



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017



**The School Board of Broward County, Florida
600 Southeast Third Avenue
Fort Lauderdale, FL 33301**

browardschools.com

Educating Today's Students to Succeed in Tomorrow's World

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COMPREHENSIVE ANNUAL FINANCIAL REPORT OF

The School Board of Broward County, Florida

For the Fiscal Year Ended June 30, 2017

Issued by:

**Robert W. Runcie, Superintendent of Schools
Judith M. Marte, Chief Financial Officer**

Prepared by:

**Erum Motiwala, CPA
Accounting and Financial Reporting**

**600 Southeast Third Avenue
Fort Lauderdale, Florida 33301**

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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Broward County Public Schools

**Introductory
Section**

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***



THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

600 Southeast Third Avenue • Fort Lauderdale, Florida 33301 • Office: 754-321-2600 • Fax: 754-321-2701

ROBERT W. RUNCIE
Superintendent of Schools

**The School Board of
Broward County, Florida**

Nora Rupert, Chair
Heather P. Brinkworth, Vice Chair

Robin Bartleman
Abby M. Freedman
Patricia Good
Donna P. Korn
Laurie Rich Levinson
Ann Murray
Dr. Rosalind Osgood

November 21, 2017



Robert W. Runcie
Superintendent of Schools

Members of the School Board and Citizens of Broward County:

We are pleased to present the Comprehensive Annual Financial Report (“CAFR”) of The School Board of Broward County, Florida, (the “District” or “Broward County Public Schools”) for the fiscal year ended June 30, 2017. These financial statements are presented to conform to the Generally Accepted Accounting Principles (GAAP) in the United States as applied to governmental units. The Florida Statutes require that the District publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The U.S. Securities and Exchange Commission (SEC) also requires a legal undertaking on the part of governmental debt issuers to provide annual audited financial information. The CAFR is published to fulfill these requirements. In addition to meeting legal requirements, this report is intended to provide informative and relevant financial information for the residents of Broward County, School Board

Members (the “Board”), investors, creditors, and other concerned readers. We believe that the information, as presented, is accurate in all material aspects; that it is designed to present fairly the financial position and changes in the financial position of the District; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District’s financial condition have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this CAFR rests with the District’s management.

The District’s management is responsible for the establishment and maintenance of a comprehensive internal control framework to ensure compliance with applicable laws and District policies. The District’s internal control framework also ensures that financial transactions are properly recorded and documented to provide reliable information for the preparation of the District’s financial statements in accordance with GAAP. Since the cost of internal controls should not outweigh their benefits, the District’s internal control framework has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

State statutes allow an outside independent audit of school districts by a firm of certified public accountants in lieu of an audit by the State of Florida Auditor General, under certain conditions. The accounting firm of Moore Stephens Lovelace, P.A. was selected by the Board to perform the audit function. In keeping with the minority business enterprise program established by the Board, Moore Stephens Lovelace, P.A. was assisted by S. Davis & Associates, P.A., Certified Public Accountants. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the District’s financial statements for the year ended June 30, 2017. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT



The District is the sixth largest school district in the United States – and second largest in Florida, encompassing all of Broward County, Florida (“Broward County”). AdvancEd (formerly Southern Association of Colleges and Schools (“SACS”) is the accreditation agency for Broward County Public Schools, the nation’s second largest fully accredited K-12 school district. Broward County was recommended to the AdvancEd Accreditation Commission to be accredited again in 2016 and proudly earned re-accreditation in 2016-2017. The General Fund, the primary operating fund of the District, had an

annual operating budget of approximately \$2.4 billion for the fiscal year ended June 30, 2017. This budget served 271,105 pre-kindergarten through 12th grade students at 333 schools.

The District has taxing authority and provides elementary, secondary, vocational education services and technical colleges to the residents of Broward County. Besides the various educational programs offered to K-12 students, pre-kindergarten services include: programs for babies whose teen parents are progressing toward achieving high school diplomas; programs for special education infants and toddlers below the age of three; pre-kindergarten programs for three and four-year-old disabled students; and programs for eligible low-income, at-risk students.

In addition to services provided for children, the District offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through our “English for Speakers of Other Languages” (“ESOL”) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as nursing, automotive technology, culinary arts, and finance.

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 members. The appointed Superintendent of Schools serves as executive officer of the District. As of November 21, 2017, the Board members are: Nora Rupert, Chair; Heather P. Brinkworth, Vice Chair; Robin Bartleman, Abby M. Freedman, Patricia Good, Donna P. Korn, Laurie Rich Levinson, Ann Murray, and Dr. Rosalind Osgood. The CAFR includes all funds of the District, the Broward School Board Leasing Corporation, as well as the Broward Education Foundation and charter schools, which are reported discretely as component units, thus all combined comprise the reporting entity.

In accordance with the Florida Statutes, the District has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the function/object level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors.

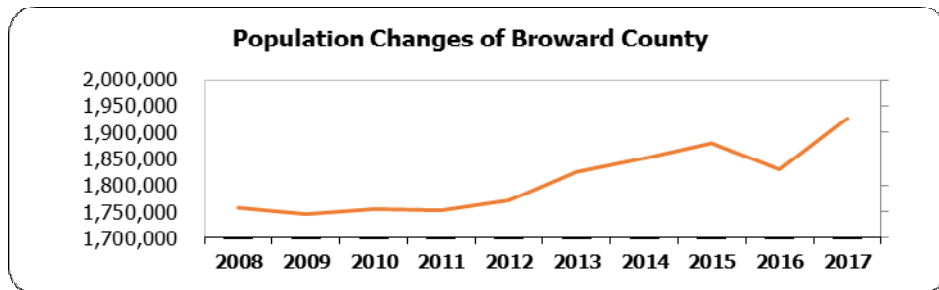
Purchase orders which result in an overrun of budget balances are not released until additional appropriations are made available through transfer from other accounts by the Board.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Located on the southeastern coast of Florida, Broward County has an area of approximately 1,200 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. Broward County ranks second in population in the state, with a 2017 estimated population of 1.9 million. Among the largest private sector employers in Broward County are: Broward County Government, Memorial Healthcare System, Broward Health, Nova Southeastern University, and Autonation.

It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. Broward County ranks second in population in the state, with a 2017 estimated population of 1.9 million. Among the largest private sector employers in Broward County are: Broward County Government, Memorial Healthcare System, Broward Health, Nova Southeastern University, and Autonation.



Among the largest private sector employers in Broward County are: Broward County Government, Memorial Healthcare System, Broward Health, Nova Southeastern University, and Autonation.

The District's Demographics & Student Assignments Department forecasted student enrollment for all levels through 2022-23. As of October 13, 2017, the overall enrollment in kindergarten through twelfth grade (excluding charter schools) is anticipated to increase by 537 students by the end of the five-year period, with an increase of 145 students at the elementary level and an increase of 481 students for middle schools. High school enrollment is forecasted to decrease slightly with a projected drop of 89 students.

As of June 30, 2017, 30.3% of the District's school facilities were over 40 years old. The District's Capital Improvement Program identifies and addresses the maintenance needs of these aging school facilities.

Long-Term Financial Planning

In 2014, the School Board of Broward County, Florida unanimously approved a resolution requesting a referendum asking the voters of Broward County to approve the issuance of \$800 Million in general obligation bonds to modernize and improve the safety of outdated educational facilities and upgrade instructional technology. This resolution was in direct response to years of unsuccessful advocacy requesting the Florida legislature to restore the capital millage rate and the current push in an ongoing effort to address the District's critical capital budget situation.



The District has committed to investing the funding to enhance students' learning environments by focusing on improvements in Safety, Music and Art, Athletics, Renovation, and Technology (SMART). When the general obligation bond is combined with other capital outlay funds, the SMART program is \$987 million.

To keep the School Board and the public fully informed of how the District is using sound policies and practices that meet the essential needs of students and that warrant public confidence in District operations, each year the District prepares and the School Board adopts a Five-Year District Educational Facilities Plan (DEFP). The DEFP is incorporated in the District's adopted budget annually as required by Florida Statute 1013.35. The current five-year DEFP was adopted

on September 6, 2017. The DEFP includes the SMART program and lays out a \$2.68 billion long-term financial plan.



The DEFP highlights SMART construction projects across the District. These projects are being implemented through contracts the District has entered into with outside firms to provide Owner's Representative and Cost/Program Controls management services. Using these firms the District is enhancing efficiency by keeping current with the latest developments in construction management systems and practices. In addition, the firms are establishing a central coordinated repository of data by implementing, maintaining,

and upgrading management information systems appropriate to facilitate the efficient and effective use of information throughout the District's capital projects.

Technology is a cornerstone of the SMART initiative. The work to improve technology infrastructure and provide new devices in schools is nearly complete with over \$70 million spent on SMART technology representing more than 83,000 laptop, desktop and tablet computers through the end of the year.



General Obligation Bond Referendum

On November 4, 2014, Broward county voters gave their overwhelming support of the District's request to pass \$800 million in general obligation bonds (GOB) with a 74% approval margin, and \$155 million GOB proceeds were received in June 2015. Proceeds from the bond issue are being used to modernize and improve the safety of outdated educational facilities and upgrade instructional technology. Approval of the GOB allows the District to enhance student's learning

environments by focusing on improvements in **S**afety, **M**usic and Art, **A**thletics, **R**enovation and **T**echnology (SMART) to achieve its long term goals.



Relevant Financial Policies

Presented below is an explanation of financial information, management of financial resources and obligations, and control techniques applicable to financial resources and obligations.

Financial Information. The MD&A (starting on page 7) summarizes the Statement of Net Position and the Statement of Activities and reviews the activity for the year. The actual government-wide statements (in detail) are presented on pages 17 through 21. These statements are intended to present the District in a more corporate style and provide a view of the "big picture."

Additionally, the Fund Financial Statements are designed to address by category the major governmental funds, as well as proprietary and fiduciary funds. An explanation of these complementary presentations can be found in the MD&A and in the notes (see Note 1).

Accounting Systems. In developing and evaluating the District's accounting control framework, consideration is given to the adequacy of internal accounting controls. Accounting controls are comprised of the plan of organization, procedures and records that are concerned with the safeguarding of assets, and the reliability of financial records. Consequently, accounting controls are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States of America or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets.
- Access to assets is permitted only in accordance with management's authorization.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.



All internal control evaluations occur within the above framework. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Fund Balance Policy. Board Policy 3111 – Fund Balance provides for a minimum general fund balance of 3% of the total annual operating expenditures. It mandates monthly reporting to the Board an estimate of the fund balance amount by dollar amount and percentage. It also provides for alerts to the Superintendent and the School Board if the fund balance falls below 3.5%.

Budget Policy. The Board follows procedures established by State Statute and State Board of Education rules in establishing annual budgets for governmental funds. 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 law and State Board of Education rules.

Cash Management Policies and Practices. The District's investment policy authorizes investments with the State Board Administration (SBA), interest-bearing time deposits, savings accounts and U. S. Treasury and Agency securities. All public deposits are held in qualified public depositories. Cash management and investment activities are discussed in greater detail in the notes to the financial statements.

Awards and Acknowledgements

Broward County Public Schools (BCPS) Financial Division was the 2008 Council of the Great City Schools (CGCS) Award Winner for Excellence in Financial Management. Our District is the first district in the nation to receive this prestigious award. The CGCS Award for Excellence in Financial Management focuses on policies, procedures and outcomes across a broad range of financial areas. A rigorous Best of Financial Management Policies Peer Review process assesses our District's financial management



practices; and Key Performance Indicators are used as an evaluative research and objective analytical baseline to demonstrate the efficient and effective use of financial resources.

This award represents a significant achievement by the School District, Board of Education, Superintendent and administrative staff that support the highest standards in financial accountability and controls that are needed to safeguard and protect the financial integrity of the District. Their efforts reflect an extraordinary dedication to excellence in financial management and demonstrate outstanding stewardship of taxpayer dollars with the ultimate beneficiaries being the children of Broward County Public Schools.

To receive this award, the District achieved 95 percent or 2,309 of a possible 2,430 points by complying with all 95 mandatory practices and a minimum of 41 of 53 recommended practices in the following nine categories: 1) Treasury, 2) General Financial Management, 3) Internal Controls, 4) Capital Asset Management, 5) Budget, Strategic Planning & Management, 6) Debt Management, 7) Internal and External Financial Auditing, 8) Risk Management and 9) Purchasing.



The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. For the fiscal year ended June 30, 2017, ASBO also awarded the District the Meritorious Budget Award for excellence in the

preparation and issuance of its annual budget.

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 and the Distinguished Budget Presentation Award. The Certificate of Achievement for Excellence in Financial Reporting award certifies that the CAFR substantially conformed to the accounting and reporting standards adopted by GFOA for the fiscal year ended June 30, 2016.

We believe our current comprehensive annual financial report continues to conform to the standards established for both the Certificate of Excellence Program and the Certificate of Achievement Program. Accordingly, we are submitting the CAFR for fiscal year ended June 30, 2017, to both ASBO and GFOA to be considered for these prestigious awards once again.

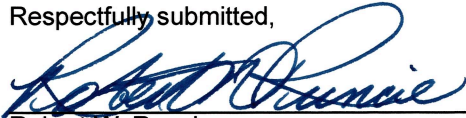


The preparation of this CAFR could not have been accomplished without the efficient and dedicated services of the entire staff of the Office of the Chief Financial Officer, the Audit Committee, the Office of the Chief Auditor, as well as other departments that provided assistance throughout the preparation of this report. In addition, we appreciate the thoroughness with which our auditors, Moore Stephens Lovelace, P.A. and S. Davis & Associates, P.A., performed their audit function.

Finally, we would like to thank the Board for their leadership and support in planning and conducting the financial operations of the District.

The School Board of Broward County, Florida
November 21, 2017

Respectfully submitted,



Robert W. Runcie
Superintendent of Schools



Judith M. Marte
Chief Financial Officer



Erum Motiwala, CPA
Director of Accounting & Financial Reporting

Principal Officials – Elected

School Board Members As of November 21, 2017

- Nora Rupert, **Chair**, Member, District 7
Present term expires November 2018
- Heather P. Brinkworth, **Vice Chair**, Member, District 3
Present term expires November 2020
- Robin Bartleman, Member, At-Large, Countywide
Present term expires November 2020
- Abby M. Freedman, Member, District 4
Present term expires November 2018
- Patricia Good, Member, District 2
Present term expires November 2020
- Donna P. Korn, Member, At-Large, Countywide
Present term expires November 2018
- Laurie Rich Levinson, Member, District 6
Present term expires November 2018
- Ann Murray, Member, District 1
Present term expires November 2018
- Dr. Rosalind Osgood, Member, District 5
Present term expires November 2020

**The School Board of Broward County, Florida
Principal Officials – Elected
School Board Members - As of November 21, 2017**



Nora Rupert
Chair, District 7



Heather P. Brinkworth
Vice Chair, District 3



Robin Bartleman
At-Large, Countywide



Abby M. Freedman
District 4



Patricia Good
District 2



Donna P. Korn
At-Large, Countywide



Laurie Rich Levinson
District 6



Ann Murray
District 1



Dr. Rosalind Osgood
District 5

**Other Principal Officials
As of November 21, 2017**

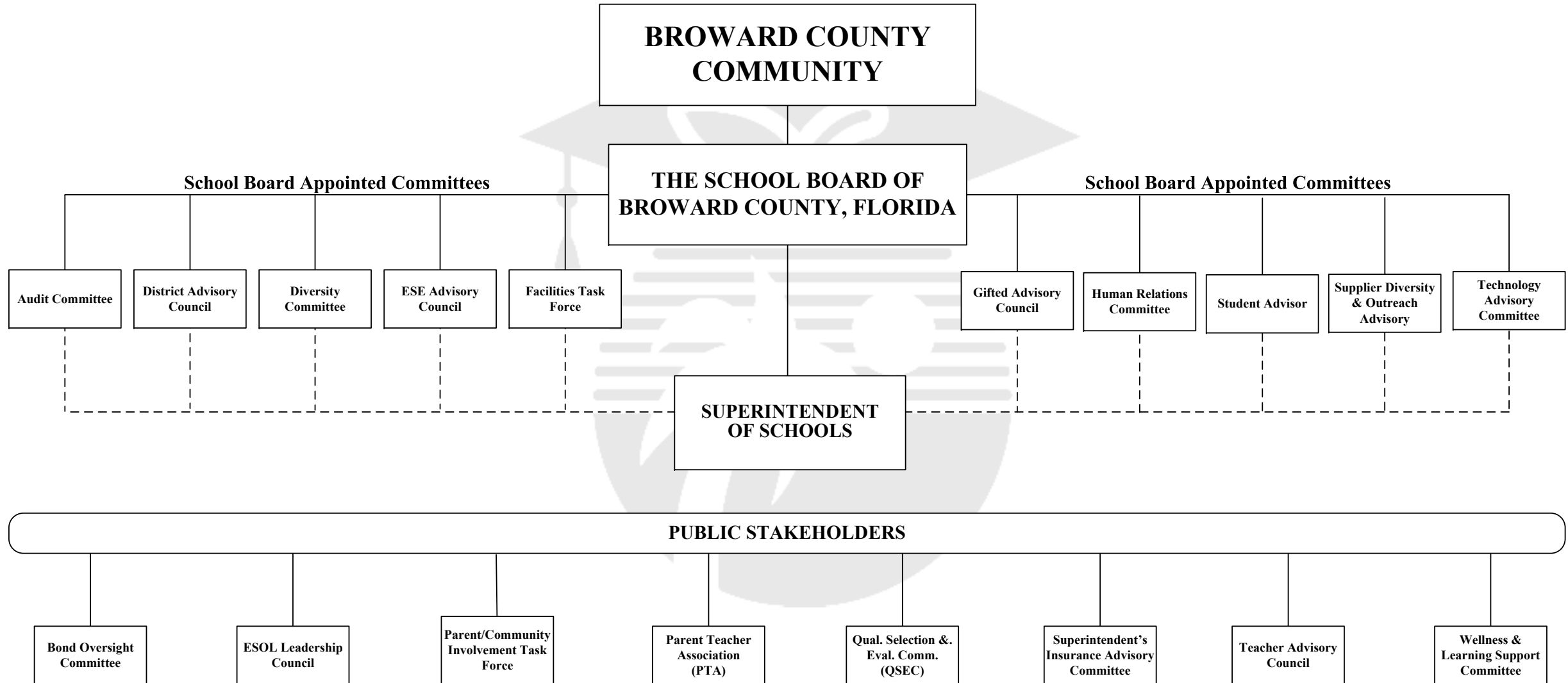
Robert W. Runcie	Superintendent of Schools
Jeffrey S. Moquin	Chief of Staff
Daniel Gohl	Chief Academic Officer
Patrick Reilly, CPA	Chief Auditor
Leo Bobadilla	Chief Facilities Officer
Judith M. Marte	Chief Financial Officer
Craig Nichols	Chief Human Resources & Equity Officer
Anthony (Tony) Hunter	Chief Information Officer
Leslie Brown	Chief Portfolio Services Officer
Tracy Clark	Chief Public Information Officer
Dr. Valerie Wanza	Chief School Performance & Accountability Officer
Maurice Woods	Chief Strategy & Operations Officer
Barbara Myrick, Esq.	General Counsel

Broward County Public Schools

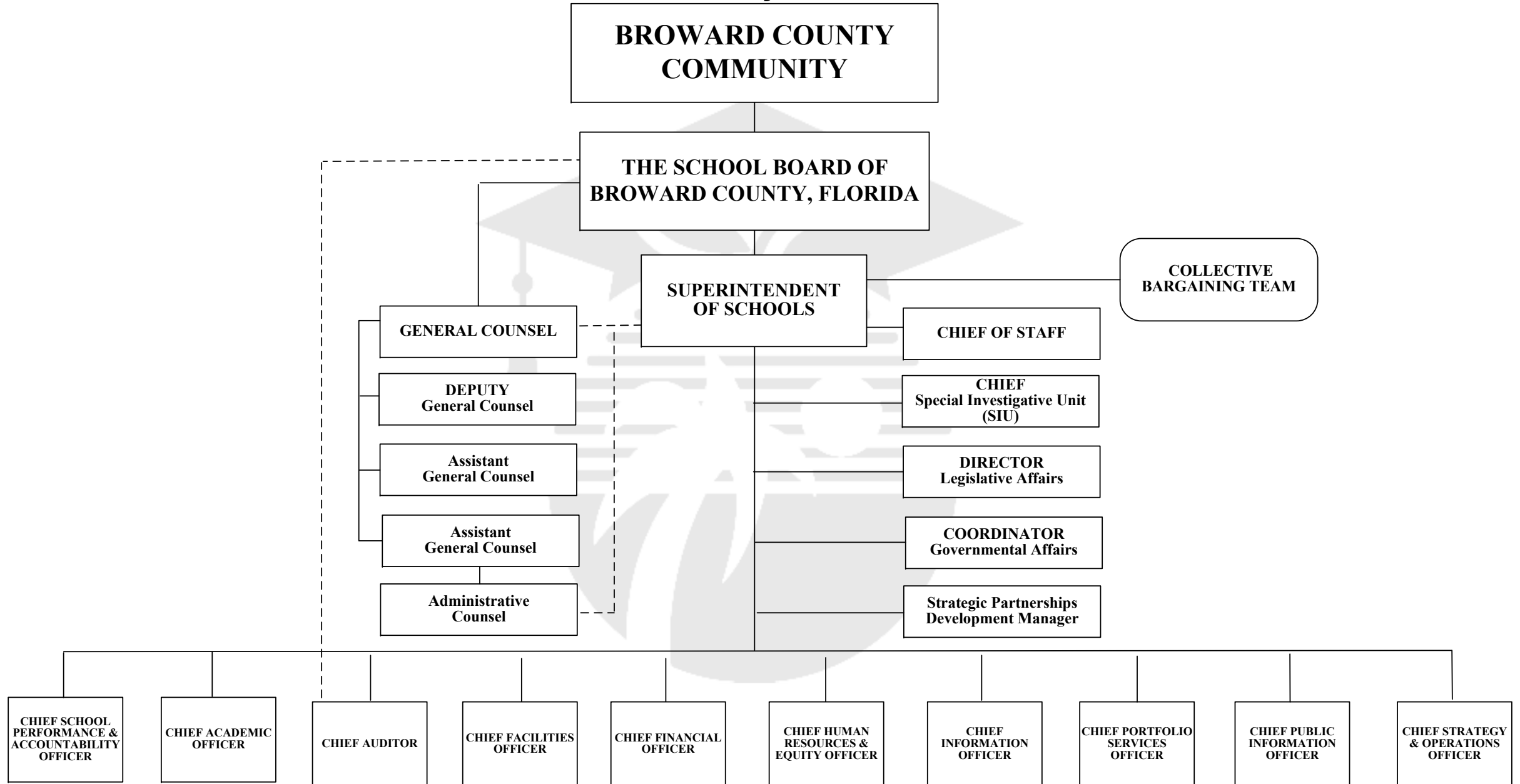


***Educating Today's Students
To Succeed In Tomorrow's World***

The School Board of Broward County, Florida Organization Chart As of July 1, 2017



The School Board of Broward County, Florida Organization Chart As of July 1, 2017





**The Certificate of Excellence in Financial Reporting
is presented to**

The School Board of Broward County

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**The School Board of
Broward County, Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***



Broward County Public Schools

**Financial
Section**

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Chairperson and Members of
The School Board of Broward County, Florida

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 School Board of Broward County, Florida (the "District") as of and for the year ended June 30, 2017, 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 District's agency funds, which represent 7% of the assets and 23% of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the discretely presented component units, which comprises 100% of the assets, net position, and revenues of the discretely presented component units of the District. Those financial 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 agency funds and the 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 of 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 District'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 District'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph 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 District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund and major special revenue funds for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedule for the General Fund, Other Post-Employment Benefits Schedule of Funding Process, schedules of proportionate share of net pension liability and contributions for the Florida Retirement System ("FRS") and the Health Insurance Subsidy Plan ("HIS"), 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section, other supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplemental information section, which consists of the other major fund comparative schedules of revenues, expenditures and changes in fund balance – budget to actual, and combining non-major fund financial statements and schedules, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Chairperson and Members of
The School Board of Broward County, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida

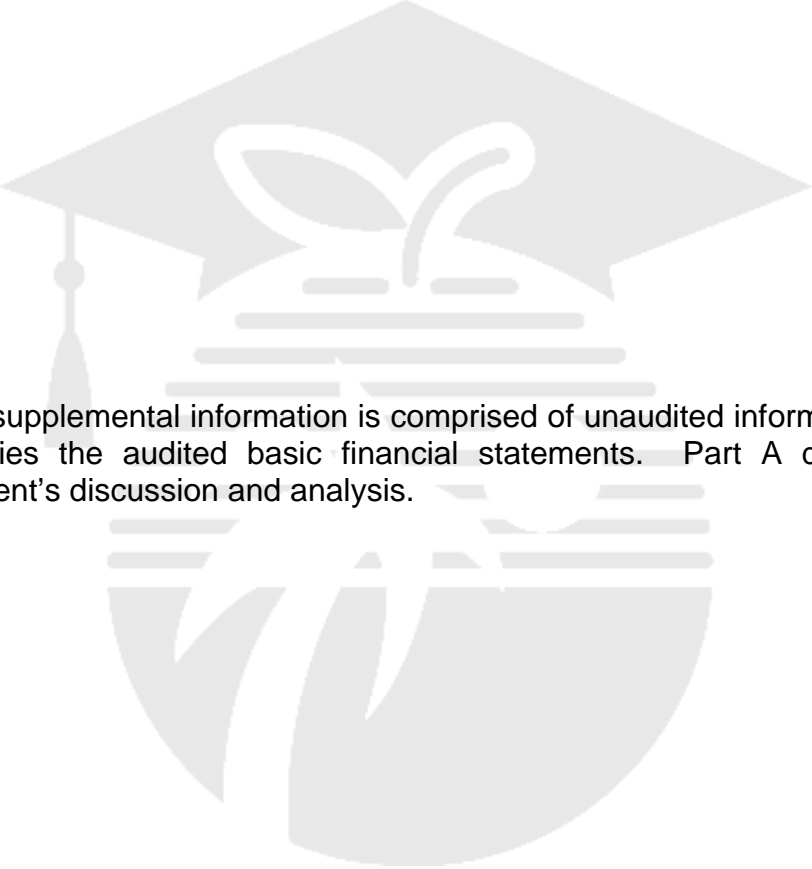
November 21, 2017

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

Required Supplemental Information (Part A)



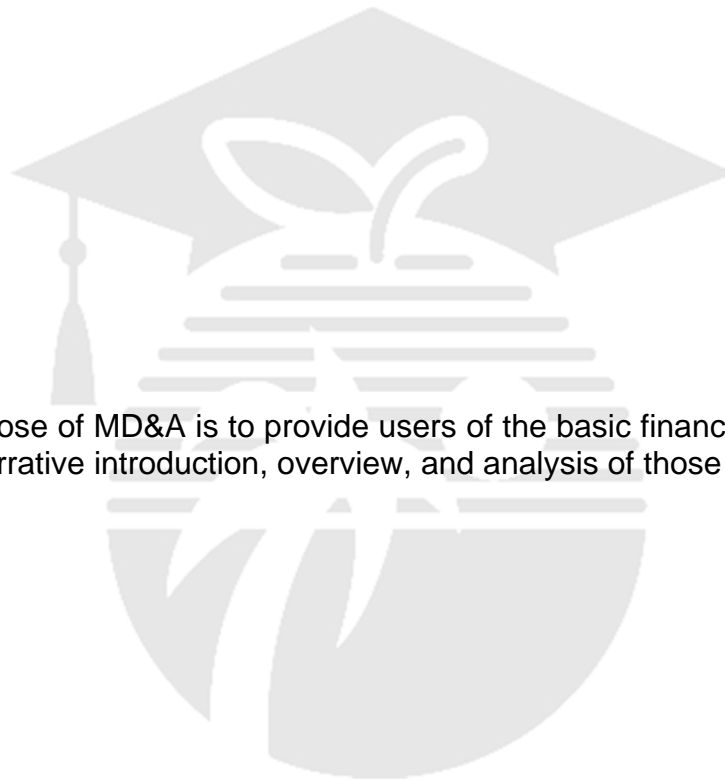
Required supplemental information is comprised of unaudited information that accompanies the audited basic financial statements. Part A deals with management's discussion and analysis.

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

Management's Discussion and Analysis ("MD&A")



The purpose of MD&A is to provide users of the basic financial statements with a narrative introduction, overview, and analysis of those statements.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017. 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 \$20.2 million, or 3.4%, from \$588.6 million to \$568.4 million when compared to the prior year. The decrease in total net position is due to an increase in total liabilities of \$214.6 million, a decrease in total assets of \$93.6 million, offset by an increase in deferred outflows of resources of \$242.7 million and a decrease in deferred inflows of resources of \$45.3 million. The decrease in net position is partially resulting from an increase in pension expense due to the reporting requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Other long-term obligations including liability for compensated absences, and post-employment benefits also increased.
- **Total revenues** increased by \$91.0 million, or 3.4%, from \$2.6 billion to \$2.7 billion when compared to the prior year, as a result of an increase in other general revenues of \$31.7 million (including Florida Education Finance Program (FEFP) state revenues), an increase in ad valorem taxes of \$35.8 million (including General, Debt Service and Capital Project Funds) resulting from an increase in the total assessed property values, and an increase in total program revenues of \$23.5 million.
- The District had \$2.8 billion in **expenses** related to programs, an increase of \$112.6 million or 4.3%, from the prior year primarily due to the recording of the current year pension expenses. There were increases in salary and fringe expenses resulting from the implementation of negotiated raises for all District employees for the fiscal year ended June 30, 2017. The increases were offset by a decrease in the interest expense.
- The District's **debt** (Bonds Payable, Certificates of Participation and Capital Leases) decreased by \$61.0 million, or 3.6%, to \$1.6 billion from \$1.7 billion in the prior year. The change was primarily due to the payment of debt and the refunding of the Certificates of Participation (refer to Notes 9 through 12 of the Notes to the Basic Financial Statements for more information).

Governmental Funds Financial Statements

- The overall General Fund balance (the primary operating fund) increased by \$10.8 million, or 6.1%, to \$190.0 million from \$179.2 million in the prior year (refer to Exhibit 4).
- The assigned and unassigned portion of the fund balance increased by \$4.5 million compared to prior year from \$88.0 million as of June 30, 2016 to \$92.5 million as of June 30, 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's Comprehensive Annual Financial Report (CAFR) 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 Funds Statements, provide financial information for those activities in

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 and business-type activities, as well as its non-fiduciary component units. They contain various adjustment, elimination and reclassification 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 2017?" 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 CAFR 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 program, 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 a 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 Certificates of Participation Series (COPs) Debt Service Fund, District Bonds, and Local Millage Capital Improvement Fund. Data from the other eleven governmental funds are combined into a single, aggregated

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

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 Fund is 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 Fund is presented in the proprietary fund financial statements. The Proprietary fund is 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 an Agency fund used to account for student activity funds.

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

ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

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

	As of June 30,		Increase
	2017	2016	(Decrease)
Current and other assets	\$ 894,502	\$ 936,968	\$ (42,466)
Capital assets	2,785,880	2,836,986	(51,106)
Total assets	<u>3,680,382</u>	<u>3,773,954</u>	<u>(93,572)</u>
Deferred Outflows of Resources	<u>537,888</u>	<u>295,207</u>	<u>242,681</u>
Current and other liabilities	448,043	489,528	(41,485)
Long-term liabilities	3,140,192	2,884,058	256,134
Total liabilities	<u>3,588,235</u>	<u>3,373,586</u>	<u>214,649</u>
Deferred inflows of Resources	<u>61,649</u>	<u>106,970</u>	<u>(45,321)</u>
Net position:			
Net investment in Capital Assets	1,184,034	1,269,067	(85,033)
Restricted	283,777	214,988	68,789
Unrestricted	(899,425)	(895,450)	(3,975)
Total net position	<u>\$ 568,386</u>	<u>\$ 588,605</u>	<u>\$ (20,219)</u>

Government-Wide Financial Analysis.

The District's net position was \$568.4 million at June 30, 2017, representing a \$20.2 million, or 3.4%, decrease from June 30, 2016. The decrease in net position is primarily due to change in pension liability, and amortization of deferred inflows and outflows. By far, the largest portion of the District's net position reflects its net investment in capital assets (i.e., land, buildings, furniture and equipment).

Although the District's investment 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

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

in the long term liabilities is primarily caused by an increase in the net pension liability for the Florida Retirement System (FRS).

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 \$283.8 million in restricted net position, \$198.3 million is restricted for capital projects. There was a deficit of \$899.4 million in the unrestricted net position at June 30, 2017. The deficit in the Statement of Net Position should not be viewed as an indication of financial difficulties. The District would only experience actual deficit if it had to pay all of its long-term liabilities at once including all amounts owed to FRS for future retirement benefits that would be approximately \$1.2 billion at June 30, 2017.

As shown in Table 2, governmental activities decreased the District's net position by \$20.2 million from the prior year. Key highlights are as follows:

Table 2

	Summary Statement of Changes in Net Position (in thousands)		
	For the Fiscal Years		Increase (Decrease)
	Ended June 30, 2017	2016	
Revenues:			
Program revenues:			
Charges for services	\$ 47,920	\$ 46,428	\$ 1,492
Operating grants and contributions	688,271	671,496	16,775
Capital grants and contributions	31,600	26,391	5,209
Total program revenues	767,791	744,315	23,476
General revenues			
Ad valorem taxes	1,185,545	1,149,776	35,769
Other general revenues (including FEFP)	785,369	753,660	31,709
Total general revenues	1,970,914	1,903,436	67,478
Total revenues	2,738,705	2,647,751	90,954
Functions/Program Expenses:			
Instructional services	1,658,219	1,573,265	84,954
Instructional support services	263,323	242,100	21,223
Operation and maintenance of plant	248,433	242,762	5,671
School administration	142,920	131,931	10,989
Food services	113,167	105,719	7,448
Facilities acquisition and construction	74,749	70,698	4,051
General administration	90,709	82,943	7,766
Student transportation services	90,201	82,507	7,694
Interest expense	77,203	114,369	(37,166)
Total expenses	2,758,924	2,646,294	112,630
Change in net position	\$ (20,219)	\$ 1,457	\$ (21,676)
Total net position (deficit), beginning of year	\$ 588,605	\$ 587,148	\$ 1,457
Ending net position	\$ 568,386	\$ 588,605	\$ (20,219)

- Ad valorem taxes (property taxes) increased by \$35.8 million (including General, Debt Service and Capital Funds) due to an increase in the total assessed property values.

- Other general revenues increased by \$31.7 million primarily as a result of government-wide reporting requirements.

- Total expenses increased by \$112.6 million, or 4.3%, due to increases in salary and fringe expenses resulting from the implementation of the negotiated raises for all District employees for the fiscal year ended June 30, 2017, and an increase in pension expense as a result of the reporting requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

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, 2017, the District's governmental funds reported a combined fund balance of \$569.2 million, an increase of \$5.5 million, or 1.0% from the prior year (refer to Exhibit 4). The increase is due

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

to an increase of \$10.8 million in the General Fund, an increase of \$11.5 million in the Local Millage Capital Improvement Fund, an increase of \$0.4 million in the COPS Series Debt Service Fund, and an increase of \$12.8 million in the Other Governmental Funds, offset by a decrease of \$30.0 million in the District Bonds (Capital Projects Fund).

General Fund. The fund balance for the General Fund increased by \$10.8 million, mainly due to increases in the federal, state and local sources including revenue from ad valorem taxes. The assigned and unassigned portion of the fund balance increased by \$4.5 million compared to the prior year from \$88.0 million as of June 30, 2016 to \$92.5 million as of June 30, 2017.

Other Major Funds:

District Bonds (Capital Projects Fund). The fund balance of the Major District Bonds (Capital Projects) Fund decreased by \$30.0 million as the District continues to complete approved projects funded by prior year's accumulated capital reserves of the Series 2015 General Obligation Bonds issued as part of the District's \$800 million SMART Program.

COP Series Debt Service Fund. The fund balance of the Major Debt Service Fund increased by \$0.4 million as a result of interest earnings and the refunding of the Certificates of Participation (refer to Note 10 of the Notes to the Basic Financial Statements for more information).

Local Millage Capital Improvement Fund. The fund balance of the Major Nonvoted Capital Improvement Fund increased by \$11.5 million compared to the prior year mainly due to an increase in the revenues received from local sources, including ad valorem taxes.

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

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 915,933	\$ 916,007	\$ 916,007	\$ -
Other	53,104	68,236	68,238	2
Total local sources	969,037	984,243	984,245	2
State sources:				
Florida Education Finance Program	709,348	688,326	688,328	2
Other	396,245	399,128	399,127	(1)
Total state sources	1,105,593	1,087,454	1,087,455	1
Federal sources	12,406	22,189	22,189	\$ -
Total revenues	2,087,036	2,093,886	2,093,889	3
Other financing sources	84,318	85,402	85,402	\$ -
Total amounts available for appropriations	2,171,354	2,179,288	2,179,291	3
Expenditures:				
Instructional services	1,452,449	1,418,577	1,419,048	\$ (471)
Instructional support services	178,880	196,295	196,296	(1)
Student transportation services	82,050	87,644	87,644	-
Operation and maintenance of plant	241,341	246,241	246,242	(1)
School administration	131,701	136,711	136,711	-
General administration	80,569	88,439	88,436	3
Interest	377	1,480	1,480	-
Total expenditures	2,167,367	2,175,387	2,175,857	(470)
Other financing uses	5,057	5,065	5,065	-
Total charges against appropriations	2,172,424	2,180,452	2,180,922	(470)
Net change in fund balances	\$ (1,070)	\$ (1,164)	\$ (1,631)	\$ (467)
Appropriated beginning fund balances:	\$ 1,070	\$ 1,164		
Adjustments to conform with GAAP:				
Elimination of encumbrances			12,475	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			10,844	
Fund balances, beginning of year			179,181	
Fund balances, end of year			\$ 190,025	

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 increased by \$7.9 million primarily due to an increase in federal revenues for Medicaid, and other local sources including before and after care program fees, offset by a decrease in the State's FEFP revenues.

During the year, final appropriations and other financing uses increased by \$8.0 million from original appropriations primarily due to increases in salary and fringe expenses resulting from the implementation of negotiated

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

raises for all District employees for the fiscal year ended June 30, 2017.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As shown in Table 4, at June 30, 2017, the District had invested approximately \$2.8 billion in a broad range of capital assets. This amount represents a net decrease (including additions, deletions and depreciation) of \$51.1 million from 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 \$44.7 million committed towards various construction contracts (refer to Note 22 of the Note to the Basic Financial Statements for more information).

	As of June 30,		Increase (Decrease)
	2017	2016	
Land	\$ 232,805	\$ 232,805	-
Land improvement	463,827	461,425	2,402
Construction in progress	36,641	26,347	10,294
Broadcast License intangible	3,600	3,600	-
Buildings and fixed equipment	3,632,949	3,622,896	10,053
Furniture, fixtures and equipment	263,755	306,188	(42,433)
Asset under capital leases	61,809	62,636	(827)
Audio visual	703	703	-
Computer software	57,309	56,905	404
Motor vehicles	100,825	91,297	9,528
Less: accumulated depreciation	(2,068,343)	(2,027,816)	(40,527)
Total capital assets, net	<u>\$ 2,785,880</u>	<u>\$ 2,836,986</u>	<u>\$ (51,106)</u>

Debt Administration. As shown in Table 5, at the end of June 30, 2017, the District had \$1.64 billion in debt outstanding compared to \$1.70 billion in the prior year, a decrease of \$61.0 million, or 3.6%, from the prior year.

The decrease was due to the reduction of \$4.4 million in Capital Outlay Bond Issues (COBI), \$3.6 million in General Obligation Bond (GOB), \$68.4 million in Certificates of Participation (COPs), and an increase of \$15.5 million in Capital Leases (refer to Notes 9 through 12 of the Notes to the Basic Financial Statements for more information).

	2017		2016		Increase (Decrease)
Capital outlay and bond issues	\$ 14,160	\$ 18,607			(4,447)
General obligation bond	148,225	151,840			(3,615)
Certificates of participation	1,422,200	1,490,565			(68,365)
Capital leases	56,079	40,619			15,460
Total	<u>\$ 1,640,664</u>	<u>\$ 1,701,631</u>			<u>\$ (60,967)</u>

Other obligations include accrued vacation pay and sick leave (refer to Note 14 of the Notes to the Basic 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.

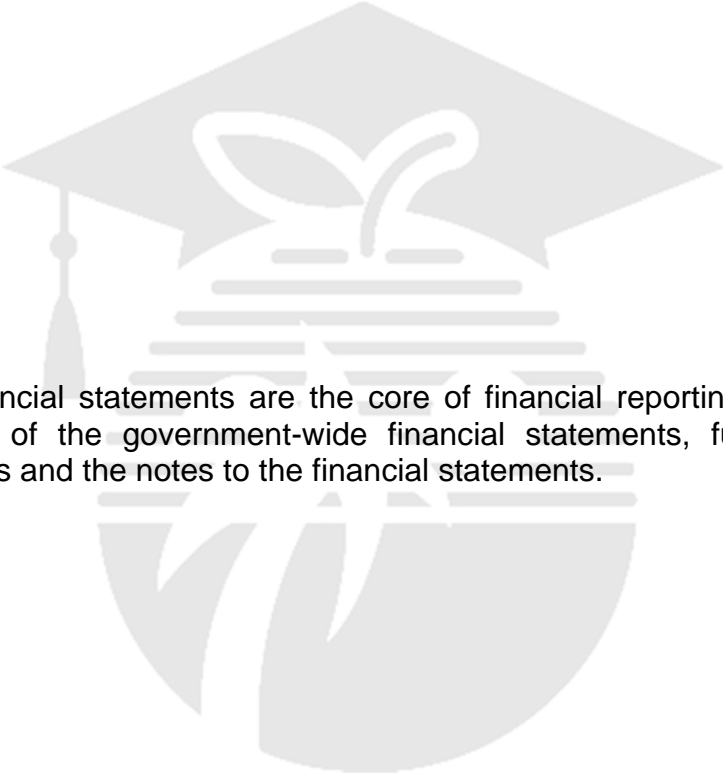
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, FL 33301. For additional information, visit the District's website at: <http://www.browardschools.com/>

Basic Financial Statements



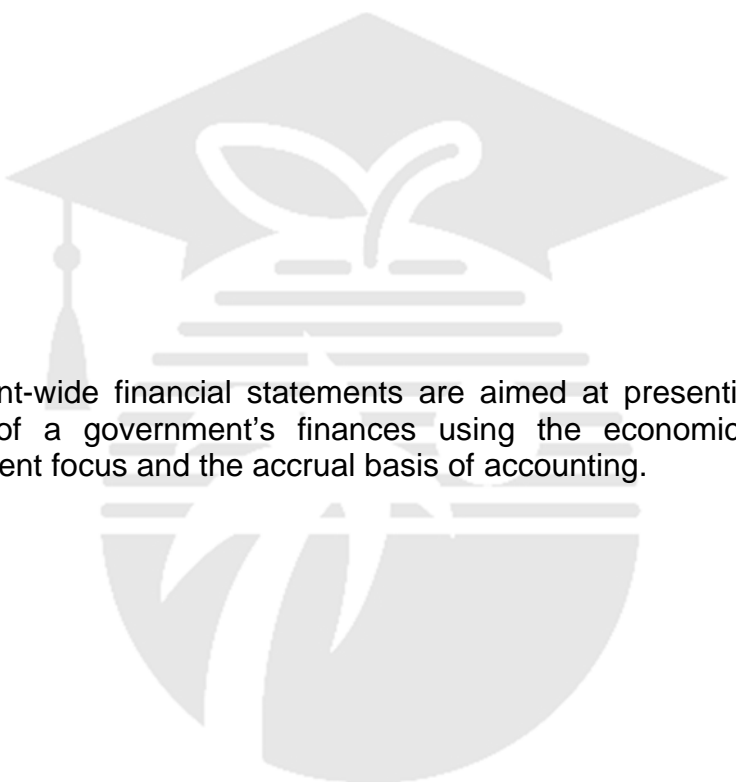
Basic financial statements are the core of financial reporting. They are made up of the government-wide financial statements, fund financial statements and the notes to the financial statements.

Broward County Public Schools



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To Succeed in Tomorrow's World***

Government-Wide Financial Statements ("GWFS")



Government-wide financial statements are aimed at presenting a broad overview of a government's finances using the economic resources measurement focus and the accrual basis of accounting.

Broward County Public Schools



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STATEMENT OF NET POSITION
AS OF JUNE 30, 2017
(in thousands)

	TOTAL GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
ASSETS:		
Current assets:		
Cash, cash equivalents and investments (including restricted cash \$157.8 million)	\$ 691,877	\$ 51,141
Due from other governmental agencies	55,893	973
Due from other schools	-	8,312
Accrued interest receivable	906	-
Inventories	11,001	1
Prepays and other assets	19,006	20,123
Total current assets	778,683	80,550
Non-current assets:		
Restricted cash, cash equivalents and investments	115,819	2,425
Capital assets:		
Non-depreciable	403,913	3,702
Depreciable, net	2,381,967	112,036
Total non-current assets	2,901,699	118,163
Total assets	3,680,382	198,713
Deferred Outflow of Resources		
Accumulated decrease in fair value of hedging derivatives	4,836	-
Loss on refunding debt (net)	87,399	-
Pension actuarial adjustments	445,653	3,354
Total deferred outflow of resources	537,888	3,354
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued expenses	135,850	5,467
Accrued payroll taxes and withholding	23,287	9,981
Matured debt and interest payable	109,769	808
Due to other governmental agencies	16,028	-
Due to other schools	-	474
Retainage payable	2,946	-
Unearned revenue	5,809	27
Management fees payable	-	1,064
Obligations under capital leases	15,450	1,973
Liability for compensated absences	18,655	226
Bonds Payable	75,824	358
Estimated liability for self-insurance risks	38,958	-
Other liabilities	5,467	3,949
Total current liabilities	448,043	24,327
Non-current liabilities:		
Obligations under capital leases	40,629	76,019
Liability for compensated absences	148,409	76
Bonds Payable	1,637,195	23,694
Estimated liability for self-insurance risks	34,294	-
Other post-employment benefits obligations	86,985	-
Other liabilities	32,463	13,393
Derivatives swap liability	4,836	-
Net pension liability	1,155,381	6,651
Total non-current liabilities	3,140,192	119,833
Total liabilities	3,588,235	144,160
Deferred Inflow of Resources		
Deferred gain on refunding debt	461	273
Pension actuarial adjustments	61,188	1,506
Total deferred inflows of resources	61,649	1,779
NET POSITION:		
Net investment in capital assets	1,184,034	17,791
Restricted for:		
State required carryover programs	21,633	-
Debt service	10,027	6
Capital projects	198,345	1,512
Scholarships and other purposes	53,772	2,040
Unrestricted (deficit)	(899,425)	30,379
Total net position	\$ 568,386	\$ 56,128

The accompanying notes to the basic financial statements are an integral part of this Statement.

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (in thousands)

	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PROGRAM EXPENSES AND REVENUES:			
PRIMARY GOVERNMENT:			
Instructional services	\$ 1,658,219	\$ 31,327	\$ 494,161
Instructional support services	263,323	-	63,318
Student transportation services	90,201	1,332	790
Operation and maintenance of plant	248,433	-	10,210
School administration	142,920	-	12,451
General administration	90,709	-	10,456
Food services	113,167	15,261	96,885
Facilities acquisition & construction & other	74,749	-	-
Interest expense	77,203	-	-
Total governmental activities	<u>\$ 2,758,924</u>	<u>\$ 47,920</u>	<u>\$ 688,271</u>
COMPONENT UNITS:			
Component units	\$ 304,230	\$ 8,527	\$ 21,879
Total component units	<u>\$ 304,230</u>	<u>\$ 8,527</u>	<u>\$ 21,879</u>

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 (deficit), beginning of year

Total net position (deficit), end of year

The accompanying notes to the basic financial statements are an integral part of this Statement.

Exhibit 2 (concluded)

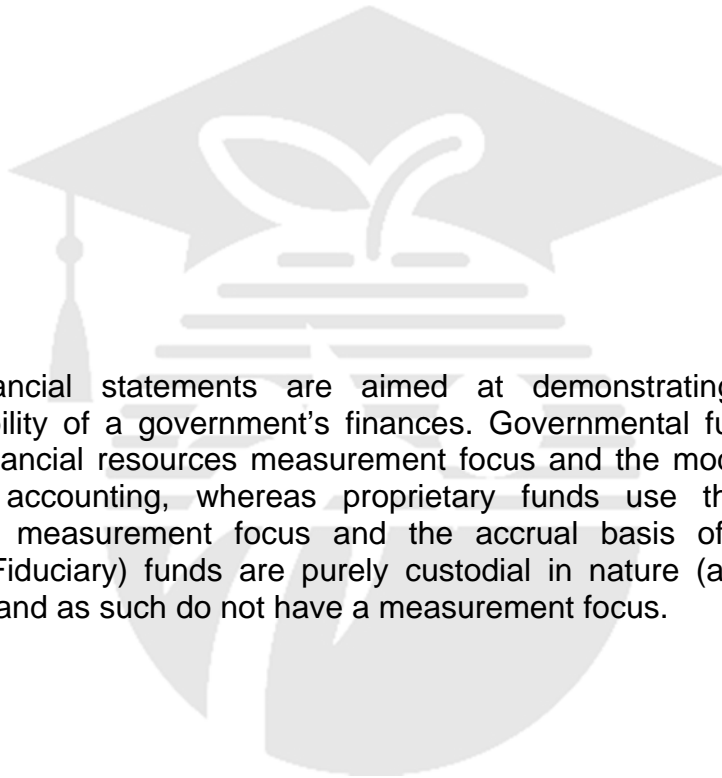
PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
CAPITAL		
GRANTS AND CONTRIBUTIONS		
\$ -	\$ (1,132,731)	\$ 136,741
-	(200,005)	7,739
-	(88,079)	4,798
-	(238,223)	60,551
-	(130,469)	32,224
-	(80,253)	29,490
-	(1,021)	12,641
26,600	(48,149)	6,664
5,000	(72,203)	8,097
<u>\$ 31,600</u>	<u>(1,991,133)</u>	<u>298,945</u>
\$ 11,517	\$ -	\$ (262,307)
<u>\$ 11,517</u>	<u>\$ -</u>	<u>\$ 36,638</u>
	\$ 916,007	\$ -
	12,061	-
	257,477	-
	688,328	-
	-	257,826
	22,189	-
	7,856	-
	60,869	6,850
	6,127	360
	<u>1,970,914</u>	<u>265,036</u>
	(20,219)	2,729
	<u>588,605</u>	<u>53,399</u>
	<u>\$ 568,386</u>	<u>\$ 56,128</u>

Broward County Public Schools



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Fund Financial Statements ("FFS")



Fund financial statements are aimed at demonstrating the fiscal accountability of a government's finances. Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, whereas proprietary funds use the economic resources measurement focus and the accrual basis of accounting. Agency (Fiduciary) funds are purely custodial in nature (assets equals liabilities) and as such do not have a measurement focus.

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2017
(in thousands)

	GENERAL FUND	COP SERIES DEBT SERVICE FUND	DISTRICT BONDS	LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
Equity in pooled cash and investments	\$ 321,151	\$ 2,263	\$ 106,733	\$ 94,461	\$ 119,762	\$ 644,370
Cash and investments with trustees	-	87,372	-	-	75,618	162,990
Total cash, cash equivalents and investments	321,151	89,635	106,733	94,461	195,380	807,360
Due from other governmental agencies	19,453	-	-	5,252	31,188	55,893
Due from other funds	18,990	-	-	-	-	18,990
Accrued interest receivable	692	1	92	23	98	906
Inventories	7,442	-	-	-	3,517	10,959
Prepays and other assets	18,822	-	-	-	184	19,006
Total assets	\$ 386,550	\$ 89,636	\$ 106,825	\$ 99,736	\$ 230,367	\$ 913,114
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenditures	\$ 121,918	\$ 46	\$ 2,065	\$ 2,322	9,319	\$ 135,670
Accrued payroll taxes and withholdings	23,287	-	-	-	-	23,287
Due to other governmental agencies	16,028	-	-	-	-	16,028
Due to other funds	-	-	-	-	18,990	18,990
Unearned revenue	3,626	-	-	-	2,183	5,809
Retainage payable	20	-	3	279	2,644	2,946
Matured debt and interest payable	-	87,735	-	-	21,740	109,475
Liability for compensated absences	6,890	-	-	-	93	6,983
Estimated liability for self-insurance risks	24,756	-	-	-	-	24,756
Total liabilities	196,525	87,781	2,068	2,601	54,969	343,944
Fund balances:						
Nonspendable	21,540	-	-	-	3,517	25,057
Restricted	21,633	1,855	104,757	97,135	167,368	392,748
Committed	54,327	-	-	-	-	54,327
Assigned	31,312	-	-	-	4,513	35,825
Unassigned	61,213	-	-	-	-	61,213
Total fund balance	190,025	1,855	104,757	97,135	175,398	569,170
Total liabilities and fund balance	\$ 386,550	\$ 89,636	\$ 106,825	\$ 99,736	\$ 230,367	\$ 913,114

The accompanying notes to the basic financial statements are an integral part of this Statement.

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017
(in thousands)**

Total fund balances - governmental funds \$ 569,170

Amounts reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Fund Financial Statements. These assets consist of:

Land	\$ 232,805	
Land improvements- nondepreciable	130,867	
Land improvements, net of accumulated depreciation	178,565	
Broadcast license intangible	3,600	
Buildings and fixed equipment, net of accumulated depreciation	2,096,615	
Furniture, fixtures and equipment, net of accumulated depreciation	54,621	
Assets under capital lease, net of accumulated depreciation	30,476	
Audio/visual, net of accumulated depreciation	64	
Computer software, net of accumulated depreciation	5,469	
Motor vehicles, net of accumulated depreciation	16,147	
Construction in progress	36,641	
		2,785,870

Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements. 445,653

Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements. (61,188)

Accumulated decrease in fair value of hedging derivatives is not a use of current financial resources and therefore are not reported in the Fund Financial Statements. 4,836

Deferred losses on refunding is not a use of current financial resources and therefore are not reported in the Fund Financial Statements. 87,399

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. 208

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, 2017 are:

Accrued interest on long-term debt	(294)	
Certificates of participation	(1,422,200)	
Debt premiums and discounts, net	(128,574)	
Bonds payable	(162,245)	
Capital leases payable	(56,079)	
Compensated absences	(160,081)	
Other post-employment benefits (OPEB)	(86,985)	
Estimated liability for self-insured risks	(48,496)	
Deferred gain on refunding of debt	(461)	
Net pension liability	(1,155,381)	
Derivatives swap liability (GASB 53)	(4,836)	
Other liabilities	(37,930)	
Total long-term liabilities		(3,263,562)

Total net position of governmental activities \$ 568,386

The accompanying notes to the basic financial statements are an integral part of this Statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (in thousands)

	GENERAL FUND	COP SERIES DEBT SERVICE FUND	DISTRICT BONDS	LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Local sources:						
Ad valorem taxes	\$ 916,007	\$ -	\$ -	\$ 257,477	\$ 12,061	\$ 1,185,545
Food sales	-	-	-	-	15,261	15,261
Interest on investments	4,146	331	855	329	465	6,126
Other	64,092	-	-	10,837	24,283	99,212
Total local sources	984,245	331	855	268,643	52,070	1,306,144
State sources:						
Florida education finance program	688,328	-	-	-	-	688,328
Public education capital outlay	-	-	-	-	7,188	7,188
Discretionary lottery funds	4,698	-	-	-	-	4,698
Categorical programs and other	394,429	-	-	-	29,937	424,366
Total state sources	1,087,455	-	-	-	37,125	1,124,580
Federal sources:						
Food service	-	-	-	-	84,995	84,995
Grants and other	22,189	-	-	-	200,828	223,017
Total federal sources	22,189	-	-	-	285,823	308,012
Total revenues	2,093,889	331	855	268,643	375,018	2,738,736
EXPENDITURES:						
Current operating:						
Instructional services	1,418,811	-	-	-	134,532	1,553,343
Student and instructional support services	193,356	-	-	-	55,824	249,180
Student transportation services	86,814	-	-	-	584	87,398
Operation and maintenance of plant	239,871	-	-	-	54	239,925
School administration	136,539	-	-	-	813	137,352
General administration	86,511	-	-	-	9,217	95,728
Food services	-	-	-	-	112,849	112,849
Total current operating	2,161,902	-	-	-	313,873	2,475,775
Debt service:						
Principal retirement	-	77,481	-	-	12,159	89,640
Interest charges and other	1,480	65,248	-	-	15,644	82,372
Bond Issuance Cost	-	-	-	-	-	-
Total debt service	1,480	142,729	-	-	27,803	172,012
Capital outlay						
Total expenditures	2,163,382	142,729	30,929	62,028	367,601	2,766,669
Excess (deficiency) of revenues over (under) expenditures	(69,493)	(142,398)	(30,074)	206,615	7,417	(27,933)
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	-	-	-	3,355	3,355
Certificates of participation refunding issued	-	39,575	-	-	-	39,575
Premium(discount) on long-term debt issued	-	-	-	-	512	512
Capital lease	-	-	-	-	28,777	28,777
Sale of capital assets	-	-	-	337	290	627
Payments to refunded bond escrow agent	-	(39,465)	-	-	-	(39,465)
Transfers in	85,402	142,666	-	-	12,437	240,505
Transfers out	(5,065)	-	-	(195,422)	(40,018)	(240,505)
Total other financing sources (uses)	80,337	142,776	-	(195,085)	5,353	33,381
Net change in fund balances	10,844	378	(30,074)	11,530	12,770	5,448
Fund balances, beginning of year	179,181	1,477	134,831	85,605	162,628	563,722
Fund balances, end of year	\$ 190,025	\$ 1,855	\$ 104,757	\$ 97,135	\$ 175,398	\$ 569,170

The accompanying notes to the basic financial statements are an integral part of this Statement.

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(in thousands)**

Total net change in fund balances - governmental funds \$ 5,448

Amounts reported for governmental activities in the Statement of Activities is 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 (\$64,896) were less than depreciation (\$116,012) in the current period. (51,116)

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	(43,442)
Capital lease	(28,777)
Payment to escrow agent including interest and other charges	39,465

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.

Principal payments	89,640
--------------------	--------

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. 49

In the Statement of Activities, certain expenses - compensated absences (vacation and sick leave and other post employment 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 post-employment benefits obligation	(8,595)
Net change in compensated absences	(3,725)
Net change in other liabilities	6,639
Net change in estimated liability for self-insured risks	887

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	(85)
--	------

Change in debt related deferrals including deferred amounts and premiums/discounts 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. 9,859

Governmental funds report district pension contribution 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. (36,466)

Change in net position of governmental activities	<u>\$ (20,219)</u>
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The accompanying notes to the basic financial statements are an integral part of this Statement.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2017
(in thousands)

	<u>INTERNAL</u> <u>SERVICE FUNDS</u>
ASSETS:	
Current assets:	
Equity in pooled cash and investments	\$ 336
Inventories	42
Total current assets	<u>378</u>
Noncurrent assets:	
Furniture and equipment (net of accumulated depreciation)	10
Total assets	<u>388</u>
LIABILITIES:	
Current liabilities:	
Accounts payable and accrued expenses	180
Total current liabilities	<u>180</u>
Long-term liabilities:	
Total liabilities	<u>180</u>
NET POSITION:	
Net investment in capital assets	10
Unrestricted	198
Total net position	<u>\$ 208</u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(in thousands)**

	<u>INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES:	
Charges for services	\$ 62,219
Other	10
Total operating revenues	<u>62,229</u>
OPERATING EXPENSES:	
Personnel services	59,091
Depreciation	2
Other	3,090
Total operating expenses	<u>62,183</u>
Operating income	46
NON-OPERATING REVENUE:	
Interest and other	<u>3</u>
Change in net position	49
Total net position, beginning of year	<u>159</u>
Total net position, end of year	<u><u>\$ 208</u></u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (in thousands)**

	<u>INTERNAL SERVICE FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from District operating departments	\$ 62,229
Cash payments for goods and services	(3,140)
Cash payments to employees	<u>(59,091)</u>
Net cash provided (used) by operating activities	(2)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	<u>1</u>
Net increase (decrease) in cash and cash equivalents	(1)
CASH AND CASH EQUIVALENTS:	
Beginning of year	337
End of year	<u>\$ 336</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ 46
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	1
Change in assets and liabilities:	
Increase in inventory, prepaids & other assets	(38)
Decrease in accounts payable and accrued expenditures	(11)
Net cash provided (used) by operating activities	<u>\$ (2)</u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2017
(in thousands)**

	<u>AGENCY FUND</u>
ASSETS:	
Equity in pooled cash and investments	\$ 4,575
Cash and cash equivalents	12,094
Other assets	22
Total assets	<u><u>\$ 16,691</u></u>
LIABILITIES:	
Accounts payable	\$ 806
Due to student organizations and other agencies	15,885
Total liabilities	<u><u>\$ 16,691</u></u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School Board of Broward County, Florida (the "District") has direct responsibility for 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 through 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 District 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 ninety-seven charter schools.

Blended Component Units - The Corporation was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 12 of the Notes to the 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 ("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 ninety-seven operating Charter School sites in fiscal year 2017. All of the Charter schools are considered component units of the District or another legal entity. For financial reporting purposes, ninety-three of the Charter schools are included in the basic financial statements of the District as discretely presented component units. However, the following ten schools were closed in fiscal year 2017: Charter School of Excellence Fort Lauderdale 2, Charter School of Excellence Davie 2, Charter School of Excellence Riverland 1, Charter School of Excellence Riverland 2, Charter School of Excellence Tamarac 1, Charter School of Excellence Tamarac 2, Henry M Turner Learning Academy, Paramount Charter School, Pathways Academy Center, and Pivot Charter School.

The audited financial information for the following four charter schools were not reported to the District as of the date of publication of the CAFR: Henry M Turner Learning Academy, Paramount Charter School, Pathways Academy Center, and Pivot Charter School. For financial reporting purposes, the operations of Charter schools within multiple locations operating under a single contract with the District are presented on a consolidated basis.

The component unit 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 ninety-three 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 and deferred outflows and 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 (OPEB), 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 not 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 six months of the end of the current fiscal period.

Agency (Fiduciary) funds, accounted on the accrual basis, are purely custodial in nature (assets equal liabilities) and as such do not have a measurement focus.

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,

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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. 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.

DEBT SERVICE FUND – CERTIFICATE OF PARTICIPATION SERIES

This fund is 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 (COP).

DISTRICT BONDS – (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 also provided an additional \$187 million to aid in this project. This amount will be used to provide resources over a five-year period to fund critically needed projects and programs in Safety, Music and Art, Athletics, Renovation and Technology.

CAPITAL PROJECTS FUNDS – LOCAL MILLAGE CAPITAL IMPROVEMENT (Local Property Tax)

This fund is 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.

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 or 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 – AGENCY FUND

This fund is used to account for resources of the 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

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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 3 months or less at time of purchase.

The District's investment in the Florida Education Investment Trust Fund (FEITF), which the FEITF indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2017, 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.

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 a first-in, first-out basis, or a moving weighted average cost basis. U.S.D.A. 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 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 land, buildings and fixed equipment, improvements other than buildings, furniture and equipment, audio/visual equipment, computer software, and motor vehicles with a cost of \$1,000 or greater and an initial useful life of more than 1 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, Land Improvements, Construction in Progress and Broadcast License Intangible 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:

Improvements other than buildings	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 pupil transportation 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 three to five 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 were no impairments recognized in fiscal year 2017.

F. REVENUE

State Revenue Sources - Revenues from state sources for current operations are primarily from the 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.

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 Revenues 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 recognized 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. In the fund financial statements, 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, 2017.

The non-current portion (the amount estimated 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 19 of the Notes to the Basic 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.

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 is addressed in Note 21.

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 and disclosure of contingent assets and liabilities 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 OUTFLOW/INFLOWS OF RESOURCES

In addition to assets, the financial position has a separate section for deferred outflows of resources. The separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflow of resources represents an acquisition of net position that applies to future period(s) and will not be recognized as inflow of resources (revenue) until that time. A deferred charge 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. Deferred outflows of resources include deferred losses on refunding, changes in proportion and proportionate share of contributions to the pension plan, employer pension contributions subsequent to the measurement date, and the accumulated decrease in the fair value of the hedging derivative. Deferred inflows of resources include deferred gain on refunding debt, difference between expected and actual experiences, and projected and actual earnings of the pension plan.

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), Health Insurance Subsidy (HIS) deferred benefit plans, 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. IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS

In June 2015, GASB *Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, will be effective for the District beginning with its year ending June 30, 2018. This Statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This standard will require the immediate recognition of the entire net OPEB liability and a more comprehensive measurement of OPEB expense. The implementation of this statement will impact the District's financial statements.

In August 2015, GASB *Statement No. 77, "Tax Abatement Disclosures"*, will be effective for the District beginning with its year ending June 30, 2017. This Statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The adoption of this statement did not impact the District's financial statements.

In December 2015, GASB *Statement No. 79, "Certain External Investment Pools and Pool Participants"*, will be effective for the District beginning with its year ending June 30, 2016. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The adoption of this statement did not impact the District's financial statements.

In January 2016, GASB *Statement No. 80, "Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14"*, will be effective for the District beginning with its year ending June 30, 2017. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

In March 2016, GASB *Statement No. 82, "Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73"*. This Statement will be effective for the District beginning with its year ending June 30, 2017, except those provisions that address the measurement of an employer's pension liability as of a date other than the employer's most recent fiscal year-end (effective year ending June 30, 2018). This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Management of the District is still in the process of determining what effect, if any, the above Statements with an implementation date after June 2017, will have on the basic financial statements and related disclosures.

Q. ROUNDING

Due to rounding of whole numbers, some tables or schedules within the financial statements may not add to total.

2. BUDGETARY POLICIES

The Board follows procedures established by State Statute and State Board of Education rules in establishing annual budgets for governmental funds as described below:

- a. 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 law and State Board of Education rules.
- b. The major functional level is the legal level of budgetary control. Budgeted amounts may be amended by resolution at any Board meeting prior to the due date for the annual financial report. General Fund

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

budgetary disclosure in the accompanying required supplemental information (Part B) reflects the final budget including all amendments approved for the fiscal year through September 6, 2017.

- c. Project length budgets, such as in the Capital Projects Funds, are determined and then are fully appropriated in their entirety in the year the project is approved. For the beginning of the following year, any unexpended appropriations for a project from the prior year are re-appropriated. This process is repeated from year to year until the project is completed.
- d. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward, if applicable, to the following year for the General Fund and are closed after a three month period.

3. DEPOSITS AND INVESTMENTS

Board Policy Number 3110, a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that 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, 2017, the carrying amount of the District's bank deposit account was \$36.1 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 and Florida Education Investment Trust Fund (FEITF), State Board of Administration accounts.

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% of available funds may be invested in non-negotiable interest bearing time certificates of deposit. A maximum of 15% of available funds may be deposited with any one issuer. The maximum maturity on any certificate is 1 year from the date of purchase.

Cash and investments at June 30, 2017 are shown below (in thousands):

	Governmental Funds	Internal Service Funds	Total Government- Wide	Agency Fund
Total Investments measured at fair value level	\$ 661,231	\$ 275	\$ 661,506	\$ 13,652
Total Non-Negotiable - Certificates of Deposit	19,588	8	19,596	404
Total Money Market	68,488	29	68,517	1,414
Total Demand Deposits	58,053	24	58,077	1,199
Total Cash, Cash Equivalents and Investments	\$ 807,360	\$ 336	\$ 807,696	\$ 16,669

Fair Value:

In February 2015, GASB issued Statement No. 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB 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

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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, 2017, the District did not have any Level 3 investments.

In accordance with GASB No.79, the Bank of America Money Market Funds and Florida Education Investment Trust Fund 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, 2017, the District has the following recurring fair value measurements (in thousands):

	Total Assets 06/30/17	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
Debt securities			
Asset Backed Securities	\$ 13,096	\$ -	\$ 13,096
Commercial Paper	204,026	-	204,026
Corporate Notes	47,634	-	47,634
Federal Agency Discounted Notes	89,648	-	89,643
Govt. Sponsored Entities – Collateralized Mortgage Obligations	770	-	770
Govt. Sponsored Entities – Coupon Securities	72,032	-	72,032
Municipal Bonds	1,345	-	1,345
Treasury Bonds and Notes	246,607	246,607	-
Total debt securities	\$ 675,158	\$ 246,607	\$ 428,551
Total investments by fair value level	\$ 675,158	\$ 246,607	\$ 428,551

Credit Risk:

The District has adopted an investment policy that authorizes the District to participate in the State Board Administration Investment Pool (SBA). 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 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; 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.

One of the corporate notes issued by IBM was recently downgraded from AA to A which is below the policy threshold. The staff and district financial advisor will monitor closely and take action to sell if necessary.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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, 2017, the District’s investment securities had the following ratings as shown in the chart below (dollars in thousands)

Investments	Fair Value	Moody’s ⁽¹⁾ or S&P Rating
Short term portfolio:		
Corporate Notes	\$ 27,740	AA
Corporate Notes	1,869	AAA
Commercial Paper	204,026	A-1
Federal Agency Discounted Notes	89,648	AAA
Government Sponsored Entity Securities – (Federal Agency Coupon Securities)	10,001	AA
Treasury Bonds and Notes	203,109	AA
Municipal Bonds	1,345	AA
Long term portfolio:		
Corporate Notes	3,254	A
Corporate Notes	12,202	AA
Corporate Notes	2,569	AAA
Government Sponsored Entity Securities – (Federal Agency Coupon Securities)	28,161	AA
Government Sponsored Entity Securities – (Federal Agency Coupon Securities)	33,870	AAA
Government Sponsored Entity Securities – (Federal Agency Collateralized Mortgage Obligations)	770	AAA
Asset Backed Securities	309	AA
Asset Backed Securities	8,536	AAA
Asset Backed Securities	4,251	Aaa ⁽¹⁾
Treasury Bonds and Notes	43,498	AA
Total Investments	\$ 675,158	

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 twenty-four (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 five (5) years.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following table shows the District's portfolio maturity at June 30, 2017 (dollars in thousands):

Investments	Fair Value	Maturity	
		Less than 1 Year	1-4 Years
Corporate Notes	\$ 47,634	\$ 29,609	\$ 18,025
Commercial Paper	204,026	204,026	-
Federal Agency Discounted Notes	89,648	89,648	-
Asset Backed Securities	13,096	-	13,096
Government Sponsored Entity-Coupon Securities	72,032	10,001	62,031
Government Sponsored Entity – Collateralized Mortgage Obligations	770	-	770
Treasury Bonds and Notes	246,607	203,109	43,498
Municipal Bonds	1,345	1,345	-
Total	\$ 675,158	\$ 537,738	\$ 137,420

The following table shows the District's long term portfolio effective duration at June 30, 2017:

Investments	Effective Duration in Years
Municipal Bonds	.83
Asset Backed Securities	1.96
Commercial Paper	0.19
Corporate Notes	1.13
Govt. Sponsored Entity (Federal Agency Coupon Securities)	1.65
Govt. Sponsored Entity (Federal Agency Discounted Notes)	.34
Federal Agency Collateralized Mortgage Obligations	1.03
Treasury Bonds and Notes	0.59
Average effective duration	0.62

The Long Term Portfolio uses the Effective Duration.

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.

The Florida Government Surplus Fund Trust Fund ("SBA"):

A maximum of 100% of available funds may be invested by the District's Treasurer (the "Treasurer") in the SBA. Funds deposited with the SBA are invested in the pooled investment account, an external investment pool administered by the State of Florida and operated in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The Florida Education Investment Trust Fund ("FEITF"):

A maximum of 25% of available funds may be invested by the District's Treasurer (the "Treasurer") in the FEITF. Funds deposited with the FEITF are invested in the pooled investment account, an external investment pool administered by a Board of Trustees, which is made up of experienced school board members and superintendents, and an Advisory Committee of senior finance officers from member Districts. The FEITF is a common law trust organized under the laws of The State of Florida and is designed to meet the cash management and short-term investment needs of school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State.

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% of available funds may be invested in these securities; the maximum length to maturity is 5 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, Treasury Strips.

U.S. Government Agencies:

The Treasurer may invest in bonds, debentures, discount notes or callables issued or guaranteed by the United States Government Agencies, provided such obligations are backed by the full faith and credit of the United States Government. A maximum of 50% of available funds may be invested in U.S. government agencies. A maximum of 25% of available funds may be invested in individual U.S. government agencies. The maximum length to maturity is 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% of available funds may be invested in Federal Instrumentalities. A maximum of 40% may be invested in any one issuer. The maximum length to maturity for an investment is 5 years from the date of purchase.

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% of available funds may be invested in ABS. A maximum of 5% 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 ten (10) years 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's & Poor's. A maximum of 15% of available funds may be invested in corporate notes. Only 5% invested with one issuer. The length of maturity shall be 3 years from the date of purchase.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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% 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.

Certificates of Deposit:

The Treasurer may invest 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 under 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. Additionally, the bank shall not be listed with any recognized credit watch information service. A maximum of 25% of available funds may be invested in nonnegotiable interest bearing time certificates of deposit. A maximum of 15% of available funds may be deposited with any one issuer. The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following table shows the composition of the District's investments by issuer at June 30, 2017 (dollars in thousands).

Investments	Fair Value	Percentage Of Portfolio
Short term investments:		
Corporate Notes:		
Berkshire Hathaway Fin	\$ 10,004	1.48%
Chevron Corp Notes	5,834	.86%
Exxon Mobil	11,801	1.75%
General Electric	101	.01%
Johnson and Johnson	1,869	.28%
Commercial Paper:		
Abbey National Treasury	9,927	1.47%
Bank of Montreal Chicago	4,572	.68%
Bank of Tokyo Mitsubishi LTD	3,972	.59%
BNP Paribas Finance, Inc	10,114	1.50%
Credit Agricole	3,974	.59%
Exxon Mobil Corp	9,977	1.48%
ING Funding, LLC	1,286	.19%
JP Morgan Chase	6,458	.96%
Nestle Finance International	19,872	2.94%
Rabobank USA Finance Corp	5,973	.88%
Toyota Motor Credit Corp	6,460	.96%
US Bank NA	121,441	17.99%
Federal Agency Discounted Notes:		
Federal Farm Credit Bank	19,973	2.96%
Federal Home Loan Bank	19,988	2.96%
Federal Home Loan Mortgage Corporation	49,687	7.36%
Government Sponsored Entity Securities:		
Federal Home Loan Mortgage Corporation	10,001	1.48%
Treasury Bonds and Notes	203,109	30.08%
Municipal Bonds	1,345	.20%
Long term investments:		
Corporate Notes:		
3M	2,013	.30%
Apple Incorporated	2,813	.42%
Berkshire Hathaway Fin	589	.09%
Chevron Corp Notes	892	.13%
Cologate-Palmolive Company	1,464	.22%
International Business Machine	3,254	.48%
Johnson and Johnson	1,134	.17%
JP Morgan Chase	1,504	.22%
Microsoft Corp	1,436	.21%
The Coca Cola Company	1,295	.19%
Toyota Motor Credit Corp	1,631	.24%
Government Sponsored Entity Securities:		
Federal Home Loan Bank	28,065	4.16%
Federal Home Loan Mortgage Corporation	10,102	1.50%
Federal National Mortgage Association	23,864	3.53%
Federal National Mortgage Association-Collateralized Mortgage Obligations	770	.11%

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Investments	Fair Value	Percentage Of Portfolio
Asset Backed Securities:		
Ally Auto Receivables Trust	1,100	.16%
American Express Card	1,178	.17%
Banc of America	863	.13%
Carmax Auto	2,039	.30%
Citibank	921	.14%
CNH Industrial	1,788	.26%
Ford	1,480	.22%
Honda	487	.07%
Hyundai	1,525	.23%
John Deere	388	.06%
Nissan Auto	1,067	.16%
Toyota Motor Credit Corp	260	.04%
Treasury Bonds and Notes	43,498	6.44%
Total investments	\$ <u>675,158</u>	<u>100.00%</u>

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, 2017, 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.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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

Due To/From Other Governmental Agencies:

At June 30, 2017, the District's due to/from other governmental agencies balances are as follows (in thousands):

	General Fund	Local Millage Capital Improvement Fund	Other Governmental Funds	Total
Due from other governments:				
Federal Government:				
Miscellaneous Federal	\$ 124	\$ -	\$ 23,478	\$ 23,602
State Government:				
Food Reimbursement	-	-	2,618	2,618
Miscellaneous State	477	-	110	587
Local Government:				
Taxes Receivable	18,613	5,252	350	24,215
Miscellaneous Local	239	-	4,632	4,871
Total due from other governmental agencies	<u>\$ 19,453</u>	<u>\$ 5,252</u>	<u>\$ 31,188</u>	<u>\$ 55,893</u>
Due to other governments:				
Florida Retirement System Contribution	\$ 16,028	\$ -	\$ -	\$ 16,028
Total due to other governmental agencies	<u>\$ 16,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,028</u>

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, 2017, 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
Becon and others	\$ 3,626	\$ 3,626
Deposit for Land Sale Proposal	878	878
Grant proceeds received prior to meeting all eligibility requirements	1,305	1,305
	<u>\$ 5,809</u>	<u>\$ 5,809</u>

5. 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 2016 tax levy on September 13, 2016.

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

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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 of the taxes assessed on January 1, 2016 have been recognized during the fiscal year ended June 30, 2017.

The following is a summary of millages and taxes levied on the final 2016 tax rolls for the fiscal year 2017 (dollars in thousands):

	Taxes			
	Millages	Levied	Collected	Uncollected
<u>General Funds</u>				
Non-voted School Tax:				
Required Local Effort	4.588	\$ 820,333	\$ 787,583	\$ -
Discretionary Local Effort	0.748	133,764	128,424	-
	<u>5.336</u>	<u>\$ 954,097</u>	<u>\$ 916,007</u>	<u>\$ -</u>
<u>Capital Project Funds</u>				
Non-voted School Tax:				
Capital Improvements	1.500	\$ 268,206	\$ 257,476	\$ 2
<u>Debt Service Funds</u>				
Voted Tax:				
Debt Service	0.070	\$ 12,570	\$ 12,062	\$ 5

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 fiscal year 2017, limit being 6.84 mills, which includes up to 1.50 mills for the Capital Projects Funds. The voter approved levy for debt service is limited to 6.0 mills; for fiscal year 2017, the levy was .070 mills for the Debt Service Funds.

The total assessed value for calendar year 2016, on which the fiscal 2017 levy was based, was approximately \$178.8 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 96.0% collection rate. The actual property taxes collected or accrued for fiscal year 2017 were 96.0% of the taxes levied.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

6. CAPITAL ASSETS

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

	Balance 06/30/2016	Additions	Deletions	Transfers	Balance 06/30/2017
Primary Government:					
Capital assets not being depreciated:					
Land	\$ 232,805	\$ -	\$ -	\$ -	\$ 232,805
Land improvements	130,867	-	-	-	130,867
Construction in progress	26,347	19,318	-	(9,024)	36,641
Broadcast license intangible	3,600	-	-	-	3,600
Total capital assets not being depreciated	<u>393,619</u>	<u>19,318</u>	<u>-</u>	<u>(9,024)</u>	<u>403,913</u>
Other capital assets:					
Land improvements	330,558	1,869	-	533	332,960
Buildings and fixed equipment	3,622,896	1,562	-	8,491	3,632,949
Furniture, fixtures and equipment	305,610	29,326	(71,771)	-	263,165
Assets under capital leases	62,636	7,660	-	(8,487)	61,809
Audio visual	703	-	-	-	703
Computer software	56,905	404	-	-	57,309
Motor vehicles:					
Buses	64,767	384	(709)	8,487	72,929
Other	26,530	4,373	(3,007)	-	27,896
Total other capital assets at historical cost	<u>4,470,605</u>	<u>45,578</u>	<u>(75,487)</u>	<u>9,024</u>	<u>4,449,720</u>
Less accumulated depreciation for:					
Land improvements	(141,140)	(13,255)	-	-	(154,395)
Buildings and fixed equipment	(1,458,325)	(78,009)	-	-	(1,536,334)
Furniture, fixtures and equipment	(271,328)	(8,987)	71,771	-	(208,544)
Assets under capital leases	(23,223)	(8,110)	-	-	(31,333)
Audio visual	(595)	(44)	-	-	(639)
Computer software	(46,619)	(5,221)	-	-	(51,840)
Motor vehicles:					
Buses	(62,498)	(731)	709	-	(62,520)
Other	(23,510)	(1,655)	3,007	-	(22,158)
Total accumulated depreciation*	<u>(2,027,238)</u>	<u>(116,012)</u>	<u>75,487</u>	<u>-</u>	<u>(2,067,763)</u>
Total other capital assets, net	<u>2,443,367</u>	<u>(70,434)</u>	<u>-</u>	<u>9,024</u>	<u>2,381,957</u>
Total primary government, net	<u>2,836,986</u>	<u>(51,116)</u>	<u>-</u>	<u>-</u>	<u>2,785,870</u>
Internal service fund:					
Machinery and equipment	578	12	-	-	590
Accumulated depreciation*	(578)	(2)	-	-	(580)
Total Internal service fund, net	-	10	-	-	10
Total capital assets, net	<u>\$ 2,836,986</u>	<u>\$ (51,106)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,785,880</u>

*Depreciation expense was recorded in the following governmental functions:

Instructional Services	\$ 85,170
Instructional support services	12,692
Pupil transportation services	1,480
Operation and maintenance of plant	6,202
School administration	2,986
General Administration	2,031
Food services	5,453
Total depreciation expense	<u>\$ 116,014</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

7. INTERFUND TRANSACTIONS

Interfund Transfers. A summary of interfund transfers for the fiscal year ended June 30, 2017 is as follows (in thousands):

	Transfers In			
	General Fund	COP Series Debt Service Fund	Other Governmental Funds	Total
Transfers Out:				
General Fund	\$ -	\$ 5,017	\$ 48	\$ 5,065
Local Millage Capital Improvement Funds	63,426	131,996	-	195,422
ARRA Economic Stimulus Capital Project Funds	-	-	12	12
Other Capital Improvement Funds	20,966	5,653	12,377	38,996
Other Governmental Funds	1,010	-	-	1,010
Total Primary Government	\$ 85,402	\$ 142,666	\$ 12,437	\$ 240,505

The transfers in to the General Fund represent reimbursement of property and casualty insurance premiums pursuant to Chapter 1011.71 of the Florida Statutes. The transfers in to General Fund also includes the Capital Outlay pass-through PECO funds for Charter Schools and the funding of maintenance and repairs of existing school facilities pursuant to Chapter 1013 of the Florida Statutes. The transfers in to 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, 2017 are as follows (in thousands):

	Payable Fund	
	Other Governmental Funds	Total
Receivable Fund:		
General Fund	\$ 18,990	\$ 18,990
Total	\$ 18,990	\$ 18,990

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

8. TAX ANTICIPATION NOTES

On August 23, 2016, the District issued Tax Anticipation Notes ("TANS"), Series 2016. The \$125.0 million note proceeds were used to pay fiscal year 2017 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, 2017 were \$1.5 million, with the effective yield of 0.51%. There was no arbitrage rebate due on the TANS, Series 2016. The notes came due June 15, 2017.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Short-term debt activity for the year ended June 30, 2017 was as follows (in thousands):

	Beginning Balance July 1, 2016	Issued	Redeemed	Ending Balance June 30, 2017
Tax Anticipation Notes	\$ -	\$ 125,000	\$ 125,000	\$ -

9. CAPITAL LEASES

Property acquired under capital leases, which is stated at acquisition cost, is included in the government-wide financial statements. At June 30, 2017, the various components of property acquired under capital leases reported in the government-wide statements were as follows (in thousands):

	Amount
Furniture, fixtures and equipment	\$ 31,477
Buses	25,632
Other Motor Vehicles	4,700
Subtotal	61,809
Less: Accumulated Depreciation	(22,846)
Total Net Book Value	\$ 38,963

The following is a summary of changes in capital leases for the fiscal year ended June 30, 2017 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2016	Increases	Decreases	June 30, 2017
School Buses	4.06%	12/18/2016	\$ 614	\$ -	\$ (614)	\$ -
School Buses	1.81%	05/10/2021	3,229	-	(623)	2,606
Technology Equipment	1.27%	02/27/2018	5,063	-	(2,515)	2,548
Buses/ Hard Drive	1.95%	02/27/2022	7,873	-	(1,249)	6,624
Computers	1.37%	09/04/2018	3,789	-	(1,500)	2,289
Technology	1.42%	04/03/2019	6,798	-	(2,234)	4,564
Buses	1.99%	04/03/2023	13,253	-	(1,782)	11,471
Buses/White Fleet	2.07%	03/02/2025	-	22,300	-	22,300
Technology	0.00%	05/03/2019	-	6,477	(2,800)	3,677
Total capital leases			\$ 40,619	\$ 28,777	\$ (13,317)	\$ 56,079
Less: portion due within one year						(15,450)
Total capital leases due in more than one year						\$ 40,629

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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, 2017 (in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 16,394
2019	11,126
2020	7,153
2021	7,153
2022	6,474
2023-2027	<u>11,156</u>
Total minimum lease payments	59,456
Less:	
Amount representing interest	<u>(3,377)</u>
Present value of minimum lease payments	\$ <u>56,079</u>

The amount representing interest was calculated using annual rates ranging from 1.27% to 4.06%.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

10. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2017 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2016	Increases	Decreases	June 30, 2017	Amounts Due Within One Year
Bonds payable:							
Capital outlay bond issues:							
Series 2006A	3.50-5.00%	01/01/2026	\$ 150	\$ -	(10)	\$ 140	-
Series 2008A	3.25-5.00%	01/01/2028	3,985	-	(3,770)	215	215
Series 2009A-New Money	2.00-5.00%	01/01/2029	920	-	(45)	875	50
Series 2009A-Refunding	2.00-5.00%	01/01/2019	935	-	(295)	640	310
Series 2010A-Refunding	4.00-5.00%	01/01/2022	4,765	-	(665)	4,100	720
Series 2011A-Refunding	3.00-5.00%	01/01/2023	4,740	-	(500)	4,240	550
Series 2014B-Refunding	2.00-5.00%	01/01/2020	3,112	-	(2,517)	595	480
Series 2017A	3.00-5.00%	01/01/2028	-	3,355	-	3,355	9
Total capital outlay bond issues			18,607	3,355	(7,802)	14,160	2,334
General Obligation Bonds:							
Series 2015	3.50-5.00%	07/01/2040	151,840	-	(3,615)	148,225	3,795
Total General Obligation Bonds			151,840	-	(3,615)	148,225	3,795
Certificates of participation:							
Series 2004A-Refunding	2.00-5.25%	07/01/2017	8,290	-	(8,290)	-	-
Series 2004B-Refunding	5.00-5.25%	07/01/2017	14,440	-	(14,440)	-	-
Series 2004 QZAB	(i)	12/22/2020	266	-	(53)	213	53
Series 2007A	3.50-5.00%	07/01/2032	10,610	-	(10,610)	-	-
Series 2008A	3.15-5.25%	07/01/2033	18,685	-	(9,120)	9,565	9,565
Series 2009A BAB	7.40%	07/01/2034	63,910	-	-	63,910	-
Series 2009A QSCB	(ii)	07/01/2024	36,599	-	(4,312)	32,287	4,305
Series 2010A QSCB	6.45%	07/01/2027	51,645	-	-	51,645	5,165
Series 2011A-Refunding	2.00-5.00%	07/01/2024	171,425	-	-	171,425	24,035
Series 2012A-Refunding	4.00-5.00%	07/01/2028	251,115	-	(16,465)	234,650	17,290
Series 2012B-Refunding	2.258%	07/01/2021	44,535	-	(44,535)	-	-
Series 2014A-Refunding	4.33-4.38%	07/01/2029	113,825	-	-	113,825	-
Series 2015A-Refunding	5.00%	07/01/2030	252,360	-	-	252,360	-
Series 2015B-Refunding	5.00%	07/01/2032	170,805	-	-	170,805	-
Series 2015C-Refunding	4.511%	07/01/2031	65,115	-	(115)	65,000	-
Series 2016A-Refunding	3.25-5.00%	07/01/2033	198,205	-	-	198,205	-
Series 2016B-Refunding	5.00%	07/01/2027	18,735	-	-	18,735	-
Series 2017A-Refunding	1.584	07/01/2021	-	39,575	-	39,575	9,282
Total certificates of participation			1,490,565	39,575	(107,940)	1,422,200	69,695
Total bonds and certificates of participation payable			\$ 1,661,012	\$ 42,930	\$ (119,357)	1,584,585	
Add: net premium/discount/deferred amount on refunding						128,574	
Less: amounts due within one year						(75,824)	
Add: interest rate swap – fair value (GASB 53)						37,917	
Total debt, net of premiums and discounts						\$ 1,675,252	\$ 75,824

- (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 sixteen 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 eleven consecutive years, being deposited in an escrow account held by a fiscal agent. The Series 2009A-QSCB will mature on July 1, 2024.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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 \$190 million to aid in this project. This amount will be used to provide resources over a five year period to fund critically needed projects and programs in Safety, Music and Art, Athletics, Renovation and Technology.

A separate bond series was issued pursuant to this referendum. The General Obligation Bond Series 2015 were sold on June 18, 2015 in the amount of \$155 million, which are secured by the general taxing authority of the District. In addition to the Series 2015 bonds, the District plans to issue such approved general obligation bonds in several tranches over the next five to six 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, 2017 was \$4.1 million.

On April 27, 2017, the State Board of Education (SBE) issued Capital Outlay Bonds, Series 2017A to refund callable portions of the SBE Capital Outlay Bonds, 2006 Series A and 2008 Series A. These refunding bonds were issued pursuant to Article XII, Section 9 (d) of the Florida Constitution, to reduce total debt service.

On June 26, 2017, the District issued the Certificates of Participation, Series 2017A for \$39.6 million to currently refund the Certificates of Participation Series 2012B, through a negotiated sales process. The District was able to capitalize on the low interest rate environment due to favorable market conditions. As a result of the refunding, the District will decrease its total debt service requirement by \$44.5 million which results in an economic savings (the difference between the net present value of the debt service payments on the old and new debt) of more than \$556,000.

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 12 of the Notes to the Basic 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 five years until such time as the proceeds have been expended. For the fiscal year ended June 30, 2017, the District has no accrued liability for rebatable arbitrage.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Annual requirements to amortize all bond issues outstanding as of June 30, 2017 are as follows (in thousands):

Year Ending June 30,	Capital Outlay Bond Issue			General Obligation Bond Issue			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 2,334	\$ 650	\$ 2,984	\$ 3,795	\$ 6,279	\$ 10,074	\$ 69,695	\$ 68,700	\$ 138,395
2019	2,068	525	2,593	3,985	6,089	10,074	86,203	66,133	152,336
2020	1,887	429	2,316	4,185	5,890	10,075	95,874	62,718	158,592
2021	1,995	337	2,332	4,395	5,680	10,075	100,395	58,750	159,145
2022	1,973	238	2,211	4,615	5,461	10,076	104,561	54,629	159,190
2023-2027	3,124	476	3,600	26,680	23,687	50,367	565,637	197,169	762,806
2028-2032	639	26	665	32,750	17,613	50,363	360,140	60,188	420,328
2033-2037	-	-	-	39,865	10,500	50,365	39,695	3,013	42,708
2038-2042	-	-	-	27,955	2,266	30,221	-	-	-
Total	\$ 14,020	\$ 2,681	\$ 16,701	\$ 148,225	\$ 83,465	\$ 231,690	\$ 1,422,200	\$ 571,300	\$ 1,993,500

Other Liabilities

The District and Broward Teachers Union reached an agreement on November 26, 2013 to provide for hourly compensation for high school teachers who taught a sixth period during the 2012-2013 school year. It also provided for hourly compensation through October 31, 2013 for high school teachers who were teaching a sixth period in the 2013-2014 school year. This agreement will pay the teachers over a five year period beginning in the 2013-2014 school year. The remaining balance of \$5.5 million is to be paid over the next year.

11. DEFEASED DEBT

On June 26, 2017, the District issued the Certificate of Participation, Series 2017A for \$39.6 million to currently refund the Certificates of Participation, Series 2012B. The net proceeds of \$45.1 million including accrued interest of \$5.5 million (par amount of \$45.0 million less \$110 thousand in costs of issuance) were deposited into an irrevocable escrow and used to redeem the refunded certificates. As a result, the \$39.5 million of the refunded certificates are considered to be in-substance defeased and the liability for these certificates has been removed from the Statement of Net Position.

As of June 30, 2017, the District had an outstanding principal balance for the in-substance defeased debt for the following Certificate of Participation Series: 2008A for \$221.5 million; 2009A for \$21.9 million; 2007A for \$189.3 million; and 2007A for \$178.0 million.

12. 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 SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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 1.58% to 7.40%. The actual interest rate for the outstanding issuance as of June 30, 2017 is reflected in the table below:

Date	Series	Amount	Percentage
December 22, 2004	Series 2004QZAB	\$1.0 million	(i)
June 5, 2008	Series 2008A	\$270.6 million	3.15% - 5.25%
June 17, 2009	Series 2009A-QSCB	\$49.9 million	(ii)
June 17, 2009	Series 2009A-BAB	\$63.9 million	7.40%
July 22, 2010	Series 2010A-QSCB	\$51.6 million	6.45%
May 20, 2011	Series 2011A (refunding)	\$175.5 million	2.00% - 5.00%
April 4, 2012	Series 2012A (refunding)	\$270.7 million	4.00% - 5.00%
February 27, 2014	Series 2014A (refunding)	\$114.1 million	4.33% - 4.38%
February 11, 2015	Series 2015A (refunding)	\$252.4 million	5.00%
February 11, 2015	Series 2015B (refunding)	\$170.8 million	5.00%
September 11, 2015	Series 2015C (refunding)	\$65.2 million	4.511%
April 27, 2016	Series 2016A (refunding)	\$198.2 million	3.25% - 5.00%
April 27, 2016	Series 2016B (refunding)	\$18.7 million	5.00%
June 26, 2017	Series 2017A (refunding)	\$39.2 million	1.584%

- (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 sixteen 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 eleven consecutive years, being deposited in an escrow account held by a fiscal agent. The Series 2009A-QSCB will mature on July 1, 2024.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following table shows Certificates of Participation issued by the District:

Date	Issued	Amount	Purpose	Series
June 26, 2017	Series 2017A	\$39.2 million	Refund Majority	2012B
	Through a negotiated sales process, the District was able to capitalize on the low interest rate environment that occurred at the beginning of the year due to favorable market conditions. The District realized a net present value (NPV) savings of more than \$556,000.			
April 27, 2016	Series 2016A	\$198.2 million	Refund Majority	2008A
April 27, 2016	Series 2016B	\$18.7 million	Refund	2009A Tax Exempt
	Through a competitive sales process. The District was able to capitalize on the low interest rate environment that occurred at the beginning of the year due to favorable market conditions. The District realized a net present value (NPV) savings of more than \$24.2 million. The Series 2016A and 2016B are conventional fixed rate issues with an interest ranging of 3.25% to 5.0 %.			
September 11, 2015	Series 2015C	\$65.2 million	Refund Outstanding	2006B
	The net proceeds of \$65.2 million (par amount of \$65.2 million less \$205 thousand in cost of issuance) were deposited into an irrevocable escrow. The most cost effective variable rate mode was to place the Series 2015C with a bank where the variable rate was set based on an index. The interest rate conversion locked in a rate spread, eliminating certain risks associated with variable rate obligations and reducing the District's debt service costs.			
February 11, 2015	Series 2015A	\$252.4 million	Refund Majority	2005A, 2006A
February 11, 2015	Series 2015B	\$170.8 million	Refund Majority	2007A
	Through a competitive sales process. The District was able to capitalize on the low interest rate environment that occurred at the beginning of the year due to favorable market conditions. The District realized a net present value (NPV) savings of more than \$52.5 million.			
February 27, 2014	Series 2014A	\$114.1 million	Refund	2004D
	Through a competitive sale process. The most cost effective variable rate mode was to place the Series 2014A with a bank where the variable rate was set based on an index. The interest rate conversion locked in a rate spread, eliminating certain risks associated with variable rate obligations and reducing the District's debt service costs.			
April 4, 2012	Series 2012A	\$270.7 million	Refund Outstanding	2001A, 2001B, Portions of 2003A and 2004C
May 20, 2011	Series 2011A	\$175.5 million	Refund Portion of Outstanding	1997B, 2001A, 2001B
July 22, 2010	Series 2010A-QSCB	\$51.6 million	To finance the cost of acquisition, construction, installation and equipping educational 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 SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

June 17, 2009	Series 2009A-QSCB (Qualified Construction Bonds)	\$49.9 million	To finance the cost of acquisition, construction, installation and equipping education facilities.	
	They are non-interest obligations, and are issued as “principal only” (i.e. the principal is repaid by the District).			
June 17, 2009	Series 2009A-BAB (Build America Bond)	\$63.9 million	To finance the cost of acquisition, construction, installation and equipping educational facilities.	
	The Series 2009A-BAB Certificates are taxable debt instruments, whereby the District receives a direct rebate payment from the Federal Government equal to 35% of the interest cost.			
June 5, 2008	Series 2008A	\$270.6 million	To finance the cost of acquisition, construction, installation and equipping educational facilities.	
	In March 2016 the majority of the Certificates Series 2008A was advanced refunded with the issuance of the Certificates of Participation, Series 2016A.			
December 22, 2004	Series 2004-QZAB (Qualified Zone Academy Bonds)	\$1.0 million	Finance construction projects, technology, vocational equipment, development of curriculum and teacher training to promote market-driven technology.	
	Interest on QZAB's is paid by the federal government in the form of an annual tax credit to a bank or other financial institution that holds the QZAB.			

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for school districts: The Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs nor the BABs represent incremental Federal funding, both must be repaid by the District.

In June 2009, the Corporation issued Certificate Series 2009A-BAB (Build America Bond) in the amount of \$63.9 million. The Series 2009A-BAB was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-BAB Certificates are taxable debt instruments, whereby the District receives a direct rebate payment from the Federal Government equal to 35% of the interest cost. The Series 2009A-BAB is a conventional Fixed Rate issue with an interest rate of 7.4%.

In June 2009, the Corporation issued Certificate Series 2009A-QSCB (Qualified School Construction Bonds) in the amount of \$49.9 million. The Series 2009A-QSCB was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-QSCB Certificates are non-interest obligations, and are issued as "principal only" (i.e. the principal is repaid by the District).

In June 2008, the Corporation issued Certificate Series 2008A in the amount of \$270.6 million. The Series 2008A was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2008A is a conventional Fixed Rate issue with interest ranging from 3.15% to 5.25%. In March 2016 the majority of the Certificates Series 2008A was advanced refunded with the issuance of the Certificates of Participation, Series 2016A.

On December 22, 2004, the District sold Series 2004-QZAB for \$1.0 million of which \$848,000 in principal will be repaid pursuant to the Trust Agreement.

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 2004 QZAB, 2004A, 2004B, 2007A, 2008A, 2009A BAB, 2009A QSCB, 2010A QSCB, 2011A, 2012A, 2012B, 2014A, 2015A, 2015B, 2015C, 2016A, 2016B, and 2017A. 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 SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

A summary of the lease terms are presented as follows:

Certificates	Lease Term	Insured By
Series 2004A-Refunding	June 30, 2017 as to the Facilities	Financial Security Assurance, Inc.
Series 2004B-Refunding	June 30, 2017 as to the Facilities	Financial Security Assurance, Inc.
Series 2004 QZAB	December 22, 2020 as to the Facilities	
Series 2008A	June 30, 2018 as to the Facilities	Financial Security Assurance, Inc.
Series 2009A-BAB	July 01, 2034 as to the Facilities	Not insured by any municipal bond insurance policy
Series 2009A-QSCB	July 01, 2024 as to the Facilities	Not insured by any municipal bond insurance policy
Series 2010A-QSCB	July 01, 2027 as to the Facilities	not insured by any municipal bond insurance policy
Series 2011A-Refunding	July 01, 2024 as to the Facilities	Assured Guaranty
Series 2012A-Refunding	July 01, 2028 as to the Facilities	No Insurance
Series 2012B-Refunding	July 01, 2021 as to the Facilities	No Insurance
Series 2014A-Refunding	July 01, 2029 as to the Facilities	No Insurance
Series 2015A-Refunding	July 01, 2030 as to the Facilities	Assured Guaranty
Series 2015B-Refunding	July 01, 2032 as to the Facilities	No Insurance
Series 2015C-Refunding	July 01, 2031 as to the Facilities	No Insurance
Series 2016A-Refunding	July 01, 2033 as to the Facilities	No Insurance
Series 2016B-Refunding	July 01, 2033 as to the Facilities	No Insurance
Series 2017A-Refunding	July 01, 2021 as to the Facilities	No Insurance

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 SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The remaining obligation, as of June 30, 2017, through maturity to the holders of the Certificates, is as follows (in thousands):

Year Ending June 30,	Series 2004 QZAB	Series 2008A	Series 2009A BAB	Series 2009A QSCB	Series 2010A QSCB	Series 2011A
2018	\$ 53	\$ 9,985	\$ 4,729	\$ 4,305	\$ 8,497	\$ 32,546
2019	53	-	4,729	4,300	8,497	32,538
2020	53	-	4,729	4,293	8,497	32,539
2021	54	-	4,729	4,288	8,497	32,545
2022	-	-	4,729	4,282	8,497	32,545
2023-2027	-	-	23,649	10,819	42,481	42,051
2028-2032	-	-	60,125	-	-	-
2033-2037	-	-	24,048	-	-	-
Subtotal	213	9,985	131,467	32,287	84,966	204,764
Less: Interest	-	(420)	(67,557)	-	(33,321)	(33,339)
Total Principal	\$ 213	\$ 9,565	\$ 63,910	\$ 32,287	\$ 51,645	\$ 171,425

Year Ending June 30,	Series 2012A	Series 2014A	Series 2015A	Series 2015B	Series 2015C	Series 2016A
2018	\$ 28,804	\$ 5,026	\$ 12,619	\$ 8,540	\$ 2,973	\$ 9,464
2019	28,799	5,026	22,174	13,490	2,973	18,659
2020	24,842	8,965	24,016	17,658	2,981	18,664
2021	18,899	15,205	24,012	17,660	2,973	18,661
2022	18,905	15,177	34,828	17,658	2,973	18,659
2023-2027	175,398	75,276	174,128	88,284	14,873	93,311
2028-2032	14,409	29,858	61,020	88,267	73,342	93,304
2033-2037	-	-	-	-	-	18,661
Subtotal	310,056	154,533	352,797	251,557	103,088	289,383
Less: Interest	(75,406)	(40,708)	(100,437)	(80,752)	(38,088)	(91,178)
Total Principal	\$ 234,650	\$ 113,825	\$ 252,360	\$ 170,805	\$ 65,000	\$ 198,205

Year Ending June 30,	Series 2016B	Series 2017A	Total
2018	\$ 938	\$ 9,918	\$ 138,397
2019	938	10,161	152,337
2020	938	10,419	158,594
2021	937	10,686	159,146
2022	937	-	159,190
2023-2027	22,533	-	762,803
2028-2032	-	-	420,325
2033-2037	-	-	42,709
Subtotal	27,221	41,184	1,993,501
Less: Interest	(8,486)	(1,609)	(571,301)
Total Principal	\$ 18,735	\$ 39,575	\$ 1,422,200

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.

13. INTEREST RATE SWAPS

The District is a party to two interest rate swap agreements recorded in the financial statements in accordance with GASB Statement No. 53 (“GASB 53”), Accounting and Financial Reporting for Derivative Instruments”, which was in effect for periods beginning with fiscal year ended June 30, 2010. All derivatives are to be reported in the Statement of Net Position at fair value, and all hedges must be tested for effectiveness to qualify for hedge accounting. Depending on the test results, the change in fair value is either reported in the Statement of Net Position, or in the Statement of Activities.

In February 2015, the GASB issued Statement 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between swap counterparties at the measurement date, which includes the non-performance risk (the mark-to-market value excludes the risk of nonperformance).

The District engaged an independent party to perform the valuation and required tests on these two swaps, and both swaps qualify for hedge accounting. Therefore, the change in fair value of the interest rate swaps for the period ended June 30, 2017 is reported within the Statement of Net Position. At the end of the year the Statement of Net Position represents a derivative swap liability of \$37.9 million, offset by a corresponding deferred outflow account in the Statement of Net Position in accordance with GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. The option for cancelling these swaps is only available to the District and not to the Counterparty. The expected swap cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and assumes that the current forward rates implied by the yield curve are the market’s best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the swaps, where future amounts (the expected swap cash flows) are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows, and time value of money. Where applicable under the income approach, the option pricing model technique, such as the Black-Derman-Toy model, or other appropriate option pricing model is used. The observability of inputs used to perform the measurement results in the swap fair values being categorized as Level 2. Following are disclosures of key aspects of these agreements:

A. Certificates of Participation, Series 2015C

Objective of the Interest Rate Swap – The District entered into a variable to fixed rate swap agreement for its Certificates of Participation, Series 2006B dated June 6, 2006. The objective was to achieve lower borrowing costs as compared to issuing regular fixed rate bonds at the time, by synthetically fixing interest rates on the subject certificates. On September 11, 2015 the District refinanced the Certificates of Participation, Series 2006B with Certificates of Participation (direct placement) Series 2015C. The swap associated with the Series 2006B remained in place and then became associated with Series 2015C. GASB 53 requires a termination of hedge accounting upon a refunding requiring the balance in the deferral account to be included as a cost of refunding. The required testing of hedge effectiveness between Series 2015C COPs and the associated swap resumes.

Terms – The Swap, with JP Morgan Chase Bank, N.A, with an initial notional amount of \$65.0 million, became effective on June 6, 2006. The swap amortizes in tandem with the hedged certificates. Under the terms of the swap agreement, the District will pay the Counterparty a fixed annual interest rate of 4.131%. The District will receive from the Counterparty a variable payment based on two floating rate structures: 1) from July 1, 2006 through June 30, 2009, the interest rate is based on the SIFMA Index; 2) from July 1, 2009 through June 30, 2031, the interest rate is based on 70% of the London Interbank Offered Rate (LIBOR). The swap agreement terminates on June 30, 2031.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Fair Value – This is the calculated value of the transaction using prevailing market rates, absent transaction costs, and incorporates the risk of nonperformance of the District. The swap had a negative fair value of \$18.02 million as of June 30, 2017, as compared to a negative fair value of \$24.7 million in the prior year.

Hedging derivative instrument payments and hedged debt – As of June 30, 2017, assuming interest rates remain the same for their term, as described, debt service requirements of the Series 2015C Certificates and the net swap payments, are as shown below. As rates vary, variable rate bond interest payments and net swap payments will vary and it is anticipated these schedules will vary from year to year.

Interest rates swap schedules are based on interest rates effective on June 30, 2017.

Year Ending June 30,	Series 2015C Principal	Interest ⁽¹⁾	Net Swap Payments ⁽²⁾	Total Payments
2018	\$ -	\$ 804	\$ 2,128	\$ 2,932
2019	-	804	2,128	2,932
2020	-	804	2,128	2,932
2021	-	804	2,128	2,932
2022	-	804	2,128	2,932
2023-2027	-	4,019	10,641	14,660
2028-2031	65,000	2,255	5,967	73,222
Total	\$ 65,000	\$ 10,294	\$ 27,248	\$ 102,542

⁽¹⁾ Assumes variable interest rate of 1.2367% (actual rate on 6/30/17 of 70% LIBOR + 38 bps)

⁽²⁾ Assumes fixed swap rate (payment) of 4.131% less variable swap receipt of 0.8567% (70% of LIBOR)

Credit Risk – This is the risk that a counterparty will not fulfill its obligations. As of June 30, 2017, the District was not exposed to credit risk because the swap had a negative mark-to-market value of \$19.5. However, should interest rates change and the mark-to-market value of the swap becomes positive, the District would be exposed to credit risk in the amount of the derivative’s mark-to-market value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty’s credit rating from either Standard & Poor’s (S&P) and/or Moody’s Investors Services is “A- / A3” respectively or lower, and the mark-to-market value of the swap reaches certain threshold amounts, the swap requires collateralization of the mark-to-market value of the swap by the Counterparty with U. S. Government Securities. Collateral would be posted with a third party custodian.

Swap Counterparty Data as of June 30, 2017
(dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
JP Morgan Chase Bank, N.A.	\$ 65,000	Aa3	A+	\$ (18,023)

Basis Risk – Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable Counterparty. The District receipts on the swap are based on 1 Month LIBOR, just as the payments on the certificates are based on 1 Month LIBOR, with no difference in percentages, therefore there is no basis risk associated with this swap.

Termination Risk – The District has the option to terminate the swap prior to its expiration date for any reason. The Counterparty may terminate the swap if the District fails to perform under the terms of the contract. If the swap is terminated, the Series 2015C certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination,

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

the swap has a negative mark-to-market value, the District would be liable to the Counterparty for payment equal to the swap's mark-to-market value.

B. Certificates of Participation, Series 2014A

Objective of the Interest Rate Swap – The objective was to achieve lower borrowing costs as compared to issuing regular fixed rate bonds at the time, by synthetically fixing interest rates on Series 2004D. On February 27, 2014 the District refinanced the Certificates of Participation, Series 2004D with Certificates of Participation (direct placement) Series 2014A. The swap associated with the Series 2004D remained in place and then became associated with Series 2014A. GASB 53 requires a termination of hedge accounting upon a refunding requiring the balance in the deferral account to be included as a cost of refunding. The required testing of hedge effectiveness between Series 2014A COPs and the associated swap resumes.

Terms – The Swap, with Citibank, N.A. with an initial notional amount of \$113.8 million, became effective on June 30, 2004. Under the terms of the swap agreement, the District will pay the Counterparty a fixed annual interest rate of 3.85%. The District will receive from the Counterparty a variable payment based on 67% of the LIBOR. The District will also pay the interest rate resulting from the 2014A variable rate certificates. The swap agreement terminates on July 1, 2029.

Fair Value – The swap had a negative fair value of \$19.9 million as of June 30, 2017, as compared to a negative fair value of \$28.6 million in the prior year.

Hedging derivative instrument payments and hedged debt – As of June 30, 2017, assuming interest rates remain the same for their term, as described, debt service requirements of the Series 2014A Certificates and the net swap payments, are as shown below. As rates vary, variable rate bond interest payments and net swap payments will vary and it is anticipated these schedules will vary from year to year. Interest rates swap schedules are based on interest rates effective on June 30, 2017.

Year Ending June 30,	Series 2014A Principal	Interest ⁽¹⁾	Net Swap Payments ⁽²⁾	Total Payments
2018	\$ -	\$ 1,580	\$ 3,449	\$ 5,029
2019	-	1,580	3,449	5,029
2020	3,925	1,580	3,449	8,954
2021	10,350	1,526	3,330	15,206
2022	10,775	1,382	3,016	15,173
2023-2027	60,800	4,542	9,913	75,255
2028-2029	27,975	587	1,280	29,842
Total	\$ 113,825	\$ 12,777	\$ 27,886	\$ 154,488

⁽¹⁾ Assumes variable interest rate of 1.3867% on \$56,910,000 and 1.3900% on \$56,915,000 (actual rate on 6/30/17 of 70% LIBOR + 53 bps and SIFMA + 48 bps respectively)

⁽²⁾ Assumes fixed swap rate (payment) of 3.85% less variable swap rate (receipt) of 0.82%

Credit Risk – As of June 30, 2017, the District was not exposed to credit risk because the swap had a negative mark-to-market value of \$20.7. However, should interest rates change and the mark-to-market value of the swap become positive, the District would be exposed to credit risk in the amount of the derivative's mark-to-market value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty's credit rating from either Standard & Poor's (S & P) and Moody's Investors Services is "A+"/A1, respectively or lower, and the mark-to-market value of the swap reaches certain threshold amounts, the swap requires collateralization of the mark-to-market value of the swap by the Counterparty with U.S. Government Securities. Collateral would be posted with a third party custodian.

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Swap Counterparty Data as of June 30, 2017
(dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
Citibank, N.A., New York	\$ 113,825	A1	A+	\$ (19,894)

Basis Risk – Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable counterparty. The swap exposes the District to basis risk since the District receives a percentage of LIBOR to offset the variable rate the District pays on its bonds. The District is exposed to basis risk should the floating rate that it receives on a swap be less than the variable rate the District pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Termination Risk – The District has the option to terminate the swap prior to its expiration date for any reason. The Counterparty may terminate the swap if the District fails to perform under the terms of the contract. If the swap is terminated, the Series 2014A certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination, the swap has a negative mark-to-market value, the District would be liable to the Counterparty for payment equal to the swap's mark-to-market value.

14. 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% 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, 2017, the estimated current liability for accumulated sick leave including retirement and social security contributions was \$6.9 million and \$0.1 million in the General Fund and Special Revenue Funds, respectively. The balance of compensated absences payable from future resources was \$28.0 million for accumulated vacation leave and \$132.1 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following is a summary of changes in the liability for compensated absences for the fiscal year ended June 30, 2017 (in thousands):

Balance - June 30, 2016		\$ 163,346
Additions		81,550
Reductions		<u>(77,832)</u>
Balance - June 30, 2017		<u>167,064</u>
Less:		
Amount due within one year		
Current portion (modified accrual basis)	\$ 6,983	
Non-current portion		160,081
Other amount due within one year	<u>11,672</u>	
Total due in more than one year		<u>\$ 148,409</u>
Total amount due within one year (full accrual basis)	<u>\$ 18,655</u>	

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District administers a single employer defined benefit plan in accordance with the Governmental Accounting Standard Board Statement No. 45 ("GASB 45"), "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", for certain postemployment benefits including continued coverage for the 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. GASB 45's basic concept is to recognize the cost of an employee's OPEB during the period of service. As defined in the statement, a significant expense recognizing the past and future costs of providing OPEB benefits is required to be recorded annually. For fiscal year 2017, the Actuarial Valuation was performed as of January 1, 2017. The actuarial determined liability for the District was \$171,790 million on January 1, 2017, being amortized over the period of 21 years. The General Fund typically has been used in prior years to liquidate the long-term liabilities associated with the net pension obligation or other postemployment benefit obligations.

Plan Description. The Other Postemployment Benefits Plan (Plan) operates as a single employer defined benefit plan. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The authority for establishing and amending the plan funding policy and benefits rests with the Board. Eligible retirees may choose among the same Medical Plan options available for active employees of the Employer. 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 the Section 112.081, 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 for 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Funding Policy. The District plans to fund this postemployment benefit on a pay-as-you-go basis. For fiscal year 2016-17, approximately 990 retirees received post-employment benefits, and 11 retirees receive life insurance postemployment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of \$7,298,413.

Annual OPEB Cost and Net OPEB Obligations. The OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The following is a summary of changes for the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for the fiscal year ended June 30, 2017 (in thousands):

		<u>FY 2017</u>
Annual Required Contribution (ARC)		
Normal Cost	\$ 8,561	
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	<u>8,322</u>	
ARC		\$ 16,883
Interest on net OPEB Obligation		2,743
Adjustment to ARC		<u>(3,733)</u>
Annual OPEB cost (expense)		15,893
Less: Contributions made		<u>(7,298)</u>
Net OPEB Obligation Increase		8,595
Net OPEB Obligation, Beginning of Year		<u>78,390</u>
Net OPEB Obligation, End of Year		<u>\$ 86,985</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2017, and the two preceding years were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Amount Contributed	Percent of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2015	\$ 12,770	\$ 5,181	40.57%	\$ 72,011
06/30/2016	\$ 13,198	\$ 6,819	51.66%	\$ 78,390
06/30/2017	\$ 15,893	\$ 7,298	45.92%	\$ 86,985

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2017, was as follows (in thousands):

Actuarial Accrued Liability (a)	\$ 171,790
Actuarial Value of Assets (b)	<u>-</u>
Unfunded Actuarial Accrued Liability (a-b)	<u>\$ 171,790</u>
Funded Ratio (b)/ (a)	0.0%
Covered Payroll (Active Plan Members) (c)	\$ 1,126,182
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a)-(b))/ (c)	15.25%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	21 Years, Closed
Asset Valuation Method	Plan Not Funded
Investment Return Discount Rate *	3.5%
Assumed Rate of Payroll Growth *	3.5%
Healthcare Inflation Rate	Increase of 9% for First Year, Reduced by 5% Until Ultimate Rate of 4.8% is reached

* Includes a price inflation assumption of 2.5 percent

16. RETIREMENT PLANS

The District provides retirement benefits to its employees through the Florida Retirement System and a Deferred Retirement Option Program (DROP). All regular employees of the District are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer defined benefit retirement plan ("Plan") with a Deferred Retirement Option Program (DROP) and The Retiree Health Insurance Subsidy (HIS) Program available for eligible employees.

Florida State Retirement Programs

Plan Description: The Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail.

Essentially, all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified ages or number of years of service depending upon the employee's classification. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership. The Plan's financial statements and required supplemental information are included in the comprehensive annual financial report of the State of Florida which may be obtained by contacting the Florida State Comptroller's Office in Tallahassee, Florida. Also, an annual report on the Plan which includes its financial statements, required supplemental information, actuarial report, and other relevant information may be obtained by contacting the Florida Department of Management Services, Division of Retirement, and P. O. Box 9000, Tallahassee, Florida, 32315-9000.

FRS Pension Plan

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

- *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 six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight 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. 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 five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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:

Regular Class Members – Initially enrolled before July 1, 2011

Retirement Age / Years of Service	% Value
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

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Regular Class Members – Initially enrolled on or after July 1, 2011

Retirement Age / Years of Service	% Value
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 years of service	1.68

<u>Class</u>	<u>% Value</u>
Elected County Officers	3.00
Senior Management Service Class	2.00

Special Risk – Regular Class

Years of Service	% Value
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is 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 is 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 contribution rates for Plan members are established, and may be amended, by the State of Florida. For the fiscal year ended June 30, 2017, contribution rates were as follows:

Class or Plan	Contribution Rates	
	Employee	Employer ^(A)
Florida Retirement System, Regular	3.00%	7.52%
Florida Retirement System, County Elected Officers	3.00%	42.47%
Florida Retirement System, Senior Management Service	3.00%	21.77%
Florida Retirement System, Special Risk	3.00%	22.57%
Teachers' Retirement System, Plan E	6.25%	11.90%
State & County Officers and Employees' Retirement System, Plan A	N/A	N/A
State & County Officers and Employees' Retirement System, Plan B	N/A	N/A
Deferred Retirement Option Program	-	12.99%

Note: (A) Rates include the post-employment health insurance supplement of 1.66% and the administrative/educational cost of 0.06% of the Investment Plan.

The District's contributions to the Plan for the fiscal year ending June 30, 2017, totaled \$67.0 million, which was equal to the required contributions for the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As a result of GASB 68, at June 30, 2017, the Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, the District reported a

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

liability of \$694.2 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 2.75 percent, which was a decrease of (.03) percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$97.0 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):

Deferred Inflows and Outflows (FRS):

Description		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experiences	\$	53,150	\$	6,463
Net differences between projected and actual earnings on pension plan investments		179,432		-
District FRS contributions and proportionate share of contributions				45,005
Changes in proportion and proportionate share of contributions and differences between employer contributions		41,995		-
Employer contributions subsequent to the measurement date		75,743		-
Total	\$	350,320	\$	51,468

Fiscal Year Ending June 30, 2017	Amount (in thousands)
2018	28,078
2019	28,078
2020	98,032
2021	64,532
2022	3,577
Thereafter	812

Deferred outflows of \$75.7 million relate to district contributions to the Plan subsequent to the measurement date, which is in essence all contributions paid by the district during fiscal 2017. The amount will be

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

recognized as a reduction in the net pension liability in fiscal year 2017. 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:

Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.60 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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	1.00%	3.20%	3.10%	1.70%
Fixed Income	18.00%	4.80%	4.70%	4.70%
Global equity	53.00%	8.50%	7.20%	17.70%
Strategic investments	12.00%	6.70%	6.10%	11.40%
Private Equity	6.00%	11.90%	8.20%	30.00%
Real Estate (Property)	10.00%	6.80%	6.20%	12.00%
Total	100.00%			
Assumed inflation - Mean		2.60%		1.90%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.60 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.

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Sensitivity of the District's Proportionate Share of the Net Position 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 7.60 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 (6.60 percent) or 1 percentage-point higher (8.60 percent) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
6.60%	7.60%	8.60%
\$ 1,227,996	\$ 694,160	\$ 208,194

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.

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, 2017, 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, 2017, the contribution rate has increased to 1.66 percent from 1.26 of payroll pursuant to section 112.363, Florida Statutes, an increase of (.40). The District contributed 100 percent of its statutorily required contributions for the current and preceding three 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 Plan for the fiscal years ending June 30, 2017, totaled \$20.3 million, which was equal to the required contributions for the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$461.2 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's fiscal year contributions relative to the total fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 3.96 percent, which was a decrease of (.08) percent from its proportionate share measured as of June 30, 2015.

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NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Deferred Inflows and Outflows (HIS):

Description		Deferred Outflows of Resources		Deferred Inflows of Resources
District HIS contributions and proportionate share of contributions	\$	863	\$	8,668
Net differences between projected and actual earnings on pension plan investments		233		-
Changes in proportion and proportionate share of contributions and differences between employer contributions		72,337		1,050
Employer contributions subsequent to the measurement date		21,900		-
Total	\$	95,333	\$	9,718

As of June 30, 2017, the District recognized pension expense of \$26.6 million related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions that will be amortized and recognized as pension expense as follows:

Pension Expense:

Fiscal Year Ending June 30, 2017	Amount (in thousands)
2018	\$ 11,569
2019	11,569
2020	11,525
2021	11,504
2022	9,620
Thereafter	7,928

Actuarial Assumptions. The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.85 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 2.85 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

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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.

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 2.85 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 (1.85 percent) or 1 percentage-point higher (3.85 percent) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
1.85%	2.85%	3.85%
\$ 529,125	\$ 461,221	\$ 404,864

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.

FRS – Defined Contribution Pension Plan

The District contributed \$ 11.7 million in fiscal year 2017 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. 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 Class, 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. Allocations to the investment member's accounts during the 2015-16 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

For all membership classes, employees are immediately vested in their own contributions and are vested after one 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 five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2017, 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.

17. RETIREMENT INCENTIVE PROGRAMS

In addition to the retirement benefits described in Note 16, the District has authorized an early retirement incentive to provide financial assistance for the purchase of health and life insurance to our retirees.

For those eligible employees who qualify for the retirement incentive programs, the Employer's Retirement Assistance Program (RAP) Incentives, listed below are brief descriptions and eligibility criteria of this Plan.

RAP effective July 1, 2008 through October 15, 2008:

- Are retired under the RAP.
- Effective upon retirement, the District will provide paid employee health insurance (HMO or Consumer Driven Plan premium) until the employee is Medicare eligible.
- Were insured under the Employer's group life insurance program on the last day before the insured's retirement.
- Are one of the following:
 - Full-time bargaining unit members who are at least age 55 and on Step 20 or higher on the teachers' salary schedule in the FRS and who have at least ten (10) years of service in the District.
 - Full-time bargaining unit members who are at least age 55 and on Step 20 or above in the TRS and who have at least ten (10) years of service in the District.

A summary of the total expenditures for the fiscal year ended June 30, 2017 is as follows (dollars in thousands):

	Number of Participants	Health Insurance*	Life Insurance	Total
RAP	8	\$ 84	\$ 1	\$ 85
Total	8	\$ 84	\$ 1	\$ 85

*Net of Florida Retirement System subsidy if applicable

The District will subsidize health and life insurance premiums for those qualified employees on an annual basis. The subsidies continue until age 65. Premium costs in excess of the subsidy are borne by the participants. The District's expenditures are recognized in the fiscal year in which they are paid, and are not

funded in advance on an actuarially determined basis. As of June 30, 2017, 8 employees participated in the District's retirement incentive program.

Effective July 1, 1998, employees who have vested under the Plan may elect to participate in the State of Florida's Deferred Retirement Option Program (DROP). Under DROP provisions, a participant will have its monthly retirement benefit paid directly into DROP where it will earn tax deferred interest at a rate established by the State, compounded monthly, for up to 60 months, except for teachers who may be granted extensions of 36 months upon the Superintendent's approval. The participant may continue to work for the District until his/her pre-selected termination date or the end of the DROP period. At termination, the participant will receive a lump sum payment of his/her accumulated DROP benefits, and, thereafter, he/she will receive its monthly Plan benefit. As of June 30, 2017, there were 1,348 District employees participating in the DROP incentive program.

18. 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. The FICA Plan was established under IRC section 401(a) and requires a mandatory pre-tax contribution of 7.5% in lieu of social security. The FICA Plan is noncontributory for the District and eliminates the required match of social security contributions. Approximately 5,728 temporary employees are currently participating in the FICA Plan. For the period ended June 30, 2017, \$2.6 million was contributed by participating employees based on gross wages of \$34 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.

19. 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 students, and natural disasters. Worker's compensation, automobile liability, general liability and health insurance coverage are being provided on a self-insurance 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 three 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, 2017 using a margin for a 50% confidence level. With the 50% confidence level, the actuary is estimating the margin necessary so that there is a 50% 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 \$73.3 million at June 30, 2017 includes estimated losses for all reported claims and for claims incurred but not reported.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

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

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 76,269	\$ 79,532
Additions:		
Claims incurred	212,807	198,519
Reductions:		
Claims payments	<u>(215,824)</u>	<u>(198,782)</u>
Balance, end of year	73,252	<u>\$ 76,269</u>
less: portion due within one year	<u>(38,958)</u>	
Total due in more than one year	<u>\$ 34,294</u>	

20. FUND BALANCE REPORTING

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

Nonspendable:

The District has \$11.0 million in inventory and \$14.0 million in prepaids classified as nonspendable.

Spendable:

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

Florida Statutes require certain revenues to be designated for the purposes of state required carryover programs, debt service, capital projects, and food service. The restricted fund balance totaling \$392.7 million represents \$19.8 million in State required carryover programs, \$1.9 million for Workforce Development, \$10.0 million in Debt Service, \$315.3 million in Capital Projects, and \$45.7 million in Food Service.

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 \$35.9 million. The assigned fund balance is comprised of outstanding encumbrances of \$12.5 million for goods and services including supplies, furniture, fixture and equipment, and fuel; next year budget appropriations of \$14.6 million; obligations for other postemployment benefits of \$4.3 million; and \$4.6 million for before and after care programs.

Unassigned:

The District's General Fund unassigned fund balance is \$61.2 million.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following table shows the District's fund balance classification at June 30, 2017 (in thousands):

	Major Funds						Total Governmental Funds
	General Fund	COPS Series Debt Service Fund	District Bonds	Local Millage Capital Improvement Fund	Other Governmental Funds		
Fund Balances:							
<u>Nonspendable:</u>							
<u>Inventories:</u>							
General Fund	\$ 7,443	\$ -	\$ -	\$ -	\$ -		7,443
Special Revenue – Food Svc	-	-	-	-	3,517		3,517
Prepays	14,097	-	-	-	-		14,097
Total Nonspendable	21,540	-	-	-	3,517		25,057
<u>Restricted:</u>							
State Required Carryover Pgms	19,763	-	-	-	-		19,763
Workforce Development	1,870	-	-	-	-		1,870
Capital Projects	-	-	104,757	97,135	113,454		315,346
Special Revenue – Food Svc	-	-	-	-	45,742		45,742
Debt Service	-	1,855	-	-	8,172		10,027
Total Restricted	21,633	1,855	104,757	97,135	167,368		392,748
<u>Committed:</u>							
Self-Insurance	54,327	-	-	-	-		54,327
Total Committed	54,327	-	-	-	-		54,327
<u>Assigned:</u>							
School Operations - Eumbrances	12,474	-	-	-	-		12,474
Next Year Budget appropriations	14,551	-	-	-	-		14,551
OPEB	4,287	-	-	-	-		4,287
Special Revenue – Misc	-	-	-	-	4,513		4,513
Total Assigned	31,312	-	-	-	4,513		35,825
<u>Unassigned:</u>							
Total Unassigned	61,213	-	-	-	-		61,213
Total Fund Balance:	\$ 190,025	\$ 1,855	\$ 104,757	\$ 97,135	\$ 175,398		\$ 569,170

The total of the assigned 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 \$93.0 million or 4.4 percent of the General Fund's total revenues, and 5.2 percent of the General Fund's total revenues excluding Charter school revenues.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

21. 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, 2017 is shown in the table below (in thousands):

Total capital assets, net of accumulated depreciation		\$	2,785,880
less:			
Total debt outstanding, net of unspent proceeds	\$	(1,598,900)	
Retainage payable		<u>(2,946)</u>	
Total related debt			<u>(1,601,846)</u>
Total net investment in capital assets		\$	<u>1,184,034</u>

22. COMMITMENTS AND CONTINGENCIES

At June 30, 2017, the District had purchase orders outstanding for goods and/or services related to future expenditures for the 2016-17 school year totaling \$13.5 million in the General Fund (\$12.5 million was within assigned fund balance and \$1.0 million was restricted for State Categorical Programs), and \$77.4 million in the Capital Projects Funds, of which \$44.7 million was for various construction contracts. The accompanying financial statements do not give effect to these purchase orders.

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, 2017. 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 funds.

23. SUBSEQUENT EVENTS

On September 19th 2017, the District issued \$125.0 million Tax Anticipation Notes, Series 2017, 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, 2017 and ending June 30, 2018, 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 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.

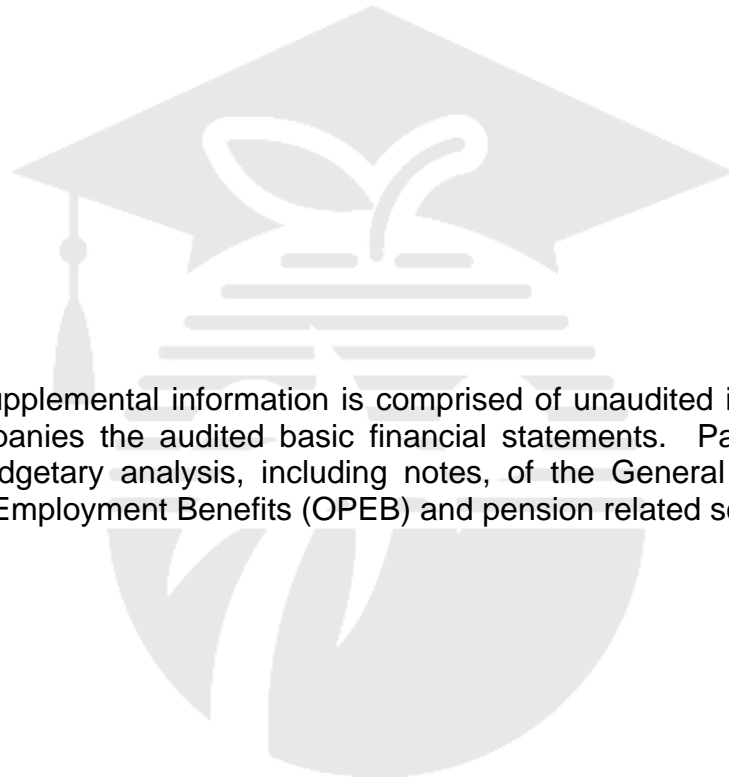
On September 29th 2017, the District closed on the sale of School Board owned vacant land of 7.29 acres formally known as "Rock Island Acreage" located at the southern corner of NW 17th Street and NW 23rd Avenue in the city of Fort Lauderdale for \$3.1 million. The real property was purchased by the District on February 2, 2000 at a cost of \$0.68 million for the purpose of constructing an expansion to the Arthur Ashe Middle School. However, the expansion to the school was never constructed and through the years, the real property remained vacant.

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

Required Supplemental Information (Part B)



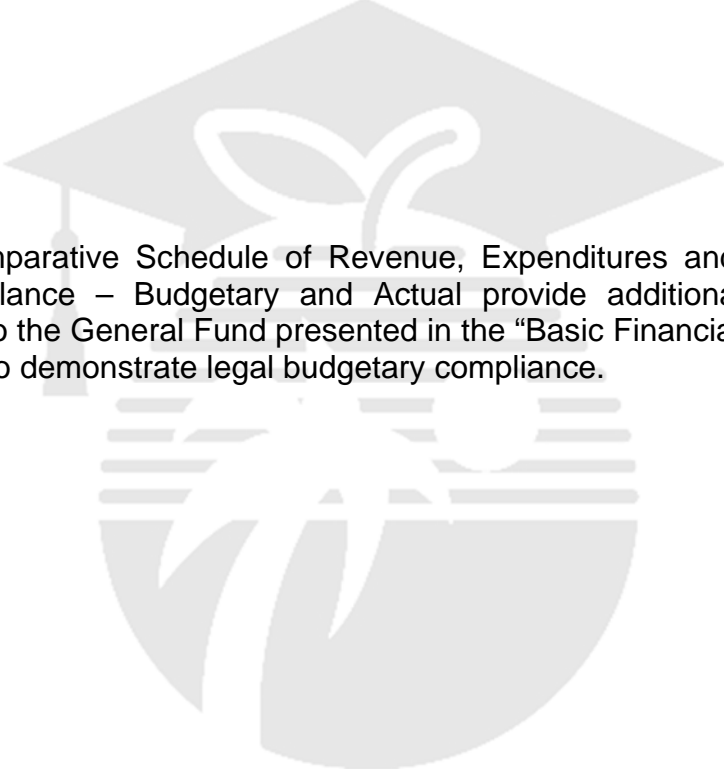
Required supplemental information is comprised of unaudited information that accompanies the audited basic financial statements. Part B deals with the budgetary analysis, including notes, of the General Fund and Other Post Employment Benefits (OPEB) and pension related schedules.

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)



The Comparative Schedule of Revenue, Expenditures and Changes in Fund Balance – Budgetary and Actual provide additional information relating to the General Fund presented in the “Basic Financial Statements” in order to demonstrate legal budgetary compliance.

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
SOURCES/INFLOWS:				
Revenues:				
Local sources:				
Ad valorem taxes	\$ 915,933	\$ 916,007	\$ 916,007	\$ -
Interest on investments	2,250	4,147	4,146	(1)
Other	50,854	64,089	64,092	3
Total local sources	969,037	984,243	984,245	2
State sources:				
Florida education finance program	709,348	688,326	688,328	2
Discretionary lottery funds	-	4,698	4,698	-
Categorical programs and other	396,245	394,430	394,429	(1)
Total state sources	1,105,593	1,087,454	1,087,455	1
Federal sources:				
Grants and other	12,406	22,189	22,189	-
Total federal sources	12,406	22,189	22,189	-
Total revenues	2,087,036	2,093,886	2,093,889	3
Other financing sources				
Transfers in	84,318	85,402	85,402	-
Total other financing sources	84,318	85,402	85,402	-
Total amounts available for appropriations	2,171,354	2,179,288	2,179,291	3
USES/OUTFLOWS:				
Expenditures:				
Current operating:				
Instructional services	1,452,449	1,418,577	1,419,048	(471)
Student and instructional support services	178,880	196,295	196,296	(1)
Student transportation services	82,050	87,644	87,644	-
Operation and maintenance of plant	241,341	246,241	246,242	(1)
School administration	131,701	136,711	136,711	-
General administration	80,569	88,439	88,436	3
Total current operating	2,166,990	2,173,907	2,174,377	(470)
Debt service:				
Interest charges and other	377	1,480	1,480	-
Total debt service	377	1,480	1,480	-
Capital outlay				
Total expenditures	2,167,367	2,175,387	2,175,857	(470)
Other financing uses:				
Transfers out	5,057	5,065	5,065	-
Total charges against appropriations	2,172,424	2,180,452	2,180,922	(470)
Net change in fund balances	\$ (1,070)	\$ (1,164)	(1,631)	\$ (467)
Appropriated beginning fund balances	\$ 1,070	\$ 1,164		
Adjustment to conform with GAAP:				
Elimination of encumbrances			12,475	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			10,844	
Fund balances, beginning of year			179,181	
Fund balances, end of year			\$ 190,025	

The accompanying notes are an integral part of this schedule.

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

I. BUDGET

Budget Information. GASB 34 requires governments to include as required supplementary information (RSI), budgetary comparison schedules for the general fund and each major special revenue fund that has a legally adopted budget.

Budgets are legally adopted annually for the General Fund and the major Special Revenue Fund. Unencumbered appropriations lapse at year-end for the General Fund and encumbered appropriations are carried forward, if applicable, to the following year and closed after a three-month period. Management may not amend the budget without the specific approval of the School Board. Accordingly, no expenditure may be authorized and no obligation incurred in excess of the current budgetary appropriation without Board authorization. The budgetary basis of accounting is the modified accrual basis plus encumbrances authorized for the fiscal year.

The budget revenues and expenditures shown in the accompanying schedule reflect all amendments to the original budget through September 06, 2017, the date the final amendments were approved by the Board.

II. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

The following table presents a reconciliation of the differences between the budgetary and GAAP basis of accounting for the General Fund (in thousands):

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 2,179,291
Transfers from other funds, other loss recoveries and sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(85,402)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 2,093,889</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total charges against appropriations" from the budgetary comparison schedule	\$ 2,180,922
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(5,065)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (budgetary basis)	<u>2,175,857</u>
Encumbrances for goods and services is reported in the year the purchase order, contract or commitment for expenditures is initiated; but reported in the year received or delivered for financial reporting purposes	<u>(12,475)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u>\$ 2,163,382</u>

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Actuarial Valuation Date (a)	Actuarial Value of Assets (b)	Actuarial Accrued Liability (AAL) (c)	Unfunded AAL (UAAL) (c-b)	Funded Ratio (b/c)	Covered Payroll (d)	UAAL as a % of Covered Payroll ((c-b) / d)
01/01/2013	\$ -	\$ 163,250	\$ 163,250	0.0%	\$ 1,053,105	15.50%
01/01/2015	\$ -	\$ 142,634	\$ 142,634	0.0%	\$ 1,082,302	13.18%
01/01/2017	\$ -	\$ 171,790	\$ 171,790	0.00%	\$ 1,126,182	15.25%

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM (FRS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(dollars in thousands)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	2.75%	3.05%	3.13%	3.14%
Proportionate share of the net pension liability (asset) \$	694,160	\$ 393,881	\$ 190,768	\$ 540,324
Covered employee payroll \$	1,319,977	\$ 1,225,971	\$ 1,227,048	\$ 1,209,179
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	52.59%	32.13%	15.55%	44.69%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%	88.54%

SOURCE: Accounting & Financial Reporting Department

(UNAUDITED)

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM (FRS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(dollars in thousands)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	75,743	\$ 67,042	\$ 74,349	\$ 68,486
Contributions in relation to the contractually required contribution	75,743	\$ 67,042	\$ 74,349	\$ 68,486
Contribution deficiency (excess)		\$ -	\$ -	\$ -
Covered employee payroll	1,319,977	\$ 1,225,971	\$ 1,227,048	\$ 1,209,179
Contributions as a percentage of covered employee payroll	5.74%	5.47%	6.06%	5.66%

SOURCE: Accounting & Financial Reporting Department

(UNAUDITED)

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(dollars in thousands)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	3.96%	4.04%	4.07%	4.05%
Proportionate share of the net pension liability (asset)	461,221	\$ 412,416	\$ 380,520	\$ 352,835
Covered employee payroll	1,319,977	\$ 1,225,971	\$ 1,227,048	\$ 1,209,179
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	34.94%	33.64%	31.01%	29.18%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%	0.99%

SOURCE: Accounting & Financial Reporting Department

(UNAUDITED)

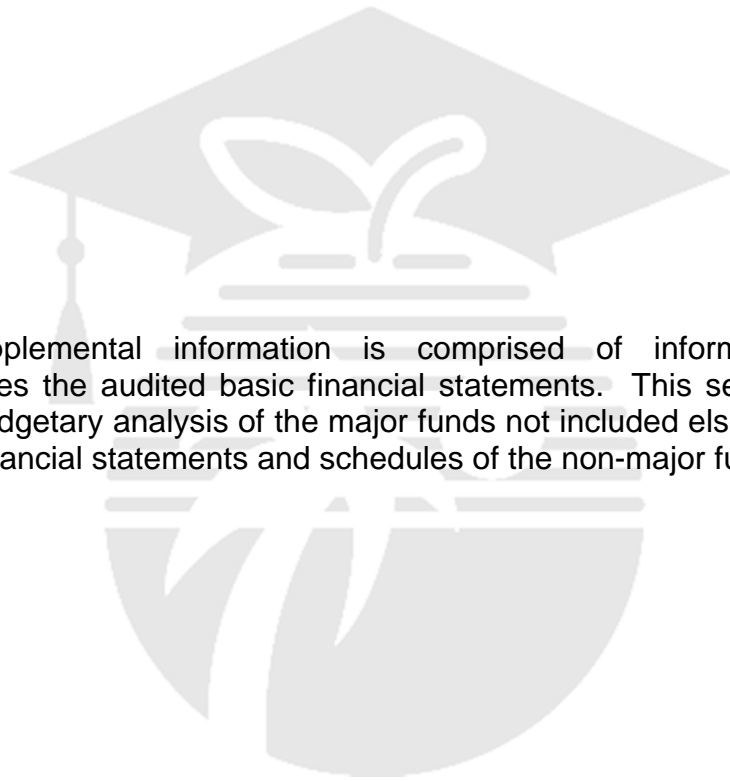
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(dollars in thousands)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 21,900	\$ 20,284	\$ 15,458	\$ 13,941
Contributions in relation to the contractually required contribution	\$ 21,900	\$ 20,284	\$ 15,458	\$ 13,941
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,319,977	\$ 1,225,971	\$ 1,227,048	\$ 1,209,179
Contribution as a percentage of covered employee payroll	1.66%	1.65%	1.26%	1.15%

SOURCE: Accounting & Financial Reporting Department

(UNAUDITED)

Other Supplemental Information



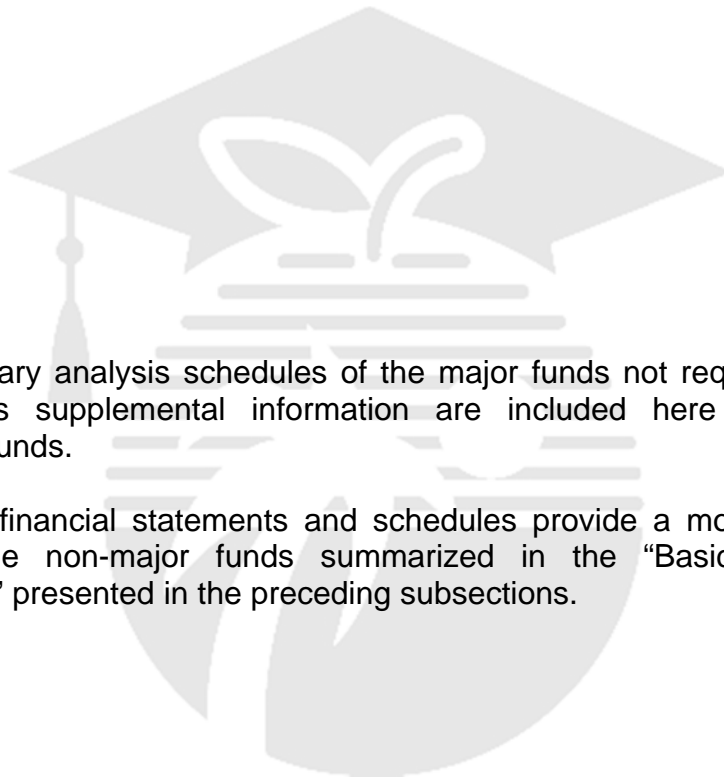
Other supplemental information is comprised of information that accompanies the audited basic financial statements. This section deals with the budgetary analysis of the major funds not included elsewhere and the fund financial statements and schedules of the non-major funds.

Broward County Public Schools



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Other Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Combining, Individual Non-Major Fund Statements and Schedules



The budgetary analysis schedules of the major funds not required to be included as supplemental information are included here with their respective funds.

Combining financial statements and schedules provide a more detailed view of the non-major funds summarized in the “Basic Financial Statements” presented in the preceding subsections.

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2017

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS:				
Equity in pooled cash and investments	\$ 50,714	\$ 3,688	\$ 65,360	\$ 119,762
Cash and cash equivalents	1	25,979	49,638	75,618
Due from other governmental agencies	26,096	248	4,844	31,188
Accrued interest receivable	35	8	55	98
Inventories	3,517	-	-	3,517
Other assets	158	-	26	184
Total assets	\$ 80,521	\$ 29,923	\$ 119,923	\$ 230,367
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 6,361	\$ 11	\$ 2,947	\$ 9,319
Due to other funds	18,990	-	-	18,990
Unearned revenue	1,305	-	878	2,183
Retainage payable	-	-	2,644	2,644
Matured debt and interest payable	-	21,740	-	21,740
Liability for compensated absences	93	-	-	93
Total liabilities	26,749	21,751	6,469	54,969
Fund balances:				
Nonspendable	3,517	-	-	3,517
Restricted	45,742	8,172	113,454	167,368
Assigned	4,513	-	-	4,513
Total fund balance	53,772	8,172	113,454	175,398
Total liabilities and fund balance	\$ 80,521	\$ 29,923	\$ 119,923	\$ 230,367

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

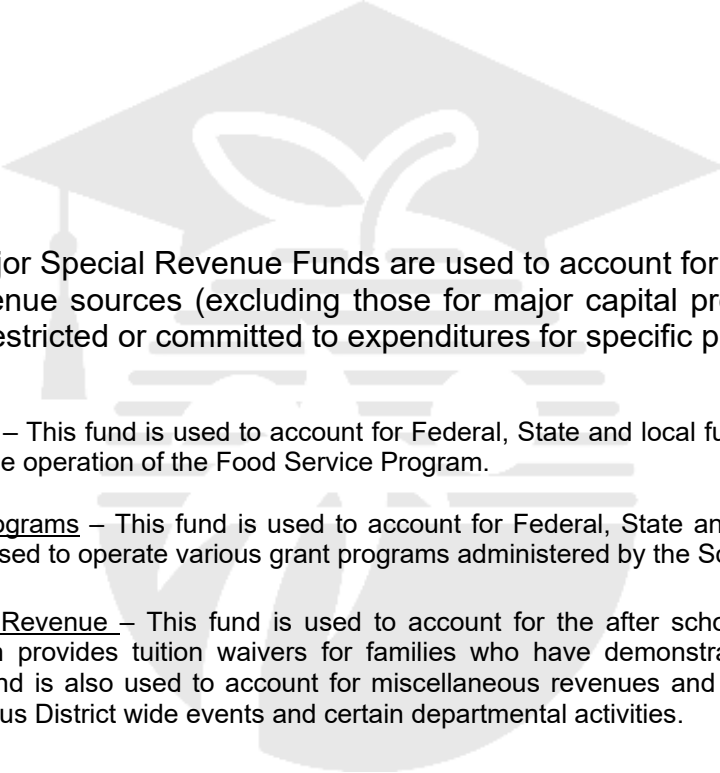
	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ 12,061	\$ -	\$ 12,061
Food sales	15,261	-	-	15,261
Interest on investments	309	(428)	584	465
Other	7,876	7	16,400	24,283
Total local sources	<u>23,446</u>	<u>11,640</u>	<u>16,984</u>	<u>52,070</u>
State sources:				
Public education capital outlay	-	-	7,188	7,188
Categorical programs and other	5,693	5,000	19,244	29,937
Total state sources	<u>5,693</u>	<u>5,000</u>	<u>26,432</u>	<u>37,125</u>
Federal sources:				
Food service	84,995	-	-	84,995
Grants and other	200,828	-	-	200,828
Total federal sources	<u>285,823</u>	<u>-</u>	<u>-</u>	<u>285,823</u>
Total revenues	<u>314,962</u>	<u>16,640</u>	<u>43,416</u>	<u>375,018</u>
EXPENDITURES:				
Current operating:				
Instructional services	134,532	-	-	134,532
Student and instructional support services	55,824	-	-	55,824
Student transportation services	584	-	-	584
Operation and maintenance of plant	54	-	-	54
School administration	813	-	-	813
General administration	9,217	-	-	9,217
Food services	112,849	-	-	112,849
Total current operating	<u>313,873</u>	<u>-</u>	<u>-</u>	<u>313,873</u>
Debt service:				
Principal retirement	-	12,159	-	12,159
Interest charges and other	-	15,635	9	15,644
Total debt service	<u>-</u>	<u>27,794</u>	<u>9</u>	<u>27,803</u>
Capital outlay				
	<u>-</u>	<u>-</u>	<u>25,925</u>	<u>25,925</u>
Total expenditures	<u>313,873</u>	<u>27,794</u>	<u>25,934</u>	<u>367,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,089</u>	<u>(11,154)</u>	<u>17,482</u>	<u>7,417</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	3,355	-	3,355
Premium (discount) on long-term debt issued	-	512	-	512
Capital lease	-	-	28,777	28,777
Sale of capital assets	-	-	290	290
Transfers in	40	12,389	8	12,437
Transfers out	(1,010)	-	(39,008)	(40,018)
Total other financing sources (uses)	<u>(970)</u>	<u>16,256</u>	<u>(9,933)</u>	<u>5,353</u>
Net change in fund balances	<u>119</u>	<u>5,102</u>	<u>7,549</u>	<u>12,770</u>
Fund balances, beginning of year	<u>53,653</u>	<u>3,070</u>	<u>105,905</u>	<u>162,628</u>
Fund balances, end of year	<u>\$ 53,772</u>	<u>\$ 8,172</u>	<u>\$ 113,454</u>	<u>\$ 175,398</u>

Broward County Public Schools



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Non-Major Special Revenue Funds



The non-major Special Revenue Funds are used to account for funds from specific revenue sources (excluding those for major capital projects) that are legally restricted or committed to expenditures for specific purposes.

Food Services – This fund is used to account for Federal, State and local funds received and used for the operation of the Food Service Program.

Contracted Programs – This fund is used to account for Federal, State and local funds received and used to operate various grant programs administered by the School Board.

Other Special Revenue – This fund is used to account for the after school child care program which provides tuition waivers for families who have demonstrated financial need. This fund is also used to account for miscellaneous revenues and expenditures related to various District wide events and certain departmental activities.

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2017

	FOOD SERVICES	CONTRACTED PROGRAMS	OTHER SPECIAL REVENUE	TOTAL
ASSETS:				
Equity in pooled cash and investments	\$ 45,972	\$ 177	\$ 4,565	\$ 50,714
Cash and cash equivalents	1	-	-	1
Due from other governmental agencies	2,618	23,478	-	26,096
Accrued interest receivable	32	-	3	35
Inventories	3,517	-	-	3,517
Other assets	94	60	4	158
Total assets	\$ 52,234	\$ 23,715	\$ 4,572	\$ 80,521
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable and accrued expenditures	\$ 2,918	\$ 3,420	\$ 23	\$ 6,361
Due to other funds	-	18,990	-	18,990
Unearned revenue	-	1,305	-	1,305
Liability for compensated absences	93	-	-	93
Total liabilities	3,011	23,715	23	26,749
FUND BALANCES:				
Nonspendable	3,517	-	-	3,517
Restricted	45,706	-	36	45,742
Assigned	-	-	4,513	4,513
Total fund balances	49,223	-	4,549	53,772
Total liabilities and fund balances	\$ 52,234	\$ 23,715	\$ 4,572	\$ 80,521

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>FOOD SERVICES</u>	<u>CONTRACTED PROGRAMS</u>	<u>OTHER SPECIAL REVENUE</u>	<u>TOTAL</u>
REVENUES:				
Local sources:				
Food sales	\$ 15,261	\$ -	\$ -	\$ 15,261
Interest on investments	280	-	29	309
Other	86	5,653	2,137	7,876
Total local sources	<u>15,627</u>	<u>5,653</u>	<u>2,166</u>	<u>23,446</u>
State sources:				
Other	<u>1,282</u>	<u>4,411</u>	<u>-</u>	<u>5,693</u>
Federal sources:				
Food service	84,995	-	-	84,995
USDA	9,913	-	-	9,913
Other	696	190,219	-	190,915
Total federal sources	<u>95,604</u>	<u>190,219</u>	<u>-</u>	<u>285,823</u>
Total revenues	<u>112,513</u>	<u>200,283</u>	<u>2,166</u>	<u>314,962</u>
EXPENDITURES:				
Current operating:				
Instructional services	-	133,880	652	134,532
Student and instructional support services	-	55,824	-	55,824
Student transportation services	-	579	5	584
Operation and maintenance of plant	-	54	-	54
School administration	-	813	-	813
General administration	44	9,173	-	9,217
Food service	112,849	-	-	112,849
Total current operating	<u>112,893</u>	<u>200,323</u>	<u>657</u>	<u>313,873</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>112,893</u>	<u>200,323</u>	<u>657</u>	<u>313,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(380)</u>	<u>(40)</u>	<u>1,509</u>	<u>1,089</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	40	-	40
Transfers out	-	-	(1,010)	(1,010)
Total other financing sources (uses)	<u>-</u>	<u>40</u>	<u>(1,010)</u>	<u>(970)</u>
Net change in fund balances	(380)	-	499	119
Fund balances, beginning of year	<u>49,603</u>	<u>-</u>	<u>4,050</u>	<u>53,653</u>
Fund balances, end of year	<u>\$ 49,223</u>	<u>\$ -</u>	<u>\$ 4,549</u>	<u>\$ 53,772</u>

**NON-MAJOR SPECIAL REVENUE FUND - FOOD SERVICES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Food sales	\$ 15,863	\$ 15,261	\$ 15,261	\$ -
Interest on investments	60	280	280	-
Other	2	86	86	-
Total local sources	15,925	15,627	15,627	-
State sources:				
Other	1,301	1,282	1,282	-
Federal sources:				
Federal reimbursement	84,162	84,995	84,995	-
USDA	8,053	9,913	9,913	-
Other	1,861	696	696	-
Total federal sources	94,076	95,604	95,604	-
Total revenues	111,302	112,513	112,513	-
EXPENDITURES:				
Salaries	29,700	28,907	28,952	(45)
Employee benefits	14,395	14,344	14,344	-
Purchased services	6,407	5,401	5,401	-
Energy services	2,120	1,415	1,415	-
Materials and supplies	54,802	56,175	59,013	(2,838)
Capital outlay	9,027	4,638	4,638	-
Other expenditures	3,591	3,080	1,969	1,111
Total expenditures	120,042	113,960	115,732	(1,772)
Excess (deficiency) of revenues over (under) expenditures (budgetary	(8,740)	(1,447)	(3,219)	(1,772)
Adjustment to conform with GAAP:				
Elimination of encumbrances			2,839	
Excess(deficiency) of revenues over (under) expenditures (GAAP basis)			(380)	
Fund balances (deficits), beginning of year			49,603	
Fund balances, end of year			\$ 49,223	

**NON-MAJOR SPECIAL REVENUE FUND - CONTRACTED PROGRAMS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Other	\$ 4,531	\$ 6,168	\$ 5,653	\$ (515)
State sources:				
Other	1,995	4,210	4,411	201
Federal sources:				
Other	206,528	232,307	190,219	(42,088)
Total revenues	<u>213,054</u>	<u>242,685</u>	<u>200,283</u>	<u>(42,402)</u>
EXPENDITURES:				
Current operating:				
Instructional services	140,879	160,114	139,551	20,563
Student and instructional support services	59,757	65,715	58,609	7,106
Student transportation services	423	785	587	198
Operation and maintenance of plant	58	58	54	4
School administration	528	1,847	813	1,034
General administration	11,449	14,204	9,327	4,877
Food services	-	-	-	-
Total current operating	<u>213,094</u>	<u>242,723</u>	<u>208,941</u>	<u>33,782</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>213,094</u>	<u>242,723</u>	<u>208,941</u>	<u>33,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40)</u>	<u>(38)</u>	<u>(8,658)</u>	<u>(8,620)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	40	40	40	-
Total other financing sources (uses)	<u>40</u>	<u>40</u>	<u>40</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ -</u>	<u>\$ 2</u>	<u>(8,618)</u>	<u>\$ (8,620)</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>8,618</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			-	
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ -</u>	

**NON-MAJOR SPECIAL REVENUE FUND - OTHER SPECIAL REVENUE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ 8	\$ 29	\$ 29	\$ -
Other	1,960	2,139	2,136	(3)
State sources:				
Total revenues	1,968	2,168	2,165	(3)
EXPENDITURES:				
Purchased services	312	435	435	-
Materials and supplies	238	200	200	-
Capital outlay	-	12	12	-
Other expenditures	8	9	9	-
Total expenditures	558	656	656	-
OTHER FINANCING SOURCES (USES):				
Transfers out	(800)	(1,010)	(1,010)	-
Total other financing uses	(800)	(1,010)	(1,010)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 610	\$ 502	499	\$ (3)
Appropriated beginning fund balances	\$ -	\$ -		
Adjustment to conform with GAAP:				
Elimination of encumbrances			-	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			499	
Fund balances, beginning of year			4,050	
Fund balances, end of year			\$ 4,549	

Major Debt Service Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and the payment of general long-term debt principal and interest. The non-major Debt Service Funds are:

Capital Outlay Bond Issue – Used to account for the payment of current year's principal and interest obligations on COBI Bonds.

District Bonds – Used to account for the payment of current year's principal and interest requirements on General Obligation Bonds.

American Recovery and Reinvestment Act (ARRA) Debt Service Fund – Used to account for the accumulation of resources for the payment of debt principal, interest and related costs on the ARRA Economic Stimulus Capital Project Funds.

NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2017

	COBI BONDS	DISTRICT BONDS	ARRA ECONOMIC STIMULUS DEBT SERVICE FUNDS	TOTAL
ASSETS:				
Equity in pooled cash and investments	\$ 333	\$ 3,136	\$ 219	\$ 3,688
Cash and investments with trustees	3,768	-	22,211	25,979
Due from other governmental agencies	-	248	-	248
Accrued interest receivable	-	8	-	8
Total assets	\$ 4,101	\$ 3,392	\$ 22,430	\$ 29,923
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable and accrued expenditures	-	11	-	11
expenditures	\$ 60	25	21,655	21,740
Matured debt and interest payable	60	25	21,655	21,740
Total liabilities	\$ 60	\$ 36	\$ 21,655	\$ 21,751
FUND BALANCES:				
Restricted	\$ 4,041	\$ 3,356	\$ 775	\$ 8,172
Total fund balances	4,041	3,356	775	8,172
Total liabilities and fund balances	\$ 4,101	\$ 3,392	\$ 22,430	\$ 29,923

NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	COBI BONDS	DISTRICT BONDS	ARRA ECONOMIC STIMULUS DEBT SERVICE FUNDS	TOTAL
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ 12,061	\$ -	\$ 12,061
Interest on investments	-	57	(485)	(428)
Other	-	7	-	7
Total local sources	<u>-</u>	<u>12,125</u>	<u>(485)</u>	<u>11,640</u>
State sources:				
Other	5,000	-	-	5,000
Total state sources	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total revenues	<u>5,000</u>	<u>12,125</u>	<u>(485)</u>	<u>16,640</u>
EXPENDITURES:				
Principal retirement	4,232	3,615	4,312	12,159
Interest charges and other	1,035	6,528	8,072	15,635
Total expenditures	<u>5,267</u>	<u>10,143</u>	<u>12,384</u>	<u>27,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(267)</u>	<u>1,982</u>	<u>(12,869)</u>	<u>(11,154)</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	3,355	-	-	3,355
Premium (discount) on long-term debt issued	512	-	-	512
Transfers in	-	-	12,389	12,389
Total other financing sources (uses)	<u>3,867</u>	<u>-</u>	<u>12,389</u>	<u>16,256</u>
Net change in fund balances	3,600	1,982	(480)	5,102
Fund balances, beginning of year	<u>441</u>	<u>1,374</u>	<u>1,255</u>	<u>3,070</u>
Fund balances, end of year	<u>\$ 4,041</u>	<u>\$ 3,356</u>	<u>\$ 775</u>	<u>\$ 8,172</u>

**MAJOR DEBT SERVICE FUNDS - COP SERIES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 331	\$ 331	\$ -
Total revenues	<u>-</u>	<u>331</u>	<u>331</u>	<u>-</u>
EXPENDITURES:				
Principal retirement	82,856	77,481	77,481	-
Interest charges and other	71,920	65,248	65,248	-
Bond Issuance Cost	-	-	-	-
Total expenditures	<u>154,776</u>	<u>142,729</u>	<u>142,729</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,776)</u>	<u>(142,398)</u>	<u>(142,398)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Certificates of participation	-	39,575	39,575	-
Payments to refunded bond escrow agent	-	(39,465)	(39,465)	-
Transfers in	154,776	142,666	142,666	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>154,776</u>	<u>142,776</u>	<u>142,776</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 378</u>	378	<u>\$ -</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Fund balances (deficit), beginning of year			<u>1,477</u>	
Fund balances, end of year			<u>\$ 1,855</u>	

NON-MAJOR DEBT SERVICE FUNDS - COBI BONDS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ 5,106	\$ 5,000	\$ 5,000	\$ -
Total revenues	\$ 5,106	\$ 5,000	\$ 5,000	\$ -
EXPENDITURES:				
Principal retirement	4,232	4,372	4,232	(140)
Interest charges and other	874	895	1,035	140
Total expenditures	5,106	5,267	5,267	-
Excess (deficiency) of revenues over (under) expenditures	-	(267)	(267)	-
OTHER FINANCING SOURCES:				
Bonds	-	3,355	3,355	-
Net premium on long-term debt issued	-	512	512	-
Total other financing sources	-	3,867	3,867	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ 3,600	3,600	\$ -
Appropriated beginning fund balances	\$ -	\$ -		
Fund balances, beginning of year			441	
Fund balances, end of year			\$ 4,041	

**NON-MAJOR DEBT SERVICE FUNDS - DISTRICT BONDS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Withheld for COBI bonds	\$ 12,067	\$ 12,122	\$ 12,125	\$ 3
Total revenues	<u>12,067</u>	<u>12,122</u>	<u>12,125</u>	<u>3</u>
EXPENDITURES:				
Principal retirement	3,615	3,615	3,615	-
Interest charges and other	8,452	6,531	6,528	3
Total expenditures	<u>12,067</u>	<u>10,146</u>	<u>10,143</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,976</u>	<u>1,982</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 1,976</u>	1,982	<u>\$ -</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Fund balances, beginning of year			<u>1,374</u>	
Fund balances, end of year			<u>\$ 3,356</u>	

**NON-MAJOR DEBT SERVICE FUNDS - ARRA ECONOMIC STIMULUS DEBT SERVICE FUNDS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Interest on investments	\$ -	\$ (485)	\$ (485)	\$ -
Other	-	-	-	-
Total revenues	-	(485)	(485)	-
EXPENDITURES:				
Principal retirement	4,540	4,312	4,312	-
Interest charges and other	8,067	8,072	8,072	-
Total expenditures	12,607	12,384	12,384	-
Excess (deficiency) of revenues over (under) expenditures	(12,607)	(12,869)	(12,869)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	12,607	12,389	12,389	-
Total other financing sources (uses)	12,607	12,389	12,389	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ (480)	(480)	\$ -
Appropriated beginning fund balances	\$ -	\$ 480		
Fund balances, beginning of year			1,255	
Fund balances, end of year			\$ 775	

Broward County Public Schools



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Major Capital Projects Fund Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Capital Projects Funds

Capital Projects Funds are used to account for the accumulation of resources and the payment of acquisition/construction of major facilities and equipment. The non-major Capital Projects Funds are:

Capital Outlay Bond Issue – Used to account for major construction projects on the Project Priority List financed by CO&DS revenues.

Public Education Capital Funds – Used to account for funds generated through the levy of the gross receipts tax on utilities and are used to accomplish fixed capital outlay projects of the School District.

Capital Outlay and Debt Service – Used to account for State approved projects financed with bonds sold by the State Board of Education on behalf of School districts.

American Recovery and Reinvestment Act (ARRA) Economic Stimulus Capital Projects Funds – Used for capital expenditures related to construction, renovation and remodeling projects and are authorized by federal law.

Other Capital Improvement Funds – Used as revenue for planned improvements of property and equipment that meet the specific restrictions of those funding sources and are authorized by statute.

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2017

	CAPITAL OUTLAY BOND ISSUE	PUBLIC EDUCATION CAPITAL OUTLAY	CAPITAL OUTLAY AND DEBT SERVICE	ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUNDS	OTHER CAPITAL IMPROVEMENT FUND	TOTAL
ASSETS:						
Equity in pooled cash and investments	\$ 1,676	\$ 106	\$ 15,136	\$ 3,977	\$ 44,465	\$ 65,360
Cash and investments with trustees	-	-	-	7,530	42,108	49,638
Due from other governmental agencies	-	878	102	-	3,864	4,844
Accrued interest receivable	1	-	7	15	32	55
Prepays and other assets	-	-	-	-	26	26
Total assets	\$ 1,677	\$ 984	\$ 15,245	\$ 11,522	\$ 90,495	\$ 119,923
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 2	\$ 37	\$ 2,908	\$ 2,947
Deferred revenue	-	878	-	-	-	878
Retainages payable	187	100	-	234	2,123	2,644
Total liabilities	187	978	2	271	5,031	6,469
FUND BALANCES:						
Restricted	1,490	6	15,243	11,251	85,464	113,454
Total fund balances	1,490	6	15,243	11,251	85,464	113,454
Total liabilities and fund balances	\$ 1,677	\$ 984	\$ 15,245	\$ 11,522	\$ 90,495	\$ 119,923

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	CAPITAL OUTLAY BOND ISSUE	PUBLIC EDUCATION CAPITAL OUTLAY	CAPITAL OUTLAY AND DEBT SERVICE	ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUNDS	OTHER CAPITAL IMPROVEMENT FUND	TOTAL
REVENUES:						
Local sources:						
Interest on investments	\$ 10	\$ -	\$ 58	\$ 36	\$ 480	\$ 584
Other	-	-	195	-	16,205	16,400
Total local sources	10	-	253	36	16,685	16,984
State sources:						
Public education capital outlay	-	7,188	-	-	-	7,188
Other	-	-	6,307	-	12,937	19,244
Total state sources	-	7,188	6,307	-	12,937	26,432
Total revenues	10	7,188	6,560	36	29,622	43,416
EXPENDITURES:						
Interest charges and other	-	-	9	-	-	9
Capital outlay	-	1,246	31	2,677	21,971	25,925
Total expenditures	-	1,246	40	2,677	21,971	25,934
Excess (deficiency) of revenues over (under) expenditures	10	5,942	6,520	(2,641)	7,651	17,482
OTHER FINANCING SOURCES (USES):						
Capital lease	-	-	-	-	28,777	28,777
Sale of capital assets	-	-	-	-	290	290
Transfers in	-	-	-	-	8	8
Transfers out	-	(5,942)	-	(12)	(33,054)	(39,008)
Total other financing sources (uses)	-	(5,942)	-	(12)	(3,979)	(9,933)
Net change in fund balances	10	-	6,520	(2,653)	3,672	7,549
Fund balances, beginning of year	1,480	6	8,723	13,904	81,792	105,905
Fund balances, end of year	\$ 1,490	\$ 6	\$ 15,243	\$ 11,251	\$ 85,464	\$ 113,454

MAJOR CAPITAL PROJECTS FUNDS - DISTRICT BONDS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 855	\$ 855	\$ -
Total local sources	-	855	855	-
Total revenues	-	855	855	-
EXPENDITURES:				
Capital outlay	509,332	520,507	59,555	460,952
Total expenditures	509,332	520,507	59,555	460,952
Excess (deficiency) of revenues over (under) expenditures	(509,332)	(519,652)	(58,700)	460,952
OTHER FINANCING SOURCES (USES):				
District Bonds	374,501	384,821	-	(384,821)
Total other financing sources (uses)	374,501	384,821	-	(384,821)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (134,831)	\$ (134,831)	(58,700)	\$ 76,131
Appropriated beginning fund balances	\$ 134,831	\$ 134,831		
Adjustments to conform with GAAP:				
Elimination of encumbrances			28,626	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(30,074)	
Fund balances, beginning of year			134,831	
Fund balances, end of year			\$ 104,757	

**MAJOR CAPITAL PROJECTS FUNDS - LOCAL MILLAGE CAPITAL IMPROVEMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 257,477	\$ 257,476	\$ 257,476	\$ -
Interest on investments	-	329	329	-
Other	-	10,837	10,837	-
Total local sources	257,477	268,642	268,642	-
Federal sources:				
Other	9,367	-	-	-
Total revenues	266,844	268,642	268,642	-
EXPENDITURES:				
Capital outlay	137,016	159,163	79,813	79,350
Total expenditures	137,016	159,163	79,813	79,350
Excess (deficiency) of revenues over (under) expenditures	129,828	109,479	188,829	79,350
OTHER FINANCING SOURCES (USES):				
District Bonds	(215,436)	(195,422)	-	195,422
Sale of capital assets	-	337	337	-
Transfers out	-	-	(195,422)	(195,422)
Total other financing sources (uses)	(215,436)	(195,085)	(195,085)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (85,608)	\$ (85,606)	(6,256)	\$ 79,350
Appropriated beginning fund balances	\$ 85,608	\$ 85,606		
Adjustments to conform with GAAP:				
Elimination of encumbrances			17,786	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			11,530	
Fund balances, beginning of year			85,605	
Fund balances, end of year			\$ 97,135	

**NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY BOND ISSUES
 COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (in thousands)
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 10	\$ 10	\$ -
Total revenues	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
EXPENDITURES:				
Capital outlay	1,480	1,490	-	1,490
Total expenditures	<u>1,480</u>	<u>1,490</u>	<u>-</u>	<u>1,490</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>\$ (1,480)</u>	<u>\$ (1,480)</u>	<u>10</u>	<u>\$ 1,490</u>
Excess (deficiency) of revenues and other sources over (under) expenditures (budgetary basis)	<u>\$ (1,480)</u>	<u>\$ (1,480)</u>	<u>10</u>	<u>\$ 1,490</u>
Appropriated beginning fund balances	<u>\$ 1,480</u>	<u>\$ 1,480</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>-</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			<u>10</u>	
Fund balances, beginning of year			<u>1,480</u>	
Fund balances, end of year			<u>\$ 1,490</u>	

**NON-MAJOR CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
State sources:				
Public education capital outlay	\$ 6,300	\$ 7,188	\$ 7,188	\$ -
Total state sources	6,300	7,188	7,188	-
Total revenues	6,300	7,188	7,188	-
EXPENDITURES:				
Capital outlay	6	1,251	1,246	5
Total expenditures	6	1,251	1,246	5
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	6,294	5,937	5,942	5
OTHER FINANCING USES:				
Transfers out	(6,300)	(5,942)	(5,942)	-
Total other financing uses	(6,300)	(5,942)	(5,942)	-
Excess (Deficiency) of revenues over (under) expenditures and other uses (budgetary basis)	\$ (6)	\$ (5)	-	\$ 5
Appropriated beginning fund balances	\$ 6	\$ 5		
Adjustments to conform with GAAP:				
Elimination of encumbrances			-	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			-	
Fund balances, beginning of year			6	
Fund balances, end of year			\$ 6	

**NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 254	\$ 58	\$ (196)
Other	-	195	195	-
Total local sources	-	449	253	(196)
State sources:				
Other	3,500	6,307	6,307	-
Total state sources	3,500	6,307	6,307	-
Total revenues	3,500	6,756	6,560	(196)
EXPENDITURES:				
Interest charges and other	-	9	9	-
Capital outlay	12,223	15,470	64	15,406
Total expenditures	12,223	15,479	73	15,406
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (8,723)	\$ (8,723)	6,487	\$ 15,210
Appropriated beginning fund balances	\$ 8,723	\$ 8,723		
Adjustments to conform with GAAP:				
Elimination of encumbrances			33	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			6,520	
Fund balances, beginning of year			8,723	
Fund balances, end of year			\$ 15,243	

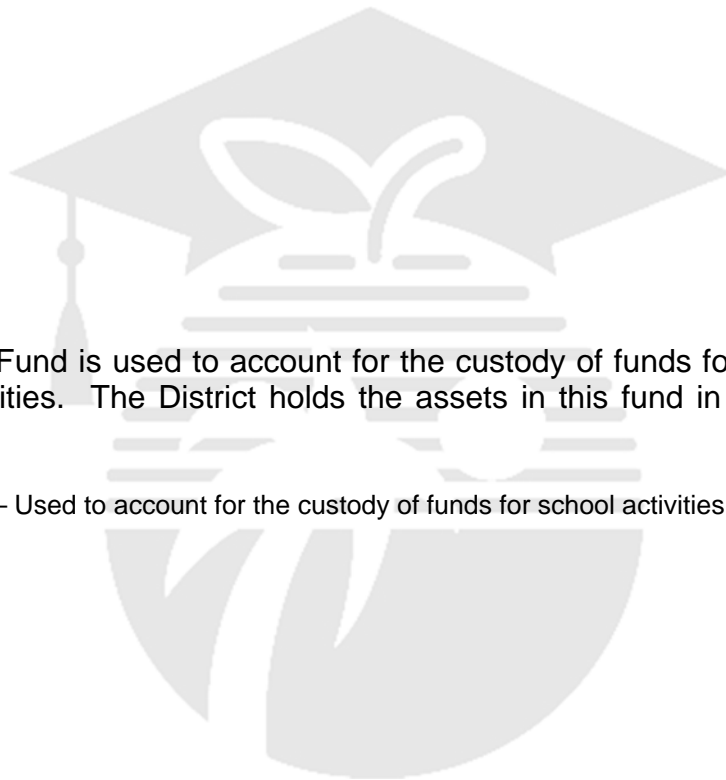
**NON-MAJOR CAPITAL PROJECTS FUNDS - ARRA ECONOMIC STIMULUS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 36	\$ 36	\$ -
Total local sources	-	36	36	-
Total revenues	-	36	36	-
EXPENDITURES:				
Debt service:				
Interest charges and other	-	-	-	-
Total debt service	-	-	-	-
Capital outlay	13,904	13,927	3,622	10,305
Total expenditures	13,904	13,927	3,622	10,305
Excess (deficiency) of revenues over (under) expenditures	(13,904)	(13,891)	(3,586)	10,305
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(12)	(12)	-
Total other financing sources (uses)	-	(12)	(12)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (13,904)	\$ (13,903)	(3,598)	\$ 10,305
Appropriated beginning fund balances	\$ 13,904	\$ 13,903		
Adjustment to conform with GAAP:				
Elimination of encumbrances			945	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(2,653)	
Fund balances, beginning of year			13,904	
Fund balances, end of year			\$ 11,251	

**NON-MAJOR CAPITAL PROJECTS FUNDS - OTHER CAPITAL IMPROVEMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 480	\$ 480	\$ -
Other	10,155	16,205	16,205	-
Total local sources	10,155	16,685	16,685	-
State sources:				
Other	14,150	12,937	12,937	-
Total state sources	14,150	12,937	12,937	-
Federal sources:				
Total revenues	24,305	29,622	29,622	-
EXPENDITURES:				
Capital outlay	111,348	114,959	53,243	61,716
Total expenditures	111,348	114,959	53,243	61,716
Excess (deficiency) of revenues over (under) expenditures	(87,043)	(85,337)	(23,621)	61,716
OTHER FINANCING SOURCES (USES):				
Capital lease	29,400	36,300	28,777	(7,523)
Sale of capital assets	-	290	290	-
Transfers in	-	8	8	-
Transfers out	(24,150)	(33,054)	(33,054)	-
Total other financing sources (uses)	5,250	3,544	(3,979)	(7,523)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (81,793)	\$ (81,793)	(27,600)	\$ 54,193
Appropriated beginning fund balances	\$ 81,793	\$ 81,793		
Adjustment to conform with GAAP:				
Elimination of encumbrances			31,272	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			3,672	
Fund balances, beginning of year			81,792	
Fund balances, end of year			\$ 85,464	

Agency Fund



An Agency Fund is used to account for the custody of funds for individual school activities. The District holds the assets in this fund in a fiduciary capacity.

Agency Fund – Used to account for the custody of funds for school activities.

AGENCY FUND
STATEMENT OF ASSETS AND LIABILITIES (in thousands)
AS OF JUNE 30, 2017

	AGENCY FUND
ASSETS:	
Equity in pooled cash and investments	\$ 4,575
Cash and cash equivalents	12,094
Other assets	22
Total assets	\$ 16,691
LIABILITIES:	
Accounts payable	\$ 806
Due to student organizations and other agencies	15,885
Total liabilities	\$ 16,691

AGENCY FUND

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

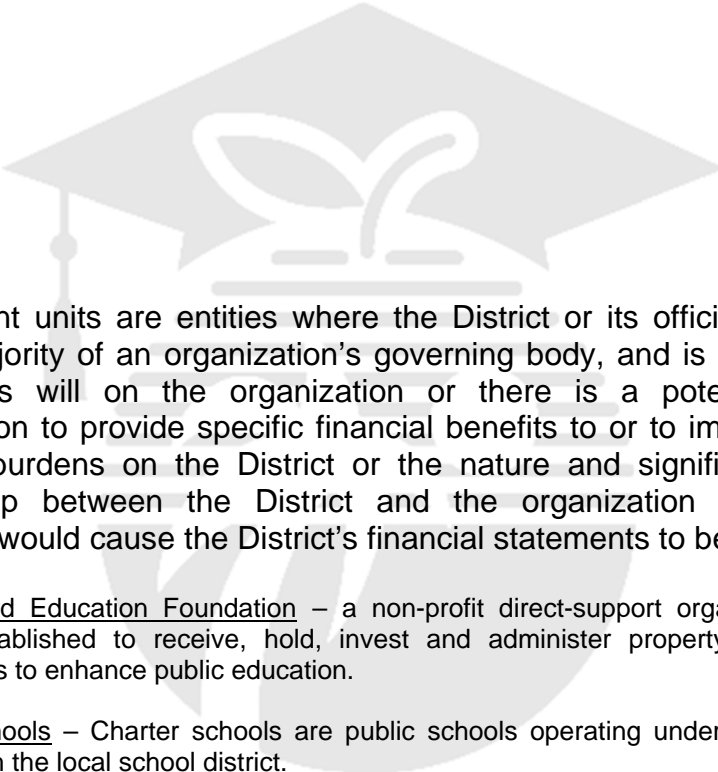
	AGENCY FUND			
	2016	Increases	Decreases	2017
ASSETS:				
Equity in pooled cash and investments	\$ 4,735	\$ 4,575	\$ (4,735)	\$ 4,575
Cash and cash equivalents	11,215	79,476	(78,597)	12,094
Other assets	-	22	-	22
Total assets	\$ 15,950	\$ 84,073	\$ (83,332)	\$ 16,691
LIABILITIES:				
Accounts payable	\$ 711	\$ 806	\$ (711)	\$ 806
Due to student organizations and other agencies	15,239	83,245	(82,599)	15,885
Total liabilities	\$ 15,950	\$ 84,051	\$ (83,310)	\$ 16,691

Broward County Public Schools



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Component Units



Component units are entities where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete.

The Broward Education Foundation – a non-profit direct-support organization of the District, established to receive, hold, invest and administer property and to make expenditures to enhance public education.

Charter Schools – Charter schools are public schools operating under a performance contract with the local school district.

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017

	Academic Solutions Academy A	Academics Solutions High School	Alpha International Academy	Andrews High	Ascend Career Academy
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 53	\$ 373	\$ 27	\$ 161	\$ 72
Due from other governmental agencies	-	-	-	60	-
Due from other schools	-	-	-	-	-
Inventories	-	-	1	-	-
Prepays	-	-	-	1	-
Other assets	19	321	23	2	-
Total Current Assets	<u>72</u>	<u>694</u>	<u>51</u>	<u>224</u>	<u>72</u>
Non-current assets:					
Restricted cash, cash equivalents and investment:	-	-	-	-	-
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	45	39	44	64	73
Total non-current assets	<u>45</u>	<u>39</u>	<u>44</u>	<u>64</u>	<u>73</u>
Total assets	<u>117</u>	<u>733</u>	<u>95</u>	<u>288</u>	<u>145</u>
Deferred Outflow of Resources					
Deferred pension outflows	-	-	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	2	3	48	69	14
Accrued payroll, taxes and withholding	-	-	-	23	18
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	188	-	-	25	-
Total current liabilities	<u>190</u>	<u>3</u>	<u>48</u>	<u>117</u>	<u>32</u>
Non-current liabilities:					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	857
Net pension liability	-	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>857</u>
Total liabilities	<u>190</u>	<u>3</u>	<u>48</u>	<u>117</u>	<u>889</u>
Deferred Inflow of Resources					
Deferred gain on refunding debt	-	-	-	-	-
Deferred pension inflows	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	45	39	44	64	16
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Scholarships	-	-	-	-	-
Unrestricted (deficit)	(118)	691	3	107	(760)
Total net position	<u>\$ (73)</u>	<u>\$ 730</u>	<u>\$ 47</u>	<u>\$ 171</u>	<u>\$ (744)</u>

Exhibit G1 (continued)

Atlantic Montessori Charter School	Atlantic Montessori West	Avant Garde Academy	Avant Garde Academy K-8 Broward	Ben Gamla Charter	Ben Gamla North	Ben Gamla Prep Charter
\$ 15	\$ 54	\$ 77	\$ 214	\$ 237	\$ 72	\$ 62
-	-	-	-	-	-	-
-	-	-	-	59	52	-
-	-	-	-	-	-	-
-	1	2	66	105	10	30
63	85	-	118	26	100	348
<u>78</u>	<u>140</u>	<u>79</u>	<u>398</u>	<u>427</u>	<u>234</u>	<u>440</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11	24	-	1,681	382	16	515
<u>11</u>	<u>24</u>	<u>-</u>	<u>1,681</u>	<u>382</u>	<u>16</u>	<u>515</u>
<u>89</u>	<u>164</u>	<u>79</u>	<u>2,079</u>	<u>809</u>	<u>250</u>	<u>955</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3	7	109	58	-	-	-
19	30	-	372	162	38	37
-	-	-	-	-	-	-
-	-	-	-	51	-	77
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	368	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3	262	-	373	-	-	-
<u>25</u>	<u>299</u>	<u>109</u>	<u>1,171</u>	<u>213</u>	<u>38</u>	<u>114</u>
-	-	-	300	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	660	505	59	697
-	-	-	-	-	-	-
-	-	-	960	505	59	697
<u>25</u>	<u>299</u>	<u>109</u>	<u>2,131</u>	<u>718</u>	<u>97</u>	<u>811</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11	24	-	(20)	-	57	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53	(159)	(30)	(32)	91	96	144
<u>\$ 64</u>	<u>\$ (135)</u>	<u>\$ (30)</u>	<u>\$ (52)</u>	<u>\$ 91</u>	<u>\$ 153</u>	<u>\$ 144</u>

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017**

	Ben Gamla Prep Charter High	Ben Gamla South	Bridge Prep Academy of Hollywood Hills	Broward Math and Science Schools	Central Charter School
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 21	\$ 116	\$ 101	\$ 176	\$ 486
Due from other governmental agencies	-	-	-	-	103
Due from other schools	127	740	-	-	-
Inventories	-	-	-	-	-
Prepays	40	30	-	-	1
Other assets	291	62	15	18	21
Total Current Assets	<u>479</u>	<u>948</u>	<u>116</u>	<u>194</u>	<u>611</u>
Non-current assets:					
Restricted cash, cash equivalents and investment:	-	-	-	-	-
Capital assets:					
Non-depreciable	-	54	-	-	-
Depreciable, net	509	209	156	36	1,338
Total non-current assets	<u>509</u>	<u>263</u>	<u>156</u>	<u>36</u>	<u>1,338</u>
Total assets	<u>988</u>	<u>1,211</u>	<u>272</u>	<u>230</u>	<u>1,949</u>
Deferred pension outflows	-	-	-	-	1,227
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,227</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	10	-	50	7	946
Accrued payroll, taxes and withholding	44	147	201	-	-
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	189
Total current liabilities	<u>54</u>	<u>147</u>	<u>251</u>	<u>7</u>	<u>1,135</u>
Non-current liabilities:					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	813	-	-	32	1,725
Net pension liability	-	-	-	-	2,793
Total non-current liabilities	<u>813</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>4,518</u>
Total liabilities	<u>867</u>	<u>147</u>	<u>251</u>	<u>39</u>	<u>5,653</u>
Deferred Inflow of Resources					
Deferred gain on refunding debt	-	-	-	-	-
Deferred pension inflows	-	-	-	-	676
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>676</u>
NET POSITION:					
Net investment in capital assets	-	1,003	156	36	1,119
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Scholarships	-	-	-	-	-
Unrestricted (deficit)	121	61	(135)	155	(4,272)
Total net position	<u>\$ 121</u>	<u>\$ 1,064</u>	<u>\$ 21</u>	<u>\$ 191</u>	<u>\$ (3,153)</u>

Exhibit G1 (continued)

Championship Acad of Distinction HS	Championship Acad of Distinction MS	Championship Academy of Distinction Davie	Championship Academy of Distinction Hollywood	Charter School of Excellence Ft Laud 1	Charter School of Excellence Davie 1	Charter School of Excellence Davie 2
\$ 25	\$ 122	\$ 159	\$ 238	\$ 302	\$ 64	\$ 16
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	5	2	2	-
53	72	37	74	40	74	105
78	194	196	317	344	140	121
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10	-	115	21	568	522	3
10	-	115	21	568	522	3
88	194	311	338	912	662	124
-	-	-	-	593	420	22
-	-	-	-	593	420	22
52	26	20	49	4	-	1
2	6	-	-	43	40	14
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	279	-	-
54	32	20	49	326	40	15
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	126	-	-
-	-	-	-	1,491	707	44
-	-	-	-	1,617	707	44
54	32	20	49	1,943	747	59
-	-	-	-	-	-	-
-	-	-	-	70	4	171
-	-	-	-	70	4	171
10	-	115	21	339	522	3
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24	162	176	268	(847)	(191)	(87)
\$ 34	\$ 162	\$ 291	\$ 289	\$ (508)	\$ 331	\$ (84)

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017**

	Charter School of Excellence Ft Laud 2	Charter School of Excellence Riverland 1	Charter School of Excellence Riverland 2	Charter School of Excellence Tamarac 1	Charter School of Excellence Tamarac 2
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 14	\$ 6	\$ 2	\$ 161	\$ 16
Due from other governmental agencies	-	-	-	-	-
Due from other schools	-	-	-	-	-
Inventories	-	-	-	-	-
Prepays	-	-	-	-	-
Other assets	100	7	-	36	59
Total Current Assets	<u>114</u>	<u>13</u>	<u>2</u>	<u>197</u>	<u>75</u>
Non-current assets:					
Restricted cash, cash equivalents and investment:	-	-	-	-	-
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	-	4	1	249	119
Total non-current assets	<u>-</u>	<u>4</u>	<u>1</u>	<u>249</u>	<u>119</u>
Total assets	<u>114</u>	<u>17</u>	<u>3</u>	<u>446</u>	<u>194</u>
Deferred pension outflows	28	284	50	664	66
Total deferred outflow of resources	<u>28</u>	<u>284</u>	<u>50</u>	<u>664</u>	<u>66</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	2	12	1	32	3
Accrued payroll, taxes and withholding	10	53	6	155	12
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	178	6	-	-
Total current liabilities	<u>12</u>	<u>243</u>	<u>13</u>	<u>187</u>	<u>15</u>
Non-current liabilities:					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net pension liability	56	398	59	1,052	51
Total non-current liabilities	<u>56</u>	<u>398</u>	<u>59</u>	<u>1,052</u>	<u>51</u>
Total liabilities	<u>68</u>	<u>641</u>	<u>72</u>	<u>1,239</u>	<u>66</u>
Deferred Inflow of Resources					
Deferred gain on refunding debt	-	-	-	-	-
Deferred pension inflows	2	98	191	6	288
Total deferred inflows of resources	<u>2</u>	<u>98</u>	<u>191</u>	<u>6</u>	<u>288</u>
NET POSITION:					
Net investment in capital assets	-	4	1	249	119
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Scholarships	-	-	-	-	-
Unrestricted (deficit)	72	(442)	(211)	(384)	(213)
Total net position	<u>\$ 72</u>	<u>\$ (438)</u>	<u>\$ (210)</u>	<u>\$ (135)</u>	<u>\$ (94)</u>

Exhibit G1 (continued)

Dolphin Park High	Eagles' Nest Elementary	Eagles' Nest Middle	Everest Charter School	Excelsior Charter of Broward	Flagler High	Franklin Academy E
\$ 477	\$ 239	\$ 15	\$ 94	\$ 242	\$ 164	\$ 1,096
5	-	-	-	-	2	-
-	-	-	-	-	-	1,498
-	-	-	-	-	-	-
-	-	-	13	5	-	2
-	161	18	7	37	-	75
<u>482</u>	<u>400</u>	<u>33</u>	<u>114</u>	<u>284</u>	<u>166</u>	<u>2,671</u>
-	-	-	-	-	-	2,419
-	-	-	-	-	-	3,500
33	46	18	29	90	4	17,628
<u>33</u>	<u>46</u>	<u>18</u>	<u>29</u>	<u>90</u>	<u>4</u>	<u>23,547</u>
<u>515</u>	<u>446</u>	<u>51</u>	<u>143</u>	<u>374</u>	<u>170</u>	<u>26,218</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
145	10	1	27	6	76	124
-	-	-	39	80	-	435
-	-	-	-	-	-	529
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	358
-	-	-	-	-	-	-
<u>145</u>	<u>10</u>	<u>1</u>	<u>66</u>	<u>86</u>	<u>76</u>	<u>1,446</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	23,694
-	-	-	15	-	-	-
-	-	-	-	-	-	-
-	-	-	15	-	-	23,694
<u>145</u>	<u>10</u>	<u>1</u>	<u>81</u>	<u>86</u>	<u>76</u>	<u>25,140</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33	46	18	14	90	4	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22	-	-	-	-	-	1,890
-	-	-	-	-	11	-
315	390	32	48	198	79	(812)
<u>\$ 370</u>	<u>\$ 436</u>	<u>\$ 50</u>	<u>\$ 62</u>	<u>\$ 288</u>	<u>\$ 94</u>	<u>\$ 1,078</u>

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017

	Franklin Academy F	Franklin Academy Pembroke Pines	Franklin Academy Pembroke Pines HS	Franklin Academy Sunrise	Greentree Prep Charter School
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 2	\$ 303	\$ 400	\$ 356	\$ 103
Due from other governmental agencies	-	-	-	-	3
Due from other schools	305	1,610	-	-	-
Inventories	-	-	-	-	-
Prepays	-	-	2	2	-
Other assets	20	37	1,279	166	8
Total Current Assets	327	1,950	1,681	524	114
Non-current assets:					
Restricted cash, cash equivalents and investment	-	-	-	-	-
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	23	706	1,000	1,100	12
Total non-current assets	23	706	1,000	1,100	12
Total assets	350	2,656	2,681	1,624	126
Deferred pension outflows	-	-	-	-	-
Total deferred outflow of resources	-	-	-	-	-
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	75	188	422	146	1
Accrued payroll, taxes and withholding	146	498	225	445	29
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total current liabilities	221	686	647	591	30
Non-current liabilities:					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	920	-	2,327	280	-
Net pension liability	-	-	-	-	-
Total non-current liabilities	920	-	2,327	280	-
Total liabilities	1,141	686	2,974	871	30
Deferred inflow of Resources					
Deferred gain on refunding debt	-	-	-	-	-
Deferred pension inflows	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION:					
Net investment in capital assets	-	2,316	-	952	12
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Scholarships	-	-	-	-	-
Unrestricted (deficit)	(791)	(346)	(293)	(199)	84
Total net position	\$ (791)	\$ 1,970	\$ (293)	\$ 753	\$ 96

Exhibit G1 (continued)

Henry M Turner Learning Academy	Hollywood Academy of Arts & Science Elem	Hollywood Academy of Arts & Science Middle	Imagine at Broward	Imagine at North Lauderdale Elem	Imagine at Weston	Imagine Schools Plantation Campus
\$ -	\$ 1,635	\$ 937	\$ 1,166	\$ 226	\$ 908	\$ 771
-	33	11	-	-	-	-
-	-	-	-	-	72	-
-	-	-	-	-	-	-
-	7	-	69	-	260	8
-	922	59	152	370	20	36
-	2,597	1,007	1,387	596	1,260	815
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	11,511	4,405	493	130	412	51
-	11,511	4,405	493	130	412	51
-	14,108	5,412	1,880	726	1,672	866
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	136	6	14	3	52	29
-	357	104	364	305	466	139
-	-	-	-	279	-	-
-	-	-	-	-	-	-
-	-	-	2	-	24	1
-	62	11	-	-	50	-
-	131	53	-	-	-	-
-	34	6	-	-	-	-
-	-	-	-	-	-	-
-	6	683	42	9	6	-
-	726	863	422	596	598	169
-	13,233	5,404	-	-	-	-
-	12	2	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	13,245	5,406	-	-	-	-
-	13,971	6,269	422	596	598	169
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(1,853)	(1,052)	493	130	412	51
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	75
-	-	-	-	-	-	-
-	1,990	195	965	-	662	571
\$ -	\$ 137	\$ (857)	\$ 1,458	\$ 130	\$ 1,074	\$ 697

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017**

	Innovation Charter School	International School of Broward	Kidz Choice Charter	Lauderhill High	Melrose High
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 430	\$ 3	\$ 57	\$ 1,138	\$ 190
Due from other governmental agencies	-	-	-	12	4
Due from other schools	-	-	-	-	-
Inventories	-	-	-	-	-
Prepays	-	-	-	-	-
Other assets	23	46	118	-	-
Total Current Assets	<u>453</u>	<u>49</u>	<u>175</u>	<u>1,150</u>	<u>194</u>
Non-current assets:					
Restricted cash, cash equivalents and investment:	-	-	-	-	-
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	105	81	155	137	4
Total non-current assets	<u>105</u>	<u>81</u>	<u>155</u>	<u>137</u>	<u>4</u>
Total assets	<u>558</u>	<u>130</u>	<u>330</u>	<u>1,287</u>	<u>198</u>
Deferred pension outflows	-	-	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	111	40	93	275	118
Accrued payroll, taxes and withholding	-	90	92	-	-
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	178	21	10	-	-
Total current liabilities	<u>289</u>	<u>151</u>	<u>195</u>	<u>275</u>	<u>118</u>
Non-current liabilities:					
Obligations under capital leases	-	11	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	58	44	-	-
Net pension liability	-	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>69</u>	<u>44</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>289</u>	<u>220</u>	<u>239</u>	<u>275</u>	<u>118</u>
Deferred Inflow of Resources					
Deferred gain on refunding debt	-	273	-	-	-
Deferred pension inflows	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>273</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	105	33	101	137	4
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	501	-
Scholarships and other purposes	-	-	-	-	-
Scholarships	-	-	-	22	11
Unrestricted (deficit)	164	(396)	(10)	352	65
Total net position	<u>\$ 269</u>	<u>\$ (363)</u>	<u>\$ 91</u>	<u>\$ 1,012</u>	<u>\$ 80</u>

Exhibit G1 (continued)

	New Life Charter Academy	North Broward Academy of Excellence Elem	North Broward Academy of Excellence Middle	North University High	Panacea Prep Charter School	Paragon Academy of Technology	Paramount Charter School
\$	43	\$ 245	\$ 1,249	\$ 414	\$ 34	\$ 298	\$ -
	-	163	13	12	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	32	20	-	-	12	-
	17	179	90	-	35	6	-
	60	619	1,372	426	69	316	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	148	6,455	2,847	-	74	11	-
	148	6,455	2,847	-	74	11	-
	208	7,074	4,219	426	143	327	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	26	55	24	191	13	5	-
	-	185	107	-	-	60	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	28	-	-	-	-
	-	130	62	-	-	-	-
	-	18	8	-	-	-	-
	-	-	-	-	-	-	-
	69	-	37	-	-	-	-
	95	388	266	191	13	65	-
	-	6,280	2,955	-	-	-	-
	-	6	3	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	6,286	2,958	-	-	-	-
	95	6,674	3,224	191	13	65	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	148	45	(170)	-	74	11	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	5	-	-	-	-	-	-
	-	-	-	22	-	-	-
	(40)	355	1,165	213	56	251	-
\$	113	\$ 400	\$ 995	\$ 235	\$ 130	\$ 262	\$ -

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017

	Pathways Academy K-8 Center	Pivot Charter School	Renaissance Charter School Cooper City	Renaissance Charter School Coral Springs	Renaissance Charter School Pines
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ -	\$ -	\$ 1,433	\$ 2,249	\$ 203
Due from other governmental agencies	-	-	35	161	86
Due from other schools	-	-	-	-	-
Inventories	-	-	-	-	-
Prepays	-	-	75	15	45
Other assets	-	-	123	374	559
Total Current Assets	<u>-</u>	<u>-</u>	<u>1,666</u>	<u>2,799</u>	<u>893</u>
Non-current assets:					
Restricted cash, cash equivalents and investments	-	-	3	-	2
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	-	-	16,972	17,002	8,147
Total non-current assets	<u>-</u>	<u>-</u>	<u>16,975</u>	<u>17,002</u>	<u>8,149</u>
Total assets	<u>-</u>	<u>-</u>	<u>18,641</u>	<u>19,801</u>	<u>9,042</u>
Deferred pension outflows	-	-	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	-	-	128	80	85
Accrued payroll, taxes and withholding	-	-	315	495	273
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	130	-	228
Obligations under capital leases	-	-	295	490	331
Liability for compensated absences	-	-	28	47	29
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	2	2
Total current liabilities	<u>-</u>	<u>-</u>	<u>896</u>	<u>1,114</u>	<u>948</u>
Non-current liabilities:					
Obligations under capital leases	-	-	16,402	19,589	8,037
Liability for compensated absences	-	-	9	16	10
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net pension liability	-	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>16,411</u>	<u>19,605</u>	<u>8,047</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>17,307</u>	<u>20,719</u>	<u>8,995</u>
Deferred inflow of Resources					
Deferred gain on refunding debt	-	-	-	-	-
Deferred pension inflows	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	-	-	275	(3,077)	(221)
Restricted for:					
Debt service	-	-	3	-	2
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Scholarships	-	-	-	-	-
Unrestricted (deficit)	-	-	1,056	2,159	266
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,334</u>	<u>\$ (918)</u>	<u>\$ 47</u>

Exhibit G1 (continued)

<u>Renaissance Charter School Pines Middle</u>	<u>Renaissance Charter School Plantation</u>	<u>Renaissance Charter School University</u>	<u>Rise Academy School of Science & Technology</u>	<u>Somerset Academy Conservatory High</u>	<u>Somerset Academy Davie</u>	<u>Somerset Academy East Preparatory</u>
\$ 243	\$ 723	\$ 2,519	\$ 198	\$ 942	\$ 1,125	\$ 1,113
33	116	47	-	-	-	-
-	-	-	-	600	-	1,236
-	-	-	-	-	-	-
44	7	87	-	-	8	-
351	127	138	139	15	8	40
<u>671</u>	<u>973</u>	<u>2,791</u>	<u>337</u>	<u>1,557</u>	<u>1,141</u>	<u>2,389</u>
1	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,792</u>	<u>536</u>	<u>592</u>	<u>114</u>	<u>73</u>	<u>106</u>	<u>117</u>
<u>3,793</u>	<u>536</u>	<u>592</u>	<u>114</u>	<u>73</u>	<u>106</u>	<u>117</u>
<u>4,464</u>	<u>1,509</u>	<u>3,383</u>	<u>451</u>	<u>1,630</u>	<u>1,247</u>	<u>2,506</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18	3	52	50	-	24	-
103	318	397	-	33	48	50
-	-	-	-	-	-	-
-	-	-	-	-	-	17
-	-	-	-	-	-	-
-	146	322	-	-	-	-
113	-	-	-	-	-	-
10	26	20	-	-	-	-
-	-	-	-	-	-	-
397	-	4	-	-	-	-
<u>641</u>	<u>493</u>	<u>795</u>	<u>50</u>	<u>33</u>	<u>72</u>	<u>67</u>
3,808	-	-	-	-	-	-
3	9	6	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,811</u>	<u>9</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,452</u>	<u>502</u>	<u>801</u>	<u>50</u>	<u>33</u>	<u>72</u>	<u>67</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(129)	536	592	114	673	106	1,353
1	-	-	-	-	-	-
-	-	-	-	51	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
140	471	1,990	287	873	1,069	1,086
<u>\$ 12</u>	<u>\$ 1,007</u>	<u>\$ 2,582</u>	<u>\$ 401</u>	<u>\$ 1,597</u>	<u>\$ 1,175</u>	<u>\$ 2,439</u>

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017

	Somerset Academy Elem	Somerset Academy High	Somerset Academy Hollywood	Somerset Academy Hollywood Middle	Somerset Academy Key HS
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 3,047	\$ 1,057	\$ 197	\$ 63	\$ 214
Due from other governmental agencies	-	-	-	-	-
Due from other schools	950	-	16	-	-
Inventories	-	-	-	-	-
Prepays	-	-	1	1	24
Other assets	291	132	-	-	116
Total Current Assets	4,288	1,189	214	64	354
Non-current assets:					
Restricted cash, cash equivalents and investment:	-	-	-	-	-
Capital assets:					
Non-depreciable	141	7	-	-	-
Depreciable, net	1,181	3,905	85	6	207
Total non-current assets	1,322	3,912	85	6	207
Total assets	5,610	5,101	299	70	561
Deferred pension outflows	-	-	-	-	-
Total deferred outflow of resources	-	-	-	-	-
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	31	-	-	1	-
Accrued payroll, taxes and withholding	506	266	4	1	22
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	9	15	30	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	278	-	-	51
Total current liabilities	537	553	19	32	73
Non-current liabilities:					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	1,332	235	-	413
Net pension liability	-	-	-	-	-
Total non-current liabilities	-	1,332	235	-	413
Total liabilities	537	1,885	254	32	486
Deferred Inflow of Resources					
Deferred gain on refunding debt	-	-	-	-	-
Deferred pension inflows	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION:					
Net investment in capital assets	2,272	2,302	-	6	-
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	366	336	-	-	-
Scholarships and other purposes	-	-	-	-	-
Scholarships	-	-	-	-	-
Unrestricted (deficit)	2,435	578	45	32	75
Total net position	\$ 5,073	\$ 3,216	\$ 45	\$ 38	\$ 75

Exhibit G1 (continued)

Somerset Academy Key MS	Somerset Academy Middle	Somerset Academy Miramar	Somerset Academy Miramar High	Somerset Academy Miramar Middle	Somerset Academy Neighborhood	Somerset Academy North Lauderdale
\$ 96	\$ 1,260	\$ 2,964	\$ 354	\$ 1,787	\$ -	\$ 1,947
-	-	-	-	-	-	-
-	509	-	-	-	-	-
-	-	-	-	-	-	-
81	-	49	-	29	-	79
669	166	2,473	69	14	-	55
846	1,935	5,486	423	1,830	-	2,081
-	-	-	-	-	-	-
-	-	-	-	-	-	-
493	654	664	220	138	-	458
493	654	664	220	138	-	458
1,339	2,589	6,150	643	1,968	-	2,539
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	191	16	-	-	-
61	210	-	56	126	-	246
-	-	-	255	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
25	-	-	-	-	-	14
86	210	191	327	126	-	260
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,083	-	-	-	-	-	-
-	-	-	-	-	-	-
1,083	-	-	-	-	-	-
1,169	210	191	327	126	-	260
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,154	3,137	-	138	-	458
-	-	-	-	-	-	-
-	258	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
170	967	2,822	316	1,704	-	1,821
\$ 170	\$ 2,379	\$ 5,959	\$ 316	\$ 1,842	\$ -	\$ 2,279

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017**

	Somerset Academy Pompano	Somerset Miramar South	Somerset Pines Academy	Somerset Preparatory High Broward Campus	Somerset Preparatory Middle
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 199	\$ 1,330	\$ 1,330	\$ 922	\$ 615
Due from other governmental agencies	-	-	-	-	-
Due from other schools	-	-	36	-	500
Inventories	-	-	-	-	-
Prepays	-	11	-	-	-
Other assets	36	-	55	26	35
Total Current Assets	235	1,341	1,421	948	1,150
Non-current assets:					
Restricted cash, cash equivalents and investment:	-	-	-	-	-
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	87	34	311	69	162
Total non-current assets	87	34	311	69	162
Total assets	322	1,375	1,732	1,017	1,312
Deferred pension outflows	-	-	-	-	-
Total deferred outflow of resources	-	-	-	-	-
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	4	-	-	-	20
Accrued payroll, taxes and withholding	56	62	158	61	100
Matured debt and interest payable	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total current liabilities	60	62	158	61	120
Non-current liabilities:					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	36	-	-	-	-
Net pension liability	-	-	-	-	-
Total non-current liabilities	36	-	-	-	-
Total liabilities	96	62	158	61	120
Deferred Inflow of Resources					
Deferred gain on refunding debt	-	-	-	-	-
Deferred pension inflows	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
NET POSITION:					
Net investment in capital assets	51	34	347	69	662
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	35	-	-	-
Scholarships	-	-	-	-	-
Unrestricted (deficit)	175	1,244	1,227	887	530
Total net position	\$ 226	\$ 1,313	\$ 1,574	\$ 956	\$ 1,192

Exhibit G1 (continued)

<u>Somerset Village Academy</u>	<u>Somerset Village Academy Middle</u>	<u>South Broward Montessori</u>	<u>SunEd High School</u>	<u>SunEd High School of North Broward</u>	<u>Sunrise High</u>	<u>Sunshine Elementary</u>
\$ 692	\$ 339	\$ 1	\$ 895	\$ 819	\$ 300	\$ 612
-	-	-	-	-	74	-
2	-	-	-	-	-	-
-	-	-	-	-	-	-
11	6	-	-	-	1	52
28	-	79	675	83	28	37
<u>733</u>	<u>345</u>	<u>80</u>	<u>1,570</u>	<u>902</u>	<u>403</u>	<u>701</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
150	31	64	4	176	45	85
<u>150</u>	<u>31</u>	<u>64</u>	<u>4</u>	<u>176</u>	<u>45</u>	<u>85</u>
<u>883</u>	<u>376</u>	<u>144</u>	<u>1,574</u>	<u>1,078</u>	<u>448</u>	<u>786</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6	-	46	13	12	105	19
74	53	-	-	-	-	134
-	-	-	-	-	-	-
-	20	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	87	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	58	-	324	34	-
<u>80</u>	<u>73</u>	<u>104</u>	<u>13</u>	<u>336</u>	<u>226</u>	<u>153</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	32	-	324	-	-
<u>-</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>324</u>	<u>-</u>	<u>-</u>
<u>80</u>	<u>73</u>	<u>136</u>	<u>13</u>	<u>660</u>	<u>226</u>	<u>153</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
150	31	64	4	176	45	85
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	35
-	-	-	-	-	-	-
653	272	(56)	1,557	242	177	513
<u>\$ 803</u>	<u>\$ 303</u>	<u>\$ 8</u>	<u>\$ 1,561</u>	<u>\$ 418</u>	<u>\$ 222</u>	<u>\$ 633</u>

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2017**

	West Broward Acadmy	Broward Education Foundation	Total Non- Major Component Units
ASSETS:			
Current assets:			
Cash, cash equivalents and investments	\$ 194	\$ 2,482	\$ 51,141
Due from other governmental agencies	-	-	973
Due from other schools	-	-	8,312
Inventories	-	-	1
Prepays	4	4,312	5,669
Other assets	33	1,430	14,454
Total Current Assets	231	8,224	80,550
Non-current assets:			
Restricted cash, cash equivalents and investment:	-	-	2,425
Capital assets:			
Non-depreciable	-	-	3,702
Depreciable, net	80	814	112,036
Total non-current assets	80	814	118,163
Total assets	311	9,038	198,713
Deferred pension outflows	-	-	3,354
Total deferred outflow of resources	-	-	3,354
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	56	567	5,467
Accrued payroll, taxes and withholding	155	-	9,981
Matured debt and interest payable	-	-	808
Due to other schools	-	-	474
Unearned revenue	-	-	27
Management fees payable	-	-	1,064
Obligations under capital leases	-	-	1,973
Liability for compensated absences	-	-	226
Debt, net of premiums and discounts	-	-	358
Other liabilities	181	15	3,949
Total current liabilities	392	582	24,327
Non-current liabilities:			
Obligations under capital leases	-	-	76,019
Liability for compensated absences	-	-	76
Debt, net of premiums and discounts	-	-	23,694
Other liabilities	194	626	13,393
Net pension liability	-	-	6,651
Total non-current liabilities	194	626	119,833
Total liabilities	586	1,208	144,160
Deferred inflow of Resources			
Deferred gain on refunding debt	-	-	273
Deferred pension inflows	-	-	1,506
Total deferred inflows of resources	-	-	1,779
NET POSITION:			
Net investment in capital assets	80	173	17,791
Restricted for:			
Debt service	-	-	6
Capital projects	-	-	1,512
Scholarships and other purposes	-	-	2,040
Scholarships	-	4,312	4,400
Unrestricted (deficit)	(355)	3,345	30,379
Total net position	\$ (275)	\$ 7,830	\$ 56,128

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

COMBINING STATEMENT OF ACTIVITIES**COMPONENT UNITS (in thousands)****FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Academic Solutions Academy A	Academics Solutions High School	Alpha International Academy	Andrews High	Ascend Career Academy
EXPENSES:					
Instructional services	\$ 265	\$ 522	\$ 279	\$ 615	\$ 310
Instructional support services	-	-	13	228	88
Pupil transportation services	13	20	41	55	24
Operation and maintenance of plant	70	125	23	773	890
School administration	187	568	111	177	324
General administration	40	135	62	81	94
Food services	-	-	47	-	50
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	105	102	90	-	-
Interest expense	-	-	-	-	24
Depreciation - unallocated ⁽¹⁾	-	-	10	-	36
Total expenses	<u>680</u>	<u>1,472</u>	<u>676</u>	<u>1,929</u>	<u>1,840</u>
PROGRAM REVENUES:					
Charges for services	-	-	8	-	6
Operating grants and contributions	-	-	86	48	63
Capital grants and contributions	-	68	-	70	-
Total program revenues	<u>-</u>	<u>68</u>	<u>94</u>	<u>118</u>	<u>69</u>
Net program expense	<u>(680)</u>	<u>(1,404)</u>	<u>(582)</u>	<u>(1,811)</u>	<u>(1,771)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	565	1,465	566	1,629	903
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	42	137	18	253	801
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	<u>607</u>	<u>1,602</u>	<u>584</u>	<u>1,882</u>	<u>1,704</u>
Change in net position	(73)	198	2	71	(67)
Total net position, beginning of year	-	532	45	100	(677)
Total net position (deficit), end of year	<u>\$ (73)</u>	<u>\$ 730</u>	<u>\$ 47</u>	<u>\$ 171</u>	<u>\$ (744)</u>

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

Atlantic Montessori Charter School	Atlantic Montessori West	Avant Garde Academy	Avant Garde Academy K-8 Broward	Ben Gamla Charter	Ben Gamla North	Ben Gamla Prep Charter
\$ 439	\$ 515	\$ 273	\$ 4,176	\$ 2,236	\$ 359	\$ 665
5	26	2	66	1	-	2
5	8	13	240	1	-	3
193	279	34	602	1,284	130	383
225	282	62	490	501	44	297
29	29	84	1,079	273	39	105
22	25	18	328	148	18	47
-	-	-	-	-	-	-
-	-	64	1,137	10	-	-
19	29	-	304	-	-	-
2	2	-	535	-	-	-
<u>939</u>	<u>1,195</u>	<u>550</u>	<u>8,957</u>	<u>4,454</u>	<u>590</u>	<u>1,502</u>
28	28	-	6	46	5	5
-	28	17	242	81	10	403
35	-	-	-	208	20	-
<u>63</u>	<u>56</u>	<u>17</u>	<u>248</u>	<u>335</u>	<u>35</u>	<u>408</u>
<u>(876)</u>	<u>(1,139)</u>	<u>(533)</u>	<u>(8,709)</u>	<u>(4,119)</u>	<u>(555)</u>	<u>(1,094)</u>
902	1,076	466	8,779	4,006	534	1,173
-	-	-	-	-	-	-
-	-	-	-	-	-	-
108	102	1	234	27	-	2
-	-	-	-	-	-	-
<u>1,010</u>	<u>1,178</u>	<u>467</u>	<u>9,013</u>	<u>4,033</u>	<u>534</u>	<u>1,175</u>
134	39	(66)	304	(86)	(21)	81
(70)	(174)	36	(356)	177	174	63
<u>\$ 64</u>	<u>\$ (135)</u>	<u>\$ (30)</u>	<u>\$ (52)</u>	<u>\$ 91</u>	<u>\$ 153</u>	<u>\$ 144</u>

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Ben Gamla Prep Charter High	Ben Gamla South	Bridge Prep Academy of Hollywood Hills	Broward Math and Science Schools	Central Charter School
EXPENSES:					
Instructional services	\$ 866	\$ 1,635	\$ 1,366	\$ 896	\$ 5,205
Instructional support services	4	3	93	-	495
Pupil transportation services	29	16	-	-	228
Operation and maintenance of plant	491	549	502	158	1,989
School administration	365	557	248	328	1,060
General administration	150	195	404	147	91
Food services	62	208	67	47	803
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	-	305	-
Interest expense	-	-	1	-	296
Depreciation - unallocated (1)	-	-	54	8	-
Total expenses	1,967	3,163	2,735	1,889	10,167
PROGRAM REVENUES:					
Charges for services	6	11	131	131	-
Operating grants and contributions	331	252	88	79	1,279
Capital grants and contributions	70	212	-	72	410
Total program revenues	407	475	219	282	1,689
Net program expense	(1,560)	(2,688)	(2,516)	(1,607)	(8,478)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	1,585	2,938	2,606	1,721	7,846
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	56	55	56	37	130
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	1,641	2,993	2,662	1,758	7,976
Change in net position	81	305	146	151	(502)
Total net position, beginning of year	40	759	(125)	40	(2,651)
Total net position (deficit), end of year	\$ 121	\$ 1,064	\$ 21	\$ 191	\$ (3,153)

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

Championship Acad of Distinction HS	Championship Acad of Distinction MS	Championship Academy of Distinction Davie	Championship Academy of Distinction Hollywood	Charter School of Excellence Ft Laud 1	Charter School of Excellence Davie 1	Charter School of Excellence Davie 2
\$ 122	\$ 628	\$ 2,263	\$ 1,998	\$ 835	\$ 850	\$ 61
64	-	-	-	41	41	1
3	34	79	62	87	45	7
-	46	385	401	314	164	13
98	341	961	842	242	248	17
18	80	119	130	548	569	49
13	79	215	416	126	97	1
-	-	-	-	-	-	-
40	259	713	760	133	113	8
-	-	-	-	12	2	-
1	-	29	10	-	-	-
<u>359</u>	<u>1,467</u>	<u>4,764</u>	<u>4,619</u>	<u>2,338</u>	<u>2,129</u>	<u>157</u>
-	-	184	163	54	108	-
124	140	285	546	139	99	-
-	-	170	166	93	77	8
<u>124</u>	<u>140</u>	<u>639</u>	<u>875</u>	<u>286</u>	<u>284</u>	<u>8</u>
<u>(235)</u>	<u>(1,327)</u>	<u>(4,125)</u>	<u>(3,744)</u>	<u>(2,052)</u>	<u>(1,845)</u>	<u>(149)</u>
269	1,489	4,111	3,516	1,832	1,854	152
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	48	390	159	157	10
-	-	-	-	1	1	-
<u>269</u>	<u>1,489</u>	<u>4,159</u>	<u>3,906</u>	<u>1,992</u>	<u>2,012</u>	<u>162</u>
34	162	34	162	(60)	167	13
-	-	257	127	(448)	164	(97)
<u>\$ 34</u>	<u>\$ 162</u>	<u>\$ 291</u>	<u>\$ 289</u>	<u>\$ (508)</u>	<u>\$ 331</u>	<u>\$ (84)</u>

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Charter School of Excellence Ft Laud 2	Charter School of Excellence Riverland 1	Charter School of Excellence Riverland 2	Charter School of Excellence Tamarac 1	Charter School of Excellence Tamarac 2
EXPENSES:					
Instructional services	\$ 84	\$ 344	\$ 43	\$ 1,295	\$ 45
Instructional support services	3	16	4	39	1
Pupil transportation services	2	53	4	190	6
Operation and maintenance of plant	9	128	16	265	8
School administration	23	132	15	384	11
General administration	46	266	32	835	39
Food services	-	65	-	196	-
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	14	94	18	365	22
Interest expense	-	4	-	2	-
Depreciation - unallocated (1)	-	-	-	-	-
Total expenses	<u>181</u>	<u>1,102</u>	<u>132</u>	<u>3,571</u>	<u>132</u>
PROGRAM REVENUES:					
Charges for services	-	10	-	67	-
Operating grants and contributions	-	80	-	215	-
Capital grants and contributions	6	33	7	145	5
Total program revenues	<u>6</u>	<u>123</u>	<u>7</u>	<u>427</u>	<u>5</u>
Net program expense	<u>(175)</u>	<u>(979)</u>	<u>(125)</u>	<u>(3,144)</u>	<u>(127)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	162	681	127	2,822	126
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	11	58	9	233	9
Unrestricted investment earnings	-	-	-	1	-
Total general revenues	<u>173</u>	<u>739</u>	<u>136</u>	<u>3,056</u>	<u>135</u>
Change in net position	<u>(2)</u>	<u>(240)</u>	<u>11</u>	<u>(88)</u>	<u>8</u>
Total net position, beginning of year	<u>74</u>	<u>(198)</u>	<u>(221)</u>	<u>(47)</u>	<u>(102)</u>
Total net position (deficit), end of year	<u>\$ 72</u>	<u>\$ (438)</u>	<u>\$ (210)</u>	<u>\$ (135)</u>	<u>\$ (94)</u>

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

<u>Dolphin Park High</u>	<u>Eagles' Nest Elementary</u>	<u>Eagles' Nest Middle</u>	<u>Everest Charter School</u>	<u>Excelsior Charter of Broward</u>	<u>Flagler High</u>	<u>Franklin Academy E</u>
\$ 605	\$ 1,069	\$ 112	\$ 259	\$ 580	\$ 451	\$ 4,776
146	251	24	11	18	145	203
73	167	48	-	1	58	264
489	604	24	97	137	388	1,011
-	274	51	122	282	-	791
573	214	24	76	162	583	963
-	233	17	35	98	-	325
-	-	-	-	-	-	-
-	-	-	77	184	-	-
-	-	-	-	-	-	1,019
-	15	7	7	13	-	647
<u>1,886</u>	<u>2,827</u>	<u>307</u>	<u>684</u>	<u>1,475</u>	<u>1,625</u>	<u>9,999</u>
-	-	-	1	6	-	354
29	351	59	38	99	30	200
81	114	9	36	61	54	736
<u>110</u>	<u>465</u>	<u>68</u>	<u>75</u>	<u>166</u>	<u>84</u>	<u>1,290</u>
<u>(1,776)</u>	<u>(2,362)</u>	<u>(239)</u>	<u>(609)</u>	<u>(1,309)</u>	<u>(1,541)</u>	<u>(8,709)</u>
1,693	2,212	194	645	1,497	1,232	8,615
-	-	-	-	-	-	-
-	-	-	-	-	-	-
48	46	-	35	34	320	127
-	-	-	-	-	-	-
<u>1,741</u>	<u>2,258</u>	<u>194</u>	<u>680</u>	<u>1,531</u>	<u>1,552</u>	<u>8,742</u>
(35)	(104)	(45)	71	222	11	33
405	540	95	(9)	66	83	1,045
<u>\$ 370</u>	<u>\$ 436</u>	<u>\$ 50</u>	<u>\$ 62</u>	<u>\$ 288</u>	<u>\$ 94</u>	<u>\$ 1,078</u>

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Franklin Academy F	Franklin Academy Pembroke Pines	Franklin Academy Pembroke Pines HS	Franklin Academy Sunrise	Greentree Prep Charter School
EXPENSES:					
Instructional services	\$ 2,235	\$ 4,980	\$ 1,156	\$ 4,242	\$ 373
Instructional support services	-	332	207	167	1
Pupil transportation services	289	367	-	173	1
Operation and maintenance of plant	1,809	2,351	1,323	2,524	297
School administration	428	786	344	749	146
General administration	526	901	356	834	69
Food services	192	300	128	403	8
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated (1)	7	304	214	313	6
Total expenses	<u>5,486</u>	<u>10,321</u>	<u>3,728</u>	<u>9,405</u>	<u>901</u>
PROGRAM REVENUES:					
Charges for services	39	495	159	256	1
Operating grants and contributions	124	140	598	306	-
Capital grants and contributions	256	530	60	511	33
Total program revenues	<u>419</u>	<u>1,165</u>	<u>817</u>	<u>1,073</u>	<u>34</u>
Net program expense	<u>(5,067)</u>	<u>(9,156)</u>	<u>(2,911)</u>	<u>(8,332)</u>	<u>(867)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	4,558	9,137	2,789	8,739	860
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	-	144	83	120	44
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	<u>4,558</u>	<u>9,281</u>	<u>2,872</u>	<u>8,859</u>	<u>904</u>
Change in net position	(509)	125	(39)	527	37
Total net position, beginning of year	<u>(282)</u>	<u>1,845</u>	<u>(254)</u>	<u>226</u>	<u>59</u>
Total net position (deficit), end of year	<u>\$ (791)</u>	<u>\$ 1,970</u>	<u>\$ (293)</u>	<u>\$ 753</u>	<u>\$ 96</u>

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

Henry M Turner Learning Academy	Hollywood Academy of Arts & Science Elem	Academy of Arts & Science Middle	Imagine at Broward	Imagine at North Lauderdale Elem	Imagine at Weston	Imagine Schools Plantation Campus
\$ -	\$ 4,347	\$ 1,279	\$ 3,246	\$ 2,918	\$ 3,780	\$ 1,276
-	386	128	238	68	179	74
-	-	-	-	295	192	-
-	1,320	500	2,032	898	2,605	478
-	545	135	1,334	1,082	1,149	639
-	1,235	325	23	27	34	22
-	260	77	334	470	185	12
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,161	475	-	25	66	-
-	-	-	-	-	-	-
-	9,254	2,919	7,207	5,783	8,190	2,501
-	509	39	702	-	893	141
-	250	118	580	1,032	119	5
-	312	123	-	-	-	-
-	1,071	280	1,282	1,032	1,012	146
-	(8,183)	(2,639)	(5,925)	(4,751)	(7,178)	(2,355)
-	7,624	2,727	5,776	4,547	6,889	2,323
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	110	4	300	247	438	144
-	-	-	-	-	-	-
-	7,734	2,731	6,076	4,794	7,327	2,467
-	(449)	92	151	43	149	112
-	586	(949)	1,307	87	925	585
\$ -	\$ 137	\$ (857)	\$ 1,458	\$ 130	\$ 1,074	\$ 697

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Innovation Charter School	International School of Broward	Kidz Choice Charter	Lauderhill High	Melrose High
EXPENSES:					
Instructional services	\$ 1,583	\$ 986	\$ 500	\$ 683	\$ 462
Instructional support services	192	-	2	170	130
Pupil transportation services	187	-	1	110	84
Operation and maintenance of plant	319	229	148	417	388
School administration	262	157	352	-	-
General administration	152	253	125	1,555	554
Food services	173	33	155	-	-
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	320	-	-
Interest expense	-	48	6	-	-
Depreciation - unallocated (1)	-	24	13	-	-
Total expenses	<u>2,868</u>	<u>1,730</u>	<u>1,622</u>	<u>2,935</u>	<u>1,618</u>
PROGRAM REVENUES:					
Charges for services	4	158	-	-	-
Operating grants and contributions	432	-	138	25	28
Capital grants and contributions	-	59	63	214	65
Total program revenues	<u>436</u>	<u>217</u>	<u>201</u>	<u>239</u>	<u>93</u>
Net program expense	<u>(2,432)</u>	<u>(1,513)</u>	<u>(1,421)</u>	<u>(2,696)</u>	<u>(1,525)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	2,311	1,342	1,262	2,684	1,500
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	67	98	45	10	45
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	<u>2,378</u>	<u>1,440</u>	<u>1,307</u>	<u>2,694</u>	<u>1,545</u>
Change in net position	<u>(54)</u>	<u>(73)</u>	<u>(114)</u>	<u>(2)</u>	<u>20</u>
Total net position, beginning of year	<u>323</u>	<u>(290)</u>	<u>205</u>	<u>1,014</u>	<u>60</u>
Total net position (deficit), end of year	<u>\$ 269</u>	<u>\$ (363)</u>	<u>\$ 91</u>	<u>\$ 1,012</u>	<u>\$ 80</u>

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

New Life Charter Academy	Broward Academy of Excellence Elem	Broward Academy of Excellence Middle	North University High	Panacea Prep Charter School	Paragon Academy of Technology	Paramount Charter School
\$ 281	\$ 2,694	\$ 1,341	\$ 571	\$ 415	\$ 445	\$ -
68	482	66	140	35	40	-
1	-	-	109	49	49	-
146	1,122	486	448	197	42	-
147	307	106	-	44	95	-
83	564	262	631	233	111	-
54	228	129	-	76	-	-
-	-	-	-	-	-	-
-	-	-	-	-	144	-
-	467	220	-	-	-	-
19	-	-	-	64	-	-
<u>799</u>	<u>5,864</u>	<u>2,610</u>	<u>1,899</u>	<u>1,113</u>	<u>926</u>	<u>-</u>
-	231	-	-	-	-	-
103	765	381	26	133	101	-
-	194	122	98	35	48	-
<u>103</u>	<u>1,190</u>	<u>503</u>	<u>124</u>	<u>168</u>	<u>149</u>	<u>-</u>
<u>(696)</u>	<u>(4,674)</u>	<u>(2,107)</u>	<u>(1,775)</u>	<u>(945)</u>	<u>(777)</u>	<u>-</u>
794	4,729	2,164	1,693	863	905	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9	3	99	52	4	-
-	-	-	-	-	-	-
<u>794</u>	<u>4,738</u>	<u>2,167</u>	<u>1,792</u>	<u>915</u>	<u>909</u>	<u>-</u>
98	64	60	17	(30)	132	-
15	336	935	218	160	130	-
<u>\$ 113</u>	<u>\$ 400</u>	<u>\$ 995</u>	<u>\$ 235</u>	<u>\$ 130</u>	<u>\$ 262</u>	<u>\$ -</u>

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Pathways Academy K-8 Center	Pivot Charter School	Renaissance Charter School Cooper City	Renaissance Charter School Coral Springs	Renaissance Charter School Pines
EXPENSES:					
Instructional services	\$ -	\$ -	\$ 4,383	\$ 5,565	\$ 3,771
Instructional support services	-	-	261	514	395
Pupil transportation services	-	-	-	-	-
Operation and maintenance of plant	-	-	1,447	1,793	1,727
School administration	-	-	593	672	686
General administration	-	-	1,251	1,219	644
Food services	-	-	327	329	309
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Interest expense	-	-	1,178	1,777	584
Depreciation - unallocated (1)	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>9,440</u>	<u>11,869</u>	<u>8,116</u>
PROGRAM REVENUES:					
Charges for services	-	-	502	585	280
Operating grants and contributions	-	-	456	679	892
Capital grants and contributions	-	-	338	426	270
Total program revenues	<u>-</u>	<u>-</u>	<u>1,296</u>	<u>1,690</u>	<u>1,442</u>
Net program expense	<u>-</u>	<u>-</u>	<u>(8,144)</u>	<u>(10,179)</u>	<u>(6,674)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	-	-	7,957	10,099	6,629
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	-	-	11	20	14
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	<u>-</u>	<u>-</u>	<u>7,968</u>	<u>10,119</u>	<u>6,643</u>
Change in net position	<u>-</u>	<u>-</u>	<u>(176)</u>	<u>(60)</u>	<u>(31)</u>
Total net position, beginning of year	<u>-</u>	<u>-</u>	<u>1,510</u>	<u>(858)</u>	<u>78</u>
Total net position (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,334</u>	<u>\$ (918)</u>	<u>\$ 47</u>

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

Renaissance Charter School Pines Middle	Renaissance Charter School Plantation	Renaissance Charter School University	Academy School of Science & Technology	Somerset Academy Conservatory High	Somerset Academy Davie	Somerset Academy East Preparatory
\$ 1,548	\$ 3,765	\$ 5,009	\$ 1,180	\$ 409	\$ 492	\$ 783
73	403	269	38	6	9	5
-	159	59	45	14	-	-
673	2,003	2,521	89	251	246	460
356	449	620	262	152	226	280
83	1,156	2,015	175	56	81	151
129	404	349	136	35	77	148
-	-	-	-	-	-	-
-	-	-	340	-	-	1
269	-	-	-	-	-	-
-	-	-	16	-	-	-
<u>3,131</u>	<u>8,339</u>	<u>10,842</u>	<u>2,281</u>	<u>923</u>	<u>1,131</u>	<u>1,828</u>
117	241	257	22	10	10	7
252	737	464	311	17	82	224
119	346	402	108	58	43	69
<u>488</u>	<u>1,324</u>	<u>1,123</u>	<u>441</u>	<u>85</u>	<u>135</u>	<u>300</u>
<u>(2,643)</u>	<u>(7,015)</u>	<u>(9,719)</u>	<u>(1,840)</u>	<u>(838)</u>	<u>(996)</u>	<u>(1,528)</u>
2,680	6,545	9,563	2,114	921	1,066	1,703
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	4	21	7	7	14	43
-	-	-	-	-	-	-
<u>2,681</u>	<u>6,549</u>	<u>9,584</u>	<u>2,121</u>	<u>928</u>	<u>1,080</u>	<u>1,746</u>
38	(466)	(135)	281	90	84	218
(26)	1,473	2,717	120	1,507	1,091	2,221
<u>\$ 12</u>	<u>\$ 1,007</u>	<u>\$ 2,582</u>	<u>\$ 401</u>	<u>\$ 1,597</u>	<u>\$ 1,175</u>	<u>\$ 2,439</u>

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Somerset Academy Elem	Somerset Academy High	Somerset Academy Hollywood	Somerset Academy Hollywood Middle	Somerset Academy Key HS
EXPENSES:					
Instructional services	\$ 6,107	\$ 3,368	\$ 125	\$ 14	\$ 338
Instructional support services	14	18	-	-	2
Pupil transportation services	98	82	-	-	-
Operation and maintenance of plant	3,132	1,636	36	19	246
School administration	1,214	919	32	50	132
General administration	582	371	17	12	59
Food services	417	238	16	6	38
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	81	124	-	-	-
Interest expense	-	54	-	-	-
Depreciation - unallocated (1)	-	-	-	-	-
Total expenses	<u>11,645</u>	<u>6,810</u>	<u>226</u>	<u>101</u>	<u>815</u>
PROGRAM REVENUES:					
Charges for services	575	71	1	-	4
Operating grants and contributions	310	118	51	5	143
Capital grants and contributions	619	389	7	6	-
Total program revenues	<u>1,504</u>	<u>578</u>	<u>59</u>	<u>11</u>	<u>147</u>
Net program expense	<u>(10,141)</u>	<u>(6,232)</u>	<u>(167)</u>	<u>(90)</u>	<u>(668)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	10,115	6,131	175	115	743
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	56	14	11	-	-
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	<u>10,171</u>	<u>6,145</u>	<u>186</u>	<u>115</u>	<u>743</u>
Change in net position	30	(87)	19	25	75
Total net position, beginning of year	<u>5,043</u>	<u>3,303</u>	<u>26</u>	<u>13</u>	<u>-</u>
Total net position (deficit), end of year	<u>\$ 5,073</u>	<u>\$ 3,216</u>	<u>\$ 45</u>	<u>\$ 38</u>	<u>\$ 75</u>

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

Somerset Academy Key MS	Somerset Academy Middle	Somerset Academy Miramar	Somerset Academy Miramar High	Somerset Academy Miramar Middle	Somerset Academy Neighborhood	Somerset Academy North Lauderdale
\$ 896	\$ 2,465	\$ 2,390	\$ 925	\$ 1,224	\$ -	\$ 3,023
4	7	8	17	6	-	16
-	64	-	12	-	-	-
632	1,915	1,275	454	829	-	1,250
363	446	434	359	215	-	658
280	279	317	140	176	-	338
107	189	262	94	170	-	433
-	-	-	-	-	-	-
35	64	27	-	20	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,317</u>	<u>5,429</u>	<u>4,713</u>	<u>2,001</u>	<u>2,640</u>	<u>-</u>	<u>5,718</u>
7	56	366	88	29	-	6
87	94	314	87	260	-	765
131	305	218	165	127	-	437
<u>225</u>	<u>455</u>	<u>898</u>	<u>340</u>	<u>416</u>	<u>-</u>	<u>1,208</u>
<u>(2,092)</u>	<u>(4,974)</u>	<u>(3,815)</u>	<u>(1,661)</u>	<u>(2,224)</u>	<u>-</u>	<u>(4,510)</u>
2,162	4,695	4,098	1,642	2,432	-	4,889
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8	19	-	65	6	-	24
-	-	99	-	-	-	-
<u>2,170</u>	<u>4,714</u>	<u>4,197</u>	<u>1,707</u>	<u>2,438</u>	<u>-</u>	<u>4,913</u>
78	(260)	382	46	214	-	403
92	2,639	5,577	270	1,628	-	1,876
<u>\$ 170</u>	<u>\$ 2,379</u>	<u>\$ 5,959</u>	<u>\$ 316</u>	<u>\$ 1,842</u>	<u>\$ -</u>	<u>\$ 2,279</u>

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Somerset Academy Pompano	Somerset Miramar South	Somerset Pines Academy	Somerset Preparatory High Broward Campus	Somerset Preparatory Middle
EXPENSES:					
Instructional services	\$ 679	\$ 624	\$ 1,645	\$ 635	\$ 1,272
Instructional support services	8	2	13	3	15
Pupil transportation services	-	-	-	-	14
Operation and maintenance of plant	261	65	739	339	535
School administration	195	172	317	252	285
General administration	77	82	177	124	158
Food services	117	68	188	141	113
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated (1)	-	-	-	-	-
Total expenses	<u>1,337</u>	<u>1,013</u>	<u>3,079</u>	<u>1,494</u>	<u>2,392</u>
PROGRAM REVENUES:					
Charges for services	5	12	18	2	7
Operating grants and contributions	114	44	294	131	174
Capital grants and contributions	57	44	163	87	125
Total program revenues	<u>176</u>	<u>100</u>	<u>475</u>	<u>220</u>	<u>306</u>
Net program expense	<u>(1,161)</u>	<u>(913)</u>	<u>(2,604)</u>	<u>(1,274)</u>	<u>(2,086)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	1,145	1,124	2,697	1,539	2,086
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	13	4	27	4	14
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	<u>1,158</u>	<u>1,128</u>	<u>2,724</u>	<u>1,543</u>	<u>2,100</u>
Change in net position	<u>(3)</u>	<u>215</u>	<u>120</u>	<u>269</u>	<u>14</u>
Total net position, beginning of year	<u>229</u>	<u>1,098</u>	<u>1,454</u>	<u>687</u>	<u>1,178</u>
Total net position (deficit), end of year	<u>\$ 226</u>	<u>\$ 1,313</u>	<u>\$ 1,574</u>	<u>\$ 956</u>	<u>\$ 1,192</u>

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

Somerset Village Academy	Somerset Village Academy Middle	South Broward Montessori	SunEd High School	SunEd High School of North Broward	Sunrise High	Sunshine Elementary
\$ 946	\$ 512	\$ 516	\$ 869	\$ 602	\$ 855	\$ 1,159
4	1	-	56	76	204	103
-	-	-	101	81	85	102
480	189	64	531	417	693	256
343	101	247	690	577	-	243
134	62	10	185	133	603	219
193	103	45	-	-	-	277
-	-	-	-	-	-	-
2	-	188	-	-	-	345
-	-	2	-	-	-	-
-	-	22	-	-	-	-
<u>2,102</u>	<u>968</u>	<u>1,094</u>	<u>2,432</u>	<u>1,886</u>	<u>2,440</u>	<u>2,704</u>
3	1	53	-	-	-	-
269	127	-	-	-	55	465
85	45	-	112	105	133	137
<u>357</u>	<u>173</u>	<u>53</u>	<u>112</u>	<u>105</u>	<u>188</u>	<u>602</u>
<u>(1,745)</u>	<u>(795)</u>	<u>(1,041)</u>	<u>(2,320)</u>	<u>(1,781)</u>	<u>(2,252)</u>	<u>(2,102)</u>
1,715	812	921	2,026	1,935	2,399	2,190
-	-	-	-	-	-	-
-	-	-	-	-	-	-
35	1	93	16	328	3	93
-	-	-	-	-	-	-
<u>1,750</u>	<u>813</u>	<u>1,014</u>	<u>2,042</u>	<u>2,263</u>	<u>2,402</u>	<u>2,283</u>
5	18	(27)	(278)	482	150	181
798	285	35	1,839	(64)	72	452
<u>\$ 803</u>	<u>\$ 303</u>	<u>\$ 8</u>	<u>\$ 1,561</u>	<u>\$ 418</u>	<u>\$ 222</u>	<u>\$ 633</u>

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	West Broward Acadmy	Broward Education Foundation	Total Non- Major Component Units
EXPENSES:			
Instructional services	\$ 1,812	\$ -	\$ 136,741
Instructional support services	50	-	7,739
Pupil transportation services	96	-	4,798
Operation and maintenance of plant	295	-	60,551
School administration	217	-	32,224
General administration	284	602	29,490
Food services	160	-	12,641
Scholarships and programs	-	2,891	2,891
Facilities acquisition and construction	360	-	6,664
Interest expense	12	41	8,097
Depreciation - unallocated (1)	16	-	2,394
Total expenses	<u>3,302</u>	<u>3,534</u>	<u>304,230</u>
PROGRAM REVENUES:			
Charges for services	134	73	8,527
Operating grants and contributions	138	2,875	21,879
Capital grants and contributions	152	-	11,517
Total program revenues	<u>424</u>	<u>2,948</u>	<u>41,923</u>
Net program expense	<u>(2,878)</u>	<u>(586)</u>	<u>(262,307)</u>
GENERAL REVENUES:			
Grants and contributions not restricted to specific programs	2,558	-	257,826
Other federal sources	-	-	-
Other state sources	-	-	-
Other local sources	55	-	6,850
Unrestricted investment earnings	-	258	360
Total general revenues	<u>2,613</u>	<u>258</u>	<u>265,036</u>
Change in net position	(265)	(328)	2,729
Total net position, beginning of year	<u>(10)</u>	<u>8,158</u>	<u>53,399</u>
Total net position (deficit), end of year	<u>\$ (275)</u>	<u>\$ 7,830</u>	<u>\$ 56,128</u>

(1) This amount excludes the depreciation that is included in the direct expenses of the various programs



Broward County Public Schools

**Statistical
Section**

Broward County Public Schools



***Educating Today's Students
To Succeed in Tomorrow's World***

Statistical Tables

This section of the School Board of Broward County's Comprehensive Annual Financial Report (CAFR) is the chief source of information regarding the School Board's economic condition. It presents detailed information for understanding what the information in the financial statements, note disclosures and required supplemental information says about the School Board's overall financial position. All of the information presented in the statistical section is organized around five specific objectives.

Financial Trends (Table 1 – 4)

These schedules contain trend information to assist the reader in understanding how the School Board's financial position has changed over time.

Revenue Capacity (Table 5 – 10)

These schedules contain information to assist the reader in understanding and assessing the School Board's major revenue sources.

Debt Capacity (Table 11 – 15)

These schedules present information to assist the reader in understanding the School Board's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic & Economic Information (Table 16 - 19)

These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the School Board's financial activities take place.

Operating Information (Table 20 – 23)

These schedules contain service and infrastructure data to assist the reader in understanding how the information in the School Board's financial report relates to the service the School Board provides and the activities it performs.

TABLE 1 - NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (accrual basis of accounting)
 (dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PRIMARY GOVERNMENT:										
NET POSITION:										
Net investment in capital assets	\$ 1,467,281	\$ 1,528,246	\$ 1,469,885	\$ 1,459,470	\$ 1,354,057	\$ 1,304,750	\$ 1,280,610	\$ 1,282,288	\$ 1,269,067	\$ 1,184,034
Restricted for:										
State required carryover programs	12,934	2,882	5,104	4,660	6,521	2,787	1,292	3,973	15,901	21,633
Debt service	23,605	13,324	12,318	15,310	11,763	9,353	4,080	2,716	4,547	10,027
Capital projects	359,238	263,636	207,636	126,574	128,358	137,110	131,394	145,340	140,887	198,345
Special revenue	1,380	2,611	11,354	19,626	30,275	38,570	43,378	47,010	53,653	53,772
Unrestricted (deficits)	(40,486)	(90,842)	(108,596)	(76,872)	(145,677)	(148,466)	(143,647)	(894,179)	(895,450)	(899,425)
Total net position	<u>\$ 1,823,952</u>	<u>\$ 1,719,857</u>	<u>\$ 1,597,701</u>	<u>\$ 1,548,768</u>	<u>\$ 1,385,297</u>	<u>\$ 1,344,104</u>	<u>\$ 1,317,107</u>	<u>\$ 587,148</u>	<u>\$ 588,605</u>	<u>\$ 568,386</u>

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 2 - CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (accrual basis of accounting)
 (dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PRIMARY GOVERNMENT:										
PROGRAM EXPENSES:										
Instructional services	\$ 1,535,029	\$ 1,570,848	\$ 1,500,822	\$ 1,544,961	\$ 1,374,058	\$ 1,436,331	\$ 1,524,589	\$ 1,538,275	\$ 1,573,265	\$ 1,658,219
Instructional support services	269,177	274,977	254,985	236,635	219,525	211,569	223,511	235,943	242,100	263,323
Pupil transportation services	92,070	91,121	102,714	93,605	87,777	88,793	85,853	84,884	82,507	90,201
Operation and maintenance of plant	256,039	256,559	250,936	247,447	229,195	231,624	229,247	240,306	242,762	248,433
School administration	134,685	136,038	133,619	134,051	122,644	126,801	131,084	133,624	131,931	142,920
General administration	111,333	100,440	102,111	92,854	79,246	73,474	75,592	69,449	82,943	90,709
Food services	94,192	93,785	90,025	93,200	90,191	96,243	98,713	104,666	105,719	113,167
Interest expense	151,433	97,615	60,652	24,517	32,646	32,894	44,541	138,546	114,369	74,749
Facilities acquisition and construction	89,550	71,259	102,028	102,841	128,897	76,437	70,231	49,691	70,698	77,203
Total expenses	<u>2,733,508</u>	<u>2,692,642</u>	<u>2,597,892</u>	<u>2,570,111</u>	<u>2,364,179</u>	<u>2,374,166</u>	<u>2,483,361</u>	<u>2,595,384</u>	<u>2,646,294</u>	<u>2,758,924</u>
PROGRAM REVENUES:										
Charges for services										
Instructional services	20,470	20,576	21,038	21,169	23,201	24,833	27,282	28,133	29,258	31,327
Pupil transportation services	1,054	1,338	1,375	1,114	1,140	1,291	1,138	1,209	1,109	1,332
Food services	29,460	27,894	24,794	23,025	21,479	20,773	19,578	17,009	16,062	15,261
Total charges for services	<u>50,984</u>	<u>49,808</u>	<u>47,207</u>	<u>45,308</u>	<u>45,820</u>	<u>46,897</u>	<u>47,998</u>	<u>46,351</u>	<u>46,429</u>	<u>47,920</u>
Operating grants and contributions	90,974	93,765	67,242	73,666	74,915	79,369	84,318	88,904	671,496	688,271
Capital grants and contributions	128,579	47,632	32,883	27,270	28,657	21,687	27,518	29,441	26,391	31,600
Total program revenues	<u>270,537</u>	<u>191,205</u>	<u>147,332</u>	<u>146,244</u>	<u>149,392</u>	<u>147,953</u>	<u>159,834</u>	<u>164,696</u>	<u>744,316</u>	<u>767,791</u>
Total net program (expense) revenue	<u>\$ (2,462,971)</u>	<u>\$ (2,501,437)</u>	<u>\$ (2,450,560)</u>	<u>\$ (2,423,867)</u>	<u>\$ (2,214,787)</u>	<u>\$ (2,226,213)</u>	<u>\$ (2,323,527)</u>	<u>\$ (2,430,688)</u>	<u>\$ (1,901,978)</u>	<u>\$ (1,991,133)</u>
GENERAL REVENUES:										
Ad valorem taxes levied for:										
General purposes	\$ 926,121	\$ 961,492	\$ 906,798	\$ 831,155	\$ 757,984	\$ 778,692	\$ 814,054	\$ 864,701	\$ 901,439	\$ 916,007
Debt service	28,980	210	51	51	21	15	22	13	11,220	12,061
Capital outlays	338,057	297,268	229,963	200,622	192,258	196,120	204,254	218,479	237,117	257,477
Grants and contributions not restricted to specific programs:										
Florida education finance program	544,725	417,274	438,467	548,797	505,357	553,397	626,111	628,202	655,072	688,328
Other federal sources	193,891	183,247	348,546	381,178	205,162	195,655	192,642	208,119	17,161	22,189
Other state sources	422,331	407,314	367,078	374,624	372,518	386,985	388,984	394,190	2,041	7,856
Other local sources	28,290	93,412	28,913	34,035	13,002	71,410	68,145	239,471	75,556	60,869
Unrestricted investment earnings	55,045	37,125	8,588	4,472	5,014	2,746	2,518	1,920	3,829	6,127
Total general revenues	<u>2,537,440</u>	<u>2,397,342</u>	<u>2,328,404</u>	<u>2,374,934</u>	<u>2,051,316</u>	<u>2,185,020</u>	<u>2,296,730</u>	<u>2,555,095</u>	<u>1,903,435</u>	<u>1,970,914</u>
Change in net position	<u>\$ 74,469</u>	<u>\$ (104,095)</u>	<u>\$ (122,156)</u>	<u>\$ (48,933)</u>	<u>\$ (163,471)</u>	<u>\$ (41,193)</u>	<u>\$ (26,797)</u>	<u>\$ 124,407</u>	<u>\$ 1,457</u>	<u>\$ (20,219)</u>

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (modified accrual basis of accounting)
(dollars in thousands)**

	<u>2008 *</u>	<u>2009 *</u>	<u>2010 *</u>	<u>2011</u>
GENERAL FUND:				
Nonspendable	\$ 18,392	\$ 19,401	\$ 11,105	\$ 10,571
Restricted	12,934	2,882	5,104	4,660
Committed	2,103	2,103	2,103	2,103
Assigned	14,119	2,365	2,510	25,497
Unassigned	68,351	58,206	48,628	57,000
Total General Fund	<u>\$ 115,899</u>	<u>\$ 84,957</u>	<u>\$ 69,450</u>	<u>\$ 99,831</u>
Total Change in General Fund Balance	<u>\$ 17,031</u>	<u>\$ (30,942)</u>	<u>\$ (15,507)</u>	<u>\$ 30,381</u>
ALL OTHER GOVERNMENTAL FUNDS:⁽¹⁾				
Nonspendable	\$ 2,139	\$ 1,699	\$ 1,677	\$ 1,968
Restricted	964,778	721,383	510,346	439,693
Committed	-	-	-	-
Assigned	1,981	1,982	1,950	4,011
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 968,898</u>	<u>\$ 725,064</u>	<u>\$ 513,973</u>	<u>\$ 445,672</u>
Total Change in Other Gov Funds Balance	<u>\$ 58,252</u>	<u>\$ (243,834)</u>	<u>\$ (211,091)</u>	<u>\$ (68,301)</u>

(1) Includes Special Revenue, Debt Service and Capital Projects Funds.

* The District implemented GASB 54 for the fiscal year ended June 30, 2011.
The fund balances from the prior fiscal years were restated for comparison purposes.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 3 (concluded)

2012	2013	2014	2015	2016	2017
\$ 10,015	\$ 9,775	\$ 8,128	\$ 20,361	\$ 20,959	\$ 21,540
6,521	2,787	1,292	3,973	15,901	21,633
1,690	1,020	55,019	54,635	54,327	54,327
9,274	10,117	30,177	23,199	27,429	31,312
49,646	59,179	50,164	59,264	60,565	61,213
<u>\$ 77,146</u>	<u>\$ 82,878</u>	<u>\$ 144,780</u>	<u>\$ 161,432</u>	<u>\$ 179,181</u>	<u>\$ 190,025</u>
<u>\$ (22,685)</u>	<u>\$ 5,732</u>	<u>\$ 61,902</u>	<u>\$ 16,652</u>	<u>\$ 17,749</u>	<u>\$ 10,844</u>
\$ 2,010	\$ 2,221	\$ 2,375	\$ 2,951	\$ 3,544	\$ 3,517
369,817	313,001	270,579	433,961	376,947	371,115
-	-	-	-	-	-
2,513	2,701	2,894	3,136	4,050	4,513
-	-	(5,229)	-	-	-
<u>\$ 374,340</u>	<u>\$ 317,923</u>	<u>\$ 270,619</u>	<u>\$ 440,048</u>	<u>\$ 384,541</u>	<u>\$ 379,145</u>
<u>\$ (71,332)</u>	<u>\$ (56,417)</u>	<u>\$ (47,304)</u>	<u>\$ 169,429</u>	<u>\$ (55,507)</u>	<u>\$ (5,396)</u>

(UNAUDITED)

TABLE 4 - GENERAL GOVERNMENT SUMMARY OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION ⁽¹⁾ (modified accrual basis of accounting) LAST TEN FISCAL YEARS (dollars in thousands)

	2008	2009	2010	2011
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 1,293,158	\$ 1,258,970	\$ 1,129,024	\$ 1,016,239
Food sales	29,461	27,896	24,794	23,025
Interest income	50,388	33,697	6,992	4,274
Other	69,389	67,662	59,439	66,600
Total local sources	<u>1,442,396</u>	<u>1,388,225</u>	<u>1,220,249</u>	<u>1,110,138</u>
State sources:				
Florida education finance program	616,014	486,418	502,051	611,112
Public education capital outlay	105,718	25,570	10,894	5,000
Classrooms for kids	-	-	-	-
Discretionary lottery funds	13,012	6,608	749	1,003
Categorical programs and other	397,823	389,270	326,109	334,929
Total state sources	<u>1,132,567</u>	<u>907,866</u>	<u>839,803</u>	<u>952,044</u>
Federal sources:				
Food service	51,096	55,767	62,534	65,604
Grants and other	185,369	196,824	352,119	387,888
Total federal sources	<u>236,465</u>	<u>252,591</u>	<u>414,653</u>	<u>453,492</u>
TOTAL REVENUES	<u>\$ 2,811,428</u>	<u>\$ 2,548,682</u>	<u>\$ 2,474,705</u>	<u>\$ 2,515,674</u>
EXPENDITURES:				
Current operating:				
Instructional services	\$ 1,427,580	\$ 1,455,381	\$ 1,396,303	\$ 1,440,371
Instructional support services	254,565	258,476	239,841	221,500
Pupil transportation services	89,126	88,616	97,486	89,432
Operation and maintenance of plant	247,274	247,376	242,354	238,992
School administration	130,432	131,907	129,519	129,971
General administration	116,385	107,400	99,396	102,259
Food services	87,492	86,656	83,625	89,138
Total current operating	<u>2,352,854</u>	<u>2,375,812</u>	<u>2,288,524</u>	<u>2,311,663</u>
Debt service:				
Principal retirement	106,839	89,484	79,303	79,553
Interest charges	107,318	103,359	101,653	98,668
Total debt service	<u>214,157</u>	<u>192,843</u>	<u>180,956</u>	<u>178,221</u>
Capital outlay:				
Facilities acquisition & construction-non capitalized	142,072	71,189	60,652	24,517
Facilities acquisition & construction-capitalized	318,606	408,389	189,031	96,646
Total capital outlay	<u>460,678</u>	<u>479,578</u>	<u>249,683</u>	<u>121,163</u>
TOTAL EXPENDITURES	<u>\$ 3,027,689</u>	<u>\$ 3,048,233</u>	<u>\$ 2,719,163</u>	<u>\$ 2,611,047</u>
Excess of revenues over (under)				
Expenditures	<u>(216,261)</u>	<u>(499,551)</u>	<u>(244,458)</u>	<u>(95,373)</u>
Other financing sources (uses):				
Proceeds of bonds sold	4,875	-	4,217	-
Premium on refunding bonds	-	-	-	1,124
Proceeds of refunding bonds issued	-	-	-	6,995
Proceeds of certificates of participation	270,560	133,963	-	227,155
Premium (discount) on long-term debt issued	4,627	(816)	-	8,924
Capital leases	10,896	16,972	8,902	-
Proceeds from sale of capital assets	386	3,211	626	2,001
Proceeds of loss recovery	200	198	7,116	2,289
Payments to refunded bond escrow agents	-	-	(3,001)	(191,035)
Transfers in	260,734	353,096	251,564	251,274
Transfers out	<u>(260,734)</u>	<u>(281,849)</u>	<u>(251,564)</u>	<u>(251,274)</u>
Total other financing sources (uses)	<u>291,544</u>	<u>224,775</u>	<u>17,860</u>	<u>57,453</u>
Net change in fund balances	<u>\$ 75,283</u>	<u>\$ (274,776)</u>	<u>\$ (226,598)</u>	<u>\$ (37,920)</u>

Debt service as a percentage of noncapital expenditures 7.91% 7.31% 7.15% 7.09%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 4 (concluded)

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 961,867	\$ 978,812	\$ 1,018,330	\$ 1,083,193	\$ 1,149,776	\$ 1,185,545
21,477	20,771	19,578	17,009	16,062	15,261
2,838	2,615	2,518	1,917	3,829	6,126
56,770	74,550	94,300	85,166	94,784	99,212
<u>1,042,952</u>	<u>1,076,748</u>	<u>1,134,726</u>	<u>1,187,285</u>	<u>1,264,451</u>	<u>1,306,144</u>
577,416	553,397	626,111	628,202	655,072	688,328
-	6,688	-	4,530	4,845	7,188
-	-	-	-	-	-
870	-	2,662	980	-	4,698
322,957	410,011	415,196	419,458	417,043	424,366
<u>901,243</u>	<u>970,096</u>	<u>1,043,969</u>	<u>1,053,170</u>	<u>1,076,960</u>	<u>1,124,580</u>
67,416	71,623	75,853	79,241	83,126	84,995
211,264	202,062	199,749	216,447	205,523	223,017
<u>278,680</u>	<u>273,685</u>	<u>275,602</u>	<u>295,688</u>	<u>288,649</u>	<u>308,012</u>
<u>\$ 2,222,875</u>	<u>\$ 2,320,529</u>	<u>\$ 2,454,297</u>	<u>\$ 2,536,143</u>	<u>\$ 2,630,060</u>	<u>\$ 2,738,736</u>
\$ 1,281,602	\$ 1,326,327	\$ 1,436,698	\$ 1,454,184	\$ 1,497,067	\$ 1,553,343
205,933	199,026	210,415	222,934	231,260	249,180
85,530	85,256	83,170	81,293	80,659	87,398
221,986	224,168	222,009	233,826	237,729	239,925
118,847	122,935	127,539	130,628	130,282	137,352
79,904	76,312	78,659	73,213	88,544	95,728
85,985	93,059	96,920	102,672	106,512	112,849
<u>2,079,787</u>	<u>2,127,083</u>	<u>2,255,410</u>	<u>2,298,750</u>	<u>2,372,053</u>	<u>2,475,775</u>
77,611	77,807	85,328	88,631	92,417	89,640
93,968	92,340	96,110	84,460	83,780	82,372
<u>171,579</u>	<u>170,147</u>	<u>181,438</u>	<u>173,091</u>	<u>176,197</u>	<u>172,012</u>
32,646	32,892	44,521	49,676	70,758	74,540
37,355	49,455	38,113	24,913	50,134	44,342
<u>70,001</u>	<u>82,347</u>	<u>82,634</u>	<u>74,589</u>	<u>120,892</u>	<u>118,882</u>
<u>\$ 2,321,367</u>	<u>\$ 2,379,577</u>	<u>\$ 2,519,482</u>	<u>\$ 2,546,430</u>	<u>\$ 2,669,142</u>	<u>\$ 2,766,669</u>
<u>(98,492)</u>	<u>(59,048)</u>	<u>(65,185)</u>	<u>(10,287)</u>	<u>(39,082)</u>	<u>(27,933)</u>
-	-	-	155,055	-	-
1,367	-	-	-	-	-
12,265	-	-	9,200	-	42,930
270,650	44,535	114,140	423,165	282,145	-
29,027	-	-	93,451	36,978	512
-	5,032	20,300	30,000	-	28,777
2,679	414	480	831	3,310	627
94	2,842	109	-	-	-
(311,422)	(44,460)	(113,825)	(515,334)	(321,109)	(39,465)
234,336	238,439	293,828	236,476	243,229	240,505
<u>(234,521)</u>	<u>(238,439)</u>	<u>(235,249)</u>	<u>(236,476)</u>	<u>(243,229)</u>	<u>(240,505)</u>
<u>4,475</u>	<u>8,363</u>	<u>79,783</u>	<u>196,368</u>	<u>1,324</u>	<u>33,381</u>
<u>\$ (94,017)</u>	<u>\$ (50,685)</u>	<u>\$ 14,598</u>	<u>\$ 186,081</u>	<u>\$ (37,758)</u>	<u>\$ 5,448</u>
7.51%	7.30%	7.31%	6.86%	6.73%	6.32%

(UNAUDITED)

**TABLE 5 - ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(dollars in thousands)**

FISCAL YEAR	ASSESSED VALUE ⁽¹⁾		EXEMPTIONS ⁽²⁾		NET ASSESSED	DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY	TAXABLE PROPERTY VALUE	
2008	\$ 255,456,494	\$ 7,983,385	\$ 86,564,782	\$ 104,821	\$ 176,770,276	7.6484
2009	239,733,615	7,993,405	70,349,768	160,322	177,216,930	7.4170
2010	202,144,709	7,955,487	50,824,776	189,290	159,086,130	7.4310
2011	171,869,596	7,732,226	40,219,956	187,099	139,194,767	7.6310
2012	169,479,765	7,421,889	41,083,095	196,897	135,621,662	7.4180
2013	168,965,812	7,367,500	39,660,644	201,407	136,471,261	7.4560
2014	178,153,457	7,645,682	42,807,958	948,264	142,042,917	7.4800
2015	198,141,803	7,700,685	51,306,429	996,305	153,539,754	7.4380
2016	216,055,369	8,047,509	58,337,283	1,082,829	164,682,766	7.2740
2017	234,894,131	8,503,953	63,484,062	1,110,211	178,803,811	6.9060

(1) The basis of assessed value is approximately 100% of actual value.

(2) Exemptions allowed by Florida Statutes, Chapter 196

SOURCE: Broward County Property Appraiser

(UNAUDITED)

**TABLE 6 - PROPERTY TAX RATES AND LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(dollars in thousands)**

FISCAL YEAR	THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA				BROWARD COUNTY COMMISSION	SPECIAL TAXING DISTRICTS ⁽¹⁾	TOTAL
	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL			
2008	5.4770	2.0000	0.1714	7.6484	5.2868	0.6240	13.5592
2009	5.6670	1.7500	0.0000	7.4170	5.3150	0.6240	13.3560
2010	5.9310	1.5000	0.0000	7.4310	4.8890	0.6240	12.9440
2011	6.1310	1.5000	0.0000	7.6310	5.1020	0.6240	13.3570
2012	5.9180	1.5000	0.0000	7.4180	5.1860	0.4360	13.0400
2013	5.9560	1.5000	0.0000	7.4560	5.2580	0.4290	13.1430
2014	5.9800	1.5000	0.0000	7.4800	5.4400	0.4110	13.3310
2015	5.9380	1.5000	0.0000	7.4380	5.4580	0.3840	13.2800
2016	5.7030	1.5000	0.0710	7.2740	5.4740	0.3550	13.1030
2017	5.3360	1.5000	0.0703	6.9063	5.4470	0.3310	12.6843
Property Tax Levies							
2008	\$ 968,171	\$ 353,541	\$ 30,298	\$ 1,352,010	\$ 934,549	\$ 110,305	\$ 2,396,864
2009	1,004,289	310,130	-	1,314,419	941,819	110,583	2,366,821
2010	943,539	238,629	-	1,182,168	777,756	99,270	2,059,194
2011	853,403	208,789	-	1,062,192	710,172	86,858	1,859,222
2012	802,609	203,432	-	1,006,041	703,334	59,172	1,768,547
2013	812,822	204,706	-	1,017,528	717,566	58,546	1,793,640
2014	849,416	213,064	-	1,062,480	772,713	58,380	1,893,573
2015	911,719	230,309	-	1,142,028	838,020	58,959	2,039,007
2016	939,186	247,024	11,692	1,197,902	901,473	58,462	2,157,837
2017	954,097	268,206	12,570	1,234,873	973,944	59,184	2,268,001

(1) Includes South Florida Water Management

SOURCE: Broward County Property Appraiser

(UNAUDITED)

TABLE 7 - PRINCIPAL TAXPAYERS - BROWARD COUNTY
CURRENT YEAR AND NINE YEARS AGO
 (dollars in thousands)

TAXPAYER	2017			2008		
	TAX LEVY ⁽¹⁾	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY	TAX LEVY ⁽¹⁾	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
Florida Power & Light Co	\$ 36,668	1	0.96%	\$ 21,190	1	0.57%
Sunrise Mills Ltd Prtnr	13,519	2	0.36%			-
Diplomat Properties Ltd Prtnr	7,929	3	-	6,715	2	0.18%
Arium Resort LLC	4,456	4	0.12%	-	-	-
Bellsouth Telecommunications Inc	4,050	5	0.11%			-
Wal-Mart Stores East LP	5,016	6	0.13%			-
Harbor Beach Property LLC	3,875	7	0.10%	-	-	-
IH3 Property Florida LP	3,912	8	0.10%	-	-	-
RAR2 - Las Olas Centre LLC	3,096	9	0.08%	-	-	-
Camden Summit Partnership LP	3,073	10	0.08%	-	-	-
BF Las Olas LLC	-	-	-	2,830	4	0.08%
WCI Communities	-	-	-	6,401	3	0.17%
Cocowalk Dev. Inc.	-	-	-	2,263	5	0.06%
Marriott Ownership Resorts Inc	-	-	-	2,013	6	0.05%
Broward Mall Limited Partnership	-	-	-	1,987	7	0.05%
Keystone-Florida Prop. Holdings	-	-	-	1,945	8	0.05%
Gulfstream Park Racing Assoc.	-	-	-	1,864	9	0.05%
Equity One Sheridan Plaza LLC	-	-	-	1,594	10	0.04%
Total principal taxpayers	<u>85,594</u>		<u>2.04%</u>	<u>48,802</u>		<u>1.30%</u>
All other taxpayers	<u>3,697,834</u>		<u>97.74%</u>	<u>3,684,725</u>		<u>98.70%</u>
Total aggregate tax levy	<u>\$ 3,783,428</u>		<u>99.78%</u>	<u>\$ 3,733,527</u>		<u>100.00%</u>

(1) Includes Tax Levy from all taxing jurisdictions within Broward County.

SOURCE: Broward County Revenue Collections Department

SOURCE: Broward County School Board

(UNAUDITED)

Broward County Public Schools



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TABLE 8 - PROPERTY TAX LEVIES AND COLLECTIONS
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
 (dollars in thousands)

FISCAL YEAR	TOTAL TAX LEVY	LESS ADJUSTMENTS		NET TAX LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		DEDUCTIONS ⁽¹⁾	DISCOUNTS ⁽²⁾		AMOUNT	PERCENTAGE OF LEVY
2008	\$ 1,352,010	\$ 9,019	\$ 42,928	\$ 1,300,063	\$ 1,289,033	99.15%
2009	1,314,419	6,670	42,216	1,265,533	1,249,478	98.73%
2010	1,182,168	12,390	38,689	1,131,089	1,115,273	98.60%
2011	1,062,192	10,880	35,658	1,015,654	1,004,118	98.86%
2012	1,006,041	5,680	34,340	966,021	961,815	99.56%
2013	1,017,528	3,890	35,072	978,566	977,705	99.91%
2014	1,062,480	3,845	36,865	1,021,770	1,018,308	99.66%
2015	1,142,028	11,382	39,633	1,091,013	1,083,180	99.28%
2016	1,197,902	7,644	41,445	1,148,813	1,149,776	100.08%
2017	1,234,819	8,307	42,922	1,183,590	1,185,545	100.17%

(1) Deductions reflect adjustments by Value Adjustment Board

(2) Reflects discounts for early payment

SOURCE: The School Board of Broward County - Treasurer's Office

Table 8 (concluded)

COLLECTED IN SUBSEQUENT YEARS	TOTAL COLLECTIONS THRU JUNE 30, 2017	
	AMOUNT	PERCENTAGE OF LEVY
\$ 4,125	\$ 1,293,158	99.47%
9,492	1,258,970	99.48%
13,751	1,129,024	99.82%
12,120	1,016,238	100.06%
52	961,867	99.57%
1,107	978,812	100.03%
22	1,018,330	99.66%
13	1,083,193	99.28%
11,220	1,160,996	101.06%
12,062	1,197,607	101.18%

(UNAUDITED)

**TABLE 9 - EDUCATIONAL IMPACT FEE REVENUES
LAST NINE FISCAL YEARS
(dollars in thousands)**

<u>FISCAL YEAR</u>	<u>REVENUE</u>
2009	\$ 498
2010	2,240
2011	4,853
2012	3,996
2013	14,850
2014	6,326
2015	15,728
2016	13,599
2017	14,714

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 10 - ANTICIPATED LOCAL OPTION MILLAGE LEVY REQUIRED TO COVER COMBINED MAXIMUM ANNUAL BASIC LEASE PAYMENTS REPRESENTED BY THE OUTSTANDING CERTIFICATES OF PARTICIPATION (dollars in thousands)

	<u>2017</u>
¹ Net Taxable Assessed Valuation	\$ 178,803,811
Funds generated from Local Option Millage Levy assuming a levy of 1.50 mills	\$ 257,477
Local Option Millage Levy Legally Available to make Lease Payments assuming 75% of the 1.50 mills is Available	\$ 193,108
² Maximum Combined Annual Lease Payment represented by the Outstanding Certificates	\$ 161,752
³ Minimum Millage Required to Produce 1.00x coverage of Maximum Annual Basic Lease Payments represented by the Outstanding Certificates	0.943
³ Minimum Local Option Millage Levy Required under Applicable Law to Produce 1.00x Coverage of Maximum Annual Basic Lease Payments represented by the Outstanding Certificates	1.257

(1) SOURCE: Broward County Property Appraiser

(2) Net of U.S. Treasury direct subsidy rebate

(3) SOURCE: The School Board of Broward County - Treasury Department

(UNAUDITED)

**TABLE 11 - RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita amount)**

FISCAL YEAR	CAPITAL OUTLAY BONDS ⁽³⁾	GENERAL OBLIGATION BONDS ⁽³⁾	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	TOTAL	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION ⁽²⁾	PERCENT OF TOTAL OUTSTANDING DEBT TO PERSONAL INCOME ⁽¹⁾	PER CAPITA ⁽¹⁾
2008	\$ 79,960	\$ -	\$ 1,950,144	\$ 48,744	\$ 2,078,848	1.18%	2.82%	\$ 1,184
2009	73,039	-	2,022,542	39,204	2,134,785	1.20%	2.93%	1,224
2010	67,044	-	1,998,639	34,816	2,100,499	1.32%	2.91%	1,197
2011	66,030	-	1,983,094	23,740	2,072,864	1.49%	NA	1,182
2012	58,736	-	1,978,065	16,361	2,053,162	1.51%	NA	1,159
2013	43,984	-	1,888,062	15,463	1,947,509	1.43%	NA	1,091
2014	35,285	-	1,794,131	29,513	1,858,929	1.31%	NA	1,004
2015	28,382	163,787	1,731,741	51,560	1,975,470	1.29%	NA	1,053
2016	20,291	160,572	1,676,373	40,619	1,897,855	1.15%	NA	998
2017	15,763	156,361	1,578,952	56,079	1,807,155	1.01%	NA	938

NA Not Available

(1) Refer to TABLE 16 for Personal Income and Per Capita

(2) Refer to TABLE 5 for Net Assessed Taxable Property Value

(3) Includes Premium

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 12 - RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

(dollars in thousands, except net bonded debt per capita and per pupil)

FISCAL YEAR	NET ASSESSED TAXABLE VALUE⁽¹⁾	TOTAL BONDED DEBT	LESS DEBT SERVICE FUNDS	NET BONDED DEBT⁽²⁾	RATIO OF NET BONDED DEBT TO TAXABLE VALUE	NET BONDED DEBT PER CAPITA⁽³⁾	NET BONDED DEBT PER PUPIL⁽³⁾
2008	\$ 176,770,276	\$ 79,960	\$ 8,046	\$ 71,914	0.04%	\$ 41	\$ 278
2009	177,216,930	73,039	8,046	64,993	0.04%	37	254
2010	159,086,130	67,044	8,046	58,998	0.04%	34	231
2011	139,194,767	66,030	1,742	64,288	0.05%	37	250
2012	135,621,662	58,736	1,604	57,132	0.04%	32	221
2013	136,471,261	43,984	1,386	42,598	0.03%	24	163
2014	142,042,917	35,285	1,123	34,162	0.02%	18	130
2015	153,539,754	192,169	1,148	191,021	0.12%	102	720
2016	164,682,766	180,863	8,379	172,484	0.10%	91	642
2017	178,803,811	171,994	7,493	164,501	0.09%	85	607

(1) SOURCE: Broward County Property Appraiser

(2) SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(3) Refer to TABLE 20 for population and school enrollment data.

(UNAUDITED)

**TABLE 13 - COMPUTATION OF DIRECT AND OVERLAPPING DEBT
CURRENT YEAR AND NINE YEARS AGO**
(dollars in thousands, except per capita amount)

<u>FINANCIAL PARAMETERS</u>	<u>JUNE 30, 2017</u>	<u>JUNE 30, 2008</u>
Direct debt:		
General obligation bonds	\$ 148,225	\$ -
Certificates of Participation	1,422,200	1,903,179
Special obligation bonds ⁽¹⁾	14,160	77,545
Capital Leases	56,079	48,744
Premium/Discount (net)	128,574	49,380
Interest Rate Swap	37,917	-
TOTAL DIRECT DEBT	1,807,155	2,078,848
Overlapping debt: ⁽²⁾		
Broward County ⁽³⁾	232,035	535,920
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 2,039,190	\$ 2,614,768
Population ⁽⁴⁾	1,927,112	1,756,087
Assessed property valuation ⁽⁵⁾	\$ 243,398,084	\$ 263,439,879
Net Assessed taxable property valuation ⁽⁵⁾	\$ 178,803,811	\$ 176,770,276
<u>DEBT RATIOS</u>		
PERCENT OF ASSESSED PROPERTY VALUATION		
Direct debt	0.74%	0.79%
Overlapping debt	0.10%	0.20%
Direct and overlapping debt	0.84%	0.99%
PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION		
Direct debt	1.01%	1.18%
Overlapping debt	0.13%	0.30%
Direct and overlapping debt	1.14%	1.48%
PER CAPITA		
Direct debt	\$ 938	\$ 1,184
Overlapping debt	\$ 120	\$ 305
Direct and overlapping debt	\$ 1,058	\$ 1,489

(1) Special obligation debt is payable from motor vehicle and gross receipts taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2016.

(3) Because the county and the school district coincide, the percentage of overlap is 100%.

(4) SOURCE: Broward County Government, Planning Services Division

(5) SOURCE: Broward County Property Appraiser

Broward County Public Schools



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TABLE 14 - LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(dollars in thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Limit on bond indebtedness	\$ 17,677,028	\$ 17,721,693	\$ 15,908,613	\$ 13,919,477
Total net debt applicable to limit	<u>69,499</u>	<u>63,004</u>	<u>57,144</u>	<u>61,748</u>
Legal debt margin on bonded debt	<u>\$ 17,607,529</u>	<u>\$ 17,658,689</u>	<u>\$ 15,851,469</u>	<u>\$ 13,857,729</u>
Total net debt applicable to limit as a percentage of debt limit	0.39%	0.36%	0.36%	0.44%

The Florida State Board of Education Administrative Rule 6A-1.037(2), establishes a limit on bonded indebtedness for school districts in Florida. The limit for each school district is computed using a stated percentage of the net assessed value of taxable property as of the most current year. Rule repealed April 18, 2006.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 14 (concluded)

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 13,562,166	\$ 13,647,126	\$ 14,204,292	\$ 15,353,975	\$ 16,468,277	\$ 17,880,381
53,736	39,734	34,162	191,021	172,484	164,631
<u>\$ 13,508,430</u>	<u>\$ 13,607,392</u>	<u>\$ 14,170,130</u>	<u>\$ 15,162,954</u>	<u>\$ 16,295,793</u>	<u>\$ 17,715,750</u>
0.40%	0.29%	0.24%	1.24%	1.05%	0.92%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR

Net Assessed Taxable Property Value - January 2016	<u>\$ 178,803,811</u>
Limit on Bond Indebtedness, 10% of net assessed taxable property value	\$ 17,880,381
Total Bonded Debt	172,124
Less:	
Net Position in Debt Service Funds	<u>(7,493)</u>
TOTAL AMOUNT APPLICABLE TO DEBT LIMIT	<u>164,631</u>
LEGAL DEBT MARGIN ON BONDED DEBT	<u>\$ 17,715,750</u>

(UNAUDITED)

TABLE 15 - RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES LAST TEN FISCAL YEARS
(dollars in thousands)

FISCAL YEAR	PRINCIPAL⁽¹⁾	INTEREST⁽¹⁾	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2008	\$ 27,007	\$ 4,486	\$ 31,493	\$ 3,027,689	1.04%
2009	6,495	3,591	10,086	3,048,233	0.33%
2010	6,835	3,406	10,241	2,719,163	0.38%
2011	7,160	3,011	10,171	2,611,047	0.39%
2012	7,500	2,744	10,244	2,321,367	0.44%
2013	7,665	2,338	10,003	2,379,577	0.42%
2014	7,935	2,000	9,935	2,519,482	0.39%
2015	6,445	1,382	7,827	2,546,430	0.31%
2016	7,653	1,296	8,949	2,669,142	0.34%
2017	4,232	1,035	5,267	2,766,681	0.19%

(1) Excludes Certificates of Participation (COPs)

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 16 - DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION⁽¹⁾	PER CAPITA INCOME⁽¹⁾	CIVILIAN LABOR FORCE⁽²⁾	UNEMPLOYMENT RATE⁽²⁾	PERSONAL INCOME⁽²⁾	FALL SCHOOL ENROLLMENT⁽³⁾
2008	1,756,087	\$ 41,169	1,010,017	5.20%	\$ 73,591,000	258,905
2009	1,744,590	41,974	1,008,628	9.50%	72,752,000	255,738
2010	1,754,893	41,185	986,391	10.10%	72,092,767	255,203
2011	1,753,162	NA	988,080	9.60%	NA	256,872
2012	1,771,099	NA	996,526	7.80%	NA	258,803
2013	1,784,715	NA	1,071,430	6.10%	NA	260,796
2014	1,850,613 *	NA	1,072,698 *	5.30%	NA	262,563
2015	1,876,261 *	NA	990,036 *	5.10%	NA	265,401
2016	1,901,796 *	NA	1,014,397 *	4.60%	NA	268,836
2017	1,927,112 *	NA	1,043,881 *	4.10%	NA	271,105

NA Not Available

* Population Estimates

(1) SOURCE: Broward County Government, Planning and Redevelopment Division

(2) SOURCE: Bureau of Labor Statistics, United States Department of Labor

(3) SOURCE: Broward School Board Benchmark Day Enrollment Count

(UNAUDITED)

**TABLE 17 - SCHEDULE OF DISTRICT STATISTICS
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Student Enrollment: ⁽¹⁾			
Pre-K	4,042	4,002	4,244
K	16,471	15,814	15,772
Pre-1	-	-	-
1	18,010	17,244	16,468
2	18,022	17,467	17,062
3	18,603	18,524	18,262
4	17,785	17,643	17,509
5	18,486	17,671	17,422
6	17,603	18,154	17,315
7	18,627	17,577	18,238
8	17,513	18,112	17,399
9	20,240	19,320	18,488
10	18,394	18,167	17,941
11	16,974	16,785	17,345
12	15,770	15,968	16,460
Centers	5,243	4,592	4,676
Total District Schools	<u>241,783</u>	<u>237,040</u>	<u>234,601</u>
Charter Schools	17,122	18,698	20,602
Total	<u>258,905</u>	<u>255,738</u>	<u>255,203</u>
Average Class Size:			
Grades Pre-K - 3	-	-	-
Grades 4 - 8	-	-	-
Grades 9 - 12	-	-	-
Number of Schools:			
Elementary	138	138	141
Middle	42	43	42
High	32	33	33
Adult/Vocational	5	5	5
Centers	12	10	10
Charter	52	56	56
K-8			
Total	<u>281</u>	<u>285</u>	<u>287</u>

**(1) SOURCE: Demographics & Student Assignments Department
Benchmark Day Enrollment Report**

Table 17 (concluded)

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
4,465	4,345	4,282	4,323	4,839	5,339	5,731
16,035	15,741	15,788	15,664	15,015	14,661	14,551
-	-	-	-	-	-	-
16,603	16,389	16,209	16,763	16,811	15,917	15,599
16,296	16,488	16,138	16,207	16,813	16,681	16,160
17,690	17,011	17,081	17,066	17,084	17,021	17,771
17,331	16,484	15,865	15,946	16,332	16,826	16,263
17,389	17,139	16,194	15,722	15,905	16,253	16,920
16,952	16,713	16,420	15,744	15,402	15,392	15,796
17,418	16,890	16,936	16,470	15,862	15,748	15,550
17,999	17,287	17,116	16,921	16,563	15,973	15,801
17,486	18,176	17,764	17,581	18,137	18,251	17,686
18,211	17,331	18,256	17,735	17,690	18,413	18,274
16,872	17,227	16,662	17,219	16,995	17,200	17,712
16,947	16,187	16,668	15,961	16,571	16,604	16,732
5,904	5,906	6,138	5,633	5,330	5,275	5,194
<u>233,598</u>	<u>229,314</u>	<u>227,517</u>	<u>224,955</u>	<u>225,349</u>	<u>225,554</u>	<u>225,740</u>
<u>23,274</u>	<u>29,489</u>	<u>33,279</u>	<u>37,608</u>	<u>40,052</u>	<u>43,282</u>	<u>45,365</u>
<u>256,872</u>	<u>258,803</u>	<u>260,796</u>	<u>262,563</u>	<u>265,401</u>	<u>268,836</u>	<u>271,105</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
141	141	141	140	137	137	136
42	42	42	40	40	40	38
33	33	33	32	33	33	33
5	5	5	3	9	9	10
10	12	10	14	19	19	19
68	76	83	95	99	96	97
1	1	1	-	-	-	-
<u>300</u>	<u>310</u>	<u>315</u>	<u>324</u>	<u>337</u>	<u>334</u>	<u>333</u>

(UNAUDITED)

**TABLE 18 - COMPARATIVE ENROLLMENT TRENDS ⁽¹⁾
TEN LARGEST U.S. SCHOOL DISTRICTS
LAST TEN FISCAL YEARS**

SCHOOL DISTRICT	2007	2008	2009	2010
New York City, NY	999,150	1,035,406	1,029,459	1,038,741
Los Angeles, CA	707,627	693,680	687,534	670,746
Chicago, IL	413,694	407,510	421,430	407,157
Miami-Dade County, FL	353,790	348,128	345,525	345,804
Clark County, NV (Las Vegas)	303,448	309,051	312,761	307,059
Broward County, FL ⁽²⁾	262,616	258,905	255,738	255,203
Houston, TX	202,936	199,534	200,225	202,773
Hillsborough County, FL	193,517	193,180	192,007	193,265
Orange County, FL	NA	174,142	172,257	173,259
Palm Beach County, FL	NA	NA	NA	NA

NA Not Available

(1) Based on students enrolled in grades kindergarten through twelve during the fall with 1/2 day kindergarten students counted as 1/2 student.

SOURCE: American School & University Magazine Sept 2016 Issue

(2) SOURCE: Broward School Board Twentieth Day Membership Count

Table 18 (concluded)

2011	2012	2013	2014	2015	2016
1,043,886	1,041,437	1,036,053	1,104,479	1,122,783	NA
667,273	662,140	655,494	653,826	646,683	NA
405,644	409,530	403,461	399,930	397,138	NA
347,366	350,227	354,236	356,232	356,964	NA
314,059	321,655	311,429	314,598	318,040	NA
256,872	258,803	260,796	262,563	N/A	268,836
204,245	201,594	202,586	210,716	215,225	NA
194,525	197,001	200,287	203,432	207,469	NA
176,008	179,989	183,021	187,092	191,648	NA
NA	NA	NA	NA	186,605	NA

(UNAUDITED)

**TABLE 19 - LARGEST EMPLOYERS IN BROWARD COUNTY
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYERS	2017		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
School Board of Broward County	26,621	1	2.6%
Broward County Government	12,404	2	1.2%
Memorial Healthcare System	12,200	3	1.2%
Broward Health	8,219	4	0.8%
Nova Southeastern University	7,462	5	0.7%
Autonation	4,000	6	0.4%
American Express	3,500	7	0.3%
City of Fort Lauderdale	2,568	8	0.3%
Spirit Airlines	1,800	9	0.2%
Citrix	1,700	10	0.2%
	<u>80,474</u>		<u>7.9%</u>

	2008		
	EMPLOYEES	RANK	PRODUCTS/ SERVICE
School Board of Broward County	39,714	1	Public Education
Memorial Healthcare System	10,000	2	Hospital/Health Care
North Broward Hospital District	8,148	3	Hospital/Health Care
Broward County Sheriff's Office	6,300	4	County Government
Tenet Healthcare Corp.	5,000	5	Hospital/Health Care
American Express	4,200	6	Financial Services
The Continental Group	3,900	7	Property Management
Motorola	3,000	8	Communications
City of Fort Lauderdale	2,681	9	County Government
Citrix	1,885	10	Software
	<u>84,828</u>		

**SOURCE: 2017 Greater Fort Lauderdale Alliance/Broward County
(Economic Sourcebook & Market Profile)**

SOURCE: 2008 School Board of Broward County CAFR - Statistical Section

(UNAUDITED)

**TABLE 20 - CLASSIFICATION OF FULL-TIME PERSONNEL
LAST TEN FISCAL YEARS**

FISCAL YEAR	INSTRUCTIONAL STAFF⁽¹⁾	TEACHER AIDES	PRINCIPALS & ASSISTANT PRINCIPALS	MANAGEMENT & SUPPORT STAFF⁽²⁾	TOTAL
2008	17,178	2,631	654	9,714	30,177
2009	16,848	2,398	665	9,408	29,319
2010	15,490	2,207	651	8,934	27,282
2011	16,143	2,377	650	8,621	27,791
2012	14,432	2,343	644	8,092	25,511
2013	14,773	2,319	644	7,842	25,578
2014	14,821	2,431	646	7,895	25,793
2015	14,756	2,447	640	7,866	25,709
2016	14,970	2,645	642	7,998	26,255
2017	15,095	2,804	655	8,067	26,621

(1) Includes Elementary and Secondary Teachers, Exceptional Student Teachers, Other Teachers, Guidance/Psychological, Librarians, Other Professional Instructional Staff.

(2) Includes Officials, Administrators and Managers (Instructional and Non-Instructional), Supervisors of Instructional, Technicians, Clerical/Secretarial Staff, Service Workers, Skilled Crafters, Laborers.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 21 - TEACHERS' SALARIES
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>MINIMUM SALARY</u>	<u>MAXIMUM SALARY</u>	<u>AVERAGE SALARY</u>
2008	\$ 38,500	\$ 78,000	\$ 58,250
2009	39,000	79,250	59,125
2010	39,000	79,250	59,125
2011	39,000	79,250	59,125
2012	39,000	79,250	59,125
2013	39,000	79,250	59,125
2014	39,000	79,250	59,125
2015	39,000	79,250	59,125
2016	39,000	79,250	59,125
2017	43,286	83,035	63,161

SOURCE: The School Board of Broward County - Compensation & HRIS Department

(UNAUDITED)

**TABLE 22 - SCHEDULE OF OPERATING STATISTICS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>ENROLLMENT</u>	<u>OPERATING EXPENDITURES</u>	<u>COST PER PUPIL</u>	<u>INSTRUCTIONAL STAFF</u>
2008	258,905	\$ 2,352,854,000	\$ 9,088	17,178
2009	255,738	2,375,812,000	9,290	16,848
2010	255,203	2,288,524,000	8,967	15,490
2011	256,872	2,311,663,000	8,999	16,143
2012	258,803	2,079,787,000	8,036	14,432
2013	260,796	2,127,083,000	8,156	14,773
2014	262,563	2,255,410,000	8,590	14,821
2015	265,401	2,298,750,000	8,661	14,756
2016	268,836	2,372,053,000	8,823	14,970
2017	271,105	2,475,775,000	9,132	15,095

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 23 - CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Schools										
Elementary										
Permanent Buildings:										
Number	1,108	1,134	1,136	1,135	1,134	1,129	1,127	1,097	1,111	1,115
Square Feet	15,236,061	15,512,619	15,566,992	15,512,260	15,498,519	15,489,384	15,372,627	15,074,527	15,218,294	15,162,208
Portables:										
Number	636	583	579	579	579	577	566	520	543	506
Square Feet	546,631	500,487	496,475	496,475	496,475	494,671	485,439	447,083	442,716	411,360
Student stations	127,910	126,865	126,122	125,016	124,026	123,331	124,125	120,922	122,479	121,380
Enrollment	111,419	108,365	106,739	105,746	103,597	101,557	101,691	102,799	100,201	99,577
Middle										
Permanent Buildings:										
Number	385	383	385	387	384	383	375	373	375	375
Square Feet	7,567,767	7,549,176	7,524,411	7,599,063	7,589,355	7,592,960	7,453,381	7,289,620	7,292,163	7,289,601
Portables:										
Number	629	593	575	571	471	470	459	454	440	382
Square Feet	510,217	479,893	467,813	463,393	375,727	374,935	366,375	362,183	344,628	300,700
Student stations	73,708	73,075	71,636	71,353	70,115	69,348	69,526	67,381	67,548	66,737
Enrollment	53,743	53,843	52,952	52,432	50,890	50,472	49,135	47,827	45,550	44,869
Combination										
Permanent Buildings:										
Number								56	56	56
Square Feet								1,083,291	1,096,643	1,096,643
Portables:										
Number								19	19	19
Square Feet								16,260	16,260	16,260
Student stations								8,419	8,395	8,395
Enrollment								5,646	5,987	7,686
High										
Permanent Buildings:										
Number	458	486	493	493	476	475	459	450	452	454
Square Feet	9,531,424	9,946,842	9,918,353	9,895,698	9,885,884	9,829,410	9,243,782	9,205,240	9,183,975	9,184,779
Portables:										
Number	599	589	588	587	585	572	573	567	525	498
Square Feet	503,083	480,429	479,789	478,997	477,413	466,051	467,063	461,515	427,999	406,931
Student stations	89,693	90,580	89,721	89,258	88,209	85,857	83,986	82,720	82,323	82,023
Enrollment	71,378	70,240	70,234	69,516	68,921	69,350	68,496	69,393	68,541	68,414
Other										
Permanent Buildings:										
Number	170	146	141	142	158	161	161	156	132	139
Square Feet	1,907,580	1,692,830	1,720,955	1,722,318	1,878,169	1,907,937	1,908,164	1,997,898	1,867,055	1,867,695
Portables:										
Number	131	136	152	154	106	106	106	106	95	93
Square Feet	104,572	112,264	122,960	124,984	86,168	86,168	86,168	86,168	77,388	75,320
Student stations	12,214	11,278	11,246	11,133	13,020	13,310	13,639	14,061	12,661	12,705
Enrollment	5,243	4,592	4,676	5,904	5,906	6,138	5,633	5,330	5,275	5,194
Administrative										
Permanent Buildings:										
Number	92	102	103	91	75	76	76	76	76	76
Portables:	50	148	147	144	289	287	306	304	304	303
Square Feet	1,359,241	1,489,688	1,490,476	1,412,179	1,532,993	1,536,819	1,553,753	1,557,264	1,584,259	1,583,395

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

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Broward County



Public Schools

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