for Castle Hill Annex project.

(V) Transfer to Debt Service Funds

The budgeted appropriation will be transferred by the end of the school year.