

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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OCTOBER 31, 2018

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of October 31, 2018

(With comparative totals for October 31, 2017)

	GOVERNMENTAL FUND TYPES					PROPRIETARY	FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	INTERNAL SERVICE	AGENCY FUNDS	(Memorandum Only)	
								October 2018	October 2017
ASSETS:									
Cash, cash equivalents and investments	\$ 140,132,645	\$ 36,124,362	\$ 26,669,162	\$ 45,290,610	\$ 205,795,433	\$ 1,715,487	\$ 18,231,279	\$ 473,958,978	\$ 555,768,675 (A)
Due from other agencies	282,694,653	36,854,243	7,509,601	-	119,235,590	-	-	446,294,087	394,711,102 (B)
Due from other funds	39,086,646	-	-	-	-	-	-	39,086,646	39,309,228
Inventories	6,971,039	1,347,065	-	-	-	100,503	-	8,418,607	10,520,825
Fixed assets	-	-	-	-	-	10,106	-	10,106	3,860
Prepays and Other assets	13,108,528	349,155	49,863	154,580	456,473	1,526	-	14,120,125	12,310,217
TOTAL ASSETS	\$ 481,993,511	\$ 74,674,825	\$ 34,228,626	\$ 45,445,190	\$ 325,487,496	\$ 1,827,622	\$ 18,231,279	\$ 981,888,549	\$ 1,012,623,907
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 23,662,495	\$ 6,089,833	\$ 18,486,597	\$ 1,877,606	\$ 1,170,764	\$ 1,429,643	\$ 18,231,279	\$ 70,948,217	\$ 59,975,385
Salaries, benefits and payroll taxes payable	62,589,792	-	-	-	-	-	-	62,589,792	63,662,089
Deferred summer pay	19,050,433	-	-	-	-	-	-	19,050,433	20,669,280
Payroll deductions and withholdings payable	28,016,851	-	-	-	-	-	-	28,016,851	26,674,014
Due to other agencies	13,665,834	-	-	-	-	-	-	13,665,834	13,124,116
Due to other funds	-	15,273,316	-	-	23,813,330	-	-	39,086,646	39,309,228
Deferred revenue	37,829,154	688,688	-	-	32,161,827	-	-	70,679,669	63,625,454 (C)
Liability for compensated absences	7,095,639	93,584	-	-	-	-	-	7,189,223	6,983,156
Estimated liability for self-insured risks	2,956,500	-	-	-	-	-	-	2,956,500	2,161,426
Notes payable	125,000,000	-	-	-	-	-	-	125,000,000	125,000,000
Retainages payable	45,230	-	-	1,312,097	2,131,225	-	-	3,488,552	2,530,628
TOTAL LIABILITIES	319,911,928	22,145,421	18,486,597	3,189,703	59,277,146	1,429,643	18,231,279	442,671,717	423,714,776
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	10,106	-	10,106	9,504
Net assets-unrestricted	-	-	-	-	-	387,873	-	387,873	214,036
Fund balances:									
Nonspendable	21,527,962	1,347,065	-	-	-	-	-	22,875,027	24,575,000
Restricted-Other	8,490,466	45,932,200	15,742,029	(56,612,453)	217,456,382	-	-	231,008,624	354,928,200 (D)
Restricted-Capital Encumbrances	-	-	-	98,867,940	48,753,968	-	-	147,621,908	62,818,039 (D)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	77,735,860	5,250,139	-	-	-	-	-	82,985,999	92,037,057
TOTAL FUND EQUITY	162,081,583	52,529,404	15,742,029	42,255,487	266,210,350	397,979	-	539,216,832	588,909,131
TOTAL LIABILITIES AND FUND EQUITY	\$ 481,993,511	\$ 74,674,825	\$ 34,228,626	\$ 45,445,190	\$ 325,487,496	\$ 1,827,622	\$ 18,231,279	\$ 981,888,549	\$ 1,012,623,907

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

For The Four Months Ended October 31, 2018

(With comparative amounts for the four months ended October 31, 2017)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						October 2018	October 2017
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 279,131,186	\$ -	\$ 7,516,856	\$ -	\$ 88,232,271	\$ 374,880,313	\$ 354,435,483 (E)
Food sales	-	4,428,437	-	-	-	4,428,437	2,178,127
Interest income and other	20,620,304	2,514,843	356,005	535,772	1,778,926	25,805,850	24,241,030
Total local sources	299,751,490	6,943,280	7,872,861	535,772	90,011,197	405,114,600	380,854,640
State sources:							
Florida education finance program	223,460,828	-	-	-	-	223,460,828	215,796,163
Other	118,949,503	1,024,795	-	-	7,545,671	127,519,969	122,109,306
Total state sources	342,410,331	1,024,795	-	-	7,545,671	350,980,797	337,905,469
Federal sources:							
Food service	-	28,119,570	-	-	-	28,119,570	25,224,998 (F)
Other	9,639,161	49,659,235	-	-	-	59,298,396	51,969,587
Total federal sources	9,639,161	77,778,805	-	-	-	87,417,966	77,194,585
TOTAL REVENUES	651,800,982	85,746,880	7,872,861	535,772	97,556,868	843,513,363	795,954,694
EXPENDITURES:							
Current Operating:							
Instructional services	432,315,573	33,142,850	-	-	-	465,458,423	455,063,811 (G)
Student and instructional support services	52,907,841	16,844,789	-	-	-	69,752,630	61,225,689
Student transportation services	27,742,463	210,294	-	-	-	27,952,757	25,609,949
Operation and maintenance of plant	79,548,927	27,779	-	-	1,444,454	81,021,160	73,498,835
School administration	46,765,191	274,375	-	-	-	47,039,566	45,594,185
Food service	-	34,779,403	-	-	-	34,779,403	25,205,258 (H)
Instruction related technology	10,256,390	-	-	-	-	10,256,390	10,022,370
General administration	32,251,802	1,900,073	-	-	-	34,151,875	33,180,621
Total current operating	681,788,187	87,179,563	-	-	1,444,454	770,412,204	729,400,718
Debt Service:							
Principal reduction	-	-	4,797,235	-	-	4,797,235	5,983,129
Interest and other charges	-	-	2,140,151	-	-	2,140,151	2,474,296
Capital Outlay	-	18,872	-	16,326,105	16,117,331	32,462,308	48,437,967 (I)
TOTAL EXPENDITURES	681,788,187	87,198,435	6,937,386	16,326,105	17,561,785	809,811,898	786,296,110
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(29,987,205)	(1,451,555)	935,475	(15,790,333)	79,995,083	33,701,465	9,658,584
OTHER FINANCING SOURCES (USES):							
Proceeds of capital leases	-	-	-	-	27,491	27,491	4,680,066
Proceeds from sale capital assets	-	-	-	-	1,126,862	1,126,862	3,388,823
Operating transfers in	31,500,449	-	6,691,471	-	-	38,191,920	34,302,607
Operating transfers out	-	(90,038)	-	-	(38,101,882)	(38,191,920)	(34,302,607)
TOTAL OTHER FINANCING SOURCES (USES)	31,500,449	(90,038)	6,691,471	-	(36,947,529)	1,154,353	8,068,889
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,513,244	(1,541,593)	7,626,946	(15,790,333)	43,047,554	34,855,818	17,727,473
FUND BALANCES, BEGINNING OF PERIOD	160,568,339	54,070,997	8,115,083	58,045,820	223,162,796	503,963,035	570,958,118
FUND BALANCES, END OF PERIOD	\$ 162,081,583	\$ 52,529,404	\$ 15,742,029	\$ 42,255,487	\$ 266,210,350	\$ 538,818,853	\$ 588,685,591

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Four Months Ended October 31, 2018

(With comparative amounts for the four months ended October 31, 2017)

	<u>BUDGET</u>	<u>REVENUES YEAR-TO-DATE</u>	<u>BALANCE REMAINING</u>	<u>REVENUES Y-T-D AS % OF BUDGET</u>	<u>REVENUES AS OF OCTOBER 2017</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 935,216,264	\$ 279,131,186	\$ 656,085,078	30%	\$ 269,596,764
Ad valorem taxes - prior years *	5,912,852	-	5,912,852	-	-
Interest on investments	4,000,000	2,845,136	1,154,864	71%	912,032 (J)
After school supervision	19,200,000	6,110,723	13,089,277	32%	4,624,044
Course fees	11,279,490	2,883,177	8,396,313	26%	2,519,250
Gifts, grants, bequests	-	13,239	(13,239)	OVER 100%	13,384 (K)
Receipt of federal indirect cost rate	11,400,000	2,218,726	9,181,274	19%	2,462,443 (L)
Rental income	1,500,000	452,535	1,047,465	30%	500,382
E-rate rebate	3,500,000	982,992	2,517,008	28%	882,796
Other	15,154,408	5,113,776	10,040,632	34%	4,424,019
Total local sources	<u>1,007,163,014</u>	<u>299,751,490</u>	<u>707,411,524</u>	30%	<u>285,935,114</u>
State sources:					
Florida education finance program	732,096,375	223,460,828	508,635,547	31%	215,796,163
Workforce development	74,576,965	22,216,478	52,360,487	30%	21,387,567
Adult w/Disabilities	800,000	238,320	561,680	30%	233,200
Discretionary lottery funds	494,880	147,425	347,455	30%	1,371,900
Class size reduction	307,398,446	91,573,997	215,824,449	30%	90,677,277
State license tax	300,000	52,999	247,001	18%	46,746 (M)
Racing commission	446,500	-	446,500	-	-
School recognition/merit schools	13,887,539	4,137,098	9,750,441	30%	2,672,234
Other	2,479,564	583,186	1,896,378	24%	536,689
Total state sources	<u>1,132,480,269</u>	<u>342,410,331</u>	<u>790,069,938</u>	30%	<u>332,721,776</u>
Federal sources:					
Federal impact					
ROTC	2,000,000	606,671	1,393,329	30%	359,393
Other	18,450,000	9,032,490	9,417,510	49%	862,651 (N)
Total federal sources	<u>20,450,000</u>	<u>9,639,161</u>	<u>10,810,839</u>	47%	<u>1,222,044</u>
Other financing sources:					
Transfer from special revenue funds	1,200,000	90,037	1,109,963	8%	484,827 (O)
Transfer from capital projects funds	105,439,450	31,410,412	74,029,038	30%	25,369,284
Total other financing sources	<u>106,639,450</u>	<u>31,500,449</u>	<u>75,139,001</u>	30%	<u>25,854,111</u>
TOTAL REVENUES & OTHER FINANCING SOURCES	<u>\$ 2,266,732,733</u>	<u>\$ 683,301,431</u>	<u>\$ 1,583,431,302</u>	30%	<u>\$ 645,733,045</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Four Months Ended October 31, 2018

(With comparative amounts for the four months ended October 31, 2017)

	BUDGET	EXPENDITURES YEAR-TO-DATE	BALANCE AVAILABLE	EXPENDITURES	
				Y-T-D AS % OF BUDGET	EXPENDITURES AS OF OCTOBER 2017
EXPENDITURES:					
Instructional services	\$ 1,491,647,850	\$ 425,995,205	\$ 1,065,652,645	29%	\$ 413,153,775
Pupil personnel services	125,419,328	34,816,213	90,603,115	28%	31,924,982
Instructional media	22,169,461	7,362,931	14,806,530	33%	6,563,551
Instruction & curriculum development	27,974,617	8,741,809	19,232,808	31%	6,965,944
Instruction & staff training	11,066,918	1,986,888	9,080,030	18%	1,654,547 (P)
Technology-Instructional	24,618,365	8,724,571	15,893,794	35%	8,139,716
Board of education	4,549,348	1,718,122	2,831,226	38%	1,650,056
General administration	8,761,867	2,722,985	6,038,882	31%	2,015,153
School administration	137,940,509	46,765,191	91,175,318	34%	45,105,864
Fiscal services	10,178,915	3,193,190	6,985,725	31%	3,848,582
Central services	69,362,621	24,617,505	44,745,116	35%	23,326,166
Technology-Administrative	3,980,904	1,531,819	2,449,085	38%	1,882,654
Transportation services	83,603,789	27,742,463	55,861,326	33%	25,446,983
Operation services	178,136,433	57,949,769	120,186,664	33%	53,074,563
Maintenance services	62,620,167	21,599,158	41,021,009	34%	18,845,842
Community services	16,086,563	6,320,368	9,766,195	39%	5,686,031
Debt Service	1,480,417	-	1,480,417	(100)%	- (Q)
TOTAL EXPENDITURES	2,279,598,072	681,788,187	1,597,809,885	30%	649,284,409
Other financing uses:					
Transfer to special revenue funds	40,000	-	40,000	-	-
Total other financing uses	40,000	-	40,000	-	-
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 2,279,638,072	\$ 681,788,187	\$ 1,597,849,885	30%	\$ 649,284,409

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Four Months Ended October 31, 2018

(With comparative amounts for the four months ended October 31, 2017)

	<u>OCTOBER 2018</u>	<u>OCTOBER 2017</u>
BEGINNING FUND BALANCE	\$ 160,568,339	\$ 190,025,243
Plus:		
Revenues and other financing sources	683,301,431	645,733,045
Less:		
Expenditures and other financing uses	<u>681,788,187</u>	<u>649,284,409</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>1,513,244</u>	 <u>(3,551,364)</u>
 ENDING FUND BALANCE:		
Nonspendable	21,527,962	21,225,828
Restricted	8,490,466	21,632,819
Committed	54,327,295	54,327,295
Assigned/Unassigned	77,735,860	89,287,937
TOTAL ENDING FUND BALANCE	<u>\$ 162,081,583</u>	<u>\$ 186,473,879</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>3.60%</u>	 <u>4.16%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>4.25%</u>	 <u>4.88%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET
For The Four Months Ended October 31, 2018

ASSETS

- (A) Cash, cash equivalents and investments decreased by \$81.8 million as the District continues to complete approved projects funded by the accumulated capital reserves of the General Obligation Bond and other Capital Outlay resources.
- (B) Due from other agencies increased by \$51.6 million due to the timing difference in recognizing revenues.

LIABILITIES

- (C) Deferred revenue increased by \$7.1 million as the revenues such as FEFP and Ad Valorem taxes are proportionately recognized during the year.

FUND EQUITY

- (D) Restricted-Other fund balance decreased by \$123.9 million and Restricted-Capital Encumbrances increased by \$84.8 million as the District continues to complete approved projects funded by the accumulated capital reserves of the General Obligation Bond and other Capital Outlay resources. The overall fund balance for the General Obligation Bond is \$42.3 million.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**SCHEDULE OF EXPLANATION FOR COMBINED REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For The Four Months Ended October 31, 2018**

REVENUES

LOCAL SOURCES

(E) Ad valorem taxes

The increase of \$20.4 million is due to the property tax revenues being proportionately recognized during the year.

FEDERAL SOURCES

(F) Food service

Federal and Local Sources of YTD Food Service Revenues increased in FY 18/19 vs FY17/18 due to a loss of 7 operating days due to Hurricane Irma in FY 17/18. For FY18/19 YTD Lunch meals increased by 18% , YTD breakfast increased by 25% and YTD Supper meals increased by 31%. The increase of operating days and more meals being served through October 2018 accounts for the increase in Revenue in FY18/19.

EXPENDITURES

(G) Instructional services

The increase of \$10.4 million is due to the 2017-18 approved teachers salary increases that were implemented in January 2018.

(H) Food service

October YTD Operating Expenditures for FY18/19 have increased from October FY17/18 as 7 operating days were lost due to Hurricane Irma in FY 17/18. In FY18/19 YTD Lunch meals increased by 18% , YTD breakfast increased by 25% and YTD Supper meals increased by 31%, thus more food and supplies were used to prepare and serve the increase in meals and operating days. Salaries and Benefits have increased as a result of an increase in managers' hours, pay increase/raise and overtime, capital purchases have been made to replace aged equipment and the indirect cost rate is higher.

(I) Capital outlay

The decrease of \$16.0 million in capital outlay expenditures is due to the fact that there are no lease purchases through October 2018 as compared to the prior year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Four Months Ended October 31, 2018

ESTIMATED REVENUES

LOCAL SOURCES

(J) Interest on investments

Interest revenue collected to date is higher than projected due to the investment of District's portfolios in higher yielding instruments.

(K) Gifts, grants and bequests

Funds were received as a donation for the Butler Foundation.

(L) Receipt of federal indirect cost rate

The collection of the federal indirect cost revenue is less compared to October 2017 primarily because there is no indirect cost revenue from the Teacher Incentive Fund grant.

(M) State license tax

Due to the timing of revenue collection, the collection rate is higher through October 2018. The estimated revenue is anticipated to be received by the end of the school year.

FEDERAL SOURCES

(N) Other federal sources

The collection of Medicaid revenues is higher by \$3.7 million as compared to October 2017. Additionally, \$4.4 million was received for the temporary emergency impact aid for displaced students.

OTHER FINANCING SOURCES

(O) Transfer from special revenue funds

Transfers are recorded as the After Care fees are collected. The collection of revenue is less as compared to prior year.

EXPENDITURES

(P) Instruction & staff training

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

(Q) Debt Service

The Tax Anticipation Notes will be paid in June 2019.