



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018



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

[browardschools.com](http://browardschools.com)

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

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT OF**

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

**For the Fiscal Year Ended June 30, 2018**

*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, 2018**

**Table of Contents**

	<b>Exhibit Number</b>	<b>Page Number</b>
<b>I. INTRODUCTORY SECTION</b>		
Letter of Transmittal .....		i-viii
Principal Officials – Elected.....		ix-x
Other Principal Officials.....		xi
Organization Charts .....		xii-xiii
Certificate of Excellence in Financial Reporting.....		xiv
Certificate of Achievement for Excellence in Financial Reporting .....		xv
<b>II. FINANCIAL SECTION</b>		
<b>Independent Auditor’s Report</b> .....		1-3
<b>Required Supplemental Information – Part A:</b>		
Management’s Discussion and Analysis .....		8-16
<b>Basic Financial Statements:</b>		
<b>Government-Wide Financial Statements:</b>		
Statement of Net Position.....	1	21
Statement of Activities .....	2	22-23
<b>Fund Financial Statements:</b>		
Balance Sheet - Governmental Funds .....	3	26
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position .....	3a	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	4	28
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4a	29
Statement of Net Position – Proprietary Funds .....	5	30
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	6	31
Statement of Cash Flows – Proprietary Funds.....	7	32
Statement of Fiduciary Assets and Liabilities.....	8	33
<b>Notes to the Basic Financial Statements:</b>		
1. Summary of Significant Accounting Policies.....		35-46
2. Budgetary Policies .....		46
3. Deposits and Investments.....		47-52
4. Due To/From Other Governmental Agencies and Unearned Revenue .....		53
5. Ad Valorem Taxes.....		54
6. Capital Assets .....		55-56
7. Interfund Transactions .....		56
8. Tax Anticipation Notes .....		57
9. Capital Leases .....		57-58
10. Long-Term Debt.....		59-61
11. Defeased Debt .....		61-62
12. Obligation Under Lease Purchase Agreement – Certificates of Participation .....		62-66
13. Interest Rate Swaps.....		66-69
14. Compensated Absences .....		70
15. Other Post Employment Benefits (OPEB) .....		70-74
16. Retirement Plans.....		75-82



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Table of Contents, Continued**

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>II. FINANCIAL SECTION, Continued</b>		
<b>Basic Financial Statements, Continued:</b>		
<b>Notes to the Basic Financial Statements, Continued:</b>		
17. Retirement Assistance Program .....		83
18. FICA Alternative .....		84
19. Risk Management .....		84
20. Fund Balance Reporting.....		85-86
21. Net Position.....		87
22. Commitments and Contingencies .....		87-88
23. Subsequent Events .....		88
<b>Required Supplemental Information – Part B:</b>		
<b>Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Budget and Actual (Budgetary Basis):</b>		
General Fund - Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds – Budget and Actual (Budgetary Basis).....	A1	92
Notes to the Budgetary Comparison Schedule .....	A2	93
Other Postemployment Benefits – Changes in the District’s Total OPEB Liability and Related Ratios .....	A3	94
District’s Proportionate Share of Net Pension Liability – Florida Retirement System (FRS) .....	A4	95
District’s Contributions Florida Retirement System (FRS) .....	A5	96
District’s Proportionate Share of Net Pension Liability Health Insurance Subsidy Pension Plan .....	A6	97
District’s Contributions Health Insurance Subsidy Pension Plan .....	A7	98
<b>Other Supplemental Information:</b>		
<b>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:</b>		
Non-Major Governmental Funds – Combining Balance Sheet .....	B1	102
Non-Major Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	B2	103
<b>Non-Major Special Revenue Funds:</b>		
Combining Balance Sheet.....	C1	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	C2	107
<b>Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):</b>		
Food Services.....	C3	108
Contracted Programs .....	C4	109
Other Special Revenue .....	C5	110



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Table of Contents, Continued**

II. FINANCIAL SECTION, Continued	<u>Table</u>	<u>Page Number</u>
<b>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:</b>		
Non-Major Debt Service Funds - Combining Balance Sheet.....	D1	112
Non-Major Debt Service Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	D2	113
<b>Major Debt Service Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):</b>		
COP Series .....	D3	114
<b>Non-Major Debt Service Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):</b>		
COBI Bonds .....	D4	115
District Bonds .....	D5	116
ARRA Economic Stimulus Debt Service Funds .....	D6	117
<b>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:</b>		
Non-Major Capital Projects Funds - Combining Balance Sheet .....	E1	120
Non-Major Capital Projects Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	E2	121
<b>Major Capital Projects Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):</b>		
District Bonds .....	E3	122
<b>Major Capital Projects Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):</b>		
Local Millage Capital Improvement .....	E4	123
<b>Non-Major Capital Projects Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):</b>		
Capital Outlay Bond Issues .....	E5	124
Public Education Capital Outlay .....	E6	125
Capital Outlay and Debt Service .....	E7	126
ARRA Economic Stimulus.....	E8	127
Other Capital Improvement .....	E9	128
<b>Agency Fund:</b>		
Statement of Assets and Liabilities .....	F1	130
Statement of Changes in Assets and Liabilities .....	F2	131
<b>Component Units:</b>		
Combining Statement of Net Position .....	G1	134-149
Combining Statement of Activities .....	G2	150-165



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Table of Contents, Concluded**

<b>III. STATISTICAL SECTION</b>	<u><b>Table</b></u>	<u><b>Page Number</b></u>
Narrative – Statistical Section .....		169
Net Position by Component .....	1	170
Changes in Net Position.....	2	171
Fund Balances of Governmental Funds .....	3	172
General Government Summary of Revenues by Source and Expenditures by Function .....	4	174-175
Assessed Value of Taxable Property.....	5	176
Property Tax Rates and Levies – Direct and Overlapping Governments.....	6	177
Principal Taxpayers – Broward County.....	7	178
Property Tax Levies and Collections – All Governmental Fund Types .....	8	180-181
Educational Impact Fee Revenues .....	9	182
Anticipated Local Option Millage Levy Required to Cover Combined Maximum Annual Basic Lease Payments.....	10	183
Ratios of Outstanding Debt by Type .....	11	184
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita.....	12	185
Computation of Direct and Overlapping Debt .....	13	186
Legal Debt Margin Information.....	14	188-189
Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures.....	15	190
Demographic Statistics .....	16	191
Schedule of District Statistics.....	17	192-193
Comparative Enrollment Trends .....	18	194-195
Largest Employers in Broward County .....	19	196
Classification of Full-Time Personnel.....	20	197
Teachers’ Salaries .....	21	198
Schedule of Operating Statistics.....	22	199
Capital Asset Information .....	23	200





**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**

Heather P. Brinkworth, Chair  
Donna P. Korn, Vice Chair

Lori Alhadeff  
Robin Bartleman  
Patricia Good  
Laurie Rich Levinson  
Ann Murray  
Dr. Rosalind Osgood  
Nora Rupert

November 26, 2018



**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, 2018. 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 nine 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, 2018. 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 for a five year period. The General Fund, the primary operating fund of the District, had an annual operating budget of approximately \$2.3 billion for the fiscal year ended June 30, 2018. This budget served 271,517 pre-kindergarten through 12th grade students at 323 schools.

The District has taxing authority and provides pre-kindergarten, 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 students; and programs for eligible low-income, at-risk students.



**FIRST** fully accredited school system in Florida since 1962



**SECOND** largest school system in Florida



**SIXTH** largest school system in the US



**\$106 Million** earned in scholarships by the Class of 2018

### OUR MISSION

**BROWARD COUNTY PUBLIC SCHOOLS** is committed to **EDUCATING** all **STUDENTS** to reach their **Highest Potential**

### OUR VISION

**EDUCATING** today’s students to **SUCCEED** in tomorrow’s **WORLD**

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.

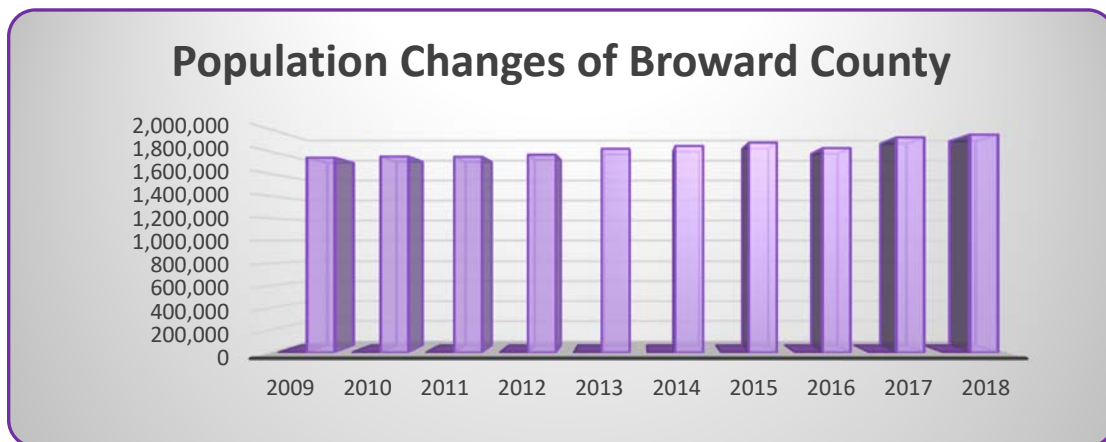
The District was created by the state constitution and is part of the state system of public education operated under the general direction and control of the State Board of Education. Established in 1915, the District is governed by nine elected members. The appointed Superintendent of Schools serves as executive officer of the District. As of November 20, 2018, the Board members are: Heather P. Brinkworth, Chair; Donna P. Korn, Vice Chair; Lori Alhadeff, Robin Bartleman, Patricia Good, Laurie Rich Levinson, Ann Murray, Dr. Rosalind Osgood, and Nora Rupert. 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 2018 estimated population of 1.9 million. The largest private sector employers in Broward County include the following: Memorial Healthcare System, Broward Health, Nova Southeastern University, and AutoNation.



The District’s Demographics and Student Assignments Department forecasted student enrollment for all levels through 2023-24. As of October 17, 2018, the overall enrollment in kindergarten through twelfth grade (excluding charter schools) is anticipated to increase by 1,257 students by the end of the five-year period, with an increase of 623 students at the elementary level and an increase of 17 students for middle schools. High school enrollment is forecasted to increase by 616 students.

As of June 30, 2018, 33.6% of the District’s school facilities were on average over 40 years old. The District’s Capital Improvement Program identifies and addresses the maintenance needs of these aging school facilities.

## **Long-Term Planning**

On February 14, 2018, the District experienced a horrific tragedy at Marjory Stoneman Douglas (MSD) High School where 17 lives were lost during a shooting. As a result of this tragedy, the School Board of Broward County, Florida and the District leadership remain focused on meeting the needs of students, employees and the entire school community during an emotional and difficult recovery process. The Senate Bill 7026, the Marjory Stoneman Douglas Public Safety Act, provided funding to meet the facility needs necessary to recover from this tragedy. The 2018 Florida Legislature has earmarked \$26.3 million for the projects at MSD:

- Provide portables
- Build a new permanent building
- Demolish Building 12
- Construct a monument

In addition to the State Funding, the District set aside other capital funds to address other immediate safety and security needs throughout the District in excess of \$25 million. These funds are to upgrade intercoms, cameras and radio systems.

In September 2017, District schools sustained damage because of Hurricane Irma. The District set aside \$18 million in funding to make preparations, emergency repairs and remove debris. The District has spent \$10 million so far, with \$8 million remaining to complete the work and liquidate purchase orders. The District will seek reimbursement of these expenditures through FEMA and from the District's insurance carriers.

The School Board and District leadership are committed to investing the funding to enhance students' learning environments by focusing on improvements in **Safety, Music and Art, Athletics, Renovation, and Technology (SMART)**. To meet this commitment, in 2014 the School Board unanimously



approved a resolution and Broward County voters overwhelmingly approved the issuance of \$800 million in general obligation bonds to modernize and improve the safety of outdated educational facilities and upgrade instructional technology. This was in direct response to years of unsuccessful advocacy requesting the Florida legislature to restore the capital millage to historic levels and the current push in an ongoing effort to address the District's critical capital budget situation. When the general obligation bond is combined with other capital outlay funds, the SMART program is currently \$1,009.6 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 5, 2018. The DEFP includes the SMART Program and lays out a \$2.8 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 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. The District sustains reserves to stabilize the SMART Program and other projects in the DEFP. These reserves protect ongoing projects over the duration of the SMART Program so that changes in the economic environment and other risks are mitigated.



On August 28, 2018, voters in Broward County approved the Secure the Next Generation referendum. This ½ mill initiative will provide additional School Resource Officers and security staff for all schools, including charter schools with more than 900 students, and improve compensation for teachers and school related non-administrative staff. It will also serve to guarantee essential programs in District schools such as additional guidance counselors, social workers and behavior specialists.

### 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 **A**rt, **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 summarizes the Statement of Net Position and the Statement of Activities and reviews the activity for the year. The actual government-wide statements are presented in detail. 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%.

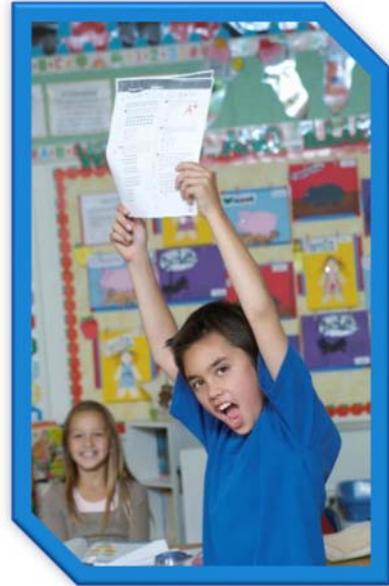
**Budget Policy.** The Board follows procedures established by State Statute and State Board of Education rules in establishing annual budgets for governmental funds. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance 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, 2017. 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, 2018, 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. 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, 2017.

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, 2018, 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.

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 26, 2018

- Heather P. Brinkworth, **Chair**, Member, District 3  
Present term expires November 2020
- Donna P. Korn, **Vice Chair**, Member, At-Large, Countywide  
Present term expires November 2022
- Lori Alhadeff, Member, District 4  
Present term expires November 2022
- Robin Bartleman, Member, At-Large, Countywide  
Present term expires November 2020
- Patricia Good, Member, District 2  
Present term expires November 2020
- Laurie Rich Levinson, Member, District 6  
Present term expires November 2022
- Ann Murray, Member, District 1  
Present term expires November 2022
- Dr. Rosalind Osgood, Member, District 5  
Present term expires November 2020
- Nora Rupert, Member, District 7  
Present term expires November 2022

**The School Board of Broward County, Florida  
Principal Officials – Elected  
School Board Members - As of November 26, 2018**



**Heather P. Brinkworth**  
Chair, District 3



**Donna P. Korn**  
Vice Chair, At-Large, Countywide



**Lori Alhadeff**  
District 4



**Robin Bartleman**  
At-Large, Countywide



**Patricia Good**  
District 2



**Laurie Rich Levinson**  
District 6



**Ann Murray**  
District 1



**Dr. Rosalind Osgood**  
District 5

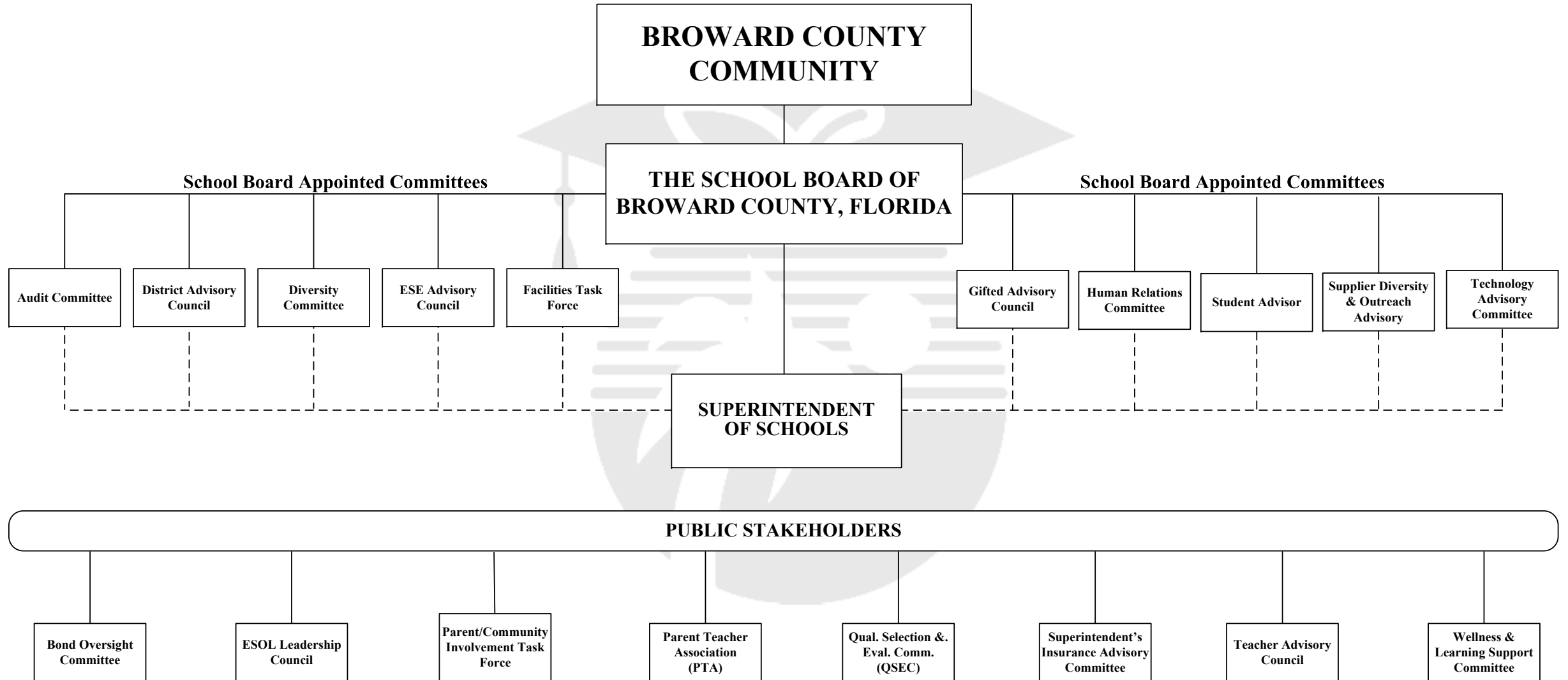


**Nora Rupert**  
District 7

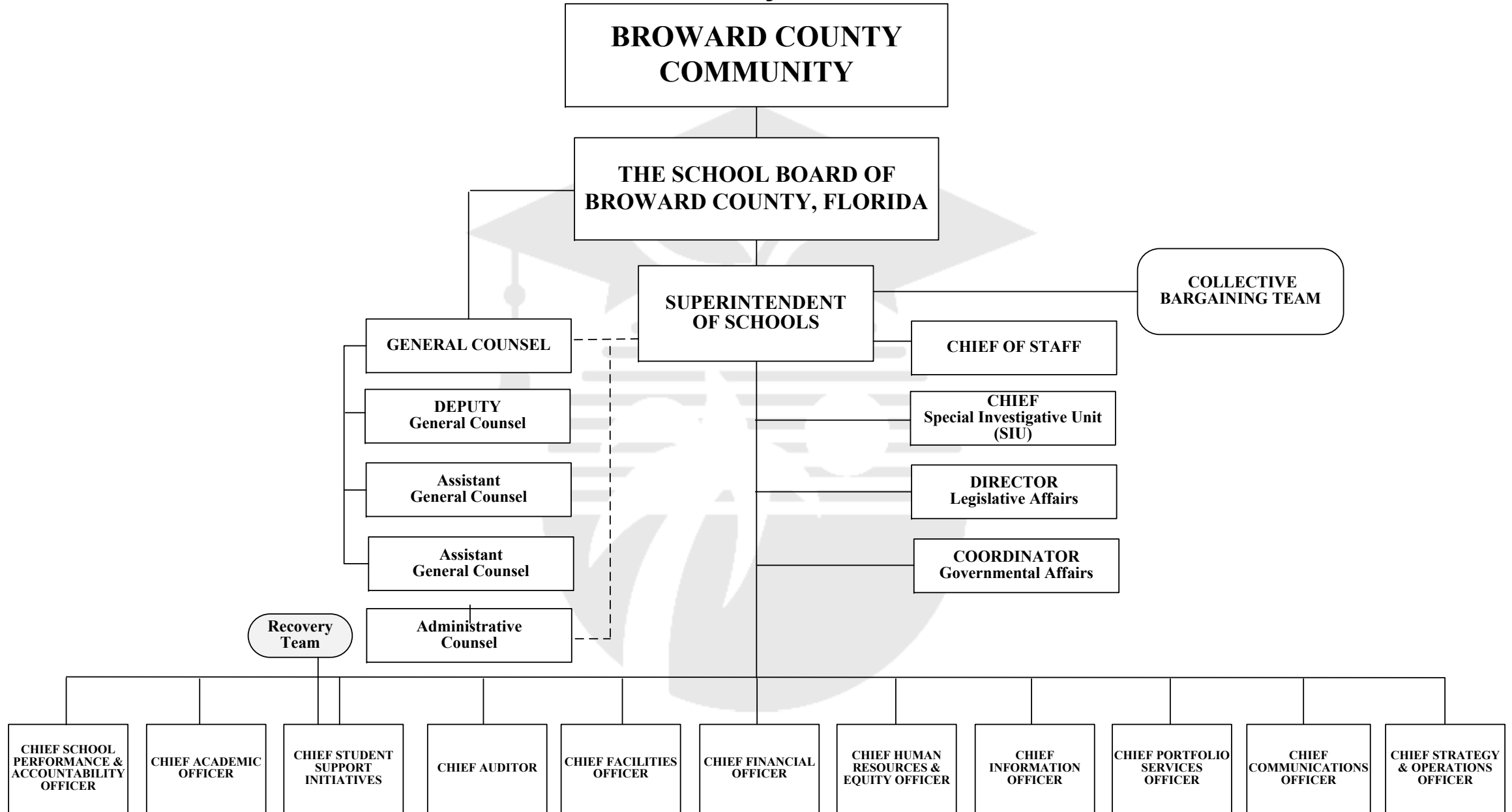
**Other Principal Officials  
As of November 26, 2018**

Robert W. Runcie	Superintendent of Schools
Jeffrey S. Moquin	Chief of Staff
Leo Bobadilla	Chief Facilities Officer
Leslie Brown	Chief Portfolio Services Officer
Katherine Koch	Chief Public Information Officer
Daniel Gohl	Chief Academic Officer
Anthony Hunter	Chief Information Officer
Joris Jabouin, CPA	Chief Auditor
Judith M. Marte	Chief Financial Officer
Barbara Myrick, Esq.	General Counsel
Craig Nichols	Chief Human Resources & Equity Officer
Michaëlle Valbrun-Pope	Chief Student Support Initiatives
Dr. Valerie Wanza	Chief School Performance & Accountability Officer
Maurice Woods	Chief Strategy & Operations Officer

# The School Board of Broward County, Florida Organization Chart As of July 1, 2018



# The School Board of Broward County, Florida Organization Chart As of July 1, 2018





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

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

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written over a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is 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, 2017**

*Christopher P. Morrill*

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, 2018, 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 8% 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, 2018, 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.

**Emphasis-of-Matter – Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in the year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement (“GASBS”) 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of GASBS 75, the District reported a restatement for the change in accounting principle as of July 1, 2017. Our opinions are not modified with respect to this matter.

**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, changes in Other Postemployment Benefit liability and relate ratios, 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.

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

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.

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 26, 2018, 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

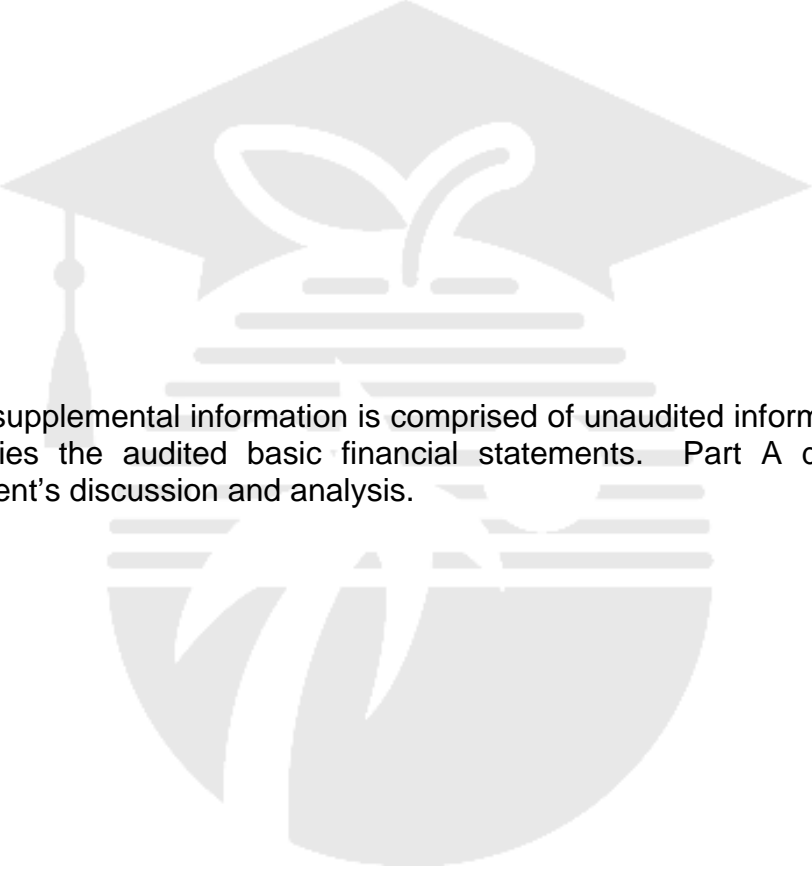
Orlando, Florida  
November 26, 2018

# **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.

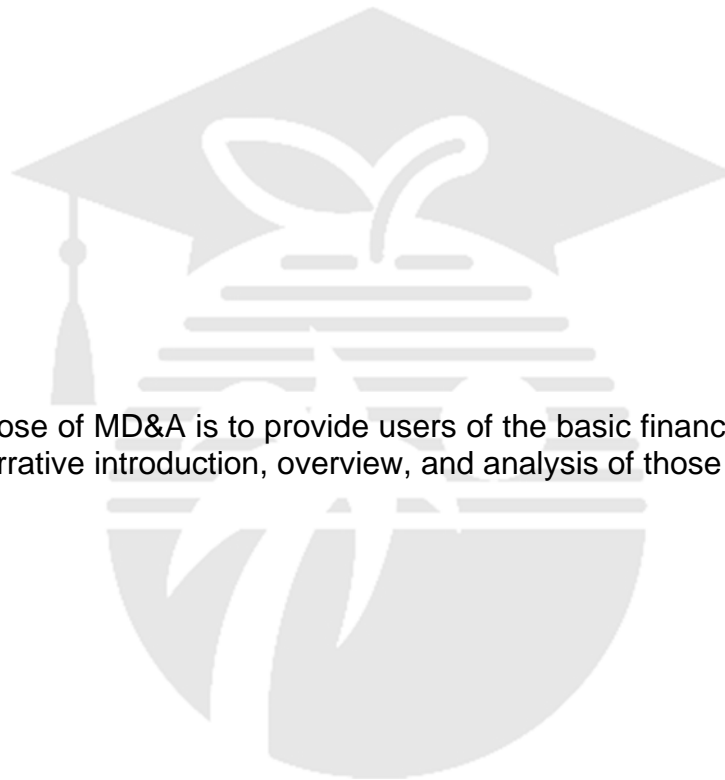


# **Broward County Public Schools**



***Educating Today's Students  
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# 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, 2018**

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, 2018. 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 \$88.6 million, or 18.7%, from \$474.6 million, as restated, to \$386.0 million, when compared to the prior year. The decrease in total net position is due to a decrease in total assets of \$100.3 million and increases in the following: total liabilities of \$158.2 million, and deferred inflows of resources of \$62.4 million. The increase in total liabilities and deferred inflows of resources was offset by an increase in deferred outflows of resources of \$138.5 million, as well as the restatement of other postemployment benefits (OPEB) adjustment of \$93.8 million. As explained later in this section of the financial statements, the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* had a negative impact on the net position. The decrease in net position is also 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 such as liability for compensated absences and self-insured risks increased as well.
- **Total revenues** increased by \$61.8 million, or 2.3%, from \$2.7 billion to \$2.8 billion when compared to the prior year, because of an increase in other general revenues of \$25.1 million, including Florida Education Finance Program (FEFP) state revenues. Additionally, there is an increase in ad valorem taxes of \$22.2 million (including General, Debt Service and Capital Project Funds) due to an increase in the total assessed property values, and an increase in total program revenues of \$24.9 million. The increases in other general revenues and ad valorem taxes were offset by a decrease due to the recognition of an extraordinary loss of \$10.4 million, as explained later in this section of the financial statements.
- The District had \$2.9 billion in **expenses** related to programs, an increase of \$130.2 million or 4.7%, from the prior year due to the recording of the current year pension and OPEB expenses. There were increases due to the use of state categorical funds, primarily instructional materials, utilized from restricted fund balance during 2017-18 of \$13.0 million. Additionally, the District covered \$5.0 million of health insurance cost increases in 2017-18 on a one-time basis as the increase was absorbed in 2018-19 fiscal year's budget balance. The District also incurred increased expenses resulting from Hurricane Irma. The increases were offset by a decrease in interest expense.
- The District's **debt** (Bonds Payable, Certificates of Participation and Capital Leases) decreased by \$83.5 million, or 5.1%, to \$1.5 billion from \$1.6 billion in the prior year. The decrease was due to the payment of debt and the refunding of the Certificates of Participation, offset by increases in capital leases (refer to Notes 9 through 12 of the Notes to the Basic Financial Statements for more information).
- The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. This Statement addresses accounting and financial reporting for OPEB provided to employees of state and local government employers. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. GASB Statement No. 75 requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide, and requires more extensive note disclosures and supplementary information about their OPEB liability. Due to the GASB Statement No. 75 implementation, the District's restated net position at June 30, 2017 is \$474.6 million, a decrease of \$93.8 million, or 16.5%.

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

#### **Governmental Funds Financial Statements**

- The overall General Fund balance (the primary operating fund) decreased by \$29.4 million, or 15.5%, to \$160.6 million from \$190.0 million in the prior year.
- The assigned and unassigned portion of the fund balance decreased by \$14.8 million compared to prior year from \$92.5 million as of June 30, 2017 to \$77.7 million as of June 30, 2018.

#### **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 fund statements, provide financial information for those activities in 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 adjustments, 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 2018?" 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 SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 programs, 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 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.



## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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.

**Table 1**  
Summary Statement of Net Position  
(in thousands)

	As of June 30,		Increase (Decrease)
	2018	2017	
Current and non-current assets	\$ 833,995	\$ 894,502	\$ (60,507)
Capital assets	<u>2,746,084</u>	<u>2,785,880</u>	<u>(39,796)</u>
Total assets	<u>3,580,079</u>	<u>3,680,382</u>	<u>(100,303)</u>
Deferred Outflows of Resources	<u>676,398</u>	<u>537,888</u>	<u>138,510</u>
Current liabilities	461,644	448,043	13,601
Non-current liabilities	<u>3,284,776</u>	<u>3,140,192</u>	<u>144,584</u>
Total liabilities	<u>3,746,420</u>	<u>3,588,235</u>	<u>158,185</u>
Deferred Inflows of Resources	<u>124,004</u>	<u>61,649</u>	<u>62,355</u>
Net position:			
Net investment in Capital Assets	1,139,984	1,184,034	(44,050)
Restricted	325,330	283,777	41,553
Unrestricted	(1,079,261)	(899,425)	(179,836)
Restatement adjustment, June 30, 2017	-	(93,768)	93,768
Total net position	<u>\$ 386,053</u>	<u>\$ 474,618</u>	<u>\$ (88,565)</u>

**Government-Wide Financial Analysis.** The District's financial status, as reflected in the total net position, decreased, when compared to the prior year. The decrease in total net position is due to a decrease in total assets, and increases in the following: total liabilities and deferred inflows of resources, offset by an increase in deferred outflows of resources. 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 in the long-term liabilities is also 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 \$325.3 million in restricted net position, \$254.9 million is restricted for capital projects. There was a deficit of \$1.1 billion in the unrestricted net position at June 30, 2018. The deficit in the Statement of Net Position should not be viewed as an indication of financial difficulties. The District would only experience an actual deficit if it had to pay all of its long-term liabilities at once, including all amounts owed to the FRS for future retirement benefits that would be approximately \$1.3 billion at June 30, 2018.

As shown in Table 2, governmental activities decreased the District's net position by \$88.6 million from the prior year. Key highlights are as follows:

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Ad valorem taxes (property taxes) increased by \$22.2 million (including General, Debt Service and Capital Funds) due to an increase in the total assessed property values.

Other general revenues increased by \$25.1 million primarily because of government-wide reporting requirements. The increase in other general revenues was offset by a decrease due to the recognition of an extraordinary loss of \$10.4 million, as explained later in this section of the financial statements.

Total expenses increased by \$130.2 million, or 4.7%, due to increases in salary and fringe expenses due to the recording of the current year pension and OPEB expenses. There were increases due to the use of state categorical funds, primarily instructional materials that were utilized from restricted fund balance during 2017-18 in the amount of \$13.0 million. Additionally, the District covered \$5.0 million of health insurance cost increases in 2017-18 on a one-time basis as the increase was absorbed in 2018-19 fiscal year's budget balance. The District also had increased expenses resulting from Hurricane Irma. The increases were offset by a decrease in interest expense.

Table 2  
Summary Statement of Changes in Net Position  
(in thousands)

	For the Fiscal Years		Increase (Decrease)
	Ended June 30,		
	2018	2017	
Revenues:			
Program revenues:			
Charges for services	\$ 45,650	\$ 47,920	\$ (2,270)
Operating grants and contributions	722,161	688,271	33,890
Capital grants and contributions	24,889	31,600	(6,711)
Total program revenues	<u>792,700</u>	<u>767,791</u>	<u>24,909</u>
General revenues:			
Ad valorem taxes	1,207,754	1,185,545	22,209
Other general revenues (including FEFP)	810,433	785,369	25,064
Extraordinary items	(10,375)	-	(10,375)
Total general revenues, extraordinary items and transfers	<u>2,007,812</u>	<u>1,970,914</u>	<u>36,898</u>
Total revenues	<u>2,800,512</u>	<u>2,738,705</u>	<u>61,807</u>
Functions/Program Expenses:			
Instructional services	1,743,765	1,658,219	85,546
Instructional support services	288,027	263,323	24,704
Operation and maintenance of plant	256,761	248,433	8,328
School administration	150,580	142,920	7,660
Food services	112,512	113,167	(655)
Facilities acquisition and construction	71,049	74,749	(3,700)
General administration	100,525	90,709	9,816
Student transportation services	98,958	90,201	8,757
Interest expense	66,900	77,203	(10,303)
Total expenses	<u>2,889,077</u>	<u>2,758,924</u>	<u>130,153</u>
<u>Change in net position</u>	<u>\$ (88,565)</u>	<u>\$ (20,219)</u>	<u>\$ (68,346)</u>
Total net position (deficit), beginning of year	474,618	588,605	(113,987)
Restatement adjustment, June 30, 2017	-	(93,768)	93,768
Ending net position	<u>\$ 386,053</u>	<u>\$ 474,618</u>	<u>\$ (88,565)</u>

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2018, the District's governmental funds reported a combined fund balance of \$504.0 million, a decrease of \$65.2 million, or 11.4% from the prior year. The reduction in fund balance is due to the following: a decrease of \$29.4 million in the General Fund, a decrease of \$13.0 million in the Other Governmental Funds, and a decrease of \$46.7 million in the District Bonds (Capital Projects Fund); offset by an increase of \$23.5 million in the Local Millage Capital Improvement Fund, and an increase of \$0.4 million in the COPS Series Debt Service Fund.

**General Fund.** The fund balance for the General Fund decreased by \$29.4 million, due to the use of state categorical funds, primarily instructional materials that were utilized from restricted fund balance during 2017-18 in the amount of \$13.0 million. Additionally, the District covered \$5.0 million of health insurance cost increases in 2017-18 on a one-time basis as the increase was absorbed in 2018-19 fiscal year's budget balance. In 2017-18, the District had additional costs due to the tragedy at MSD High School. The District also had increased expenses resulting from Hurricane Irma. The assigned and unassigned portion of the fund balance decreased by \$14.8 million compared to the prior year from \$92.5 million as of June 30, 2017 to \$77.7 million as of June 30, 2018.

#### **Other Major Funds:**

**District Bonds (Capital Projects Fund).** The fund balance of the Major District Bonds (Capital Projects) Fund decreased by \$46.7 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 bond referendum for the SMART Program.

**COP Series Debt Service Fund.** The fund balance of the Major COPS Series 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 Non-voted Capital Improvement Fund increased by \$23.5 million compared to the prior year mainly due to an increase in the revenues received from local sources, including ad valorem taxes.

**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 decreased by \$16.1 million primarily due to a decrease in ad valorem taxes and the State's FEFP revenues, offset by an increase in other local revenues, federal revenues for Medicaid, and other financing sources.

During the year, final appropriations and other financing uses increased by \$27.1 million from original appropriations, primarily due to the use of state categorical funds, mainly instructional materials, that were utilized from restricted fund balance during 2017-18 for \$13.0 million. Additionally, the District covered \$5.0 million of health insurance cost increases in 2017-18 on a one-time basis as the increase was absorbed in 2018-19 fiscal year's budget balance. In 2017-18, the District had additional costs for the tragedy at MSD High School. The District also had increased expenses resulting from Hurricane Irma.



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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	\$ 923,836	\$ 918,653	\$ 918,653	\$ -
Other	59,930	76,970	76,970	-
Total local sources	983,766	995,623	995,623	-
State sources:				
Florida Education Finance Program	740,296	703,547	703,547	-
Other	402,342	400,029	399,908	(121)
Total state sources	1,142,638	1,103,576	1,103,455	(121)
Federal sources	19,700	23,890	23,890	-
Total revenues	2,146,104	2,123,089	2,122,968	(121)
Other financing sources	87,830	94,702	94,702	-
Total amounts available for appropriations	2,233,934	2,217,791	2,217,670	(121)
Expenditures:				
Instructional services	1,482,985	1,466,254	1,466,208	46
Instructional support services	190,843	209,217	209,217	-
Student transportation services	87,397	92,770	92,612	158
Operation and maintenance of plant	247,183	250,980	251,184	(204)
School administration	135,695	141,184	141,184	-
General administration	85,824	99,703	99,703	-
Capital outlay	-	-	-	-
Interest	1,480	952	952	-
Total expenditures	2,231,407	2,261,060	2,261,060	-
Other financing uses	2,602	40	40	-
Total charges against appropriations	2,234,009	2,261,100	2,261,100	-
Net change in fund balances	\$ (75)	\$ (43,309)	\$ (43,430)	\$ (121)
Appropriated beginning fund balances:	\$ 75	\$ 43,309		
Adjustments to conform with GAAP:				
Elimination of encumbrances			13,974	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			(29,456)	
Fund balances, beginning of year			190,025	
Fund balances, end of year			\$ 160,569	

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**



**Capital Assets.** As shown in Table 4, at June 30, 2018, the District had invested approximately \$2.7 billion in a broad range of capital assets. This amount represents a net decrease (including additions, deletions and depreciation) of \$39.8 million from the 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 \$68.5 million committed towards various construction contracts (refer to Note 22 of the Notes to the Basic Financial Statements for more information).

On February 14, 2018, the District experienced a horrific tragedy at Marjory Stoneman Douglas High School. As a result of this tragedy, Building 12 at the school is deemed evidentiary and cannot be used by the District or demolished until the conclusion of all investigations and legal matters. The service utility of this building has permanently changed and considered as a total loss for accounting purposes. For the 2018-19 fiscal year, Senate Bill, SB 7026, cited as the "Marjory Stoneman Douglas High School Public Safety Act," has earmarked \$26.3 million for the projects at MSD. Consequently, the District has removed the historical cost of Building 12 and the related land improvements and recognized an extraordinary loss of \$10.4 million in the Government-Wide Financial Statements (refer to Note 6 of the Notes to the Basic Financial Statements for more information).

**Table 4**

	Capital Assets at Year-End		
	(in thousands)		
	As of June 30,		Increase
	2018	2017	(Decrease)
Land	\$ 231,908	\$ 232,805	\$ (897)
Land improvements	463,488	463,827	(339)
Construction in progress	51,064	36,641	14,423
Broadcast license intangible	3,600	3,600	-
Buildings and fixed equipment	3,648,954	3,632,949	16,005
Furniture, fixtures and equipment	270,906	263,755	7,151
Asset under capital leases	80,599	61,809	18,790
Audio visual	703	703	-
Computer software	58,299	57,309	990
Motor vehicles	93,492	100,825	(7,333)
Less: accumulated depreciation	(2,156,929)	(2,068,343)	(88,586)
Total capital assets, net	<u>\$2,746,084</u>	<u>\$2,785,880</u>	<u>\$ (39,796)</u>

**Debt Administration.** As shown in Table 5, at the end of June 30, 2018, the District had \$1.5 billion in debt outstanding compared to \$1.6 billion in the prior year, a decrease of \$83.5 million, or 5.1%, from the prior year. The decrease was due to the reduction of \$2.5 million in Capital Outlay Bond Issues (COBI), \$3.8 million in General Obligation Bond (GOB), \$83.9 million in Certificates of Participation (COPs), offset by an increase of \$6.7 million in Capital Leases (refer to Notes 9 through 12 of the Notes to the Basic Financial Statements for more information).

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Table 5**

	Debt Outstanding at Year-End (in thousands)		Increase (Decrease)
	2018	2017	
Capital outlay and bond issues	\$ 11,686	\$ 14,160	\$ (2,474)
General obligation bond	144,430	148,225	(3,795)
Certificates of participation	1,338,303	1,422,200	(83,897)
Capital leases	62,745	56,079	6,666
Total	<u>\$1,557,164</u>	<u>\$ 1,640,664</u>	<u>\$ (83,500)</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.

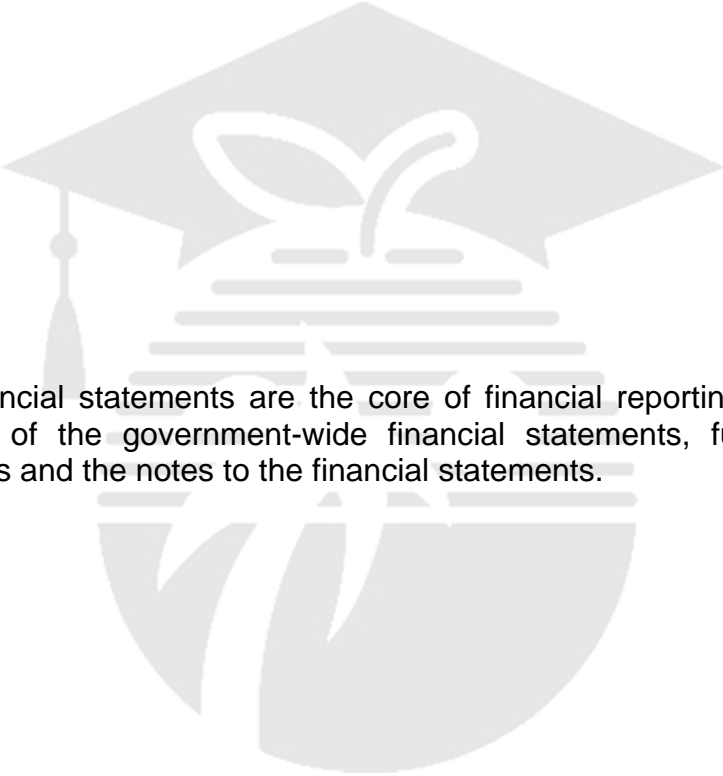
Due to the impact of Hurricane Irma, the estimated damage to the District's infrastructure, emergency measures and cleanup cost is projected to be about \$18 million. Funding for the cleanup repairs will be provided by FEMA, the State, proceeds from insurance claims, and Capital ad valorem taxes. The repair costs for debris removal and buildings have been the largest expense in the fiscal year ended June 30, 2018. The process requires closing out the project worksheets and completing approximately 23 necessary restoration projects to the permanent facilities, which will take approximately one to two years to complete.

### **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 <https://www.browardschools.com/>

# Basic Financial Statements



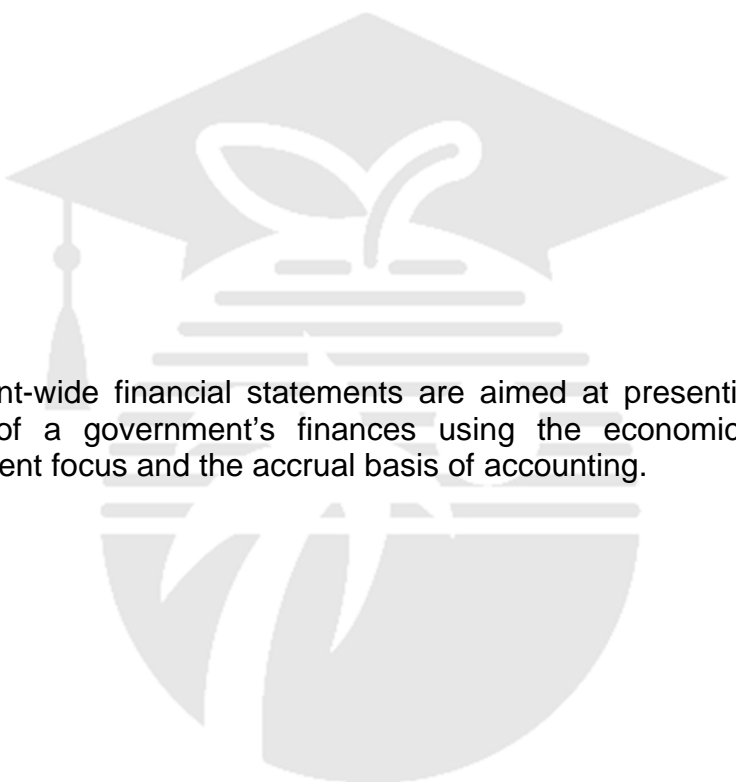
Basic financial statements are the core of financial reporting. They are made up of the government-wide financial statements, fund financial statements and the notes to the financial statements.

# **Broward County Public Schools**



***Educating Today's Students  
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**



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

**STATEMENT OF NET POSITION  
AS OF JUNE 30, 2018  
(in thousands)**

	TOTAL GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
<b>ASSETS:</b>		
<b>Current assets:</b>		
Cash, cash equivalents and investments (including restricted cash \$152.3 million)	\$ 718,990	\$ 63,852
Due from other governmental agencies	51,435	1,357
Due from other schools	-	6,119
Accrued interest receivable	2,109	-
Inventories	8,701	1,563
Prepays and other assets	25,872	24,323
<b>Total current assets</b>	<b>807,107</b>	<b>97,214</b>
<b>Non-current assets:</b>		
Restricted cash, cash equivalents and investments	26,888	-
Capital assets:		
Non-depreciable	417,527	-
Depreciable, net	2,328,557	117,991
<b>Total non-current assets</b>	<b>2,772,972</b>	<b>117,991</b>
<b>Total assets</b>	<b>3,580,079</b>	<b>215,205</b>
<b>Deferred Outflow of Resources</b>		
Accumulated decrease in fair value of hedging derivatives	198	-
Deferred loss on refunding debt (net)	97,337	-
Pension actuarial adjustments	572,730	3,642
OPEB actuarial adjustments	6,133	-
<b>Total deferred outflow of resources</b>	<b>676,398</b>	<b>3,642</b>
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	134,250	4,822
Accrued payroll taxes and withholding	23,164	11,818
Matured debt and interest payable	118,891	957
Due to other governmental agencies	12,777	6
Due to other schools	-	1,799
Retainage payable	2,619	-
Unearned revenue	6,368	41
Obligations under capital leases	13,695	1,809
Liability for compensated absences	18,843	202
Bonds Payable	92,257	1,692
Estimated liability for self-insurance risks	38,780	-
Other liabilities	-	1,690
<b>Total current liabilities</b>	<b>461,644</b>	<b>24,836</b>
<b>Non-current liabilities:</b>		
Obligations under capital leases	49,050	74,317
Liability for compensated absences	152,247	65
Bonds Payable	1,542,139	38,934
Estimated liability for self-insurance risks	35,551	-
Other post-employment benefits obligations	174,182	-
Other liabilities	-	9,630
Derivatives swap liability	28,518	-
Net pension liability	1,303,089	6,348
<b>Total non-current liabilities</b>	<b>3,284,776</b>	<b>129,294</b>
<b>Total liabilities</b>	<b>3,746,420</b>	<b>154,130</b>
<b>Deferred Inflow of Resources</b>		
Derivatives swap (GASB 53)	1,868	-
Deferred gain on refunding debt (net)	377	-
Pension actuarial adjustments	108,647	938
OPEB actuarial adjustments	13,112	-
<b>Total deferred inflows of resources</b>	<b>124,004</b>	<b>938</b>
<b>NET POSITION:</b>		
Net investment in capital assets	1,139,984	19,599
Restricted for:		
State required carryover programs	8,491	-
Debt service	7,816	3,520
Capital projects	254,952	446
Scholarships and other purposes	54,071	10,554
Unrestricted (deficit)	(1,079,261)	29,660
<b>Total net position</b>	<b>\$ 386,053</b>	<b>\$ 63,779</b>

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, 2018**  
(in thousands)

	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<b>PROGRAM EXPENSES AND REVENUES:</b>			
<b>PRIMARY GOVERNMENT:</b>			
Instructional services	\$ 1,743,765	\$ 32,196	\$ 515,065
Instructional support services	288,027	-	70,868
Student transportation services	98,958	1,378	1,140
Operation and maintenance of plant	256,761	-	12,113
School administration	150,580	-	13,624
General administration	100,525	-	10,618
Food services	112,512	12,076	98,733
Facilities acquisition & construction & other	71,049	-	-
Interest expense	66,900	-	-
Total governmental activities	<u>\$ 2,889,077</u>	<u>\$ 45,650</u>	<u>\$ 722,161</u>
<b>COMPONENT UNITS:</b>			
Component units	\$ 325,326	\$ 7,944	\$ 34,810
Total component units	<u>\$ 325,326</u>	<u>\$ 7,944</u>	<u>\$ 34,810</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
- Extraordinary items
- Unrestricted investment earnings
- Total general revenues, extraordinary items and transfers

**Change in net position**

**Total net position (deficit), beginning of year**

**Adjustments to Restate Net Position (GASB 75)**

**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 CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
\$ -	\$ (1,196,504)	\$ 142,375
-	(217,159)	9,931
-	(96,440)	5,237
-	(244,648)	65,720
-	(136,956)	34,373
-	(89,907)	41,967
-	(1,703)	13,429
21,957	(49,092)	5,754
2,932	(63,968)	33
<u>\$ 24,889</u>	<u>(2,096,377)</u>	<u>318,819</u>

\$ 15,632	\$ -	\$ (266,940)
<u>\$ 15,632</u>	<u>\$ -</u>	<u>\$ 51,879</u>

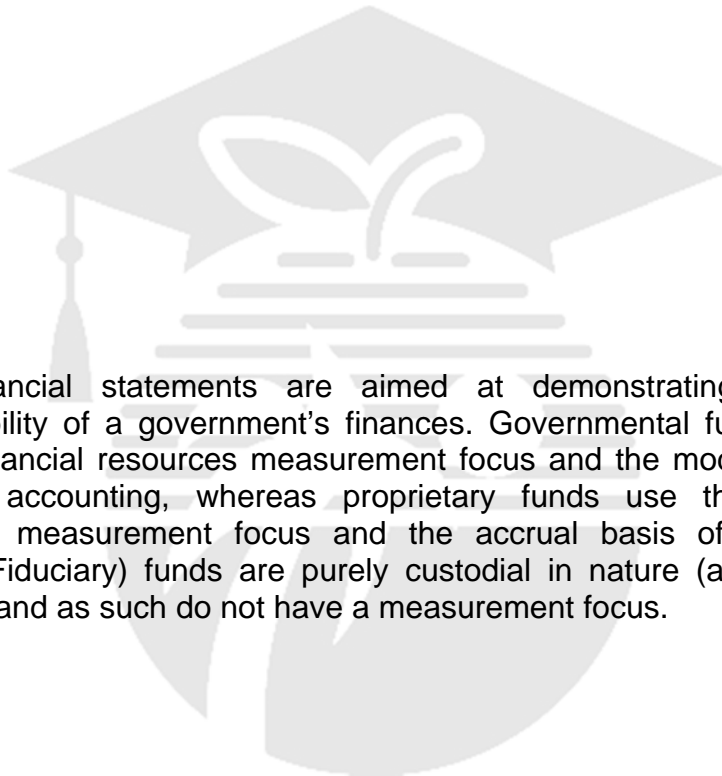
\$ 918,653	\$ -
12,080	-
277,021	-
703,547	-
-	264,301
23,947	593
2,096	16
70,571	9,437
(10,375)	-
10,272	107
<u>2,007,812</u>	<u>274,454</u>
(88,565)	7,514
<u>568,386</u>	<u>56,265</u>
(93,768)	
<u>\$ 386,053</u>	<u>\$ 63,779</u>

# **Broward County Public Schools**



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

# 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, 2018  
(in thousands)**

	GENERAL FUND	COP SERIES DEBT SERVICE FUND	DISTRICT BONDS	LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>						
Equity in pooled cash and investments	\$ 283,640	\$ 2,603	\$ 63,489	\$ 117,099	\$ 126,391	\$ 593,222
Cash and cash equivalents	-	-	-	-	-	-
Cash and investments with trustees	-	88,651	-	-	63,653	152,304
Total cash, cash equivalents and investments	283,640	91,254	63,489	117,099	190,044	745,526
Due from other governmental agencies	17,792	-	-	5,303	28,340	51,435
Due from other funds	16,705	-	-	-	-	16,705
Accrued interest receivable	1,587	6	91	62	362	2,108
Inventories	5,492	-	-	-	3,108	8,600
Prepays and other assets	25,564	75	-	-	233	25,872
<b>Total assets</b>	<b>\$ 350,780</b>	<b>\$ 91,335</b>	<b>\$ 63,580</b>	<b>\$ 122,464</b>	<b>\$ 222,087</b>	<b>\$ 850,246</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ 120,063	\$ 1,373	\$ 4,773	\$ 1,303	6,654	\$ 134,166
Accrued payroll taxes and withholdings	23,164	-	-	-	-	23,164
Due to other governmental agencies	12,777	-	-	-	-	12,777
Due to other funds	-	-	-	-	16,705	16,705
Unearned revenue	2,385	-	-	-	3,983	6,368
Retainage payable	25	-	761	491	1,342	2,619
Matured debt and interest payable	-	87,664	-	-	30,928	118,592
Liability for compensated absences	7,799	-	-	-	94	7,893
Estimated liability for self-insurance risks	23,998	-	-	-	-	23,998
<b>Total liabilities</b>	<b>190,211</b>	<b>89,037</b>	<b>5,534</b>	<b>1,794</b>	<b>59,706</b>	<b>346,282</b>
<b>Fund balances:</b>						
Nonspendable	20,049	-	-	-	3,108	23,157
Restricted	8,491	2,298	58,046	120,670	154,435	343,940
Committed	54,323	-	-	-	-	54,323
Assigned	20,334	-	-	-	4,838	25,172
Unassigned	57,372	-	-	-	-	57,372
<b>Total fund balance</b>	<b>160,569</b>	<b>2,298</b>	<b>58,046</b>	<b>120,670</b>	<b>162,381</b>	<b>503,964</b>
<b>Total liabilities and fund balance</b>	<b>\$ 350,780</b>	<b>\$ 91,335</b>	<b>\$ 63,580</b>	<b>\$ 122,464</b>	<b>\$ 222,087</b>	<b>\$ 850,246</b>

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, 2018  
(in thousands)**

Total fund balances - governmental funds \$ 503,964

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	\$	231,908	
Land improvements- nondepreciable		130,955	
Land improvements, net of accumulated depreciation		168,916	
Broadcast license intangible		3,600	
Buildings and fixed equipment, net of accumulated depreciation		2,038,482	
Furniture, fixtures and equipment, net of accumulated depreciation		48,543	
Assets under capital lease, net of accumulated depreciation		57,666	
Audio/visual, net of accumulated depreciation		30	
Computer software, net of accumulated depreciation		1,584	
Motor vehicles, net of accumulated depreciation		13,336	
Construction in progress		51,064	
			2,746,084

Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.		572,730	
Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.		(108,647)	
Certain OPEB-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.		6,133	
Certain OPEB-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.		(13,112)	
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.		198	
Accumulated increase in fair value of hedging derivatives is not a use of current financial resources and therefore are not reported in the Fund Financial Statements.		(1,868)	
Deferred losses on refunding is not a use of current financial resources and therefore are not reported in the Fund Financial Statements.		97,337	
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.		370	
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, 2018 are:

Accrued interest on long-term debt		(299)	
Certificates of participation		(1,338,303)	
Debt premiums and discounts, net		(139,977)	
Bonds payable		(156,116)	
Capital leases payable		(62,745)	
Compensated absences		(163,197)	
Other post-employment benefits (OPEB)		(174,182)	
Estimated liability for self-insured risks		(50,333)	
Deferred gain on refunding of debt		(377)	
Net pension liability		(1,303,089)	
Derivatives swap liability (GASB 53)		(28,518)	
Other liabilities		-	
Total long-term liabilities		(3,417,136)	

Total net position of governmental activities \$ 386,053

**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, 2018

(in thousands)

	GENERAL FUND	COP SERIES DEBT SERVICE FUND	DISTRICT BONDS	LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
<b>Local sources:</b>						
Ad valorem taxes	\$ 918,653	\$ -	\$ -	\$ 277,021	\$ 12,080	\$ 1,207,754
Food sales	-	-	-	-	12,076	12,076
Interest on investments	6,495	791	1,233	519	1,234	10,272
Other	70,475	-	-	11,235	22,291	104,001
Total local sources	995,623	791	1,233	288,775	47,681	1,334,103
<b>State sources:</b>						
Florida education finance program	703,547	-	-	-	-	703,547
Public education capital outlay	-	-	-	-	4,808	4,808
Discretionary lottery funds	497	-	-	-	-	497
Categorical programs and other	399,411	-	-	-	36,999	436,410
Total state sources	1,103,455	-	-	-	41,807	1,145,262
<b>Federal sources:</b>						
Food service	-	-	-	-	88,826	88,826
Grants and other	23,890	-	-	-	213,970	237,860
Total federal sources	23,890	-	-	-	302,796	326,686
<b>Total revenues</b>	<b>2,122,968</b>	<b>791</b>	<b>1,233</b>	<b>288,775</b>	<b>392,284</b>	<b>2,806,051</b>
<b>EXPENDITURES:</b>						
<b>Current operating:</b>						
Instructional services	1,465,218	-	-	-	152,179	1,617,397
Student and instructional support services	206,593	-	-	-	61,858	268,451
Student transportation services	91,950	-	-	-	845	92,795
Operation and maintenance of plant	245,021	-	-	-	30	245,051
School administration	141,085	-	-	-	1,122	142,207
General administration	96,267	-	-	-	10,288	106,555
Food services	-	-	-	-	111,599	111,599
Total current operating	2,246,134	-	-	-	337,921	2,584,055
<b>Debt service:</b>						
Principal retirement	-	75,671	-	-	15,402	91,073
Interest charges and other	952	63,645	-	-	15,002	79,599
Bond Issuance Cost	-	-	-	-	-	-
Total debt service	952	139,316	-	-	30,404	170,672
<b>Capital outlay</b>						
Total expenditures	2,247,086	139,316	47,944	52,615	417,011	2,903,972
Excess (deficiency) of revenues over (under) expenditures	(124,118)	(138,525)	(46,711)	236,160	(24,727)	(97,921)
<b>OTHER FINANCING SOURCES (USES):</b>						
Certificates of participation refunding issued	-	207,530	-	-	-	207,530
Premium(discount) on long-term debt issued	-	36,075	-	-	-	36,075
Capital lease	-	-	-	-	22,855	22,855
Sale of capital assets	-	-	-	454	11,996	12,450
Payments to refunded bond escrow agent	-	(242,427)	-	-	(3,768)	(246,195)
Transfers in	94,702	137,790	-	-	17,228	249,720
Transfers out	(40)	-	-	(213,079)	(36,601)	(249,720)
Total other financing sources (uses)	94,662	138,968	-	(212,625)	11,710	32,715
Net change in fund balances	(29,456)	443	(46,711)	23,535	(13,017)	(65,206)
Fund balances, beginning of year	190,025	1,855	104,757	97,135	175,398	569,170
Fund balances, end of year	\$ 160,569	\$ 2,298	\$ 58,046	\$ 120,670	\$ 162,381	\$ 503,964

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, 2018  
(in thousands)**

Total net change in fund balances - governmental funds	\$ (65,206)
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 (\$94,968) were less than depreciation (\$122,416) in the current period.	(27,448)
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	(207,530)
Capital lease	(22,113)
Payment to escrow agent including interest and other charges	221,930
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	91,073
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.	172
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	(408)
Net change in compensated absences	(3,116)
Net change in other liabilities	5,467
Net change in estimated liability for self-insured risks	(1,837)
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	(5)
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.	894
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.	(68,090)
Net effect of extraordinary losses and various miscellaneous transactions involving capital assets (i.e. changes in capitalization threshold, sales, disposals, recoveries and donations).	(12,348)
Change in net position of governmental activities	<u>\$ (88,565)</u>

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, 2018  
 (in thousands)**

	<u>INTERNAL SERVICE FUNDS</u>
<b>ASSETS:</b>	
<b>Current assets:</b>	
Equity in pooled cash and investments	\$ 352
Accrued interest receivable	1
Inventories	101
<b>Total current assets</b>	<u>454</u>
<b>Noncurrent assets:</b>	
Furniture and equipment (net of accumulated depreciation)	10
<b>Total assets</b>	<u>464</u>
<b>LIABILITIES:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	84
<b>Total current liabilities</b>	<u>84</u>
<b>NET POSITION:</b>	
Net investment in capital assets	10
Unrestricted	370
<b>Total net position</b>	<u>\$ 380</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, 2018  
(in thousands)**

	<u><b>INTERNAL SERVICE FUNDS</b></u>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 64,057
<b>Total operating revenues</b>	<u>64,057</u>
<b>OPERATING EXPENSES:</b>	
Personnel services	62,099
Depreciation	4
Other	1,785
<b>Total operating expenses</b>	<u>63,888</u>
<b>Operating income</b>	169
<b>NON-OPERATING REVENUE:</b>	
Interest and other	<u>3</u>
<b>Net income before transfers</b>	172
<b>Change in net position</b>	172
<b>Total net position, beginning of year</b>	<u>208</u>
<b>Total net position, end of year</b>	<u><u>\$ 380</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, 2018**  
(in thousands)

	<b>INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from District operating departments	\$ 64,057
Cash payments for goods and services	(1,946)
Cash payments to employees	(62,093)
Net cash provided (used) by operating activities	<u>18</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Cash payments to acquire capital assets	(4)
Net cash provided by capital financing activities	<u>(4)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received on investments	2
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>16</u>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	336
End of year	<u>\$ 352</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income	\$ 169
Depreciation	4
Increase in inventory, prepaids & other assets	(59)
Decrease in accounts payable and accrued expenditures	(96)
Increase in estimated liability for self-insured risks	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ 18</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, 2018**  
**(in thousands)**

	<u><b>AGENCY FUND</b></u>
<b>ASSETS:</b>	
Equity in pooled cash and investments	\$ 4,670
Cash and cash equivalents	13,613
<b>Total assets</b>	<u><u>\$ 18,283</u></u>
<b>LIABILITIES:</b>	
Accounts payable	\$ 133
Due to student organizations and other agencies	17,502
Due to other funds	648
<b>Total liabilities</b>	<u><u>\$ 18,283</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, 2018**

#### **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 89 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 89 operating Charter School sites in fiscal year 2018.

All of the Charter schools are considered component units of the District or another legal entity. For financial reporting purposes, 89 of the Charter schools are included in the basic financial statements of the District as discretely presented component units. However, the following five schools were closed as of June 30, 2018: Dolphin Park High School, Flagler High School, Lauderhill High School, Melrose High School, and North University High School.

The audited financial information for 89 Charter schools was reported to the District as of the date of publication of the CAFR. 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 units 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 89 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, 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



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

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**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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 series (COPs).

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 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 three 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, 2018, 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 an 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 one 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 2018.

**F. REVENUE**

**State Revenue Sources** - Revenues from state sources for current operations are primarily from the Florida Education Finance Program ("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.

The State allocates the gross receipts tax (GRT), generally known as Public Education Capital Outlay (PECO), to the District on an annual basis. PECO works to fund the District's long-term need for education facilities with a portion of the GRT on utilities. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

**Educational Impact Fees** – Broward County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1982. This ordinance was most recently amended in November 2016 when Ordinance 2016-33 established revisions to the educational impact fees. The educational impact fee is collected for most new residential construction by the County and each municipality within the County based on an interlocal agreement. The fees are to be used solely for the purpose of providing capital improvements to the public educational system necessitated by new residential development and are not to be used for any expenditure that would be classified as a maintenance or repair expense. The authorized uses include, but are not limited to, land acquisition; facility design and construction costs; furniture and equipment; and payment of principal, interest, and related costs of indebtedness necessitated by new residential development.

**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 Revenue 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 recognize 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, 2018.

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 are addressed in Note 21 of the Notes to the Basic Financial Statements.

**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, contingent assets and liabilities disclosed 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 (net); changes in proportion and proportionate share of contributions and differences between employer contributions, changes in assumptions and other inputs, and employer contributions subsequent to the measurement date for the pension plan and health insurance subsidy (HIS) pension plan; net differences between expected and actual experiences for the pension plan; net differences between projected and actual earnings on HIS Plan investments; and employer contributions subsequent to the measurement date for the other postemployment benefits (OPEB) plan.

Deferred inflows of resources include deferred gain on refunding debt; the accumulated increase in the fair value of the hedging derivative; differences between expected and actual experiences and changes in proportion and proportionate share of contributions and differences between employer contributions for the pension plan and HIS plan; net differences between projected and actual earnings for the pension plan; changes in assumptions and other inputs for the HIS Plan; and changes in assumptions and other inputs for the OPEB 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) and Health Insurance Subsidy (HIS) pension plans, and 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. ACCOUNTING CHANGES**

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This Statement addresses accounting and financial reporting for postemployment benefits other than pensions (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability.

The beginning net position of the District was decreased by \$93.8 million to \$474.6 million due to implementation of GASB Statement No. 75. The District's total OPEB liability reported at June 30, 2017, increased by \$93.8 million to \$180.8 million as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75, and beginning balances for deferred outflows/inflows of resources were not restated.

**Q. IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS**

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was adopted by the District for the year ended June 30, 2018. This Statement addresses accounting and financial reporting for other postemployment benefits (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability. The beginning net position of the District was decreased by \$93.8 million to \$474.6 million due to the implementation of GASB Statement No. 75. The District's total OPEB liability reported at June 30, 2017 increased by \$93.8 million to \$180.8 million as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75, and beginning balances for deferred outflows/inflows of resources were not restated.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. The requirements of this Statement are effective for periods beginning after December 15, 2016. The adoption of this Statement did not impact the District's financial statements.

In March 2016, GASB issued 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. The adoption of this Statement did not materially impact the District's financial statements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement will become effective for fiscal year end June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement also establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for AROs. This Statement is not expected to impact the School Board's financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement will become effective for fiscal year end June 30, 2020. This Statement establishes criteria for identifying fiduciary activities of state and local governments. The focus of the criteria generally is on (1) whether the government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement is not expected to impact the School Board's financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement became effective for fiscal year end June 30, 2018. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. This Statement did not impact the School Board's financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishments*. This Statement became effective for fiscal year end June 30, 2018. This Statement provides guidance for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also requires that prepaid insurance related to extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt. This Statement did not materially impact the School Board's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement will become effective for fiscal year end June 30, 2021. This Statement changes the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee government is required to recognize a lease liability and an intangible right-to-use asset and a lessor government is required to recognize a lease receivable and a deferred inflow of resources. Management is aware of this Statement and intends to properly evaluate the impact and ensure that any accounting and reporting impact is properly addressed in the year the Statement is required to be implemented.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement will become effective for fiscal year end June 30, 2019. This Statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This



Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement will become effective for fiscal year end June 30, 2021. This Statement changes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

Management of the District is still in the process of determining what effect, if any, the above Statements with an implementation date after June 2018 will have on the basic financial statements and related disclosures.

**R. 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 budgetary disclosure in the accompanying required supplemental information (Part B) reflects the final budget including all amendments approved for the fiscal year through September 5, 2018.
- 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.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**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, 2018, the carrying amount of the District's bank deposit account was \$79.0 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, 2018 are shown below (in thousands):

	Governmental Funds	Internal Service Funds	Total Government- Wide	Agency Fund
Total Investments measured at fair value level	\$ 504,241	\$ 238	\$ 504,479	\$ 12,370
Total Non-Negotiable - Certificates of Deposit	117,075	55	117,130	2,870
Total Money Market	28,915	14	28,929	707
Total Demand Deposits	95,295	45	95,340	2,336
Total Cash, Cash Equivalents and Investments	<u>\$ 745,526</u>	<u>\$ 352</u>	<u>\$ 745,878</u>	<u>\$ 18,283</u>

**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 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, 2018, 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.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

As of June 30, 2018, the District has the following recurring fair value measurements (in thousands):

	Total Assets 6/30/2018	Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Investments by fair value level</u>			
Debt securities:			
Asset Backed Securities	\$ 11,981	\$ -	\$ 11,981
Commercial Paper	165,910	-	165,910
Corporate Notes	40,303	-	40,303
Fed Agency Cmo/Mbs	6,985	-	6,985
Fed Agency Coupon	28,499	-	28,499
Fed Agency Discount Note	39,834	-	39,834
Municipal Bonds	1,521	-	1,521
Treasury Bonds/Notes	221,816	221,816	-
Total debt securities	<u>\$516,849</u>	<u>\$ 221,816</u>	<u>\$ 295,033</u>
Total investments measured at fair value	<u>\$516,849</u>	<u>\$ 221,816</u>	<u>\$ 295,033</u>

**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.

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.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

As of June 30, 2018, the District's investment securities had the following ratings as shown in the chart below (dollars in thousands):

Investments	Fair Value	Moody's or S & P Rating
<u>Short term portfolio:</u>		
Commercial Paper	\$ 165,910	A-1
Corporate Notes	17,833	AA - AAA
Fed Agency Cmo/Mbs	235	AA+
Fed Agency Discount Note	39,834	AAA
Treasury Bonds/Notes	175,480	AA+
<u>Long term portfolio:</u>		
Asset Backed Securities	11,981	AA - AAA
Corporate Notes	22,470	A+ - AAA
Fed Agency Cmo/Mbs	6,750	AA - AAA
Fed Agency Coupon	28,499	AA - AAA
Municipal Bonds	1,521	AA-
Treasury Bonds/Notes	46,336	AA+
Total investments	\$ 516,849	

**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 short term portfolio weighted average maturity at June 30, 2018 (dollars in thousands):

Investments	Fair Value	Maturity	
		Less than 1 Year	1-4 Years
Asset Backed Securities	\$ 11,981	\$ -	\$ 11,981
Commercial Paper	165,910	165,910	-
Corporate Notes	40,303	17,833	22,470
Fed Agency Cmo/Mbs	6,985	235	6,750
Fed Agency Coupon	28,499	-	28,499
Fed Agency Discount Note	39,834	39,834	-
Municipal Bonds	1,521	-	1,521
Treasury Bonds/Notes	221,816	175,480	46,336
Total	<u>\$ 516,849</u>	<u>\$ 399,292</u>	<u>\$ 117,557</u>

The following table shows the District's long term portfolio effective duration at June 30, 2018:

Investments	Effective Duration in Years
Asset Backed Securities	1.90
Commercial Paper	0.19
Corporate Notes	1.24
Fed Agency Cmo/Mbs	1.95
Fed Agency Coupon	1.64
Fed Agency Discount Note	0.21
Municipal Bonds	2.61
Treasury Bonds/Notes	0.71
Average effective duration	1.30

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**

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**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.

**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, 2018, 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, 2018, 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	\$ -	\$ -	\$ 22,151	\$ 22,151
State Government:				
Food Reimbursement	-	-	2,020	2,020
Miscellaneous State	1	-	99	100
Local Government:				
Taxes Receivable	17,537	5,303	231	23,071
Miscellaneous Local	254	-	3,839	4,093
Total due from other governmental agencies	<u>\$ 17,792</u>	<u>\$ 5,303</u>	<u>\$ 28,340</u>	<u>\$ 51,435</u>
Due to other governments:				
Florida Retirement System Contribution	<u>\$ 12,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,777</u>
Total due to other governmental agencies	<u>\$ 12,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,777</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, 2018, 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 Government Funds
Becon and others	\$ 2,385	\$ 2,385
Deposit for Land Sale Proposal	1,074	1,074
Grant proceeds received prior to meeting all eligibility requirements	2,909	2,909
	<u>\$ 6,368</u>	<u>\$ 6,368</u>



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**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 2017 tax levy on September 12, 2017.

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 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, 2017 have been recognized during the fiscal year ended June 30, 2018.

The following is a summary of millages and taxes levied on the final 2017 tax rolls for the fiscal year 2018 (in thousands):

	Millages	Taxes		
		Levied	Collected	Uncollected
<u>General Fund</u>				
Non-voted School Tax:				
Required Local Effort	4.226	\$ 817,595	\$ 780,488	\$ 4,404
Discretionary Local Effort	0.748	144,734	138,165	779
	<u>4.974</u>	<u>\$ 962,329</u>	<u>\$ 918,653</u>	<u>\$ 5,183</u>
<u>Capital Project Funds</u>				
Non-voted School Tax:				
Capital Improvements	<u>1.500</u>	<u>\$ 290,208</u>	<u>\$ 277,021</u>	<u>\$ 1,578</u>
<u>Debt Service Funds</u>				
Voted Tax:				
Debt Service	<u>0.065</u>	<u>\$ 12,653</u>	<u>\$ 12,080</u>	<u>\$ 67</u>

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 2018, limit being 6.47 mills, which includes up to 1.50 mills for the Capital Projects Funds. The voter approved levy for debt service is limited to 6.00 mills; for fiscal year 2018, the levy was 0.07 mills for the Debt Service Funds.

The total assessed value for calendar year 2017, on which the fiscal 2018 levy was based, was approximately \$193.47 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 96.00% collection rate. The actual property taxes collected or accrued for fiscal year 2018 were 95.46% 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 06/30/2017	Additions	Deletions	Transfers	Balance 06/30/2018
<b>Primary Government:</b>					
Capital assets not being depreciated:					
Land	\$ 232,805	\$ -	\$ (897)	\$ -	\$ 231,908
Land improvements	130,867	-	-	88	130,955
Construction in progress	36,641	41,705	(1,076)	(26,206)	51,064
Broadcast license intangible	3,600	-	-	-	3,600
Total capital assets not being depreciated	<u>403,913</u>	<u>41,705</u>	<u>(1,973)</u>	<u>(26,118)</u>	<u>417,527</u>
Other capital assets:					
Land improvements <sup>(1)</sup>	332,960	2,247	(4,856)	2,182	332,533
Buildings and fixed equipment <sup>(1)</sup>	3,632,949	2,611	(10,542)	23,936	3,648,954
Furniture, fixtures and equipment	263,165	25,569	(21,089)	2,667	270,312
Assets under capital leases	61,809	-	-	18,790	80,599
Audio visual	703	-	-	-	703
Computer software	57,309	990	-	-	58,299
Motor vehicles:					
Buses	72,929	18,191	(6,393)	(18,190)	66,537
Other	27,896	3,655	(1,329)	(3,267)	26,955
Total other capital assets at historical cost	<u>4,449,720</u>	<u>53,263</u>	<u>(44,209)</u>	<u>26,118</u>	<u>4,484,892</u>
Less accumulated depreciation for:					
Land improvements <sup>(1)</sup>	(154,395)	(10,471)	1,249	-	(163,617)
Buildings and fixed equipment <sup>(1)</sup>	(1,536,334)	(77,922)	3,774	-	(1,610,482)
Furniture, fixtures and equipment	(208,544)	(15,827)	21,089	(18,487)	(221,769)
Assets under capital leases	(31,333)	(10,087)	-	18,487	(22,933)
Audio visual	(639)	(34)	-	-	(673)
Computer software	(51,840)	(4,875)	-	-	(56,715)
Motor vehicles:					
Buses	(62,520)	(2,306)	6,393	-	(58,433)
Other	(22,158)	(894)	1,329	-	(21,723)
Total accumulated depreciation*	<u>(2,067,763)</u>	<u>(122,416)</u>	<u>33,834</u>	<u>-</u>	<u>(2,156,345)</u>
Total other capital assets, net	<u>2,381,957</u>	<u>(69,153)</u>	<u>(10,375)</u>	<u>26,118</u>	<u>2,328,547</u>
Total primary government, net	<u>2,785,870</u>	<u>(27,448)</u>	<u>(12,348)</u>	<u>-</u>	<u>2,746,074</u>
<b>Internal Service fund:</b>					
Machinery and equipment	590	4	-	-	594
Accumulated depreciation*	(580)	(4)	-	-	(584)
Total Internal service fund, net	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
Total capital assets, net	<u>\$2,785,880</u>	<u>\$ (27,448)</u>	<u>\$ (12,348)</u>	<u>\$ -</u>	<u>\$2,746,084</u>

\*Depreciation expense was recorded in the following governmental functions:

Instructional services	89,037
Instructional support services	13,416
Pupil transportation services	3,099
Operation and maintenance of plant	6,486
School administration	2,919
General administration	1,758
Food services	5,705
Total depreciation expense	<u>\$ 122,420</u>

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

(1) The District has removed the historical cost of Marjory Stoneman Douglas (MSD) High School Building 12 and the related land improvements resulting in the recognition of an extraordinary loss of \$3.6 million for Land Improvements and \$6.8 million for Buildings and Fixed Equipment. For the 2018-19 fiscal year, the Senate Bill, SB 7026, has earmarked \$25.3 million to replace Building 12.

**7. INTERFUND TRANSACTIONS**

**Interfund Transfers.** A summary of interfund transfers for the fiscal year ended June 30, 2018 is as follows (in thousands):

	Transfers In			
	General Fund	COP Series Debt Service Fund	Other Governmental Funds	Total
Transfers Out				
General Fund	\$ -	\$ -	\$ 40	\$ 40
Local Millage Capital Improvement Funds	78,453	134,626	-	213,079
ARRA Economic Stimulus Capital Project Funds	-	-	-	-
Other Capital Improvement Funds	15,007	3,164	17,188	35,359
Other Governmental Funds	1,242	-	-	1,242
Total Primary Government	<u>\$ 94,702</u>	<u>\$ 137,790</u>	<u>\$ 17,228</u>	<u>\$ 249,720</u>

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, 2018 are as follows (in thousands):

	Payable Fund	
	Other Governmental Funds	Total
Receivable Fund:		
General Fund	\$ 16,705	\$ 16,705
Total	<u>\$ 16,705</u>	<u>\$ 16,705</u>

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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**8. TAX ANTICIPATION NOTES**

On September 19, 2017, the District issued Tax Anticipation Notes ("TANS"), Series 2017. The \$125.0 million note proceeds were used to pay fiscal year 2018 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, 2018 were \$835 thousand, with the effective yield of 0.93%. There was no arbitrage rebate due on the TANS, Series 2017. The notes came due June 15, 2018.

Short-term debt activity for the year ended June 30, 2018 was as follows (in thousands):

	Beginning Balance July 1, 2017	Issued	Redeemed	Ending Balance June 30, 2018
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, 2018, 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	\$ 28,811
Buses	47,088
Other Motor Vehicles	4,700
Subtotal	80,599
Less: Accumulated Depreciation	(22,933)
Total Net Book Value	\$ 57,666

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

The following is a summary of changes in capital leases for the fiscal year ended June 30, 2018 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2017	Increases	Decreases	June 30, 2018
School Buses	1.81%	05/10/2021	\$ 2,606	\$ -	\$ (634)	\$ 1,972
Technology Equipment	1.27%	02/27/2018	2,548	-	(2,548)	-
Buses/Hard Drive	1.95%	02/27/2022	6,624	-	(1,275)	5,349
Computers	1.37%	09/04/2018	2,289	-	(1,521)	768
Technology Equipment	1.42%	04/03/2019	4,564	-	(2,266)	2,298
School Buses	2.00%	04/03/2023	11,471	-	(1,818)	9,653
Buses/White Fleet	2.07%	03/02/2025	22,300	-	(2,591)	19,709
Technology Equipment	2.80%	05/01/2021	3,677	6,613	(2,506)	7,784
Security Equipment	2.16%	12/28/2025		5,000	(288)	4,712
School Buses	2.77%	05/23/2026		10,500	-	10,500
Total capital leases			<u>\$56,079</u>	<u>\$22,113</u>	<u>\$(15,447)</u>	<u>\$ 62,745</u>
Less: portion due within one year						<u>(13,695)</u>
Total capital leases due in more than one year						<u>\$ 49,050</u>

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, 2018 (in thousands):

Fiscal Year	Amount
2019	\$ 15,037
2020	12,108
2021	12,108
2022	8,630
2023	7,234
2024-2026	<u>12,205</u>
Total minimum lease payments	67,322
Less:	
Amount representing interest	<u>(4,577)</u>
Present value of minimum lease payments	<u>\$ 62,745</u>

The amount representing interest was calculated using annual rates ranging from 1.27% to 2.80%.

**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, 2018 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2017	Increases	Decreases	June 30, 2018	Amounts Due Within One Year
<b>Bonds payable:</b>							
<b>Capital outlay bond issues:</b>							
Series 2006A	3.50-5.00%	01/01/2026	\$ 140	\$ -	\$ (140)	\$ -	\$ -
Series 2008A	3.25-5.00%	01/01/2028	215	-	(215)	-	-
Series 2009A-New Money	2.00-5.00%	01/01/2029	875	-	(50)	825	55
Series 2009A-Refunding	2.00-5.00%	01/01/2019	640	-	(310)	330	330
Series 2010A-Refunding	4.00-5.00%	01/01/2022	4,100	-	(720)	3,380	790
Series 2011A-Refunding	3.00-5.00%	01/01/2023	4,240	-	(550)	3,690	610
Series 2014B-Refunding	2.00-5.00%	01/01/2020	595	-	(480)	115	56
Series 2017A-Refunding	3.00-5.00%	01/01/2028	3,355	-	(9)	3,346	227
			<u>14,160</u>	<u>-</u>	<u>(2,474)</u>	<u>11,686</u>	<u>2,068</u>
<b>General Obligation Bonds:</b>							
Series 2015	3.50-5.00%	07/01/2040	148,225	-	(3,795)	144,430	3,985
			<u>148,225</u>	<u>-</u>	<u>(3,795)</u>	<u>144,430</u>	<u>3,985</u>
<b>Certificates of participation:</b>							
Series 2004 QZAB	(i)	12/22/2020	213	-	(53)	160	53
Series 2008A	3.15-5.25%	07/01/2033	9,565	-	(9,565)	-	-
Series 2009A BAB	7.40%	07/01/2034	63,910	-	(63,910)	-	-
Series 2009A QSCB	(ii)	07/01/2024	32,287	-	(4,108)	28,179	4,300
Series 2010A QSCB	6.45%	07/01/2027	51,645	-	(5,164)	46,481	5,165
Series 2011A-Refunding	5.00%	07/01/2021	171,425	-	(92,185)	79,240	25,165
Series 2012A-Refunding	4.00-5.00%	07/01/2028	234,650	-	(107,160)	127,490	18,140
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	9,555
Series 2015B-Refunding	5.00%	07/01/2032	170,805	-	-	170,805	4,950
Series 2015C-Refunding	4.51%	07/01/2031	65,000	-	-	65,000	-
Series 2016A-Refunding	3.25-5.00%	07/01/2033	198,205	-	-	198,205	9,195
Series 2016B-Refunding	5.00%	07/01/2027	18,735	-	-	18,735	-
Series 2017A-Refunding	1.58%	07/01/2021	39,575	-	(9,282)	30,293	9,681
Series 2017B-Refunding	5.00%	07/01/2034	-	56,300	-	56,300	-
Series 2017C-Refunding	5.00%	07/01/2026	-	151,230	-	151,230	-
			<u>1,422,200</u>	<u>207,530</u>	<u>(291,427)</u>	<u>1,338,303</u>	<u>86,204</u>
Total bonds and certificates of participation payable			<u>\$1,584,585</u>	<u>\$207,530</u>	<u>\$(297,696)</u>	<u>1,494,419</u>	
Add: net premium/discount/deferred amount on refunding						139,977	
Less: amounts due within one year						(92,257)	
Add: interest rate swap – fair value (GASB 53)						28,518	
Total debt, net of premiums and discounts						<u>\$1,570,657</u>	<u>\$ 92,257</u>

- (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.

## ***THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA***

### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

- (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 11 consecutive years, being deposited in an escrow account held by a fiscal agent. The annual payment however, may be reduced through the purchase of Treasury Strips by the 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 QSCB, in full, at maturity on July 1, 2024.

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, 2018 was \$282 thousand.

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. As a result of the refunding, the District will decrease its annual debt service requirement by \$140 thousand which resulted in net present value savings in excess of \$556 thousand.

On December 28, 2017, the District issued the Certificates of Participation, Series 2017B for \$56.3 million to partially refund, utilizing a crossover refunding, the Certificates of Participation, Series 2009 – Build America Bonds (BABs), through a negotiated sale process. The proceeds from the issuance of the certificates were used to fund an escrow deposit account, in which the money will be applied to (i) fully repay on the Crossover Date all of the principal portion of the School Board's outstanding Certificates of Participation, Series 2009A-BAB and (ii) pay interest until the Crossover date on the Series 2017B Certificates and pay certain costs of issuance. On July 1, 2019, the Crossover Date, the District will meet the requirements of an in-substance debt defeasance and the liability for the Refunded Series 2009 – BABs certificates will be removed from the District's financial statements.

For this crossover refunding, the District reduced its total debt service requirements by \$10.7 million, which resulted in net present value savings in excess of \$7.8 million.

Also, on December 28, 2017, the District issued Certificates of Participation, Series 2017C for \$151.2 million to partially advance refund the Certificates of Participation, Series 2011A and the Certificates of Participation, Series 2012A, through a negotiated sale process. For this advance refunding, the District reduced its total debt service requirements by \$9.4 million which resulted in net present value savings in excess of \$8.2 million.

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 SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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, 2018, the District has no accrued liability for rebatable arbitrage.

The Tax Cut and Job Act of 2017 amended the Internal Revenue Code of 1986. One of the changes affecting the District and other public issuers was the elimination of advance refunding.

Annual requirements to amortize all bond issues outstanding as of June 30, 2018 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
2019	\$ 2,068	\$ 525	\$ 2,593	\$ 3,985	\$ 6,089	\$ 10,074	\$ 86,400	\$ 61,009	\$ 147,409
2020	1,887	429	2,316	4,185	5,890	10,075	95,874	60,414	156,288
2021	1,995	337	2,332	4,395	5,680	10,075	100,395	56,442	156,837
2022	1,973	238	2,211	4,615	5,461	10,076	103,821	52,322	156,143
2023	1,252	156	1,408	4,845	5,230	10,075	107,635	47,665	155,300
2024-2028	2,416	341	2,757	27,870	22,495	50,365	545,953	157,710	703,663
2029-2033	95	4	99	34,075	16,288	50,363	288,230	35,956	324,186
2034-2038	-	-	-	41,460	8,905	50,365	9,995	500	10,495
2039-2043	-	-	-	19,000	1,147	20,147	-	-	-
<b>Total</b>	<b>\$11,686</b>	<b>\$2,030</b>	<b>\$13,716</b>	<b>\$144,430</b>	<b>\$77,185</b>	<b>\$221,615</b>	<b>\$1,338,303</b>	<b>\$472,018</b>	<b>\$1,810,321</b>

Other Liabilities

Compensated absences, pensions, and other postemployment benefits are generally liquidated with resources from the General Fund.

**11. DEFEASED DEBT**

On December 28, 2017, the District issued the Certificates of Participation (COPs), Series 2017C in the amount of \$151.2 million to partially advance refund COPs, Series 2011A and Series 2012A. The net proceeds of \$180.7 million includes accrued interest and premium of \$29.5 million. After further netting the costs of issuance and underwriter's discount, \$180.0 million was deposited into an irrevocable escrow and used to redeem the refunded certificates.

In prior years, the District defeased certain certificates of participation by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments. These investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the financial statements. As of June 30, 2018, the total amount of defeased debt removed from the District's financial statements, amounted to \$390.07 million.



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Series	Maturities	Amount		Call Date	Defeased by COP Series
		Outstanding (in thousands)			
2008A	2019 through 2033	\$ 211,910		07/01/18	2016A
2009A	2025 through 2027	20,140		07/01/19	2016B
2011A	2022 through 2024	68,150		07/01/21	2017C
2012A	2025 and 2026	89,870		07/01/22	2017C
Total Defeased		<u>\$ 390,070</u>			

Note: In addition to the defeased debt referenced herein, Series 2009 BABs were refunded by the COPs, Series 2017B using a crossover refunding. Therefore, the Series 2009 BABs are not legally defeased. The escrow is structured to pay the principal of the Series 2009 BABs on the call date of July 1, 2019.

**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 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 6.45%. The actual interest rate for the outstanding issuance as of June 30, 2018 is reflected in the table below:

Series	Date	Amount Issued (in thousands)	Amount Outstanding (in thousands)	Interest Rates	Lease Term Maturity
2004-QZAB <sup>(1)</sup>	12/22/2004	\$ 1,017	\$ 160	(i)	2020
2009A-QSCB <sup>(2)</sup>	06/17/2009	49,913	28,179	(ii)	2024
2010A-QSCB <sup>(3)</sup>	07/22/2010	51,645	46,481	6.45%	2027
2011A <sup>(4)</sup>	05/20/2011	175,510	79,240	5.00%	2021
2012A <sup>(5)</sup>	04/04/2012	270,650	127,490	4.00% - 5.00%	2028
2014A <sup>(6)</sup>	02/27/2014	114,140	113,825	4.33% - 4.38%	2029
2015A <sup>(7)</sup>	02/11/2015	252,360	252,360	5.00%	2030
2015B <sup>(8)</sup>	02/11/2015	170,805	170,805	5.00%	2032
2015C <sup>(9)</sup>	09/11/2015	65,205	65,000	4.511%	2031
2016A <sup>(10)</sup>	04/27/2016	198,205	198,205	3.25% - 5.00%	2033
2016B <sup>(11)</sup>	04/27/2016	18,735	18,735	5.00%	2027
2017A <sup>(12)</sup>	06/26/2017	39,575	30,293	1.584%	2021
2017B <sup>(13)</sup>	12/18/2017	56,300	56,300	5.00%	2034
2017C <sup>(14)</sup>	12/18/2017	151,230	151,230	5.00%	2026
			<u>\$ 1,338,303</u>		

(i) Interest on the Series 2004 QZAB is paid (i) 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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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 11 consecutive years, being deposited in an escrow account held by a fiscal agent. The annual payment however, may be reduced through the purchase of Treasury Strips by the 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 QSCB, in full, at maturity on July 1, 2024.
  
- (1) **2004-QZAB**  
Issued to finance construction projects, technology, vocational equipment, development of curriculum and teacher training to promote market-driven technology. The 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. On December 22, 2004, the District sold Series 2004-QZAB for \$1.0 million of which \$848,992 in principal will be repaid pursuant to the Trust Agreement. The Certificates are not insured by any municipal bond insurance policy.
  
- (2) **2009A-QSCB**  
Issued to finance the cost of acquisition, construction, installation and equipping education facilities. These are non-interest obligations and are issued as "principal only" (i.e. the principal is repaid by the District). The Certificates are not insured by any municipal bond insurance policy.
  
- (3) **2010A-QSCB**  
Issued to finance the cost of acquisition, construction, installation and equipping education 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 Certificates are not insured by any municipal bond insurance policy.
  
- (4) **2011A**  
Issued to refund a portion of outstanding Series 1997B, Series 2001A, and Series 2001B. The Certificates are insured by Assured Guaranty Municipal Corporation.
  
- (5) **2012A**  
Issued to refund outstanding Series 2001A, Series 2001B, and portions of Series 2003A and Series 2004C. The Certificates are not insured by any municipal bond insurance policy.
  
- (6) **2014A**  
Issued to refund outstanding Series 2004D. The Certificates are not insured by any municipal bond insurance policy.
  
- (7) **2015A**  
Issued to refund a majority of outstanding Series 2005A and Series 2006A. The Certificates are insured by Assured Guaranty Municipal Corporation.
  
- (8) **2015B**  
Issued to refund a majority of outstanding Series 2007A. The Certificates are not insured by any municipal bond insurance policy.
  
- (9) **2015C**  
Issued to refund outstanding Series 2006B. The Certificates are not insured by any municipal bond insurance policy.
  
- (10) **2016A**  
Issued to refund a majority of outstanding Series 2008A. The Certificates are not insured by any municipal bond insurance policy.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

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**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

(11) **2016B**

Issued to refund outstanding Series 2009A Tax Exempt. The Certificates are not insured by any municipal bond insurance policy.

(12) **2017A**

Issued to refund a majority of outstanding Series 2012B. The Certificates are not insured by any municipal bond insurance policy.

(13) **2017B**

Issued to refund outstanding Series 2009A-BAB (Build America Bonds). The Certificates are not insured by any municipal bond insurance policy.

(14) **2017C**

Issued to refund a portion of outstanding Series 2011A and Series 2012A. The Certificates are not insured by any municipal bond insurance policy.

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 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.

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, 2009A-QSCB, 2010A-QSCB, 2011A, 2012A, 2014A, 2015A, 2015B, 2015C, 2016A, 2016B, 2017A, 2017B, and 2017C. 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**

The remaining obligation, as of June 30, 2018, through maturity to the holders of the Certificates, is as follows (in thousands):

Year Ending June 30,	Series 2004 QZAB	Series 2009A QSCB	Series 2010A QSCB	Series 2011A	Series 2012A	Series 2014A
2019	\$ 53	\$ 4,300	\$ 8,497	\$ 29,078	\$ 24,306	\$ 5,026
2020	53	4,293	8,497	29,079	20,349	8,965
2021	54	4,288	8,497	29,084	14,405	15,205
2022	-	4,282	8,497	-	14,411	15,177
2023	-	4,275	8,497	-	14,407	15,125
2024-2028	-	6,741	33,985	-	72,049	75,097
2029-2033	-	-	-	-	-	14,912
2034-2038	-	-	-	-	-	-
Subtotal	\$ 160	\$ 28,179	\$ 76,470	\$ 87,241	\$ 159,927	\$ 149,507
Less: Interest	-	-	(29,989)	(8,001)	(32,437)	(35,682)
Total Principal	\$ 160	\$ 28,179	\$ 46,481	\$ 79,240	\$ 127,490	\$ 113,825

Year Ending June 30,	Series 2015A	Series 2015B	Series 2015C	Series 2016A	Series 2016B	Series 2017A
2019	\$ 22,174	\$ 13,490	\$ 2,973	\$ 18,659	\$ 938	\$ 10,161
2020	24,016	17,658	2,981	18,664	938	10,419
2021	24,012	17,660	2,973	18,661	937	10,686
2022	34,828	17,658	2,973	18,659	937	-
2023	34,828	17,657	2,973	18,662	937	-
2024-2028	166,909	88,279	22,106	93,307	21,598	-
2029-2033	33,412	70,615	63,136	93,307	-	-
2034-2038	-	-	-	-	-	-
Subtotal	\$ 340,179	\$ 243,017	\$ 100,115	\$ 279,919	\$ 26,285	\$ 31,266
Less: Interest	(87,819)	(72,212)	(35,115)	(81,714)	(7,550)	(973)
Total Principal	\$ 252,360	\$ 170,805	\$ 65,000	\$ 198,205	\$ 18,735	\$ 30,293

Year Ending June 30,	Series 2017B	Series 2017C	Total
2019	\$ -	\$ 7,562	\$ 147,217
2020	2,815	7,562	156,289
2021	2,815	7,562	156,839
2022	2,815	35,907	156,144
2023	2,815	35,124	155,300
2024-2028	20,385	103,397	703,853
2029-2033	48,799	-	324,181
2034-2038	10,495	-	10,495
Subtotal	\$ 90,939	\$ 197,114	\$ 1,810,318
Less: Interest	(34,639)	(45,884)	(472,015)
Total Principal	\$ 56,300	\$ 151,230	\$ 1,338,303

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 Statement is effective for reporting periods beginning after June 15, 2015. The District adopted GASB 72 beginning Fiscal Year ended 2016.

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, 2018 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 \$28.5 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.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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.

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 \$14.33 million as of June 30, 2018, as compared to a negative fair value of \$18.02 million in the prior year.

Hedging derivative instrument payments and hedged debt— As of June 30, 2018, 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, 2018.

Year Ending June 30,	Series 2015C Principal	Interest <sup>(1)</sup>	Net Swap Payments <sup>(2)</sup>	Total Payments
2019	\$ -	\$ 1,198	\$ 1,734	\$ 2,932
2020	-	1,198	1,734	2,932
2021	-	1,198	1,734	2,932
2022	-	1,198	1,734	2,932
2023	-	1,198	1,734	2,932
2024-2028	7,225	5,990	8,671	21,886
2029-2031	57,775	2,161	3,127	63,063
<u>Total</u>	<u>\$ 65,000</u>	<u>\$ 14,141</u>	<u>\$ 20,468</u>	<u>\$ 99,609</u>

<sup>(1)</sup> Assumes variable interest rate of 1.84318% (actual rate on 6/30/18 of 70% of 1-month LIBOR + 38 bps)

<sup>(2)</sup> Assumes fixed swap rate (payment) of 4.131% less variable swap receipt of 1.46318% (70% of 1-month LIBOR)

Credit Risk— This is the risk that a counterparty will not fulfill its obligations. As of June 30, 2018, the District was not exposed to credit risk because the swap had a negative mark-to-market value of \$14.9 million. 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.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Swap Counterparty Data as of June 30, 2018  
(dollars in thousands)

Counterparty	Swap National Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
JP Morgan Chase Bank, N.A.	\$ 65,000	Aa3	A+	\$ (14,328)

**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, 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 \$14.2 million as of June 30, 2018, as compared to a negative fair value of \$19.9 million in the prior year.

**Hedging derivative instrument payments and hedged debt** – As of June 30, 2018, 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, 2018.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Year Ending June 30,	Series 2014A Principal	Interest <sup>(1)</sup>	Net Swap Payments <sup>(2)</sup>	Total Payments
2019	\$ -	\$ 2,267	\$ 2,789	\$ 5,056
2020	3,925	2,267	2,789	8,981
2021	10,350	2,189	2,692	15,231
2022	10,775	1,983	2,439	15,197
2023	11,200	1,768	2,175	15,143
2024-2028	63,300	5,305	6,524	75,129
2029-2032	14,275	284	350	14,909
<b>Total</b>	<b>\$ 113,825</b>	<b>\$ 16,063</b>	<b>\$ 19,758</b>	<b>\$ 149,646</b>

<sup>(1)</sup> Assumes variable interest rate of 1.9932% on \$56,910,000 and 1.9900% on \$56,915,000  
(actual rate on 6/30/18 of 70% of 1-month LIBOR + 53 bps and SIFMA + 48 bps, respectively)

<sup>(2)</sup> Assumes fixed swap rate (payment) of 3.85% less variable swap rate (receipt) of 1.40%

**Credit Risk** – As of June 30, 2018, the District was not exposed to credit risk because the swap had a negative mark-to-market value of \$14.4 million. 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.

Swap Counterparty Data as of June 30, 2018  
(dollars in thousands)

Counterparty	Swap National Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
Citibank, N.A., New York	\$ 113,825	A1	A+	\$ (14,190)

**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.



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**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, 2018, the estimated current liability for accumulated sick leave including retirement and social security contributions was \$7.8 million and \$0.1 million in the General Fund and Special Revenue Funds, respectively. The balance of compensated absences payable from future resources was \$28.4 million for accumulated vacation leave and \$134.8 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.

The following is a summary of changes in the liability for compensated absences for the fiscal year ended June 30, 2018 (in thousands):

Balance - June 30, 2017		\$	167,064
Additions			85,146
Reductions			(81,120)
Balance - June 30, 2018			<u>171,090</u>
Less:			
Amount due within one year			
Current portion (modified accrual basis)	\$	7,893	
Non-current portion			163,197
Other amount due within one year		<u>10,950</u>	
Total due in more than one year			<u>\$ 152,247</u>
Total amount due within one year (full accrual basis)	\$	<u>18,843</u>	

**15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description.**

The District administers a single-employer defined benefit OPEB plan (Plan) for certain postemployment benefits, including continued coverage for 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. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. 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 Section 112.0801, 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 as 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Benefit Terms and Employees Covered.**

The authority for establishing and amending the plan funding policy and benefit terms rests with the Board. The District has not advanced funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation and plans to fund this postemployment benefit on a pay-as-you-go basis. As of the valuation date, January 1, 2017, there were approximately 25,190 active participants and 990 inactive participants (retirees and beneficiaries) receiving postemployment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of \$7.3 million, comprised of benefit payments made on behalf of retirees for claims expense, retention costs, and net of retiree contributions totaling \$7.4 million.

**Total OPEB Liability.**

The District's total OPEB liability of \$174.2 million was based on the measurement date of June 30, 2017 and was determined using an actuarial roll-forward supplement based on the results of a full actuarial valuation previously performed as of January 1, 2017. As described in Note 1, the beginning OPEB liability of \$180.8 million was increased by \$93.8 million due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018, which addresses accounting and financial reporting for other postemployment benefits (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability.

**Actuarial Assumptions and Other Inputs.**

The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Discount Rate	3.56%
20-Year Municipal Bond Rate	3.56%
Municipal Bond Rate Basis	Fidelity 20-Year Municipal GO AA Index
Assumed Rate of Payroll Growth	3.7% - 7.8% (including inflation)
General Inflation	2.50%
Mortality Rates - Active Members	RP-2000 Combined Healthy Participant Mortality Table, with mortality improvement projected to all future years from the year 2000 using Projection Scale BB. Rates have been adjusted to be a blend of 50% White Collar and 50% Blue Collar (male) and 100% White Collar (female)
Mortality Rates - Nondisabled Inactive Members	RP-2000 Mortality Table for Annuitants, with mortality improvement projected to all future years from the year 2000 using Projection Scale BB. Rates have been adjusted to be a blend of 50% White Collar and 50% Blue Collar (male) and 100% White Collar (female)
Mortality Rates - Impaired (from Disability) Members	RP-2000 Disabled Retiree tables and Healthy White Collar tables for males and females. Rates have been adjusted to be 100% Disabled Retiree with setback four years (male) and set forward two years (female)
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.00% for 2018 calendar year, decreasing to 6.75% for 2019 and gradually trending to an ultimate trend rate of 4.24%, with .53% added to approximate the effect of the excise tax
Projected Retiree Premium Contributions	\$626.00 (Medicare and Non-Medicare)
Projected Spouse Premium Contributions	\$692.00 (Medicare and Non-Medicare)
Administrative Expenses	Included in the per capita health costs
Actuarial Cost Method	Entry Age Normal
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017
Valuation Date	January 1, 2017
Census Data	As of January 1, 2017

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

The District selected the participant data, economic, demographic, health care trend and mortality assumptions, and benefit provisions used in the January 1, 2017 valuation. The demographic assumptions were based on those employed in the July 1, 2016 actuarial valuation of the FRS, which were developed by the FRS from a statewide experience study covering the period 2008 through 2013. These include assumed rates of future termination, mortality, disability, and retirement. In addition, salary increase assumptions for development of the pattern of the normal cost increases were the same as those used by the FRS.

There were no benefit changes during the measurement period. Effective as of January 1, 2018, the District is no longer offering the Consumer Driven medical plan. In its place, a cost-effective Premier Choice HSA medical plan is offered. These changes were made after the measurement date and as a result will be reflected in the Schedule of Changes to the Total OPEB Liability for fiscal year ending June 30, 2019.

**Changes to the Total OPEB Liability.**

Below are the details regarding the total OPEB liability from June 30, 2017 to June 30, 2018 (in thousands):

	<u>Total OPEB Liability</u>
Balance Recognized at 06/30/2017, as Restated	\$ 180,753
Changes for the Fiscal Year:	
Service Cost	\$ 9,696
Interest on the Total OPEB Liability	5,454
Changes in Assumptions and Other Inputs	(14,423)
Benefit Payments	<u>(7,298)</u>
Net Changes	<u>(6,571)</u>
Balance at 06/30/2018	<u>\$ 174,182</u>

Changes of assumptions and other inputs include the change in the discount rate from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of June 30, 2017.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.**

The following presents the total OPEB liability of the District (in thousands), as well as what the District's total OPEB liability would be (in thousands) if it were calculated using a discount rate that is 1 percentage point lower (2.56 percent) or 1 percentage point higher (4.56 percent):

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
2.56%	3.56%	4.56%
\$ 197,407	\$ 174,182	\$ 154,440

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend.**

The following presents the total OPEB liability of the District (in thousands), as well as what the District's total OPEB liability would be (in thousands) if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00 percent to 3.77 percent) or 1 percentage point higher (8.00 percent to 5.77 percent) than the current healthcare cost trend rates (7.00 percent to 4.77 percent):

<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
6.00% to 3.77%	7.00% to 4.77%	8.00% to 5.77%
\$ 146,853	\$ 174,182	\$ 209,115

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.**

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$13.8 million. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions or Other Inputs	\$ -	\$ 13,112
Benefits Paid after the Measurement Date	6,133	-
Total	<u>\$ 6,133</u>	<u>\$ 13,112</u>

The deferred outflows of resources related to OPEB, totaling \$6.1 million resulting from District contributions subsequent to the measurement date of June 30, 2017 are recognized as a reduction of total OPEB liability in the fiscal year ended June 30, 2018. Amounts recognized in the deferred inflow of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Annual Expense (in thousands)</u>
2019	(\$1,311)
2020	(1,311)
2021	(1,311)
2022	(1,311)
2023	(1,311)
Thereafter	<u>(6,557)</u>
Total	<u>(\$13,112)</u>

**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, 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.

*Special Risk Administrative Support Class* – Former Special Risk Class members who have been moved or reassigned to non-Special Risk administrative support positions within a Florida Retirement System Special Risk employing agency.

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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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**

<u>Retirement Age / Years of Service</u>	<u>% Value</u>
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

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

<u>Retirement Age / Years of Service</u>	<u>% Value</u>
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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

<u>Class</u>	<u>% Value</u>
Elected County Officers	3.00
Senior Management Service Class	2.00
<b>Special Risk – Regular Class</b>	
<u>Years of Service</u>	<u>% Value</u>
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, 2018, contribution rates were as follows:

<u>Class or Plan</u>	<u>Contribution Rates</u>	
	<u>Employee</u>	<u>Employer <sup>(A)</sup></u>
Florida Retirement System, Regular	3.00%	7.92%
Florida Retirement System, County Elected Officers	3.00%	45.50%
Florida Retirement System, Senior Management Service	3.00%	22.71%
Florida Retirement System, Special Risk	3.00%	23.27%
Special Risk Administrative Support	3.00%	34.63%
Teachers' Retirement System, Plan E	6.25%	11.90%
Deferred Retirement Option Program	-	13.26%

**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, 2018, totaled \$75.7 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, 2018, the Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, the District reported a liability of \$860.6 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. 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, 2017, the District's proportionate share was 2.91 percent, which was an increase of .16 percent from its proportionate share measured as of June 30, 2016.



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$138.4 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	\$ 78,985	\$ 4,767
Net differences between projected and actual earnings on pension plan investments		21,328
Changes of assumptions	289,230	
Changes in proportion and proportionate share of contributions and differences between employer contributions	20,974	36,152
Employer contributions subsequent to the measurement date	82,749	-
Total	<u>\$ 471,938</u>	<u>\$ 62,247</u>

Deferred outflows of \$82.7 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 2018. The amount will be recognized as a reduction in the net pension liability in fiscal year 2018. 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:

Fiscal Year Ending June 30,	Amount (in thousands)
2019	\$39,687
2020	113,722
2021	78,253
2022	13,658
2023	58,591
Thereafter	23,031

Actuarial Assumptions. The total pension liability in the June 30, 2017 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	7.10 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an 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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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:

<u>Asset Class</u>	<u>Target Allocation<sup>(1)</sup></u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.0%	3.0%	1.8%
Fixed Income	18.0%	4.5%	4.4%	4.2%
Global Equity	53.0%	7.8%	6.6%	17.0%
Real Estate	10.0%	6.6%	5.9%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	9.7%
<b>Total</b>	<b>100.00%</b>			
Assumed inflation - Mean			2.6%	1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.10 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.

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 7.10 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 (6.10 percent) or 1 percentage-point higher (8.10 percent) than the current rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
6.10%	7.10%	8.10%
\$ 1,557,677	\$ 860,624	\$ 281,910

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.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**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, 2018, 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, 2018, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. 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 year ending June 30, 2018, totaled \$22.4 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, 2018, the District reported a net pension liability of \$442.5 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, with update procedures being used to determine liabilities as of June 30, 2017. 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, 2017, the District's proportionate share was 4.14 percent, which was an increase of .18 percent from its proportionate share measured as of June 30, 2016.

As of June 30, 2018, the District recognized pension expense of \$34.9 million related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources ( in thousands):

**Deferred Inflows and Outflows (HIS):**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences		\$ 921
Net differences between projected and actual earnings on pension plan investments	245	
Changes of assumptions	62,195	38,260
Changes in proportion and proportionate share of contributions and differences between employer contributions	15,977	7,218
Employer contributions subsequent to the measurement date	22,376	
Total	<u>\$ 100,793</u>	<u>\$ 46,399</u>

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Deferred outflows of \$22.4 million relate to district contributions to the HIS Plan subsequent to the measurement date, which is in essence all contributions paid by the district during fiscal 2018. The amount will be recognized as a reduction in the net pension liability in fiscal year 2018. 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:

Fiscal Year Ending June 30,	Amount (in thousands)
2019	\$ 8,477
2020	8,431
2021	8,408
2022	6,447
2023	3,402
Thereafter	\$ (3,147)

*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
Municipal Bond Rate	3.58 percent

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

The actuarial assumptions for July 1, 2016, which were used to determine the total pension liability for the HIS program were based on certain results of the most recent study for the FRS Pension Plan. Additionally, update procedures were used to determine liabilities as of June 30, 2017.

*Discount Rate.* The discount rate used to measure the total pension liability was 3.58 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 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 3.58 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 (2.58 percent) or 1 percentage-point higher (4.58 percent) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
2.58%	3.58%	4.58%
\$ 504,911	\$ 442,465	\$ 390,451

*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 \$ 5.3 million in fiscal year 2018 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 2017-18 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%
FRS, Special Risk	14.00%
FRS, Special Risk Administrative Support	7.95%

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 accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2018, 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 ASSISTANCE PROGRAM**

In addition to the retirement benefits described in Note 16, the District has authorized a Retirement Assistance Program to provide financial assistance for the purchase of health and life insurance to our retirees.

For those eligible employees who qualify for the Employer’s Retirement Assistance Program (RAP), 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 premium, Consumer Driven Plan premium, or Premier Choice HSA Plan premium) until the employee is Medicare eligible. The Consumer Driven Plan was offered through December 31, 2017. Effective January 1, 2018, the Consumer Driven Plan was replaced with the Premier Choice HSA Plan.
- 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 Teacher Retirement System (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, 2018 is as follows (dollars in thousands):

	Number of Participants	Health Insurance *	Life Insurance	Total
RAP	2	\$ 46	0	\$ 46
Total	2	\$ 46	0	\$ 46

\* 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, 2018, 2 employees participated in the District’s retirement assistance 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, 2018, there were 1,490 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 5,834 temporary employees are currently participating in the FICA Plan. For the period ended June 30, 2018, \$2.4 million was contributed by participating employees based on gross wages of \$32 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, 2018 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 \$74.3 million at June 30, 2018 includes estimated losses for all reported claims and for claims incurred but not reported.

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

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 73,252	\$ 76,269
Additions:		
Claims incurred	231,805	212,807
Reductions:		
Claims payments	<u>(230,726)</u>	<u>(215,824)</u>
Balance, end of year	74,331	<u>\$ 73,252</u>
less: portion due within one year	<u>(38,780)</u>	
Total due in more than one year	<u>\$ 35,551</u>	

**20. FUND BALANCE REPORTING**

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

Nonspendable:

The District has \$8.6 million in inventory and \$14.6 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 \$343.9 million represents \$6.6 million in State required carryover programs, \$1.9 million for Workforce Development, \$8.1 million in Debt Service, \$281.2 million in Capital Projects, and \$46.1 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 \$25.1 million. The assigned fund balance is comprised of outstanding encumbrances of \$14.0 million for goods and services including supplies, furniture, fixture and equipment, and fuel; next year budget appropriations of \$2.0 million; obligations for other postemployment benefits of \$4.3 million; and \$4.8 million for before and after care programs.

Unassigned:

The District's General Fund unassigned fund balance is \$57.4 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, 2018 (in thousands):

	Major Funds					
	General Fund	COPS Series Debt Service Fund	District Bonds	Local Millage Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
<u>Nonspendable:</u>						
Inventories:						
General Fund	\$ 5,492	\$ -	\$ -	\$ -	\$ -	\$ 5,492
Special Revenue – Food Service	-	-	-	-	3,108	3,108
Prepays	14,557	-	-	-	-	14,557
Total Nonspendable	20,049	-	-	-	3,108	23,157
<u>Restricted:</u>						
State Required Carryover Programs	6,621	-	-	-	-	6,621
Workforce Development	1,870	-	-	-	-	1,870
Capital Projects	-	-	58,046	120,670	102,493	281,209
Special Revenue – Food Service	-	-	-	-	46,125	46,125
Debt Service	-	2,298	-	-	5,817	8,115
Total Restricted	8,491	2,298	58,046	120,670	154,435	343,940
<u>Committed:</u>						
Self-Insurance	54,323	-	-	-	-	54,323
Total Committed	54,323	-	-	-	-	54,323
<u>Assigned:</u>						
School Operations - Encumbrances	13,985	-	-	-	-	13,985
Next Year Budget Appropriations	2,000	-	-	-	-	2,000
OPEB	4,349	-	-	-	-	4,349
Special Revenue – Miscellaneous	-	-	-	-	4,838	4,838
Total Assigned	20,334	-	-	-	4,838	25,172
<u>Unassigned:</u>						
Total Unassigned	57,372	-	-	-	-	57,372
Total Fund Balance:	\$ 160,569	\$ 2,298	\$ 58,046	\$ 120,670	\$ 162,381	\$ 503,964

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 \$77.7 million or 3.7 percent of the General Fund's total revenues, and 4.3 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, 2018 is shown in the table below (in thousands):

Total capital assets, net of accumulated depreciation		\$ 2,746,084
less:		
Total debt outstanding, net of unspent proceeds	\$ (1,603,481)	
Retainage payable	<u>(2,619)</u>	
Total related debt		<u>(1,606,100)</u>
Total net investment in capital assets <sup>(1)</sup>		<u>\$ 1,139,984</u>

<sup>(1)</sup> The deferred amount on refunding is included in the calculation of the net investment in capital assets.

**22. COMMITMENTS AND CONTINGENCIES**

At June 30, 2018, the District had purchase orders outstanding for goods and/or services related to future expenditures for the 2017-18 school year totaling \$15.8 million in the General Fund (\$14.0 million was within assigned fund balance and \$1.8 million was restricted for State Categorical Programs), and \$85.0 million in the Capital Projects Funds, of which \$68.5 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 FEPF 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.

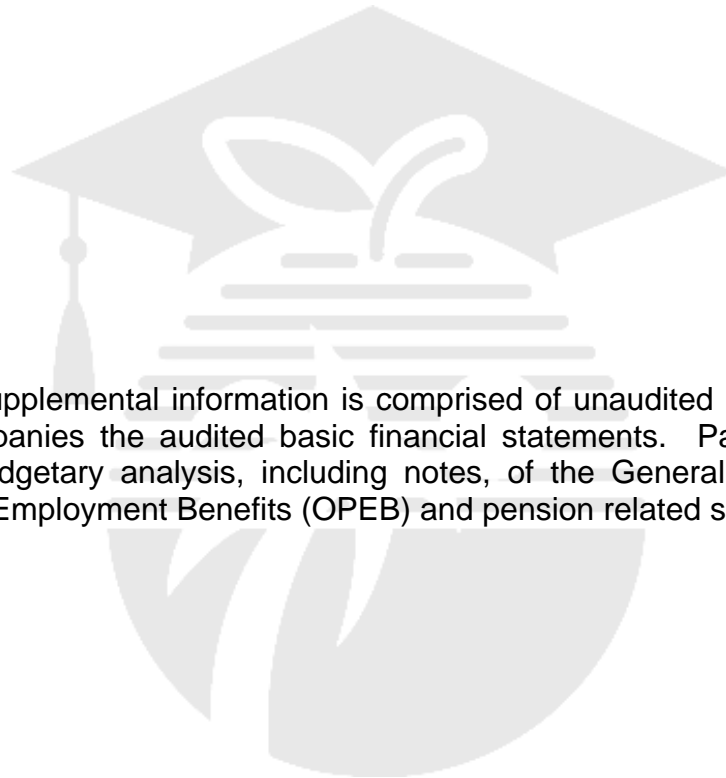
The District is a defendant in numerous lawsuits as of June 30, 2018. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated liability for insurance risks and pending claims in the accompanying financial statements, 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 18<sup>th</sup> 2018, the District issued \$125.0 million Tax Anticipation Notes, Series 2018, 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, 2018 and ending June 30, 2019, 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 August 28, 2018 voters in Broward County approved the Secure the Next Generation referendum. This ½ mill initiative will provide additional School Resource Officers and security staff for all schools, including charter schools with more than 900 students, and improve compensation for teachers and school related non-administrative staff. It will also serve to guarantee essential programs in District schools such as additional guidance counselors, social workers and behavior specialists.

# **Required Supplemental Information (Part B)**



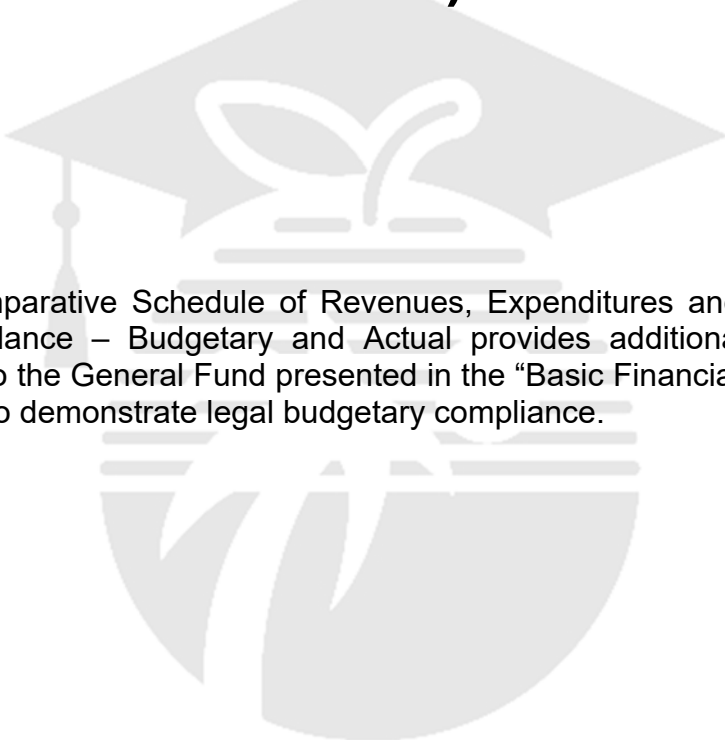
Required supplemental information is comprised of unaudited information that accompanies the audited basic financial statements. Part B deals with the budgetary analysis, including notes, of the General Fund and Other Post Employment Benefits (OPEB) and pension related schedules.

# **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 – General Fund Budget and Actual (Budgetary Basis)**



The Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary and Actual provides 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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>SOURCES/INFLOWS:</b>				
<b>Revenues:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 923,836	\$ 918,653	\$ 918,653	\$ -
Interest on investments	3,250	6,495	6,495	-
Other	56,680	70,475	70,475	-
Total local sources	983,766	995,623	995,623	-
<b>State sources:</b>				
Florida education finance program	740,296	703,547	703,547	-
Discretionary lottery funds	4,706	497	497	-
Categorical programs and other	397,636	399,532	399,411	(121)
Total state sources	1,142,638	1,103,576	1,103,455	(121)
<b>Federal sources:</b>				
Grants and other	19,700	23,890	23,890	-
Total federal sources	19,700	23,890	23,890	-
<b>Total revenues</b>	<b>2,146,104</b>	<b>2,123,089</b>	<b>2,122,968</b>	<b>(121)</b>
<b>Other financing sources</b>				
Transfers in	87,830	94,702	94,702	-
<b>Total other financing sources</b>	<b>87,830</b>	<b>94,702</b>	<b>94,702</b>	<b>-</b>
<b>Total amounts available for appropriations</b>	<b>2,233,934</b>	<b>2,217,791</b>	<b>2,217,670</b>	<b>(121)</b>
<b>USES/OUTFLOWS:</b>				
<b>Expenditures:</b>				
<b>Current operating:</b>				
Instructional services	1,482,985	1,466,254	1,466,208	46
Student and instructional support services	190,843	209,217	209,217	-
Student transportation services	87,397	92,770	92,612	158
Operation and maintenance of plant	247,183	250,980	251,184	(204)
School administration	135,695	141,184	141,184	-
General administration	85,824	99,703	99,703	-
<b>Total current operating</b>	<b>2,229,927</b>	<b>2,260,108</b>	<b>2,260,108</b>	<b>-</b>
<b>Debt service:</b>				
Interest charges and other	1,480	952	952	-
<b>Total debt service</b>	<b>1,480</b>	<b>952</b>	<b>952</b>	<b>-</b>
<b>Capital outlay</b>				
<b>Total expenditures</b>	<b>2,231,407</b>	<b>2,261,060</b>	<b>2,261,060</b>	<b>-</b>
<b>Other financing uses:</b>				
Transfers out	2,602	40	40	-
<b>Total charges against appropriations</b>	<b>2,234,009</b>	<b>2,261,100</b>	<b>2,261,100</b>	<b>-</b>
Net change in fund balances	\$ (75)	\$ (43,309)	(43,430)	\$ (121)
<b>Appropriated beginning fund balances</b>	<b>\$ 75</b>	<b>\$ 43,309</b>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			13,974	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			(29,456)	
<b>Fund balances, beginning of year</b>			<b>190,025</b>	
<b>Fund balances, end of year</b>			<b>\$ 160,569</b>	

The accompanying notes are an integral part of this schedule.

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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 budgeted revenues and expenditures shown in the accompanying schedule reflect all amendments to the original budget through September 05, 2018, 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	\$ 2,217,670
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>(94,702)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 2,122,968</u>

**Uses/outflows of resources:**

Actual amounts (budgetary basis) "Total charges against appropriations" from the budgetary comparison schedule	\$ 2,261,100
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(40)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (budgetary basis)	<u>2,261,060</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>(13,974)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u>\$ 2,247,086</u>



**OTHER POSTEMPLOYMENT BENEFITS  
 SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
 (dollars in thousands)**

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 9,696
Interest	5,454
Changes of assumptions or other inputs	(14,423)
Benefit payments	<u>(7,298)</u>
Net change in total OPEB liability	\$ (6,571)
Total OPEB Liability - beginning, as Restated	<u>180,753</u>
<b>Total OPEB Liability - ending</b>	<u><u>\$ 174,182</u></u>
Covered Employee Payroll	\$ 1,145,721
<b>Total OPEB Liability as a percentage of covered employee payroll</b>	15.20%

The District did not have plan assets accumulated in a trust.

Information is required for 10 years. As of June 30, 2018, only one year of information is available.

**SOURCE: Accounting & Financial Reporting Department**

**(UNAUDITED)**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM (FRS) <sup>(1)</sup>  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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%

**(1) The amounts presented for each fiscal year were determined as of June 30.**

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.**

**SOURCE: Accounting & Financial Reporting Department**

**(UNAUDITED)**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 FLORIDA RETIREMENT SYSTEM (FRS) <sup>(1)</sup>  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
 (dollars in thousands)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 82,749	\$ 75,743	\$ 67,042	\$ 74,349	\$ 68,486
Contributions in relation to the contractually required contribution	\$ 82,749	\$ 75,743	\$ 67,042	\$ 74,349	\$ 68,486
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,346,477	\$ 1,319,977	\$ 1,225,971	\$ 1,227,048	\$ 1,209,179
Contributions as a percentage of covered employee payroll	6.15%	5.74%	5.47%	6.06%	5.66%

(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SOURCE: Accounting & Financial Reporting Department

(UNAUDITED)

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
HEALTH INSURANCE SUBSIDY PENSION PLAN <sup>(1)</sup>  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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%

**(1) The amounts presented for each fiscal year were determined as of June 30.**

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.**

**SOURCE: Accounting & Financial Reporting Department**

**(UNAUDITED)**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
HEALTH INSURANCE SUBSIDY PENSION PLAN <sup>(1)</sup>  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(dollars in thousands)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 22,376	\$ 21,900	\$ 20,284	\$ 15,458	\$ 13,941
Contributions in relation to the contractually required contribution	\$ 22,376	\$ 21,900	\$ 20,284	\$ 15,458	\$ 13,941
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,319,899	\$ 1,319,977	\$ 1,225,971	\$ 1,227,048	\$ 1,209,179
Contribution as a percentage of covered employee payroll	1.70%	1.66%	1.65%	1.26%	1.15%

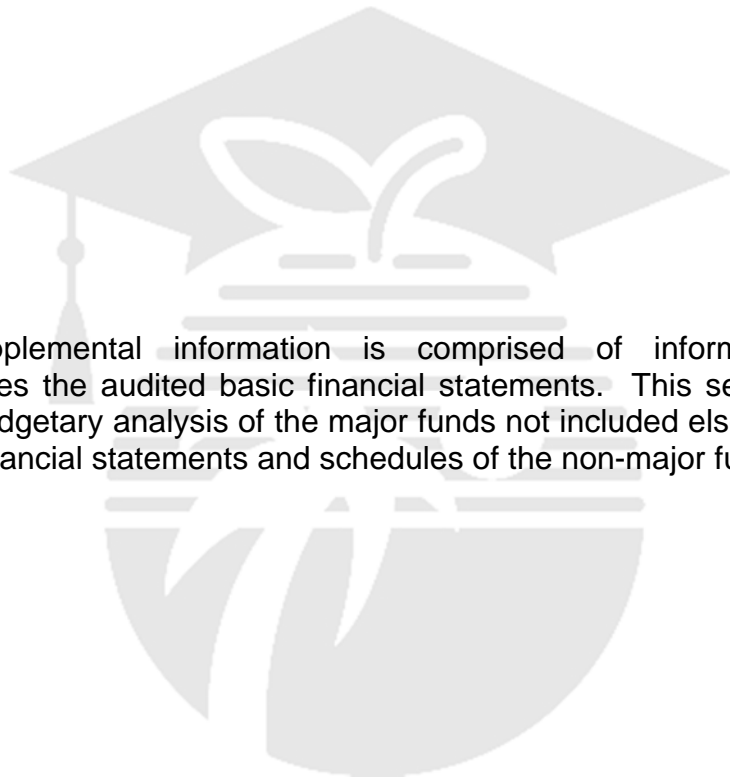
(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SOURCE: Accounting & Financial Reporting Department

(UNAUDITED)

## Other Supplemental Information



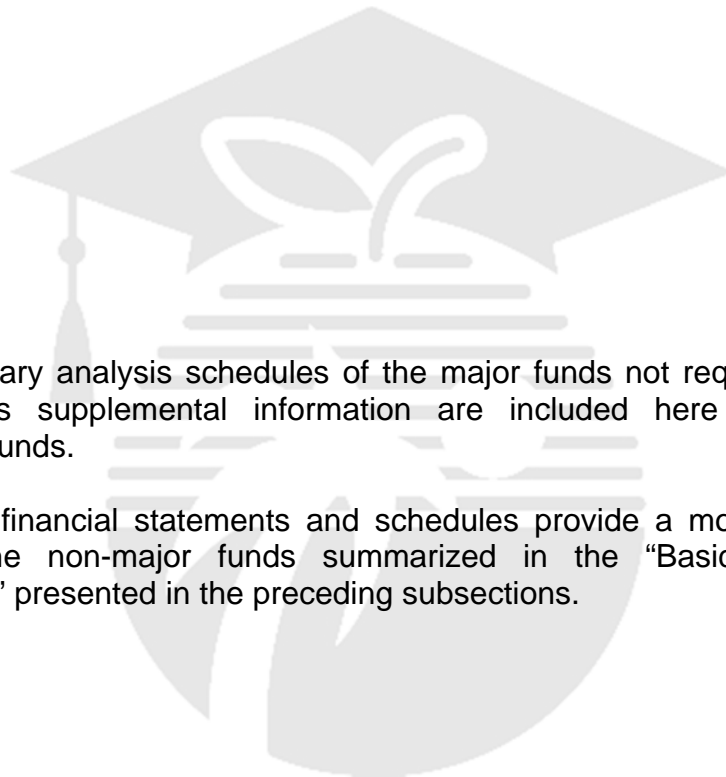
Other supplemental information is comprised of information that accompanies the audited basic financial statements. This section deals with the budgetary analysis of the major funds not included elsewhere and the fund financial statements and schedules of the non-major funds.

# **Broward County Public Schools**



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

# **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, 2018**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 51,684	\$ 10,713	\$ 63,994	\$ 126,391
Cash and cash equivalents	-	25,772	37,881	63,653
Due from other governmental agencies	24,171	231	3,938	28,340
Accrued interest receivable	129	32	201	362
Inventories	3,108	-	-	3,108
Other assets	215	-	18	233
<b>Total assets</b>	<b>\$ 79,307</b>	<b>\$ 36,748</b>	<b>\$ 106,032</b>	<b>\$ 222,087</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ 5,528	\$ 3	\$ 1,123	\$ 6,654
Due to other funds	16,705	-	-	16,705
Unearned revenue	2,909	-	1,074	3,983
Retainage payable	-	-	1,342	1,342
Matured debt and interest payable	-	30,928	-	30,928
Liability for compensated absences	94	-	-	94
<b>Total liabilities</b>	<b>25,236</b>	<b>30,931</b>	<b>3,539</b>	<b>59,706</b>
<b>Fund balances:</b>				
Nonspendable	3,108	-	-	3,108
Restricted	46,125	5,817	102,493	154,435
Assigned	4,838	-	-	4,838
<b>Total fund balance</b>	<b>54,071</b>	<b>5,817</b>	<b>102,493</b>	<b>162,381</b>
<b>Total liabilities and fund balance</b>	<b>\$ 79,307</b>	<b>\$ 36,748</b>	<b>\$ 106,032</b>	<b>\$ 222,087</b>

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (in thousands)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

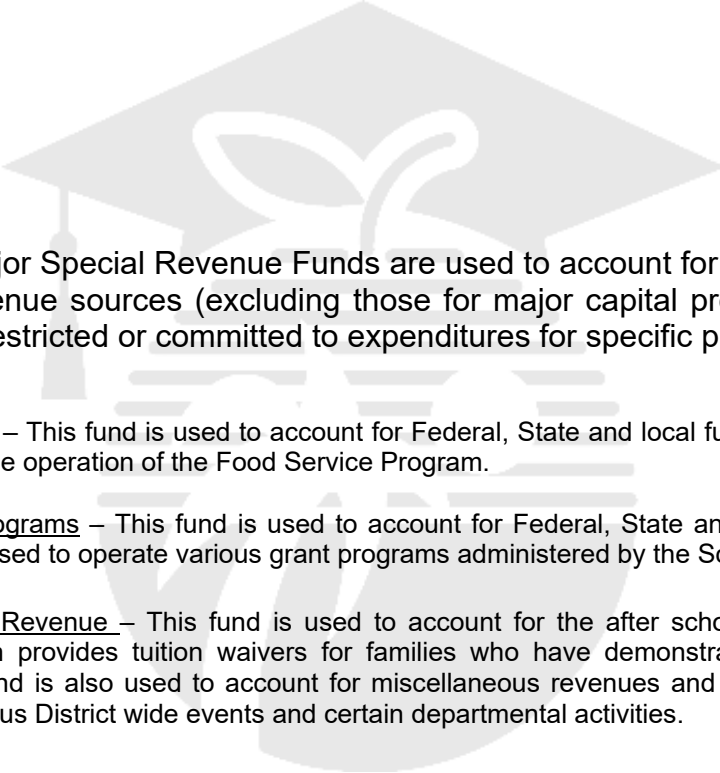
	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ -	\$ 12,080	\$ -	\$ 12,080
Food sales	12,076	-	-	12,076
Interest on investments	597	(422)	1,059	1,234
Other	6,866	30	15,395	22,291
Total local sources	<u>19,539</u>	<u>11,688</u>	<u>16,454</u>	<u>47,681</u>
<b>State sources:</b>				
Public education capital outlay	-	-	4,808	4,808
Categorical programs and other	17,087	2,932	16,980	36,999
Total state sources	<u>17,087</u>	<u>2,932</u>	<u>21,788</u>	<u>41,807</u>
<b>Federal sources:</b>				
Food service	88,826	-	-	88,826
Grants and other	213,970	-	-	213,970
Total federal sources	<u>302,796</u>	<u>-</u>	<u>-</u>	<u>302,796</u>
<b>Total revenues</b>	<u>339,422</u>	<u>14,620</u>	<u>38,242</u>	<u>392,284</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	152,179	-	-	152,179
Student and instructional support services	61,858	-	-	61,858
Student transportation services	845	-	-	845
Operation and maintenance of plant	30	-	-	30
School administration	1,122	-	-	1,122
General administration	10,288	-	-	10,288
Food services	111,599	-	-	111,599
Total current operating	<u>337,921</u>	<u>-</u>	<u>-</u>	<u>337,921</u>
<b>Debt service:</b>				
Principal retirement	-	15,402	-	15,402
Interest charges and other	-	14,993	9	15,002
Total debt service	<u>-</u>	<u>30,395</u>	<u>9</u>	<u>30,404</u>
<b>Capital outlay</b>				
	<u>-</u>	<u>-</u>	<u>48,686</u>	<u>48,686</u>
<b>Total expenditures</b>	<u>337,921</u>	<u>30,395</u>	<u>48,695</u>	<u>417,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,501</u>	<u>(15,775)</u>	<u>(10,453)</u>	<u>(24,727)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Payments to refunded bond escrow agent	-	(3,768)	-	(3,768)
Capital lease	-	-	22,855	22,855
Sale of capital assets	-	-	11,996	11,996
Transfers in	40	17,188	-	17,228
Transfers out	(1,242)	-	(35,359)	(36,601)
<b>Total other financing sources (uses)</b>	<u>(1,202)</u>	<u>13,420</u>	<u>(508)</u>	<u>11,710</u>
Net change in fund balances	<u>299</u>	<u>(2,355)</u>	<u>(10,961)</u>	<u>(13,017)</u>
<b>Fund balances, beginning of year</b>	<u>53,772</u>	<u>8,172</u>	<u>113,454</u>	<u>175,398</u>
<b>Fund balances, beginning of year (restated)</b>	<u>53,772</u>	<u>8,172</u>	<u>113,454</u>	<u>175,398</u>
<b>Fund balances, end of year</b>	<u>\$ 54,071</u>	<u>\$ 5,817</u>	<u>\$ 102,493</u>	<u>\$ 162,381</u>

# **Broward County Public Schools**



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

# 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, 2018**

	<b>FOOD SERVICES</b>	<b>CONTRACTED PROGRAMS</b>	<b>OTHER SPECIAL REVENUE</b>	<b>TOTAL</b>
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 46,853	\$ 5	\$ 4,826	\$ 51,684
Due from other governmental agencies	2,020	22,151	-	24,171
Accrued interest receivable	116	-	13	129
Inventories	3,108	-	-	3,108
Other assets	203	-	12	215
<b>Total assets</b>	<b>\$ 52,300</b>	<b>\$ 22,156</b>	<b>\$ 4,851</b>	<b>\$ 79,307</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued expenditures	\$ 1,414	\$ 4,101	\$ 13	\$ 5,528
Due to other funds	-	16,705	-	16,705
Unearned revenue	1,559	1,350	-	2,909
Liability for compensated absences	94	-	-	94
<b>Total liabilities</b>	<b>3,067</b>	<b>22,156</b>	<b>13</b>	<b>25,236</b>
<b>FUND BALANCES:</b>				
Nonspendable	3,108	-	-	3,108
Restricted	46,125	-	-	46,125
Assigned	-	-	4,838	4,838
<b>Total fund balances</b>	<b>49,233</b>	<b>-</b>	<b>4,838</b>	<b>54,071</b>
<b>Total liabilities and fund balances</b>	<b>\$ 52,300</b>	<b>\$ 22,156</b>	<b>\$ 4,851</b>	<b>\$ 79,307</b>

**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>FOOD SERVICES</u>	<u>CONTRACTED PROGRAMS</u>	<u>OTHER SPECIAL REVENUE</u>	<u>TOTAL</u>
<b>REVENUES:</b>				
<b>Local sources:</b>				
Food sales	\$ 12,076	\$ -	\$ -	\$ 12,076
Interest on investments	536	-	61	597
Other	207	4,695	1,964	6,866
Total local sources	<u>12,819</u>	<u>4,695</u>	<u>2,025</u>	<u>19,539</u>
<b>State sources:</b>				
Other	<u>1,240</u>	<u>15,847</u>	<u>-</u>	<u>17,087</u>
<b>Federal sources:</b>				
Federal reimbursement	88,826	-	-	88,826
USDA	7,983	-	-	7,983
Other	742	205,245	-	205,987
Total federal sources	<u>97,551</u>	<u>205,245</u>	<u>-</u>	<u>302,796</u>
<b>Total revenues</b>	<u>111,610</u>	<u>225,787</u>	<u>2,025</u>	<u>339,422</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	-	151,692	487	152,179
Student and instructional support services	-	61,858	-	61,858
Student transportation services	-	837	8	845
Operation and maintenance of plant	-	30	-	30
School administration	-	1,122	-	1,122
General administration	-	10,288	-	10,288
Food service	111,599	-	-	111,599
Total current operating	<u>111,599</u>	<u>225,827</u>	<u>495</u>	<u>337,921</u>
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>111,599</u>	<u>225,827</u>	<u>495</u>	<u>337,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11</u>	<u>(40)</u>	<u>1,530</u>	<u>1,501</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	40	-	40
Transfers out	-	-	(1,242)	(1,242)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>40</u>	<u>(1,242)</u>	<u>(1,202)</u>
Net change in fund balances	11	-	288	299
<b>Fund balances, beginning of year</b>	<u>49,222</u>	<u>-</u>	<u>4,550</u>	<u>53,772</u>
<b>Fund balances, end of year</b>	<u>\$ 49,233</u>	<u>\$ -</u>	<u>\$ 4,838</u>	<u>\$ 54,071</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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Food sales	\$ 15,407	\$ 12,076	\$ 12,076	\$ -
Interest on investments	339	536	536	-
Other	2	207	207	-
Total local sources	15,748	12,819	12,819	-
<b>State sources:</b>				
Other	1,282	1,240	1,240	-
<b>Federal sources:</b>				
Federal reimbursement	85,563	88,826	88,826	-
USDA	8,025	7,983	7,983	-
Other	2,201	742	742	-
Total federal sources	95,789	97,551	97,551	-
<b>Total revenues</b>	<b>112,819</b>	<b>111,610</b>	<b>111,610</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Salaries	29,017	28,952	28,985	(33)
Employee benefits	14,951	14,344	15,479	(1,135)
Purchased services	5,436	5,401	5,758	(357)
Energy services	2,132	1,415	1,643	(228)
Materials and supplies	58,165	56,174	52,868	3,306
Capital outlay	8,205	4,638	6,235	(1,597)
Other expenditures	4,062	1,969	2,429	(460)
<b>Total expenditures</b>	<b>121,968</b>	<b>112,893</b>	<b>113,397</b>	<b>(504)</b>
Excess (deficiency) of revenues over (under) expenditures (budgetary	(9,149)	(1,283)	(1,787)	(504)
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			1,798	
Excess(deficiency) of revenues over (under) expenditures (GAAP basis)			11	
<b>Fund balances (deficits), beginning of year</b>			49,222	
<b>Fund balances, end of year</b>			<b>\$ 49,233</b>	

**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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Other	\$ 4,516	\$ 5,188	\$ 4,695	\$ (493)
<b>State sources:</b>				
Other	657	16,217	15,847	(370)
<b>Federal sources:</b>				
Other	204,758	228,572	205,245	(23,327)
<b>Total revenues</b>	<u>209,931</u>	<u>249,977</u>	<u>225,787</u>	<u>(24,190)</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	137,976	161,394	154,318	7,076
Student and instructional support services	58,818	72,682	64,017	8,665
Student transportation services	443	849	849	-
Operation and maintenance of plant	59	205	30	175
School administration	528	1,122	1,122	-
General administration	12,147	13,766	10,400	3,366
<b>Total current operating</b>	<u>209,971</u>	<u>250,018</u>	<u>230,736</u>	<u>19,282</u>
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>209,971</u>	<u>250,018</u>	<u>230,736</u>	<u>19,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40)</u>	<u>(41)</u>	<u>(4,949)</u>	<u>(4,908)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	40	40	40	-
<b>Total other financing sources (uses)</b>	<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>\$ (1)</u>	<u>(4,909)</u>	<u>\$ (4,908)</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ 1</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			<u>4,909</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			-	
<b>Fund balances, beginning of year</b>			<u>-</u>	
<b>Fund balances, end of year</b>			<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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ 16	\$ 61	\$ 61	\$ -
Other	2,121	1,964	1,964	-
<b>Total revenues</b>	<b>2,137</b>	<b>2,025</b>	<b>2,025</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Salaries	-	2	2	-
Purchased services	431	245	274	(29)
Materials and supplies	197	229	245	(16)
Capital outlay	12	19	19	-
Other expenditures	10	-	-	-
<b>Total expenditures</b>	<b>650</b>	<b>495</b>	<b>540</b>	<b>(45)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(800)	(1,242)	(1,242)	-
<b>Total other financing uses</b>	<b>(800)</b>	<b>(1,242)</b>	<b>(1,242)</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ 687</u>	<u>\$ 288</u>	243	<u>\$ (45)</u>
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			45	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			288	
<b>Fund balances, beginning of year</b>			<u>4,550</u>	
<b>Fund balances, end of year</b>			<u>\$ 4,838</u>	

# **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, 2018**

	<b>COBI BONDS</b>	<b>DISTRICT BONDS</b>	<b>ARRA ECONOMIC STIMULUS DEBT SERVICE FUNDS</b>	<b>TOTAL</b>
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 282	\$ 5,202	\$ 5,229	\$ 10,713
Cash and investments with trustees	-	-	25,772	25,772
Due from other governmental agencies	-	231	-	231
Accrued interest receivable	-	32	-	32
<b>Total assets</b>	<b>\$ 282</b>	<b>\$ 5,465</b>	<b>\$ 31,001</b>	<b>\$ 36,748</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued expenditures	\$ -	\$ 3	\$ -	\$ 3
Matured debt and interest payable	-	(1)	30,929	30,928
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ 30,929</b>	<b>\$ 30,931</b>
<b>FUND BALANCES:</b>				
Restricted	\$ 282	\$ 5,463	\$ 72	\$ 5,817
<b>Total fund balances</b>	<b>282</b>	<b>5,463</b>	<b>72</b>	<b>5,817</b>
<b>Total liabilities and fund balances</b>	<b>\$ 282</b>	<b>\$ 5,465</b>	<b>\$ 31,001</b>	<b>\$ 36,748</b>

**NON-MAJOR DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	COBI BONDS	DISTRICT BONDS	ARRA ECONOMIC STIMULUS DEBT SERVICE FUNDS	TOTAL
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ -	\$ 12,080	\$ -	\$ 12,080
Interest on investments	3	120	(545)	(422)
Other	-	30	-	30
Total local sources	<u>3</u>	<u>12,230</u>	<u>(545)</u>	<u>11,688</u>
<b>State sources:</b>				
Other	2,932	-	-	2,932
Total state sources	<u>2,932</u>	<u>-</u>	<u>-</u>	<u>2,932</u>
<b>Total revenues</b>	<u>2,935</u>	<u>12,230</u>	<u>(545)</u>	<u>14,620</u>
<b>EXPENDITURES:</b>				
Principal retirement	2,334	3,795	9,273	15,402
Interest charges and other	592	6,328	8,073	14,993
<b>Total expenditures</b>	<u>2,926</u>	<u>10,123</u>	<u>17,346</u>	<u>30,395</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9</u>	<u>2,107</u>	<u>(17,891)</u>	<u>(15,775)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Payments to refunded bond escrow agent	(3,768)	-	-	(3,768)
Transfers in	-	-	17,188	17,188
<b>Total other financing sources (uses)</b>	<u>(3,768)</u>	<u>-</u>	<u>17,188</u>	<u>13,420</u>
Net change in fund balances	(3,759)	2,107	(703)	(2,355)
<b>Fund balances, beginning of year</b>	<u>4,041</u>	<u>3,356</u>	<u>775</u>	<u>8,172</u>
<b>Fund balances, end of year</b>	<u>\$ 282</u>	<u>\$ 5,463</u>	<u>\$ 72</u>	<u>\$ 5,817</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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 791	\$ 791	\$ -
<b>Total revenues</b>	<u>-</u>	<u>791</u>	<u>791</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Principal retirement	77,988	75,671	75,671	-
Interest charges and other	70,317	63,645	63,645	-
<b>Total expenditures</b>	<u>148,305</u>	<u>139,316</u>	<u>139,316</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(148,305)</u>	<u>(138,525)</u>	<u>(138,525)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Certificates of participation refunding issued	-	207,530	207,530	-
Net premium on long-term debt issued	-	36,075	36,075	-
Payments to refunded bond escrow agent	-	(242,427)	(242,427)	-
Transfers in	148,305	137,790	137,790	-
<b>Total other financing sources (uses)</b>	<u>148,305</u>	<u>138,968</u>	<u>138,968</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 443</u>	<u>443</u>	<u>\$ -</u>
<b>Fund balances (deficit), beginning of year</b>			<u>1,855</u>	
<b>Fund balances, end of year</b>			<u>\$ 2,298</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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ -	\$ 3	\$ 3
Total local sources	-	-	3	3
<b>State sources:</b>				
Other	2,998	2,935	2,932	(3)
Total state sources	2,998	2,935	2,932	(3)
<b>Total revenues</b>	<b>2,998</b>	<b>2,935</b>	<b>2,935</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Principal retirement	2,335	2,334	2,334	-
Interest charges and other	663	592	592	-
<b>Total expenditures</b>	<b>2,998</b>	<b>2,926</b>	<b>2,926</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	-	9	9	-
<b>OTHER FINANCING SOURCES:</b>				
Payments to refunded bond escrow agent	-	(3,768)	(3,768)	-
<b>Total other financing sources</b>	<b>-</b>	<b>(3,768)</b>	<b>(3,768)</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ (3,759)	(3,759)	\$ -
<b>Appropriated beginning fund balances</b>	<b>\$ -</b>	<b>\$ 3,759</b>		
<b>Fund balances, beginning of year</b>			4,041	
<b>Fund balances, end of year</b>			\$ 282	

**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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 12,147	\$ 12,080	\$ 12,080	\$ -
Interest on investments	-	120	120	-
Other	-	30	30	-
Total local sources	12,147	12,230	12,230	-
<b>Total revenues</b>	<b>12,147</b>	<b>12,230</b>	<b>12,230</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Principal retirement	3,795	3,795	3,795	-
Interest charges and other	8,352	6,328	6,328	-
<b>Total expenditures</b>	<b>12,147</b>	<b>10,123</b>	<b>10,123</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	-	2,107	2,107	-
Excess (Deficiency) of revenues and other sources over (under) expenditures and other uses	\$ -	\$ 2,107	2,107	\$ -
<b>Appropriated beginning fund balances</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Fund balances, beginning of year</b>			3,356	
<b>Fund balances, end of year</b>			\$ 5,463	

**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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ (545)	\$ (545)	\$ -
<b>Total revenues</b>	<u>-</u>	<u>(545)</u>	<u>(545)</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Principal retirement	9,705	9,273	9,273	-
Interest charges and other	8,070	8,073	8,073	-
<b>Total expenditures</b>	<u>17,775</u>	<u>17,346</u>	<u>17,346</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,775)</u>	<u>(17,891)</u>	<u>(17,891)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	17,775	17,185	17,188	3
Transfers out	-	3	-	(3)
<b>Total other financing sources (uses)</b>	<u>17,775</u>	<u>17,188</u>	<u>17,188</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (703)</u>	<u>(703)</u>	<u>\$ -</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ 703</u>		
<b>Fund balances, beginning of year</b>			<u>775</u>	
<b>Fund balances, end of year</b>			<u>\$ 72</u>	



# **Broward County Public Schools**



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

# 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, 2018**

	<b>CAPITAL OUTLAY BOND ISSUE</b>	<b>PUBLIC EDUCATION CAPITAL OUTLAY</b>	<b>CAPITAL OUTLAY AND DEBT SERVICE</b>	<b>ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUNDS</b>	<b>OTHER CAPITAL IMPROVEMENT FUND</b>	<b>TOTAL</b>
<b>ASSETS:</b>						
Equity in pooled cash and investments	\$ 1,506	\$ 11	\$ 16,414	\$ 4,236	\$ 41,827	\$ 63,994
Cash and investments with trustees	-	-	-	5,568	32,313	37,881
Due from other governmental agencies	-	-	-	-	3,938	3,938
Accrued interest receivable	4	-	24	22	151	201
Prepays and other assets	-	-	-	-	18	18
<b>Total assets</b>	<b>\$ 1,510</b>	<b>\$ 11</b>	<b>\$ 16,438</b>	<b>\$ 9,826</b>	<b>\$ 78,247</b>	<b>\$ 106,032</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 2	\$ 118	\$ 1,003	\$ 1,123
Unearned revenue	-	-	-	-	1,074	1,074
Retainages payable	-	6	-	73	1,263	1,342
<b>Total liabilities</b>	<b>-</b>	<b>6</b>	<b>2</b>	<b>191</b>	<b>3,340</b>	<b>3,539</b>
<b>FUND BALANCES:</b>						
Restricted	1,510	5	16,436	9,635	74,907	102,493
<b>Total fund balances</b>	<b>1,510</b>	<b>5</b>	<b>16,436</b>	<b>9,635</b>	<b>74,907</b>	<b>102,493</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,510</b>	<b>\$ 11</b>	<b>\$ 16,438</b>	<b>\$ 9,826</b>	<b>\$ 78,247</b>	<b>\$ 106,032</b>

**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	CAPITAL OUTLAY BOND ISSUE	PUBLIC EDUCATION CAPITAL OUTLAY	CAPITAL OUTLAY AND DEBT SERVICE	ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUNDS	OTHER CAPITAL IMPROVEMENT FUND	TOTAL
<b>REVENUES:</b>						
<b>Local sources:</b>						
Interest on investments	\$ 20	\$ -	\$ 142	\$ 62	\$ 835	\$ 1,059
Other	-	-	-	-	15,395	15,395
Total local sources	20	-	142	62	16,230	16,454
<b>State sources:</b>						
Public education capital outlay	-	4,808	-	-	-	4,808
Other	-	-	8,343	-	8,637	16,980
Total state sources	-	4,808	8,343	-	8,637	21,788
<b>Total revenues</b>	<b>20</b>	<b>4,808</b>	<b>8,485</b>	<b>62</b>	<b>24,867</b>	<b>38,242</b>
<b>EXPENDITURES:</b>						
Interest charges and other	-	-	9	-	-	9
Capital outlay	-	184	7,283	1,663	39,556	48,686
<b>Total expenditures</b>	<b>-</b>	<b>184</b>	<b>7,292</b>	<b>1,663</b>	<b>39,556</b>	<b>48,695</b>
Excess (deficiency) of revenues over (under) expenditures	20	4,624	1,193	(1,601)	(14,689)	(10,453)
<b>OTHER FINANCING SOURCES (USES):</b>						
Capital lease	-	-	-	-	22,855	22,855
Sale of capital assets	-	-	-	-	11,996	11,996
Transfers out	-	(4,625)	-	(15)	(30,719)	(35,359)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(4,625)</b>	<b>-</b>	<b>(15)</b>	<b>4,132</b>	<b>(508)</b>
Net change in fund balances	20	(1)	1,193	(1,616)	(10,557)	(10,961)
<b>Fund balances, beginning of year</b>	<b>1,490</b>	<b>6</b>	<b>15,243</b>	<b>11,251</b>	<b>85,464</b>	<b>113,454</b>
<b>Fund balances, end of year</b>	<b>\$ 1,510</b>	<b>\$ 5</b>	<b>\$ 16,436</b>	<b>\$ 9,635</b>	<b>\$ 74,907</b>	<b>\$ 102,493</b>

**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, 2018**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 1,233	\$ 1,233	\$ -
Total local sources	-	1,233	1,233	-
<b>EXPENDITURES:</b>				
Capital outlay	596,664	613,263	94,683	518,580
<b>Total expenditures</b>	<b>596,664</b>	<b>613,263</b>	<b>94,683</b>	<b>518,580</b>
Excess (deficiency) of revenues over (under) expenditures	(596,664)	(612,030)	(93,450)	518,580
<b>OTHER FINANCING SOURCES (USES):</b>				
District Bonds	491,907	-	-	-
<b>Total other financing sources (uses)</b>	<b>491,907</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (104,757)	\$ (612,030)	(93,450)	\$ 518,580
<b>Appropriated beginning fund balances</b>	<b>\$ 104,757</b>	<b>\$ 612,030</b>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			46,739	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(46,711)	
<b>Fund balances, beginning of year</b>			104,757	
<b>Fund balances, end of year</b>			\$ 58,046	

**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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 278,599	\$ 277,021	\$ 277,021	\$ -
Interest on investments	-	519	519	-
Other	-	11,235	11,235	-
Total local sources	278,599	288,775	288,775	-
<b>Federal sources:</b>				
Other	4,367	-	-	-
<b>Total revenues</b>	<b>282,966</b>	<b>288,775</b>	<b>288,775</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Capital outlay	159,872	173,283	68,185	105,098
<b>Total expenditures</b>	<b>159,872</b>	<b>173,283</b>	<b>68,185</b>	<b>105,098</b>
Excess (deficiency) of revenues over (under) expenditures	123,094	115,492	220,590	105,098
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	-	454	454	-
Transfers out	(220,229)	(213,079)	(213,079)	-
<b>Total other financing sources (uses)</b>	<b>(220,229)</b>	<b>(212,625)</b>	<b>(212,625)</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (97,135)	\$ (97,133)	7,965	\$ 105,098
<b>Appropriated beginning fund balances</b>	<b>\$ 97,135</b>	<b>\$ 97,133</b>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			15,570	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			23,535	
<b>Fund balances, beginning of year</b>			<b>97,135</b>	
<b>Fund balances, end of year</b>			<b>\$ 120,670</b>	

**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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 20	\$ 20	\$ -
<b>Total revenues</b>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>1,489</u>	<u>1,509</u>	-	<u>1,509</u>
<b>Total expenditures</b>	<u>1,489</u>	<u>1,509</u>	-	<u>1,509</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>\$ (1,489)</u>	<u>\$ (1,489)</u>	20	<u>\$ 1,509</u>
Excess (deficiency) of revenues and other sources over (under) expenditures (budgetary basis)	<u>\$ (1,489)</u>	<u>\$ (1,489)</u>	20	<u>\$ 1,509</u>
<b>Appropriated beginning fund balances</b>	<u>\$ 1,489</u>	<u>\$ 1,489</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			-	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			20	
<b>Fund balances, beginning of year</b>			<u>1,490</u>	
<b>Fund balances, end of year</b>			<u>\$ 1,510</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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>State sources:</b>				
Public education capital outlay	\$ 4,600	\$ 4,808	\$ 4,808	\$ -
Total state sources	4,600	4,808	4,808	-
<b>Total revenues</b>	<b>4,600</b>	<b>4,808</b>	<b>4,808</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Capital outlay	606	189	184	5
<b>Total expenditures</b>	<b>606</b>	<b>189</b>	<b>184</b>	<b>5</b>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	3,994	4,619	4,624	5
<b>OTHER FINANCING USES:</b>				
Transfers out	(4,000)	(4,625)	(4,625)	-
<b>Total other financing uses</b>	<b>(4,000)</b>	<b>(4,625)</b>	<b>(4,625)</b>	<b>-</b>
Excess (Deficiency) of revenues over (under) expenditures and other uses (budgetary basis)	\$ (6)	\$ (6)	(1)	\$ 5
<b>Appropriated beginning fund balances</b>	<b>\$ 6</b>	<b>\$ 6</b>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			-	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(1)	
<b>Fund balances, beginning of year</b>			<b>6</b>	
<b>Fund balances, end of year</b>			<b>\$ 5</b>	



**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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 142	\$ 142	\$ -
Total local sources	-	142	142	-
<b>State sources:</b>				
Other	2,293	8,343	8,343	-
Total state sources	2,293	8,343	8,343	-
<b>Total revenues</b>	<b>2,293</b>	<b>8,485</b>	<b>8,485</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Interest charges and other	-	9	9	-
Capital outlay	17,535	23,718	7,282	16,436
<b>Total expenditures</b>	<b>17,535</b>	<b>23,727</b>	<b>7,291</b>	<b>16,436</b>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (15,242)	\$ (15,242)	1,194	\$ 16,436
<b>Appropriated beginning fund balances</b>	<b>\$ 15,242</b>	<b>\$ 15,242</b>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			(1)	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			1,193	
<b>Fund balances, beginning of year</b>			<b>15,243</b>	
<b>Fund balances, end of year</b>			<b>\$ 16,436</b>	

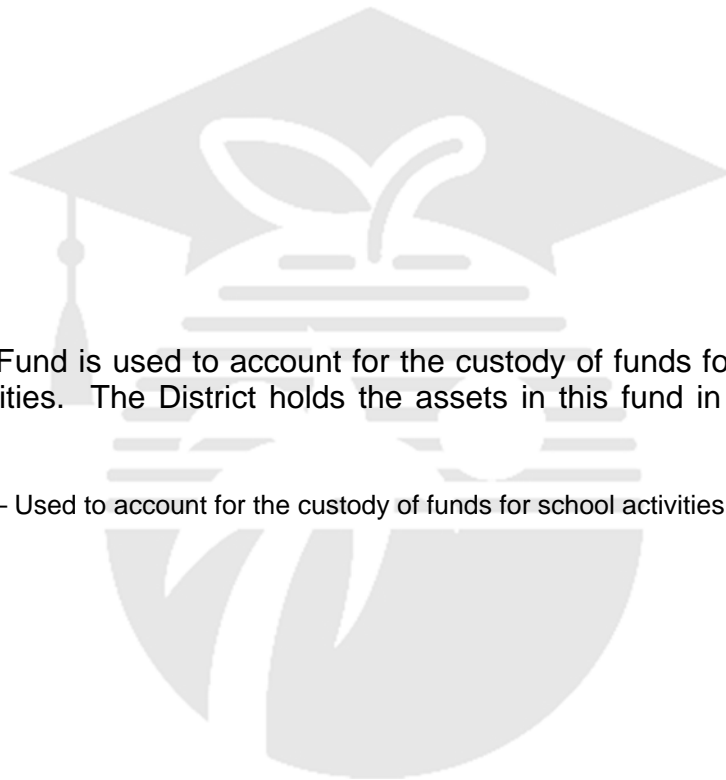
**NON-MAJOR CAPITAL PROJECTS FUNDS - ARRA ECONOMIC STIMULUS  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 62	\$ 62	\$ -
Total local sources	-	62	62	-
<b>Total revenues</b>	-	62	62	-
<b>EXPENDITURES:</b>				
Capital outlay	11,252	11,298	3,654	7,644
<b>Total expenditures</b>	11,252	11,298	3,654	7,644
Excess (deficiency) of revenues over (under) expenditures	(11,252)	(11,236)	(3,592)	7,644
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(15)	(15)	-
<b>Total other financing sources (uses)</b>	-	(15)	(15)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (11,252)	\$ (11,251)	(3,607)	\$ 7,644
<b>Appropriated beginning fund balances</b>	\$ 11,252	\$ 11,251		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			1,991	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(1,616)	
<b>Fund balances, beginning of year</b>			11,251	
<b>Fund balances, end of year</b>			\$ 9,635	

**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, 2018**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 835	\$ 835	\$ -
Other	10,211	15,395	15,395	-
Total local sources	10,211	16,230	16,230	-
<b>State sources:</b>				
Other	8,319	8,637	8,637	-
Total state sources	8,319	8,637	8,637	-
<b>Federal sources:</b>				
Total revenues	18,530	24,867	24,867	-
<b>EXPENDITURES:</b>				
Capital outlay	90,197	114,629	57,719	56,910
Total expenditures	90,197	114,629	57,719	56,910
Excess (deficiency) of revenues over (under) expenditures	(71,667)	(89,762)	(32,852)	56,910
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital lease	7,523	22,833	22,855	22
Sale of capital assets	5,000	11,996	11,996	-
Transfers out	(26,319)	(30,719)	(30,719)	-
Total other financing sources (uses)	(13,796)	4,110	4,132	22
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (85,463)	\$ (85,652)	(28,720)	\$ 56,932
Appropriated beginning fund balances	\$ 85,463	\$ 85,652		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			18,163	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(10,557)	
Fund balances, beginning of year			85,464	
Fund balances, end of year			\$ 74,907	

# 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, 2018**

	<b>AGENCY FUND</b>
<b>ASSETS:</b>	
Equity in pooled cash and investments	\$ 4,670
Cash and cash equivalents	13,613
<b>Total assets</b>	<b>\$ 18,283</b>
<b>LIABILITIES:</b>	
Accounts payable	\$ 133
Due to student organizations and other agencies	17,502
Due to other funds	648
<b>Total liabilities</b>	<b>\$ 18,283</b>

**AGENCY FUND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (in thousands)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>AGENCY FUND</b>			
	<b>2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>2018</b>
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 4,575	\$ 4,670	\$ (4,575)	\$ 4,670
Cash and cash equivalents	12,094	83,296	(81,777)	13,613
Other assets	22	-	(22)	-
<b>Total assets</b>	<b>\$ 16,691</b>	<b>\$ 87,966</b>	<b>\$ (86,374)</b>	<b>\$ 18,283</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 806	\$ 133	\$ (806)	\$ 133
Due to student organizations and other agencies	15,885	87,185	(85,568)	17,502
Due to other funds	-	648	-	648
<b>Total liabilities</b>	<b>\$ 16,691</b>	<b>\$ 87,966</b>	<b>\$ (86,374)</b>	<b>\$ 18,283</b>

# **Broward County Public Schools**



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

# 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, 2018

	Academic Solutions Academy A	Academics Solutions High School	Alpha International Academy	Andrews High	Ascend Career Academy
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 317	\$ 566	\$ 22	\$ 261	\$ 128
Due from other governmental agencies	-	-	-	6	-
Due from other schools	-	238	-	52	-
Inventories	-	-	-	-	-
Prepays	-	1	-	-	-
Other assets	81	7	11	37	4
<b>Total Current Assets</b>	<b>398</b>	<b>812</b>	<b>33</b>	<b>356</b>	<b>132</b>
<b>Non-current assets:</b>					
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	46	30	35	25	37
<b>Total non-current assets</b>	<b>46</b>	<b>30</b>	<b>35</b>	<b>25</b>	<b>37</b>
<b>Total assets</b>	<b>444</b>	<b>842</b>	<b>68</b>	<b>381</b>	<b>169</b>
<b>Deferred Outflow of Resources</b>					
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	2	3	8	5	15
Accrued payroll, taxes and withholding	-	-	-	20	36
Matured debt and interest payable	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Due to other schools	202	-	-	-	-
Unearned revenue	-	-	-	7	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	25	-
Other liabilities	-	56	-	-	-
<b>Total current liabilities</b>	<b>204</b>	<b>59</b>	<b>8</b>	<b>57</b>	<b>51</b>
<b>Non-current liabilities:</b>					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	-	-	857
Net pension liability	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>857</b>
<b>Total liabilities</b>	<b>204</b>	<b>59</b>	<b>8</b>	<b>57</b>	<b>908</b>
<b>Deferred Inflow of Resources</b>					
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION:</b>					
Net investment in capital assets	46	30	34	23	(20)
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Unrestricted (deficit)	194	753	26	301	(719)
<b>Total net position</b>	<b>\$ 240</b>	<b>\$ 783</b>	<b>\$ 60</b>	<b>\$ 324</b>	<b>\$ (739)</b>

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
\$ 140	\$ 51	\$ 143	\$ 379	\$ 270	\$ 34	\$ 330
-	-	-	-	-	-	-
20	-	-	-	21	161	-
-	-	-	-	-	-	-
-	-	-	166	111	17	22
43	58	3	307	33	2	14
203	109	146	852	435	214	366
-	-	-	-	-	-	-
13	23	-	1,162	371	11	393
13	23	-	1,162	371	11	393
216	132	146	2,014	806	225	759
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5	5	184	54	4	1	21
19	25	-	472	186	34	44
-	-	-	-	-	-	-
-	20	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	300	-	-	-
-	-	-	646	62	-	62
-	143	-	-	-	-	-
24	193	184	1,472	252	35	127
-	-	-	-	-	-	-
-	-	-	524	246	-	-
-	26	-	-	254	-	609
-	-	-	-	-	-	-
-	26	-	524	500	-	609
24	219	184	1,996	752	35	736
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13	23	-	201	-	173	202
-	-	-	-	-	-	-
-	-	-	-	-	-	-
179	(110)	(38)	(183)	54	17	(179)
\$ 192	\$ (87)	\$ (38)	\$ 18	\$ 54	\$ 190	\$ 23

**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2018**

	Ben Gamla Prep Charter High	Ben Gamla South	Bridge Prep Academy Broward	Bridge Prep Academy of Hollywood Hills	Broward Math and Science Schools
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 416	\$ 220	\$ 481	\$ 40	\$ 280
Due from other governmental agencies	-	-	-	-	-
Due from other schools	50	740	-	-	-
Inventories	-	-	-	-	-
Prepays	28	54	-	-	-
Other assets	13	68	68	58	-
Total Current Assets	<u>507</u>	<u>1,082</u>	<u>549</u>	<u>98</u>	<u>280</u>
<b>Non-current assets:</b>					
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	340	264	180	101	27
Total non-current assets	<u>340</u>	<u>264</u>	<u>180</u>	<u>101</u>	<u>27</u>
Total assets	<u>847</u>	<u>1,346</u>	<u>729</u>	<u>199</u>	<u>307</u>
Pension actuarial adjustments	-	-	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	2	41	16	6	7
Accrued payroll, taxes and withholding	64	116	164	189	-
Matured debt and interest payable	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	59	-	-
Total current liabilities	<u>66</u>	<u>157</u>	<u>239</u>	<u>195</u>	<u>7</u>
<b>Non-current liabilities:</b>					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	308	-	-	-	-
Other liabilities	454	-	163	-	85
Net pension liability	-	-	-	-	-
Total non-current liabilities	<u>762</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>85</u>
Total liabilities	<u>828</u>	<u>157</u>	<u>402</u>	<u>195</u>	<u>92</u>
<b>Deferred Inflow of Resources</b>					
Pension actuarial adjustments	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	79	1,004	180	101	27
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Unrestricted (deficit)	(60)	185	147	(97)	188
Total net position	<u>\$ 19</u>	<u>\$ 1,189</u>	<u>\$ 327</u>	<u>\$ 4</u>	<u>\$ 215</u>

Exhibit G1 (continued)

Central Charter School	Championship Academy of Distinction HS	Championship Academy of Distinction MS	Championship Academy of Distinction Davie	Championship Academy of Distinction Hollywood	Championship Academy of Distinction W Broward	Charter School of Excellence Ft Laud 1
\$ 2,852	\$ 61	\$ 98	\$ 82	\$ 141	\$ 60	\$ 352
39	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37	-	-	-	-	-	-
21	18	81	129	234	98	62
<u>2,949</u>	<u>79</u>	<u>179</u>	<u>211</u>	<u>375</u>	<u>158</u>	<u>414</u>
-	-	-	-	-	-	-
9,495	9	-	90	14	54	194
<u>9,495</u>	<u>9</u>	<u>-</u>	<u>90</u>	<u>14</u>	<u>54</u>	<u>194</u>
<u>12,444</u>	<u>88</u>	<u>179</u>	<u>301</u>	<u>389</u>	<u>212</u>	<u>608</u>
2,543	-	-	-	-	-	683
<u>2,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>683</u>
1,101	73	5	54	216	104	50
-	3	149	123	148	48	55
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
366	-	-	-	-	-	-
-	-	-	25	25	82	245
<u>1,467</u>	<u>76</u>	<u>154</u>	<u>202</u>	<u>389</u>	<u>234</u>	<u>350</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,752	-	-	-	-	-	-
-	-	-	74	74	161	-
4,034	-	-	-	-	-	1,601
<u>16,786</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>	<u>161</u>	<u>1,601</u>
<u>18,253</u>	<u>76</u>	<u>154</u>	<u>276</u>	<u>463</u>	<u>395</u>	<u>1,951</u>
750	-	-	-	-	-	134
<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134</u>
1,592	9	-	90	14	54	194
1,571	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(7,179)	3	25	(65)	(88)	(237)	(988)
<u>\$ (4,016)</u>	<u>\$ 12</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ (74)</u>	<u>\$ (183)</u>	<u>\$ (794)</u>

**COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS (in thousands)  
AS OF JUNE 30, 2018**

	Charter School of Excellence Davie 1	Dolphin Park High	Eagles' Nest Elementary	Eagles' Nest Middle	Everest Charter School
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 94	\$ 47	\$ 388	\$ 117	\$ 78
Due from other governmental agencies	-	1	-	-	-
Due from other schools	-	-	-	-	-
Inventories	-	-	-	-	-
Prepays	-	-	51	-	18
Other assets	296	-	116	23	5
Total Current Assets	<u>390</u>	<u>48</u>	<u>555</u>	<u>140</u>	<u>101</u>
<b>Non-current assets:</b>					
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	502	10	93	12	46
Total non-current assets	<u>502</u>	<u>10</u>	<u>93</u>	<u>12</u>	<u>46</u>
Total assets	<u>892</u>	<u>58</u>	<u>648</u>	<u>152</u>	<u>147</u>
Pension actuarial adjustments	416	-	-	-	-
Total deferred outflow of resources	<u>416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	25	-	79	13	27
Accrued payroll, taxes and withholding	50	-	41	6	31
Matured debt and interest payable	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total current liabilities	<u>75</u>	<u>-</u>	<u>120</u>	<u>19</u>	<u>58</u>
<b>Non-current liabilities:</b>					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net pension liability	713	-	-	-	-
Total non-current liabilities	<u>713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>788</u>	<u>-</u>	<u>120</u>	<u>19</u>	<u>58</u>
<b>Deferred Inflow of Resources</b>					
Pension actuarial adjustments	54	-	-	-	-
Total deferred inflows of resources	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	502	10	93	11	46
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Unrestricted (deficit)	(36)	48	435	122	43
Total net position	<u>\$ 466</u>	<u>\$ 58</u>	<u>\$ 528</u>	<u>\$ 133</u>	<u>\$ 89</u>

Exhibit G1 (continued)

Excelsior Charter of Broward	Flagler High	Franklin Academy E	Franklin Academy F	Franklin Academy Pembroke Pines	Franklin Academy Pembroke Pines HS	Franklin Academy Sunrise
\$ 198	\$ 7	\$ 1,631	\$ 60	\$ 738	\$ 283	\$ 266
-	2	-	-	-	-	-
-	-	-	-	-	792	-
-	-	-	-	-	-	-
56	-	2	-	6	2	5
33	-	4,301	16	1,682	12	152
<u>287</u>	<u>9</u>	<u>5,934</u>	<u>76</u>	<u>2,426</u>	<u>1,089</u>	<u>423</u>
-	-	-	-	-	-	-
83	1	20,565	15	563	766	983
83	1	20,565	15	563	766	983
<u>370</u>	<u>10</u>	<u>26,499</u>	<u>91</u>	<u>2,989</u>	<u>1,855</u>	<u>1,406</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18	-	49	4	104	166	28
55	-	440	252	515	247	500
-	-	522	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>73</u>	<u>-</u>	<u>1,011</u>	<u>256</u>	<u>619</u>	<u>413</u>	<u>528</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	23,678	-	-	-	-
-	-	-	825	-	2,715	44
-	-	-	-	-	-	-
-	-	23,678	825	-	2,715	44
<u>73</u>	<u>-</u>	<u>24,689</u>	<u>1,081</u>	<u>619</u>	<u>3,128</u>	<u>572</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
83	1	-	-	2,224	-	939
-	-	1,921	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
214	9	(111)	(990)	146	(1,273)	(105)
<u>\$ 297</u>	<u>\$ 10</u>	<u>\$ 1,810</u>	<u>\$ (990)</u>	<u>\$ 2,370</u>	<u>\$ (1,273)</u>	<u>\$ 834</u>

**COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS (in thousands)  
 AS OF JUNE 30, 2018**

	Greentree Prep Charter School	Hollywood Academy of Arts & Science Elem	Hollywood Academy of Arts & Science Middle	Imagine at Broward	Imagine at North Lauderdale Elem
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 153	\$ 1,778	\$ 622	\$ 1,431	\$ 330
Due from other governmental agencies	2	54	6	-	-
Due from other schools	-	398	-	-	-
Inventories	-	-	-	-	-
Prepays	-	18	4	4	-
Other assets	-	425	113	128	160
<b>Total Current Assets</b>	<b>155</b>	<b>2,673</b>	<b>745</b>	<b>1,563</b>	<b>490</b>
<b>Non-current assets:</b>					
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	23	11,104	4,253	458	162
<b>Total non-current assets</b>	<b>23</b>	<b>11,104</b>	<b>4,253</b>	<b>458</b>	<b>162</b>
<b>Total assets</b>	<b>178</b>	<b>13,777</b>	<b>4,998</b>	<b>2,021</b>	<b>652</b>
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	43	74	6	24	35
Accrued payroll, taxes and withholding	45	462	94	402	291
Matured debt and interest payable	-	-	-	-	147
Due to other governmental agencies	-	-	1	-	-
Due to other schools	-	-	398	-	-
Unearned revenue	-	-	-	5	9
Obligations under capital leases	-	196	80	-	-
Liability for compensated absences	-	28	6	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	67	18	-	-
<b>Total current liabilities</b>	<b>88</b>	<b>827</b>	<b>603</b>	<b>431</b>	<b>482</b>
<b>Non-current liabilities:</b>					
Obligations under capital leases	-	13,060	5,333	-	-
Liability for compensated absences	-	9	2	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net pension liability	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>13,069</b>	<b>5,335</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>88</b>	<b>13,896</b>	<b>5,938</b>	<b>431</b>	<b>482</b>
<b>Deferred Inflow of Resources</b>					
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION:</b>					
Net investment in capital assets	23	(2,151)	(1,161)	458	162
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Unrestricted (deficit)	67	2,032	221	1,132	8
<b>Total net position</b>	<b>\$ 90</b>	<b>\$ (119)</b>	<b>\$ (940)</b>	<b>\$ 1,590</b>	<b>\$ 170</b>

Exhibit G1 (continued)

Imagine at Weston	Imagine Schools Plantation Campus	Innovation Charter School	International School of Broward	Kidz Choice Charter	Lauderhill High	Melrose High
\$ 934	\$ 900	\$ 780	\$ 3	\$ 37	\$ 665	\$ 6
-	-	112	-	-	2	3
56	-	-	-	-	-	-
-	-	-	-	-	-	-
320	7	20	28	71	-	-
27	40	22	1	25	-	-
<u>1,337</u>	<u>947</u>	<u>934</u>	<u>32</u>	<u>133</u>	<u>667</u>	<u>9</u>
-	-	-	-	-	-	-
423	42	88	-	147	62	1
<u>423</u>	<u>42</u>	<u>88</u>	<u>-</u>	<u>147</u>	<u>62</u>	<u>1</u>
<u>1,760</u>	<u>989</u>	<u>1,022</u>	<u>32</u>	<u>280</u>	<u>729</u>	<u>10</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
84	22	8	32	211	-	-
465	145	111	109	71	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	13	-	-
12	-	-	-	-	-	-
<u>581</u>	<u>167</u>	<u>119</u>	<u>141</u>	<u>295</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	31	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>581</u>	<u>167</u>	<u>119</u>	<u>141</u>	<u>326</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
423	42	88	-	103	62	1
-	-	-	28	-	-	-
-	-	-	-	-	350	-
-	-	-	-	-	-	-
756	780	815	(137)	(149)	317	9
<u>\$ 1,179</u>	<u>\$ 822</u>	<u>\$ 903</u>	<u>\$ (109)</u>	<u>\$ (46)</u>	<u>\$ 729</u>	<u>\$ 10</u>



**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2018**

	New Life Charter Academy	North Broward Academy of Excellence Elem	North Broward Academy of Excellence Middle	North University High	Panacea Prep Charter School
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 55	\$ 281	\$ 1,387	\$ 4	\$ 185
Due from other governmental agencies	-	148	25	3	-
Due from other schools	-	218	-	-	-
Inventories	-	-	-	-	-
Prepays	-	27	44	-	-
Other assets	46	236	25	-	67
<b>Total Current Assets</b>	<b>101</b>	<b>910</b>	<b>1,481</b>	<b>7</b>	<b>252</b>
<b>Non-current assets:</b>					
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	-	6,203	2,790	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>6,203</b>	<b>2,790</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>101</b>	<b>7,113</b>	<b>4,271</b>	<b>7</b>	<b>252</b>
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	31	56	10	-	55
Accrued payroll, taxes and withholding	-	225	119	-	-
Matured debt and interest payable	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Due to other schools	-	-	218	-	-
Unearned revenue	-	-	-	-	-
Obligations under capital leases	-	138	65	-	-
Liability for compensated absences	-	20	8	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	57	127	41	-	-
<b>Total current liabilities</b>	<b>88</b>	<b>566</b>	<b>461</b>	<b>-</b>	<b>55</b>
<b>Non-current liabilities:</b>					
Obligations under capital leases	-	6,156	2,897	-	-
Liability for compensated absences	-	6	2	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net pension liability	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>6,162</b>	<b>2,899</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>88</b>	<b>6,728</b>	<b>3,360</b>	<b>-</b>	<b>55</b>
<b>Deferred Inflow of Resources</b>					
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION:</b>					
Net investment in capital assets	-	(91)	(171)	-	-
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	17
Scholarships and other purposes	19	-	-	-	88
Unrestricted (deficit)	(6)	476	1,082	7	92
<b>Total net position</b>	<b>\$ 13</b>	<b>\$ 385</b>	<b>\$ 911</b>	<b>\$ 7</b>	<b>\$ 197</b>

Exhibit G1 (continued)

Paragon Academy of Technology	Renaissance Charter School Cooper City	Renaissance Charter School Coral Springs	Renaissance Charter School Pines	Renaissance Charter School Pines Middle	Renaissance Charter School Plantation	Renaissance Charter School University
\$ 362	\$ 1,370	\$ 1,474	\$ 135	\$ 558	\$ 132	\$ 1,911
-	55	64	274	41	413	98
-	-	-	130	-	-	-
-	-	-	-	-	-	-
12	138	26	38	34	41	70
5	143	873	104	31	83	75
<u>379</u>	<u>1,706</u>	<u>2,437</u>	<u>681</u>	<u>664</u>	<u>669</u>	<u>2,154</u>
-	-	-	-	-	-	-
32	16,522	16,516	7,898	3,662	576	575
32	16,522	16,516	7,898	3,662	576	575
<u>411</u>	<u>18,228</u>	<u>18,953</u>	<u>8,579</u>	<u>4,326</u>	<u>1,245</u>	<u>2,729</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3	101	95	95	9	216	106
51	383	467	351	106	379	517
-	-	-	-	-	-	-
-	1	1	-	1	2	-
-	-	1	-	130	-	-
-	-	-	-	-	-	-
-	320	447	184	79	-	-
-	26	37	24	8	22	23
-	-	-	-	-	444	-
-	184	-	138	74	2	40
<u>54</u>	<u>1,015</u>	<u>1,048</u>	<u>792</u>	<u>407</u>	<u>1,065</u>	<u>686</u>
-	16,101	19,176	7,861	3,733	-	-
-	8	12	8	3	7	8
-	-	-	-	-	1,031	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	16,109	19,188	7,869	3,736	1,038	8
<u>54</u>	<u>17,124</u>	<u>20,236</u>	<u>8,661</u>	<u>4,143</u>	<u>2,103</u>	<u>694</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32	101	(3,107)	(147)	(149)	576	575
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
325	1,003	1,824	65	332	(1,434)	1,460
<u>\$ 357</u>	<u>\$ 1,104</u>	<u>\$ (1,283)</u>	<u>\$ (82)</u>	<u>\$ 183</u>	<u>\$ (858)</u>	<u>\$ 2,035</u>

## COMBINING STATEMENT OF NET POSITION

COMPONENT UNITS (in thousands)

AS OF JUNE 30, 2018

	Rise Academy School of Science & Technology	Somerset Academy Conservatory High	Somerset Academy Davie	Somerset Academy East Preparatory	Somerset Academy Elem
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 237	\$ 743	\$ 1,154	\$ 1,236	\$ 3,510
Due from other governmental agencies	-	-	-	-	-
Due from other schools	-	681	-	1,262	-
Inventories	-	-	-	-	-
Prepays	1	9	8	39	188
Other assets	70	2	31	5	1,222
<b>Total Current Assets</b>	<b>308</b>	<b>1,435</b>	<b>1,193</b>	<b>2,542</b>	<b>4,920</b>
<b>Non-current assets:</b>					
Capital assets:					
Non-depreciable	-	-	-	-	-
Depreciable, net	-	58	80	118	1,110
<b>Total non-current assets</b>	<b>-</b>	<b>58</b>	<b>80</b>	<b>118</b>	<b>1,110</b>
<b>Total assets</b>	<b>308</b>	<b>1,493</b>	<b>1,273</b>	<b>2,660</b>	<b>6,030</b>
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	27	-	2	3	132
Accrued payroll, taxes and withholding	-	44	57	64	510
Matured debt and interest payable	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Due to other schools	-	-	-	-	148
Unearned revenue	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	4	5	-	-	-
<b>Total current liabilities</b>	<b>31</b>	<b>49</b>	<b>59</b>	<b>67</b>	<b>790</b>
<b>Non-current liabilities:</b>					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Net pension liability	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>31</b>	<b>49</b>	<b>59</b>	<b>67</b>	<b>790</b>
<b>Deferred Inflow of Resources</b>					
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION:</b>					
Net investment in capital assets	-	658	80	1,354	2,284
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Unrestricted (deficit)	277	786	1,134	1,239	2,956
<b>Total net position</b>	<b>\$ 277</b>	<b>\$ 1,444</b>	<b>\$ 1,214</b>	<b>\$ 2,593</b>	<b>\$ 5,240</b>

Exhibit G1 (continued)

Somerset Academy High	Somerset Academy Hollywood	Somerset Academy Hollywood Middle	Somerset Academy Key HS	Somerset Academy Key MS	Somerset Academy Middle	Somerset Academy Miramar
\$ 615	\$ 255	\$ 68	\$ 178	\$ 330	\$ 803	\$ 1,457
-	-	-	-	-	-	-
27	-	-	63	-	547	-
-	-	-	-	-	-	-
69	2	1	8	19	89	36
14	-	-	5	836	309	4,181
<u>725</u>	<u>257</u>	<u>69</u>	<u>254</u>	<u>1,185</u>	<u>1,748</u>	<u>5,674</u>
-	-	-	-	-	-	-
3,636	107	3	494	513	452	655
<u>3,636</u>	<u>107</u>	<u>3</u>	<u>494</u>	<u>513</u>	<u>452</u>	<u>655</u>
<u>4,361</u>	<u>364</u>	<u>72</u>	<u>748</u>	<u>1,698</u>	<u>2,200</u>	<u>6,329</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	23	-	15	-	-	-
282	-	6	62	80	243	189
288	-	-	-	-	-	-
-	-	-	-	-	-	-
-	55	19	-	63	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	49	25	-	-
-	-	3	-	-	-	-
<u>570</u>	<u>78</u>	<u>28</u>	<u>126</u>	<u>168</u>	<u>243</u>	<u>189</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	364	-	-	-
1,044	236	-	-	1,056	-	-
-	-	-	-	-	-	-
<u>1,044</u>	<u>236</u>	<u>-</u>	<u>364</u>	<u>1,056</u>	<u>-</u>	<u>-</u>
<u>1,614</u>	<u>314</u>	<u>28</u>	<u>490</u>	<u>1,224</u>	<u>243</u>	<u>189</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,984	48	3	330	-	952	4,793
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(237)	2	41	(72)	474	1,005	1,347
<u>\$ 2,747</u>	<u>\$ 50</u>	<u>\$ 44</u>	<u>\$ 258</u>	<u>\$ 474</u>	<u>\$ 1,957</u>	<u>\$ 6,140</u>

**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2018**

	Somerset Academy Miramar High	Somerset Academy Miramar Middle	Somerset Academy Neighborhood	Somerset Academy North Lauderdale	Somerset Academy Pompano
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 375	\$ 2,050	\$ -	\$ 2,299	\$ 212
Due from other governmental agencies	-	-	-	-	-
Due from other schools	-	-	-	149	-
Inventories	-	-	-	-	-
Prepays	38	26	-	60	9
Other assets	33	13	-	71	58
<b>Total Current Assets</b>	<b>446</b>	<b>2,089</b>	<b>-</b>	<b>2,579</b>	<b>279</b>
<b>Non-current assets:</b>					
<b>Capital assets:</b>					
Non-depreciable	-	-	-	-	-
Depreciable, net	169	110	-	350	80
<b>Total non-current assets</b>	<b>169</b>	<b>110</b>	<b>-</b>	<b>350</b>	<b>80</b>
<b>Total assets</b>	<b>615</b>	<b>2,199</b>	<b>-</b>	<b>2,929</b>	<b>359</b>
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	39	-	-	-	5
Accrued payroll, taxes and withholding	75	134	-	260	57
Matured debt and interest payable	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-
Due to other schools	8	42	-	-	-
Unearned revenue	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	-	-	-	7	-
<b>Total current liabilities</b>	<b>122</b>	<b>176</b>	<b>-</b>	<b>267</b>	<b>62</b>
<b>Non-current liabilities:</b>					
Obligations under capital leases	-	-	-	-	-
Liability for compensated absences	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other liabilities	255	-	-	-	-
Net pension liability	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>255</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>377</b>	<b>176</b>	<b>-</b>	<b>267</b>	<b>62</b>
<b>Deferred Inflow of Resources</b>					
Pension actuarial adjustments	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION:</b>					
Net investment in capital assets		110	-	351	81
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Scholarships and other purposes	-	-	-	-	-
Unrestricted (deficit)	238	1,913	-	2,311	216
<b>Total net position</b>	<b>\$ 238</b>	<b>\$ 2,023</b>	<b>\$ -</b>	<b>\$ 2,662</b>	<b>\$ 297</b>

Exhibit G1 (continued)

Somerset Miramar South	Somerset Pines Academy	Somerset Preparatory High Broward Campus	Somerset Preparatory Middle	Somerset Village Academy	Somerset Village Academy Middle	South Broward Montessori
\$ 1,605	\$ 1,497	\$ 1,381	\$ 653	\$ 841	\$ 375	\$ 58
-	-	-	-	-	-	-
-	-	-	514	-	-	-
-	-	-	-	-	-	72
5	55	10	32	11	8	-
-	33	5	17	33	3	8
<u>1,610</u>	<u>1,585</u>	<u>1,396</u>	<u>1,216</u>	<u>885</u>	<u>386</u>	<u>138</u>
-	-	-	-	-	-	-
82	269	41	150	137	17	41
<u>82</u>	<u>269</u>	<u>41</u>	<u>150</u>	<u>137</u>	<u>17</u>	<u>41</u>
<u>1,692</u>	<u>1,854</u>	<u>1,437</u>	<u>1,366</u>	<u>1,022</u>	<u>403</u>	<u>179</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	42	-	-	109
72	180	65	98	98	57	-
-	-	-	-	-	-	-
-	-	149	-	-	22	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	56
<u>72</u>	<u>180</u>	<u>214</u>	<u>140</u>	<u>98</u>	<u>79</u>	<u>165</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	32
-	-	-	-	-	-	-
<u>72</u>	<u>180</u>	<u>214</u>	<u>140</u>	<u>98</u>	<u>79</u>	<u>197</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
82	269	41	650	137	17	41
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,538	1,405	1,182	576	787	307	(59)
<u>\$ 1,620</u>	<u>\$ 1,674</u>	<u>\$ 1,223</u>	<u>\$ 1,226</u>	<u>\$ 924</u>	<u>\$ 324</u>	<u>\$ (18)</u>

**COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS (in thousands)  
AS OF JUNE 30, 2018**

	SunEd High School	SunEd High School of North Broward	Sunrise High	Sunshine Elementary
<b>ASSETS:</b>				
<b>Current assets:</b>				
Cash, cash equivalents and investments	\$ 1,105	\$ 960	\$ 251	\$ 646
Due from other governmental agencies	-	-	9	-
Due from other schools	-	-	-	-
Inventories	-	-	-	-
Prepays	-	-	-	53
Other assets	377	57	86	10
<b>Total Current Assets</b>	<b>1,482</b>	<b>1,017</b>	<b>346</b>	<b>709</b>
<b>Non-current assets:</b>				
<b>Capital assets:</b>				
Non-depreciable	-	-	-	-
Depreciable, net	-	87	146	134
<b>Total non-current assets</b>	<b>-</b>	<b>87</b>	<b>146</b>	<b>134</b>
<b>Total assets</b>	<b>1,482</b>	<b>1,104</b>	<b>492</b>	<b>843</b>
Pension actuarial adjustments	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES:</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	70	66	3	26
Accrued payroll, taxes and withholding	-	-	34	134
Matured debt and interest payable	-	-	-	-
Due to other governmental agencies	-	-	-	-
Due to other schools	-	324	-	-
Unearned revenue	-	-	-	-
Obligations under capital leases	-	-	-	-
Liability for compensated absences	-	-	-	-
Bonds Payable	-	-	-	-
Other liabilities	-	-	60	-
<b>Total current liabilities</b>	<b>70</b>	<b>390</b>	<b>97</b>	<b>160</b>
<b>Non-current liabilities:</b>				
Obligations under capital leases	-	-	-	-
Liability for compensated absences	-	-	-	-
Bonds Payable	-	-	-	-
Other liabilities	-	-	-	-
Net pension liability	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>70</b>	<b>390</b>	<b>97</b>	<b>160</b>
<b>Deferred Inflow of Resources</b>				
Pension actuarial adjustments	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION:</b>				
Net investment in capital assets	84	87	146	134
<b>Restricted for:</b>				
Debt service	-	-	-	-
Capital projects	-	58	-	21
Scholarships and other purposes	-	-	-	-
Unrestricted (deficit)	1,328	569	249	528
<b>Total net position</b>	<b>\$ 1,412</b>	<b>\$ 714</b>	<b>\$ 395</b>	<b>\$ 683</b>

**Exhibit G1 (concluded)**

<b>West Broward Academy</b>	<b>Broward Education Foundation</b>	<b>Total NonMajor Component Units</b>
\$ 401	\$ 11,433	\$ 63,852
-	-	1,357
-	-	6,119
-	1,491	1,563
22	3,745	6,021
78	30	18,302
<u>501</u>	<u>16,699</u>	<u>97,214</u>
-	-	-
69	793	117,991
69	793	117,991
<u>570</u>	<u>17,492</u>	<u>215,205</u>
-	-	3,642
-	-	<u>3,642</u>
218	231	4,822
192	-	11,818
-	-	957
-	-	6
-	-	1,799
-	-	41
-	-	1,809
-	-	202
-	-	1,692
145	15	1,690
<u>555</u>	<u>246</u>	<u>24,836</u>
-	-	74,317
-	-	65
-	-	38,934
55	611	9,630
-	-	6,348
<u>55</u>	<u>611</u>	<u>129,294</u>
<u>610</u>	<u>857</u>	<u>154,130</u>
-	-	938
-	-	<u>938</u>
69	167	19,599
-	-	3,520
-	-	446
-	10,447	10,554
(109)	6,021	29,660
<u>\$ (40)</u>	<u>\$ 16,635</u>	<u>\$ 63,779</u>



**COMBINING STATEMENT OF ACTIVITIES**

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Academic Solutions Academy A	Academics Solutions High School	Alpha International Academy	Andrews High	Ascend Career Academy
<b>EXPENSES:</b>					
Instructional services	\$ 275	\$ 686	\$ 312	\$ 551	\$ 556
Instructional support services	-	-	37	170	52
Student transportation services	19	17	39	49	38
Operation and maintenance of plant	85	152	20	689	384
School administration	336	645	124	-	361
General administration	6	115	59	430	105
Food services	-	-	56	-	58
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	116	102	60	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated *	-	-	10	-	-
<b>Total expenses</b>	<b>837</b>	<b>1,717</b>	<b>717</b>	<b>1,889</b>	<b>1,554</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	-	-	6	-	3
Operating grants and contributions	-	-	-	28	32
Capital grants and contributions	67	113	18	122	36
<b>Total program revenues</b>	<b>67</b>	<b>113</b>	<b>24</b>	<b>150</b>	<b>71</b>
<b>Net program expense</b>	<b>(770)</b>	<b>(1,604)</b>	<b>(693)</b>	<b>(1,739)</b>	<b>(1,483)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	1,083	1,634	672	1,888	1,368
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	-	23	34	3	120
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>1,083</b>	<b>1,657</b>	<b>706</b>	<b>1,891</b>	<b>1,488</b>
<b>Change in net position</b>	<b>313</b>	<b>53</b>	<b>13</b>	<b>152</b>	<b>5</b>
<b>Total net position, beginning of year</b>	<b>(73)</b>	<b>730</b>	<b>47</b>	<b>172</b>	<b>(744)</b>
<b>Total net position (deficit), end of year</b>	<b>\$ 240</b>	<b>\$ 783</b>	<b>\$ 60</b>	<b>\$ 324</b>	<b>\$ (739)</b>

\* 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
\$ 436	\$ 526	\$ 400	\$ 5,481	\$ 2,211	\$ 528	\$ 748
8	12	6	76	17	1	-
-	3	24	296	-	-	22
207	321	52	675	1,271	199	464
255	272	56	693	465	83	290
60	85	231	1,836	218	47	98
26	23	34	395	122	27	44
-	-	-	-	-	-	-
-	-	148	1,774	10	-	-
-	-	-	-	-	-	-
2	3	-	663	-	-	-
<u>994</u>	<u>1,245</u>	<u>951</u>	<u>11,889</u>	<u>4,314</u>	<u>885</u>	<u>1,666</u>
83	87	-	2	35	6	3
-	-	24	303	61	13	34
22	27	23	261	288	53	101
<u>105</u>	<u>114</u>	<u>47</u>	<u>566</u>	<u>384</u>	<u>72</u>	<u>138</u>
<u>(889)</u>	<u>(1,131)</u>	<u>(904)</u>	<u>(11,323)</u>	<u>(3,930)</u>	<u>(813)</u>	<u>(1,528)</u>
958	1,088	812	10,043	3,802	848	1,397
-	-	-	-	-	-	-
-	-	-	-	-	-	-
59	91	84	1,350	92	2	10
-	-	-	-	-	-	-
<u>1,017</u>	<u>1,179</u>	<u>896</u>	<u>11,393</u>	<u>3,894</u>	<u>850</u>	<u>1,407</u>
128	48	(8)	70	(36)	37	(121)
64	(135)	(30)	(52)	90	153	144
<u>\$ 192</u>	<u>\$ (87)</u>	<u>\$ (38)</u>	<u>\$ 18</u>	<u>\$ 54</u>	<u>\$ 190</u>	<u>\$ 23</u>

**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Ben Gamla Prep Charter High	Ben Gamla South	Bridge Prep Academy Broward	Bridge Prep Academy of Hollywood Hills	Broward Math and Science Schools
<b>EXPENSES:</b>					
Instructional services	\$ 810	\$ 1,477	\$ 1,265	\$ 1,311	\$ 1,279
Instructional support services	1	20	25	41	4
Student transportation services	29	22	145	-	-
Operation and maintenance of plant	520	551	503	517	224
School administration	373	507	333	287	313
General administration	119	132	500	409	241
Food services	51	148	164	99	51
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	13	-	283
Interest expense	-	-	-	-	-
Depreciation - unallocated *	-	-	26	55	-
<b>Total expenses</b>	<b>1,903</b>	<b>2,857</b>	<b>2,974</b>	<b>2,719</b>	<b>2,395</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	4	7	67	93	100
Operating grants and contributions	39	252	477	161	134
Capital grants and contributions	120	206	174	135	61
<b>Total program revenues</b>	<b>163</b>	<b>465</b>	<b>718</b>	<b>389</b>	<b>295</b>
<b>Net program expense</b>	<b>(1,740)</b>	<b>(2,392)</b>	<b>(2,256)</b>	<b>(2,330)</b>	<b>(2,100)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	1,634	2,499	2,590	2,105	2,258
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	5	18	8	165	140
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>1,639</b>	<b>2,517</b>	<b>2,598</b>	<b>2,270</b>	<b>2,398</b>
<b>Change in net position</b>	<b>(101)</b>	<b>125</b>	<b>342</b>	<b>(60)</b>	<b>298</b>
<b>Total net position, beginning of year</b>	<b>120</b>	<b>1,064</b>	<b>(15)</b>	<b>64</b>	<b>(83)</b>
<b>Total net position (deficit), end of year</b>	<b>\$ 19</b>	<b>\$ 1,189</b>	<b>\$ 327</b>	<b>\$ 4</b>	<b>\$ 215</b>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

**Exhibit G2 (continued)**

Central Charter School	Championship Academy of Distinction HS	Championship Academy of Distinction MS	Championship Academy of Distinction Davie	Championship Academy of Distinction Hollywood	Championship Academy of Distinction W Broward	Charter School of Excellence Ft Laud 1
\$ 5,341	\$ 244	\$ 775	\$ 2,179	\$ 1,977	\$ 783	\$ 959
342	-	1	2	1	-	60
206	4	41	119	105	17	99
1,913	78	427	1,138	1,081	576	358
1,341	105	519	1,026	860	343	370
1,393	34	96	261	278	89	752
790	13	-	205	441	132	123
-	-	72	-	-	-	-
-	-	6	60	29	-	177
-	-	-	-	-	-	-
-	1	-	24	7	8	-
<u>11,326</u>	<u>479</u>	<u>1,937</u>	<u>5,014</u>	<u>4,779</u>	<u>1,948</u>	<u>2,898</u>
-	1	1	5	6	7	51
1,562	69	140	239	547	192	162
550	-	-	108	79	-	70
<u>2,112</u>	<u>70</u>	<u>141</u>	<u>352</u>	<u>632</u>	<u>199</u>	<u>283</u>
<u>(9,214)</u>	<u>(409)</u>	<u>(1,796)</u>	<u>(4,662)</u>	<u>(4,147)</u>	<u>(1,749)</u>	<u>(2,615)</u>
8,070	385	1,649	4,061	3,089	1,563	2,159
-	-	-	-	-	-	-
-	-	-	-	-	-	-
282	2	10	335	695	3	168
-	-	-	-	-	-	2
<u>8,352</u>	<u>387</u>	<u>1,659</u>	<u>4,396</u>	<u>3,784</u>	<u>1,566</u>	<u>2,329</u>
(862)	(22)	(137)	(266)	(363)	(183)	(286)
<u>(3,154)</u>	<u>34</u>	<u>162</u>	<u>291</u>	<u>289</u>	<u>-</u>	<u>(508)</u>
<u>\$ (4,016)</u>	<u>\$ 12</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ (74)</u>	<u>\$ (183)</u>	<u>\$ (794)</u>

**COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS (in thousands)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Charter School of Excellence Davie 1	Dolphin Park High	Eagles' Nest Elementary	Eagles' Nest Middle	Everest Charter School
<b>EXPENSES:</b>					
Instructional services	\$ 1,009	\$ 547	\$ 1,014	\$ 217	\$ 512
Instructional support services	86	162	315	61	14
Student transportation services	49	45	202	52	1
Operation and maintenance of plant	235	358	611	54	74
School administration	341		264	56	112
General administration	626	823	552	50	187
Food services	94	-	704	49	-
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	141	-	-	-	102
Interest expense	-	-	-	-	-
Depreciation - unallocated *	-	-	13	6	7
<b>Total expenses</b>	<b>2,581</b>	<b>1,935</b>	<b>3,675</b>	<b>545</b>	<b>1,009</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	109	-	-	17	-
Operating grants and contributions	93	60	901	116	40
Capital grants and contributions	71	82	179	34	68
<b>Total program revenues</b>	<b>273</b>	<b>142</b>	<b>1,080</b>	<b>167</b>	<b>108</b>
<b>Net program expense</b>	<b>(2,308)</b>	<b>(1,793)</b>	<b>(2,595)</b>	<b>(378)</b>	<b>(901)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	2,180	1,219	2,584	461	913
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	261	262	103	-	15
Unrestricted investment earnings	2	-	-	-	-
<b>Total general revenues</b>	<b>2,443</b>	<b>1,481</b>	<b>2,687</b>	<b>461</b>	<b>928</b>
<b>Change in net position</b>	<b>135</b>	<b>(312)</b>	<b>92</b>	<b>83</b>	<b>27</b>
<b>Total net position, beginning of year</b>	<b>331</b>	<b>370</b>	<b>436</b>	<b>50</b>	<b>62</b>
<b>Total net position (deficit), end of year</b>	<b>\$ 466</b>	<b>\$ 58</b>	<b>\$ 528</b>	<b>\$ 133</b>	<b>\$ 89</b>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

**Exhibit G2 (continued)**

<b>Excelsior Charter of Broward</b>	<b>Flagler High</b>	<b>Franklin Academy E</b>	<b>Franklin Academy F</b>	<b>Franklin Academy Pembroke Pines</b>	<b>Franklin Academy Pembroke Pines HS</b>	<b>Franklin Academy Sunrise</b>
\$ 761	\$ 344	\$ 4,604	\$ 2,530	\$ 5,216	\$ 2,098	\$ 4,989
6	118	180	46	312	277	158
2	33	258	309	375	248	237
98	353	893	2,062	2,511	1,934	2,839
206	-	709	364	781	369	808
317	513	2,088	530	915	498	938
118	-	358	330	332	292	448
-	-	-	-	-	-	-
203	-	-	-	-	-	-
-	-	-	-	-	-	-
14	-	696	7	337	390	360
<u>1,725</u>	<u>1,361</u>	<u>9,786</u>	<u>6,178</u>	<u>10,779</u>	<u>6,106</u>	<u>10,777</u>
3	-	326	303	444	268	263
172	53	217	209	196	177	355
93	49	985	421	796	416	1,014
<u>268</u>	<u>102</u>	<u>1,528</u>	<u>933</u>	<u>1,436</u>	<u>861</u>	<u>1,632</u>
<u>(1,457)</u>	<u>(1,259)</u>	<u>(8,258)</u>	<u>(5,245)</u>	<u>(9,343)</u>	<u>(5,245)</u>	<u>(9,145)</u>
1,430	710	8,939	5,046	9,598	4,048	9,118
-	-	-	-	-	-	-
-	-	-	-	-	-	-
36	465	51	-	145	217	108
-	-	-	-	-	-	-
<u>1,466</u>	<u>1,175</u>	<u>8,990</u>	<u>5,046</u>	<u>9,743</u>	<u>4,265</u>	<u>9,226</u>
9	(84)	732	(199)	400	(980)	81
288	94	1,078	(791)	1,970	(293)	753
<u>\$ 297</u>	<u>\$ 10</u>	<u>\$ 1,810</u>	<u>\$ (990)</u>	<u>\$ 2,370</u>	<u>\$ (1,273)</u>	<u>\$ 834</u>

**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Greentree Prep Charter School	Hollywood Academy of Arts & Science Elem	Hollywood Academy of Arts & Science Middle	Imagine at Broward	Imagine at North Lauderdale Elem
<b>EXPENSES:</b>					
Instructional services	\$ 500	\$ 4,260	\$ 1,293	\$ 2,991	\$ 3,048
Instructional support services	6	396	131	211	150
Student transportation services	4	3	-	-	298
Operation and maintenance of plant	375	1,111	470	2,073	964
School administration	149	551	172	1,432	1,122
General administration	40	2,681	1,009	314	38
Food services	14	241	83	289	479
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated *	15	-	-	-	-
<b>Total expenses</b>	<u>1,103</u>	<u>9,243</u>	<u>3,158</u>	<u>7,310</u>	<u>6,099</u>
<b>PROGRAM REVENUES:</b>					
Charges for services	-	525	19	747	-
Operating grants and contributions	-	376	163	662	1,096
Capital grants and contributions	61	500	201	-	-
<b>Total program revenues</b>	<u>61</u>	<u>1,401</u>	<u>383</u>	<u>1,409</u>	<u>1,096</u>
<b>Net program expense</b>	<u>(1,042)</u>	<u>(7,842)</u>	<u>(2,775)</u>	<u>(5,901)</u>	<u>(5,003)</u>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	959	7,568	2,689	5,670	4,806
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	77	18	3	363	237
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<u>1,036</u>	<u>7,586</u>	<u>2,692</u>	<u>6,033</u>	<u>5,043</u>
<b>Change in net position</b>	<u>(6)</u>	<u>(256)</u>	<u>(83)</u>	<u>132</u>	<u>40</u>
<b>Total net position, beginning of year</b>	<u>96</u>	<u>137</u>	<u>(857)</u>	<u>1,458</u>	<u>130</u>
<b>Total net position (deficit), end of year</b>	<u>\$ 90</u>	<u>\$ (119)</u>	<u>\$ (940)</u>	<u>\$ 1,590</u>	<u>\$ 170</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

	Imagine at Weston	Imagine Schools Plantation Campus	Innovation Charter School	International School of Broward	Kidz Choice Charter	Lauderhill High	Melrose High
\$	3,701	\$ 1,300	\$ 1,406	\$ 768	\$ 600	\$ 461	\$ 376
	196	92	204	3	3	135	125
	197	-	214	10	2	56	39
	2,684	502	378	103	162	382	408
	1,174	679	398	60	322	-	-
	170	130	171	88	135	601	492
	195	11	181	6	142	-	-
	-	-	-	-	-	-	-
	-	-	-	56	360	-	-
	-	-	-	-	-	-	-
	-	-	-	-	8	-	-
	<u>8,317</u>	<u>2,714</u>	<u>2,952</u>	<u>1,094</u>	<u>1,734</u>	<u>1,635</u>	<u>1,440</u>
	932	151	6	63	-	-	-
	171	210	680	-	169	72	54
	-	-	-	24	-	60	74
	<u>1,103</u>	<u>361</u>	<u>686</u>	<u>87</u>	<u>169</u>	<u>132</u>	<u>128</u>
	<u>(7,214)</u>	<u>(2,353)</u>	<u>(2,266)</u>	<u>(1,007)</u>	<u>(1,565)</u>	<u>(1,503)</u>	<u>(1,312)</u>
	6,990	2,323	2,808	851	1,401	822	1,076
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	329	155	92	443	27	398	167
	-	-	-	-	-	-	-
	<u>7,319</u>	<u>2,478</u>	<u>2,900</u>	<u>1,294</u>	<u>1,428</u>	<u>1,220</u>	<u>1,243</u>
	105	125	634	287	(137)	(283)	(69)
	1,074	697	269	(396)	91	1,012	79
\$	<u>1,179</u>	<u>\$ 822</u>	<u>\$ 903</u>	<u>\$ (109)</u>	<u>\$ (46)</u>	<u>\$ 729</u>	<u>\$ 10</u>



**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	New Life Charter Academy	North Broward Academy of Excellence Elem	North Broward Academy of Excellence Middle	North University High	Panacea Prep Charter School
<b>EXPENSES:</b>					
Instructional services	\$ 357	\$ 2,643	\$ 1,285	\$ 416	\$ 452
Instructional support services	46	516	136	115	70
Student transportation services	79	-	-	74	51
Operation and maintenance of plant	284	1,144	493	414	164
School administration	167	414	141	-	193
General administration	109	1,183	581	692	105
Food services	88	236	117	-	97
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated *	-	-	-	-	-
<b>Total expenses</b>	<u>1,130</u>	<u>6,136</u>	<u>2,753</u>	<u>1,711</u>	<u>1,132</u>
<b>PROGRAM REVENUES:</b>					
Charges for services	-	181	1	-	-
Operating grants and contributions	-	868	373	54	-
Capital grants and contributions	59	314	156	90	65
<b>Total program revenues</b>	<u>59</u>	<u>1,363</u>	<u>530</u>	<u>144</u>	<u>65</u>
<b>Net program expense</b>	<u>(1,071)</u>	<u>(4,773)</u>	<u>(2,223)</u>	<u>(1,567)</u>	<u>(1,067)</u>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	940	4,746	2,134	1,313	997
Other federal sources	151	-	-	-	183
Other state sources	11	-	-	-	5
Other local sources	17	12	5	26	23
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<u>1,119</u>	<u>4,758</u>	<u>2,139</u>	<u>1,339</u>	<u>1,208</u>
<b>Change in net position</b>	48	(15)	(84)	(228)	141
<b>Total net position, beginning of year</b>	<u>(35)</u>	<u>400</u>	<u>995</u>	<u>235</u>	<u>56</u>
<b>Total net position (deficit), end of year</b>	<u>\$ 13</u>	<u>\$ 385</u>	<u>\$ 911</u>	<u>\$ 7</u>	<u>\$ 197</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

Paragon Academy of Technology	Renaissance Charter School Cooper City	Renaissance Charter School Coral Springs	Renaissance Charter School Pines	Renaissance Charter School Pines Middle	Renaissance Charter School Plantation	Renaissance Charter School University
\$ 453	\$ 4,167	\$ 5,157	\$ 3,277	\$ 1,485	\$ 3,816	\$ 5,195
42	356	661	747	217	708	466
54	-	-	7	-	152	51
60	1,425	1,946	1,811	641	2,064	2,543
97	586	750	602	149	606	712
108	2,978	3,609	1,278	716	933	2,642
-	290	316	302	153	391	366
-	-	-	-	-	-	-
141	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>955</u>	<u>9,802</u>	<u>12,439</u>	<u>8,024</u>	<u>3,361</u>	<u>8,670</u>	<u>11,975</u>
-	516	575	208	98	124	312
117	464	702	1,032	471	1,213	869
59	541	683	408	199	-	651
176	1,521	1,960	1,648	768	1,337	1,832
<u>(779)</u>	<u>(8,281)</u>	<u>(10,479)</u>	<u>(6,376)</u>	<u>(2,593)</u>	<u>(7,333)</u>	<u>(10,143)</u>
866	8,030	10,103	6,210	2,761	5,467	9,596
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8	21	12	37	3	-	-
-	-	-	-	-	-	-
<u>874</u>	<u>8,051</u>	<u>10,115</u>	<u>6,247</u>	<u>2,764</u>	<u>5,467</u>	<u>9,596</u>
95	(230)	(364)	(129)	171	(1,866)	(547)
262	1,334	(919)	47	12	1,008	2,582
<u>\$ 357</u>	<u>\$ 1,104</u>	<u>\$ (1,283)</u>	<u>\$ (82)</u>	<u>\$ 183</u>	<u>\$ (858)</u>	<u>\$ 2,035</u>

## COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Rise Academy School of Science & Technology	Somerset Academy Conservatory High	Somerset Academy Davie	Somerset Academy East Preparatory	Somerset Academy Elem
<b>EXPENSES:</b>					
Instructional services	\$ 1,486	\$ 471	\$ 553	\$ 780	\$ 6,235
Instructional support services	7	48	10	13	141
Student transportation services	44	14	-	-	115
Operation and maintenance of plant	145	331	275	470	3,194
School administration	239	179	249	331	1,182
General administration	129	57	70	127	535
Food services	106	37	78	140	466
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	409	-	-	-	84
Interest expense	-	-	-	-	-
Depreciation - unallocated *	-	-	-	-	-
<b>Total expenses</b>	<b>2,565</b>	<b>1,137</b>	<b>1,235</b>	<b>1,861</b>	<b>11,952</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	-	8	7	6	390
Operating grants and contributions	-	21	95	231	501
Capital grants and contributions	56	59	70	104	815
<b>Total program revenues</b>	<b>56</b>	<b>88</b>	<b>172</b>	<b>341</b>	<b>1,706</b>
<b>Net program expense</b>	<b>(2,509)</b>	<b>(1,049)</b>	<b>(1,063)</b>	<b>(1,520)</b>	<b>(10,246)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	2,138	884	1,079	1,588	10,350
Other federal sources	259	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	102	12	23	86	63
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>2,499</b>	<b>896</b>	<b>1,102</b>	<b>1,674</b>	<b>10,413</b>
<b>Change in net position</b>	<b>(10)</b>	<b>(153)</b>	<b>39</b>	<b>154</b>	<b>167</b>
<b>Total net position, beginning of year</b>	<b>287</b>	<b>1,597</b>	<b>1,175</b>	<b>2,439</b>	<b>5,073</b>
<b>Total net position (deficit), end of year</b>	<b>\$ 277</b>	<b>\$ 1,444</b>	<b>\$ 1,214</b>	<b>\$ 2,593</b>	<b>\$ 5,240</b>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

Exhibit G2 (continued)

	Somerset Academy High	Somerset Academy Hollywood	Somerset Academy Hollywood Middle	Somerset Academy Key HS	Somerset Academy Key MS	Somerset Academy Middle	Somerset Academy Miramar
\$	3,399	\$ 82	\$ 75	\$ 667	\$ 1,123	\$ 2,436	\$ 2,265
	281	-	-	2	57	176	13
	106	-	-	-	1	75	-
	1,744	51	19	316	713	2,025	1,396
	773	51	19	236	365	614	448
	426	18	12	78	144	258	234
	236	15	8	39	111	199	282
	-	-	-	-	-	-	-
	123	-	-	-	69	64	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>7,088</u>	<u>217</u>	<u>133</u>	<u>1,338</u>	<u>2,583</u>	<u>5,847</u>	<u>4,638</u>
	56	-	-	-	2	47	263
	136	26	13	311	232	113	309
	615	11	9	80	214	63	292
	807	37	22	391	448	223	864
	<u>(6,281)</u>	<u>(180)</u>	<u>(111)</u>	<u>(947)</u>	<u>(2,135)</u>	<u>(5,624)</u>	<u>(3,774)</u>
	5,789	182	116	1,122	2,413	4,845	3,831
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	23	3	1	8	26	357	125
	-	-	-	-	-	-	-
	<u>5,812</u>	<u>185</u>	<u>117</u>	<u>1,130</u>	<u>2,439</u>	<u>5,202</u>	<u>3,956</u>
	(469)	5	6	183	304	(422)	182
	3,216	45	38	75	170	2,379	5,958
\$	<u>2,747</u>	<u>\$ 50</u>	<u>\$ 44</u>	<u>\$ 258</u>	<u>\$ 474</u>	<u>\$ 1,957</u>	<u>\$ 6,140</u>

## COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Somerset Academy Miramar High	Somerset Academy Miramar Middle	Somerset Academy Neighborhood	Somerset Academy North Lauderdale	Somerset Academy Pompano
<b>EXPENSES:</b>					
Instructional services	\$ 993	\$ 1,394	\$ -	\$ 3,327	\$ 705
Instructional support services	23	54	-	115	12
Student transportation services	10	-	-	-	-
Operation and maintenance of plant	493	930	-	1,299	270
School administration	366	251	-	529	244
General administration	154	170	-	302	68
Food services	104	183	-	481	71
Scholarships and programs	-	-	-	-	-
Facilities acquisition and construction	-	7	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated *	-	-	-	-	-
<b>Total expenses</b>	<b>2,143</b>	<b>2,989</b>	<b>-</b>	<b>6,053</b>	<b>1,370</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	58	21	-	7	3
Operating grants and contributions	89	201	-	767	149
Capital grants and contributions	140	219	-	538	74
<b>Total program revenues</b>	<b>287</b>	<b>441</b>	<b>-</b>	<b>1,312</b>	<b>226</b>
<b>Net program expense</b>	<b>(1,856)</b>	<b>(2,548)</b>	<b>-</b>	<b>(4,741)</b>	<b>(1,144)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	1,756	2,709	-	5,086	1,207
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	22	20	-	38	8
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>1,778</b>	<b>2,729</b>	<b>-</b>	<b>5,124</b>	<b>1,215</b>
<b>Change in net position</b>	<b>(78)</b>	<b>181</b>	<b>-</b>	<b>383</b>	<b>71</b>
<b>Total net position, beginning of year</b>	<b>316</b>	<b>1,842</b>	<b>-</b>	<b>2,279</b>	<b>226</b>
<b>Total net position (deficit), end of year</b>	<b>\$ 238</b>	<b>\$ 2,023</b>	<b>\$ -</b>	<b>\$ 2,662</b>	<b>\$ 297</b>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

**Exhibit G2 (continued)**

<b>Somerset Miramar South</b>	<b>Somerset Pines Academy</b>	<b>Somerset Preparatory High Broward Campus</b>	<b>Somerset Preparatory Middle</b>	<b>Somerset Village Academy</b>	<b>Somerset Village Academy Middle</b>	<b>South Broward Montessori</b>
\$ 773	\$ 1,805	\$ 662	\$ 1,147	\$ 1,042	\$ 525	\$ 539
2	70	14	44	3	1	-
-	-	-	12	-	-	-
147	811	409	580	462	205	66
85	343	285	395	313	230	302
74	197	103	119	111	63	21
83	191	152	118	178	99	61
-	-	-	-	-	-	-
-	-	-	-	2	-	191
-	-	-	-	-	-	-
-	-	-	-	-	-	22
<u>1,164</u>	<u>3,417</u>	<u>1,625</u>	<u>2,415</u>	<u>2,111</u>	<u>1,123</u>	<u>1,202</u>
9	17	2	6	1	1	51
54	309	191	209	300	161	-
83	252	114	178	120	64	-
<u>146</u>	<u>578</u>	<u>307</u>	<u>393</u>	<u>421</u>	<u>226</u>	<u>51</u>
<u>(1,018)</u>	<u>(2,839)</u>	<u>(1,318)</u>	<u>(2,022)</u>	<u>(1,690)</u>	<u>(897)</u>	<u>(1,151)</u>
1,307	2,916	1,572	2,044	1,801	914	1,050
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18	23	13	12	10	4	75
-	-	-	-	-	-	-
<u>1,325</u>	<u>2,939</u>	<u>1,585</u>	<u>2,056</u>	<u>1,811</u>	<u>918</u>	<u>1,125</u>
307	100	267	34	121	21	(26)
<u>1,313</u>	<u>1,574</u>	<u>956</u>	<u>1,192</u>	<u>803</u>	<u>303</u>	<u>8</u>
<u>\$ 1,620</u>	<u>\$ 1,674</u>	<u>\$ 1,223</u>	<u>\$ 1,226</u>	<u>\$ 924</u>	<u>\$ 324</u>	<u>\$ (18)</u>

**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	SunEd High School	SunEd High School of North Broward	Sunrise High	Sunshine Elementary
<b>EXPENSES:</b>				
Instructional services	\$ 847	\$ 588	\$ 865	\$ 1,252
Instructional support services	47	49	287	94
Student transportation services	82	69	97	104
Operation and maintenance of plant	517	443	730	264
School administration	711	617	-	264
General administration	139	103	675	271
Food services	-	-	-	267
Scholarships and programs	-	-	-	-
Facilities acquisition and construction	-	-	-	357
Interest expense	-	-	-	-
Depreciation - unallocated *	-	-	-	-
<b>Total expenses</b>	<b>2,343</b>	<b>1,869</b>	<b>2,654</b>	<b>2,873</b>
<b>PROGRAM REVENUES:</b>				
Charges for services	-	-	-	-
Operating grants and contributions	-	57	5	441
Capital grants and contributions	55	-	185	138
<b>Total program revenues</b>	<b>55</b>	<b>57</b>	<b>190</b>	<b>579</b>
<b>Net program expense</b>	<b>(2,288)</b>	<b>(1,812)</b>	<b>(2,464)</b>	<b>(2,294)</b>
<b>GENERAL REVENUES:</b>				
Grants and contributions not restricted to specific programs	2,201	1,841	2,634	2,243
Other federal sources	-	-	-	-
Other state sources	-	-	-	-
Other local sources	8	330	3	101
Unrestricted investment earnings	-	-	-	-
<b>Total general revenues</b>	<b>2,209</b>	<b>2,171</b>	<b>2,637</b>	<b>2,344</b>
<b>Change in net position</b>	<b>(79)</b>	<b>359</b>	<b>173</b>	<b>50</b>
<b>Total net position, beginning of year</b>	<b>1,491</b>	<b>355</b>	<b>222</b>	<b>633</b>
<b>Total net position (deficit), end of year</b>	<b>\$ 1,412</b>	<b>\$ 714</b>	<b>\$ 395</b>	<b>\$ 683</b>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

**Exhibit G2 (concluded)**

<b>West Broward Academy</b>	<b>Broward Education Foundation</b>	<b>Total NonMajor Component Units</b>
\$ 1,981	\$ -	\$ 142,375
25	-	9,931
112	-	5,237
387	-	65,720
309	-	34,373
405	470	41,967
-	-	13,429
-	3,740	3,812
667	-	5,754
-	33	33
21	-	2,695
<u>3,907</u>	<u>4,243</u>	<u>325,326</u>
204	27	7,944
97	12,918	34,810
97	-	15,632
<u>398</u>	<u>12,945</u>	<u>58,386</u>
<u>(3,509)</u>	<u>8,702</u>	<u>(266,940)</u>
3,656	-	264,301
-	-	593
-	-	16
88	-	9,437
-	103	107
<u>3,744</u>	<u>103</u>	<u>274,454</u>
235	8,805	7,514
<u>(275)</u>	<u>7,830</u>	<u>56,265</u>
<u>\$ (40)</u>	<u>\$ 16,635</u>	<u>\$ 63,779</u>



# **Broward County Public Schools**



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



**Broward County Public Schools**

**Statistical  
Section**

# **Broward County Public Schools**



***Educating Today's Students  
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# 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)

	2009	2010	2011	2012	2013	2014	2015 <sup>(1)</sup>	2016	2017 <sup>(2)</sup>	2018
<b>PRIMARY GOVERNMENT:</b>										
<b>NET POSITION:</b>										
Net investment in capital assets	\$ 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	\$ 1,139,984
Restricted for:										
State required carryover programs	2,882	5,104	4,660	6,521	2,787	1,292	3,973	15,901	21,633	8,491
Debt service	13,324	12,318	15,310	11,763	9,353	4,080	2,716	4,547	10,027	7,816
Capital projects	263,636	207,636	126,574	128,358	137,110	131,394	145,340	140,887	198,345	254,952
Scholarships and other purposes	2,611	11,354	19,626	30,275	38,570	43,378	47,010	53,653	53,772	54,071
Unrestricted (deficits)	(90,842)	(108,596)	(76,872)	(145,677)	(148,466)	(143,647)	(894,179)	(895,450)	(993,193)	(1,079,261)
Total net position	<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>\$ 474,618</u>	<u>\$ 386,053</u>

<sup>(1)</sup> Decrease resulted from the implementation of GASB Statement No. 68 and No. 71

<sup>(2)</sup> Decrease resulted from the implementation of GASB Statement No. 75

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>PRIMARY GOVERNMENT:</b>										
<b>PROGRAM EXPENSES:</b>										
Instructional services	\$ 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	\$ 1,743,765
Instructional support services	274,977	254,985	236,635	219,525	211,569	223,511	235,943	242,100	263,323	288,027
Student transportation services	91,121	102,714	93,605	87,777	88,793	85,853	84,884	82,507	90,201	98,958
Operation and maintenance of plant	256,559	250,936	247,447	229,195	231,624	229,247	240,306	242,762	248,433	256,761
School administration	136,038	133,619	134,051	122,644	126,801	131,084	133,624	131,931	142,920	150,580
General administration	100,440	102,111	92,854	79,246	73,474	75,592	69,449	82,943	90,709	100,525
Food services	93,785	90,025	93,200	90,191	96,243	98,713	104,666	105,719	113,167	112,512
Interest expense	97,615	60,652	24,517	32,646	32,894	44,541	138,546	114,369	74,749	66,900
Facilities acquisition and construction	71,259	102,028	102,841	128,897	76,437	70,231	49,691	70,698	77,203	71,049
Total expenses	<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>	<u>2,889,077</u>
<b>PROGRAM REVENUES:</b>										
Charges for services										
Instructional services	20,576	21,038	21,169	23,201	24,833	27,282	28,133	29,258	31,327	32,196
Student transportation services	1,338	1,375	1,114	1,140	1,291	1,138	1,209	1,109	1,332	1,378
Food services	27,894	24,794	23,025	21,479	20,773	19,578	17,009	16,062	15,261	12,076
Total charges for services	<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>	<u>45,650</u>
Operating grants and contributions	93,765	67,242	73,666	74,915	79,369	84,318	88,904	671,496	688,271	722,161
Capital grants and contributions	47,632	32,883	27,270	28,657	21,687	27,518	29,441	26,391	31,600	24,889
Total program revenues	<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>	<u>792,700</u>
Total net program (expense) revenue	<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>	<u>\$ (2,096,377)</u>
<b>GENERAL REVENUES:</b>										
Ad valorem taxes levied for:										
General purposes	\$ 961,492	\$ 906,798	\$ 831,155	\$ 757,984	\$ 778,692	\$ 814,054	\$ 864,701	\$ 901,439	\$ 916,007	\$ 918,653
Debt service	210	51	51	21	15	22	13	11,220	12,061	12,080
Capital outlays	297,268	229,963	200,622	192,258	196,120	204,254	218,479	237,117	257,477	277,021
Grants and contributions not restricted to specific programs:										
Florida education finance program	417,274	438,467	548,797	505,357	553,397	626,111	628,202	655,072	688,328	703,547
Other federal sources	183,247	348,546	381,178	205,162	195,655	192,642	208,119	17,161	22,189	23,947
Other state sources	407,314	367,078	374,624	372,518	386,985	388,984	394,190	2,041	7,856	2,096
Other local sources	93,412	28,913	34,035	13,002	71,410	68,145	239,471	75,556	60,869	70,571
Extraordinary Items										(10,375)
Unrestricted investment earnings	37,125	8,588	4,472	5,014	2,746	2,518	1,920	3,829	6,127	10,272
Total general revenues	<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>	<u>2,007,812</u>
Change in net position	<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>	<u>\$ (88,565)</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)

	2009 *	2010 *	2011	2012	2013	2014	2015	2016	2017	2018
<b>GENERAL FUND:</b>										
Nonspendable	\$ 19,401	\$ 11,105	\$ 10,571	\$ 10,015	\$ 9,775	\$ 8,128	\$ 20,361	\$ 20,959	\$ 21,540	\$ 20,049
Restricted	2,882	5,104	4,660	6,521	2,787	1,292	3,973	15,901	21,633	8,491
Committed	2,103	2,103	2,103	1,690	1,020	55,019	54,635	54,327	54,327	54,323
Assigned	2,365	2,510	25,497	9,274	10,117	30,177	23,199	27,429	31,312	20,334
Unassigned	58,206	48,628	57,000	49,646	59,179	50,164	59,264	60,565	61,213	57,372
Total General Fund	<u>\$ 84,957</u>	<u>\$ 69,450</u>	<u>\$ 99,831</u>	<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>\$ 160,569</u>
Total Change in General Fund Balance	<u>\$ (30,942)</u>	<u>\$ (15,507)</u>	<u>\$ 30,381</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>	<u>\$ (29,456)</u>
<b>ALL OTHER GOVERNMENTAL FUNDS:<sup>(1)</sup></b>										
Nonspendable	\$ 1,699	\$ 1,677	\$ 1,968	\$ 2,010	\$ 2,221	\$ 2,375	\$ 2,951	\$ 3,544	\$ 3,517	\$ 3,108
Restricted	721,383	510,346	439,693	369,817	313,001	270,579	433,961	376,947	371,115	335,449
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,982	1,950	4,011	2,513	2,701	2,894	3,136	4,050	4,513	4,838
Unassigned	-	-	-	-	-	(5,229)	-	-	-	-
Total All Other Governmental Funds	<u>\$ 725,064</u>	<u>\$ 513,973</u>	<u>\$ 445,672</u>	<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>\$ 343,395</u>
Total Change in Other Gov Funds Balance	<u>\$ (243,834)</u>	<u>\$ (211,091)</u>	<u>\$ (68,301)</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>	<u>\$ (35,750)</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

(UNAUDITED)

# **Broward County Public Schools**



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 1,258,970	\$ 1,129,024	\$ 1,016,239	\$ 961,867
Food sales	27,896	24,794	23,025	21,477
Interest income	33,697	6,992	4,274	2,838
Other	67,662	59,439	66,600	56,770
Total local sources	<u>1,388,225</u>	<u>1,220,249</u>	<u>1,110,138</u>	<u>1,042,952</u>
<b>State sources:</b>				
Florida education finance program	486,418	502,051	611,112	577,416
Public education capital outlay	25,570	10,894	5,000	-
Discretionary lottery funds	6,608	749	1,003	870
Categorical programs and other	389,270	326,109	334,929	322,957
Total state sources	<u>907,866</u>	<u>839,803</u>	<u>952,044</u>	<u>901,243</u>
<b>Federal sources:</b>				
Food service	55,767	62,534	65,604	67,416
Grants and other	196,824	352,119	387,888	211,264
Total federal sources	<u>252,591</u>	<u>414,653</u>	<u>453,492</u>	<u>278,680</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 2,548,682</u></u>	<u><u>\$ 2,474,705</u></u>	<u><u>\$ 2,515,674</u></u>	<u><u>\$ 2,222,875</u></u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	\$ 1,455,381	\$ 1,396,303	\$ 1,440,371	\$ 1,281,602
Instructional support services	258,476	239,841	221,500	205,933
Student transportation services	88,616	97,486	89,432	85,530
Operation and maintenance of plant	247,376	242,354	238,992	221,986
School administration	131,907	129,519	129,971	118,847
General administration	107,400	99,396	102,259	79,904
Food services	86,656	83,625	89,138	85,985
Total current operating	<u>2,375,812</u>	<u>2,288,524</u>	<u>2,311,663</u>	<u>2,079,787</u>
<b>Debt service:</b>				
Principal retirement	89,484	79,303	79,553	77,611
Interest charges	103,359	101,653	98,668	93,968
Total debt service	<u>192,843</u>	<u>180,956</u>	<u>178,221</u>	<u>171,579</u>
<b>Capital outlay:</b>				
Facilities acquisition & construction-non capitalized	71,189	60,652	24,517	32,646
Facilities acquisition & construction-capitalized	408,389	189,031	96,646	37,355
Total capital outlay	<u>479,578</u>	<u>249,683</u>	<u>121,163</u>	<u>70,001</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 3,048,233</u></u>	<u><u>\$ 2,719,163</u></u>	<u><u>\$ 2,611,047</u></u>	<u><u>\$ 2,321,367</u></u>
<b>Excess of revenues over (under)</b>				
<b>Expenditures</b>	<u>(499,551)</u>	<u>(244,458)</u>	<u>(95,373)</u>	<u>(98,492)</u>
<b>Other financing sources (uses):</b>				
Proceeds of bonds sold	-	4,217	-	-
Premium on refunding bonds	-	-	1,124	1,367
Proceeds of refunding bonds issued	-	-	6,995	12,265
Proceeds of certificates of participation	133,963	-	227,155	270,650
Premium (discount) on long-term debt issued	(816)	-	8,924	29,027
Capital leases	16,972	8,902	-	-
Proceeds from sale of capital assets	3,211	626	2,001	2,679
Proceeds of loss recovery	198	7,116	2,289	94
Payments to refunded bond escrow agents	-	(3,001)	(191,035)	(311,422)
Miscellaneous other uses	-	-	-	-
Transfers in	353,096	251,564	251,274	234,336
Transfers out	<u>(281,849)</u>	<u>(251,564)</u>	<u>(251,274)</u>	<u>(234,521)</u>
<b>Total other financing sources (uses)</b>	<u>224,775</u>	<u>17,860</u>	<u>57,453</u>	<u>4,475</u>
<b>Net change in fund balances</b>	<u><u>\$ (274,776)</u></u>	<u><u>\$ (226,598)</u></u>	<u><u>\$ (37,920)</u></u>	<u><u>\$ (94,017)</u></u>
<b>Debt service as a percentage of noncapital expenditures</b>	7.31%	7.15%	7.09%	7.51%

(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)**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 978,812	\$ 1,018,330	\$ 1,083,193	\$ 1,149,776	\$ 1,185,545	\$ 1,207,754
20,771	19,578	17,009	16,062	15,261	12,076
2,615	2,518	1,917	3,829	6,126	10,272
74,550	94,300	85,166	94,784	99,212	104,001
<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>	<u>1,334,103</u>
553,397	626,111	628,202	655,072	688,328	703,547
6,688	-	4,530	4,845	7,188	4,808
-	2,662	980	-	4,698	497
410,011	415,196	419,458	417,043	424,366	436,410
<u>970,096</u>	<u>1,043,969</u>	<u>1,053,170</u>	<u>1,076,960</u>	<u>1,124,580</u>	<u>1,145,262</u>
71,623	75,853	79,241	83,126	84,995	88,826
202,062	199,749	216,447	205,523	223,017	237,860
<u>273,685</u>	<u>275,602</u>	<u>295,688</u>	<u>288,649</u>	<u>308,012</u>	<u>326,686</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>	<u>\$ 2,806,051</u>
\$ 1,326,327	\$ 1,436,698	\$ 1,454,184	\$ 1,497,067	\$ 1,553,343	\$ 1,617,397
199,026	210,415	222,934	231,260	249,180	268,451
85,256	83,170	81,293	80,659	87,398	92,795
224,168	222,009	233,826	237,729	239,925	245,051
122,935	127,539	130,628	130,282	137,352	142,207
76,312	78,659	73,213	88,544	95,728	106,555
93,059	96,920	102,672	106,512	112,849	111,599
<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>	<u>2,584,055</u>
77,807	85,328	88,631	92,417	89,640	91,073
92,340	96,110	84,460	83,780	82,372	79,599
<u>170,147</u>	<u>181,438</u>	<u>173,091</u>	<u>176,197</u>	<u>172,012</u>	<u>170,672</u>
32,892	44,521	49,676	70,758	74,540	59,202
49,455	38,113	24,913	50,134	44,342	90,043
<u>82,347</u>	<u>82,634</u>	<u>74,589</u>	<u>120,892</u>	<u>118,882</u>	<u>149,245</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>\$ 2,903,972</u>
<u>(59,048)</u>	<u>(65,185)</u>	<u>(10,287)</u>	<u>(39,082)</u>	<u>(27,933)</u>	<u>(97,921)</u>
-	-	155,055	-	-	-
-	-	-	-	-	-
-	-	9,200	-	42,930	207,530
44,535	114,140	423,165	282,145	-	-
-	-	93,451	36,978	512	36,075
5,032	20,300	30,000	-	28,777	22,855
414	480	831	3,310	627	12,450
2,842	109	-	-	-	-
(44,460)	(113,825)	(515,334)	(321,109)	(39,465)	(246,195)
-	-	-	-	-	-
238,439	293,828	236,476	243,229	240,505	249,720
<u>(238,439)</u>	<u>(235,249)</u>	<u>(236,476)</u>	<u>(243,229)</u>	<u>(240,505)</u>	<u>(249,720)</u>
<u>8,363</u>	<u>79,783</u>	<u>196,368</u>	<u>1,324</u>	<u>33,381</u>	<u>32,715</u>
<u>\$ (50,685)</u>	<u>\$ 14,598</u>	<u>\$ 186,081</u>	<u>\$ (37,758)</u>	<u>\$ 5,448</u>	<u>\$ (65,206)</u>

7.30%

7.31%

6.86%

6.73%

6.32%

6.07%

(UNAUDITED)

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

FISCAL YEAR	ASSESSED VALUE <sup>(1)</sup>		EXEMPTIONS <sup>(2)</sup>		NET ASSESSED TAXABLE PROPERTY VALUE	DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY		
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	6.9063
2018	252,239,719	9,991,198	67,697,864	1,061,203	193,471,850	6.5394

(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 <sup>(1)</sup>	TOTAL
	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL			
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
2018	4.9740	1.5000	0.0654	6.5394	5.4620	0.3100	12.3114

**Property Tax Levies**

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
2018	962,329	290,208	12,653	1,265,190	1,056,801	59,976	2,381,967

(1) Includes South Florida Water Management District

SOURCE: Broward County Property Appraiser

(UNAUDITED)

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

TAXPAYER	2018			2009		
	TAX LEVY <sup>(1)</sup>	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY	TAX LEVY <sup>(1)</sup>	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
Florida Power & Light Co	\$ 70,786	1	1.76%	\$ 31,226	1	0.86%
Sunrise Mills Ltd Prtnr	14,013	2	0.35%	8,159	3	0.22%
Diplomat Hotel Owner LLC	8,114	3	0.20%	6,848	4	0.19%
Wal-Mart Stores East LP	5,667	4	0.14%	2,713	8	0.07%
Bellsouth Telecommunications Inc	5,122	5	0.13%	9,042	2	0.25%
Arium Resort LLC	4,831	6	0.12%	-	-	-
Harbor Beach Property LLC	4,183	7	0.10%	-	-	-
TAF GG Las Olas LP	3,723	8	0.09%	-	-	-
Camden Summit Partnership LP	3,310	9	0.08%	-	-	-
RAR2 - Las Olas Centre LLC	3,304	10	0.08%	-	-	-
WCI Communities Inc.	-	-	-	6,559	5	0.18%
BF Las Olas LLC	-	-	-	3,312	6	0.09%
Northwestern Mutual Life Ins CO	-	-	-	2,805	7	0.08%
Fifth Avenue Partners Ltd	-	-	-	2,511	9	0.07%
Pembroke Lakes Mall Ltd	-	-	-	2,405	10	0.07%
<b>Total principal taxpayers</b>	<u>123,053</u>		<u>3.05%</u>	<u>75,580</u>		<u>2.08%</u>
<b>All other taxpayers</b>	<u>3,908,498</u>		<u>96.95%</u>	<u>3,573,495</u>		<u>97.92%</u>
<b>Total aggregate tax levy</b>	<u>\$ 4,031,551</u>		<u>100.00%</u>	<u>\$ 3,649,075</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**



***Educating Today's Students  
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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 <sup>(1)</sup>	DISCOUNTS <sup>(2)</sup>		AMOUNT	PERCENTAGE OF TOTAL TAX LEVY
2009	\$ 1,314,419	\$ 6,670	\$ 42,216	1,265,533	1,249,478	95.06%
2010	1,182,168	12,390	38,689	1,131,089	1,115,273	94.34%
2011	1,062,192	10,880	35,658	1,015,654	1,004,118	94.53%
2012	1,006,041	5,680	34,340	966,021	961,815	95.60%
2013	1,017,528	3,890	35,072	978,566	977,705	96.09%
2014 <sup>(3)</sup>	1,062,480	3,845	36,865	1,021,770	1,018,308	95.84%
2015 <sup>(3)</sup>	1,142,028	11,382	39,633	1,091,013	1,083,180	94.85%
2016	1,197,902	7,644	41,445	1,148,813	1,148,144	95.85%
2017	1,234,873	8,307	42,922	1,183,644	1,182,717	95.78%
2018	1,265,190	12,734	44,124	1,208,332	1,206,362	95.35%

(1) Deductions reflect adjustments by Value Adjustment Board

(2) Reflects discounts for early payment

(3) Prior year revenue in General Fund and Capital Funds were added here due to negative balances

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

**Table 8 (concluded)**

COLLECTED IN SUBSEQUENT YEARS	TOTAL COLLECTIONS THRU JUNE 30, 2018	
	AMOUNT	PERCENTAGE OF TOTAL TAX LEVY
9,492	1,258,970	95.78%
13,751	1,129,024	95.50%
12,120	1,016,238	95.67%
52	961,867	95.61%
1,107	978,812	96.20%
22	1,018,330	95.84%
13	1,083,193	94.85%
1,633	1,149,777	95.98%
2,829	1,185,546	96.01%
1,392	1,207,754	95.46%

(UNAUDITED)



**TABLE 9 - EDUCATIONAL IMPACT FEE REVENUES  
LAST TEN 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
2018	14,985

**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>2018</u>
<sup>1</sup> Net Taxable Assessed Valuation	\$ 193,471,850
Funds generated from Local Option Millage Levy assuming a levy of 1.50 mills	\$ 278,599
Local Option Millage Levy Legally Available to make Lease Payments assuming 75% of the 1.50 mills is Available	\$ 208,949
<sup>2</sup> Maximum Combined Annual Lease Payment represented by the Outstanding Certificates	\$ 159,485
<sup>3</sup> Minimum Millage Required to Produce 1.00x coverage of Maximum Annual Basic Lease Payments represented by the Outstanding Certificates	0.859
<sup>3</sup> 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	1.145

(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 <sup>(3)</sup>	GENERAL OBLIGATION BONDS <sup>(3)</sup>	CERTIFICATES OF PARTICIPATION <sup>(3)</sup>	CAPITAL LEASES	TOTAL	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION <sup>(2)</sup>	PERCENT OF TOTAL OUTSTANDING DEBT TO PERSONAL INCOME <sup>(1)</sup>	PER CAPITA <sup>(1)</sup>
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
2018	12,906	151,991	1,497,821	62,745	1,725,463	0.89%	NA	884

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 Premiums/Discounts

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)

<b>FISCAL YEAR</b>	<b>NET ASSESSED TAXABLE VALUE<sup>(1)</sup></b>	<b>TOTAL BONDED DEBT</b>	<b>LESS DEBT SERVICE FUNDS</b>	<b>NET BONDED DEBT<sup>(2)</sup></b>	<b>RATIO OF NET BONDED DEBT TO TAXABLE VALUE</b>	<b>NET BONDED DEBT PER CAPITA<sup>(3)</sup></b>	<b>NET BONDED DEBT PER PUPIL<sup>(3)</sup></b>
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	172,124	7,493	164,631	0.09%	85	607
2018	193,471,850	164,897	5,747	159,150	0.08%	82	586

(1) SOURCE: Broward County Property Appraiser

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

(3) Refer to TABLE 16 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, 2018</u>	<u>JUNE 30, 2009</u>
<b>Direct debt:</b>		
General obligation bonds	\$ 144,430	\$ -
Certificates of Participation	1,338,303	1,980,665
Special obligation bonds <sup>(1)</sup>	11,686	71,050
Capital Leases	62,745	39,204
Premium/Discount (net)	139,977	43,866
Interest Rate Swap	28,518	-
<b>TOTAL DIRECT DEBT</b>	<b>1,725,659</b>	<b>2,134,785</b>
<b>Overlapping debt:</b> <sup>(2)</sup>		
Broward County <sup>(3)</sup>	207,550	493,615
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<b>\$ 1,933,209</b>	<b>\$ 2,628,400</b>
Population <sup>(4)</sup>	1,952,092	1,744,590
Assessed property valuation <sup>(5)</sup>	\$ 262,230,917	\$ 247,727,020
Net Assessed taxable property valuation <sup>(5)</sup>	\$ 193,471,850	\$ 177,216,930
<b>DEBT RATIOS</b>		
<b>PERCENT OF ASSESSED PROPERTY VALUATION</b>		
Direct debt	0.66%	0.86%
Overlapping debt	0.08%	0.20%
Direct and overlapping debt	0.74%	1.06%
<b>PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION</b>		
Direct debt	0.89%	1.20%
Overlapping debt	0.11%	0.28%
Direct and overlapping debt	1.00%	1.48%
<b>PER CAPITA</b>		
Direct debt	\$ 884	\$ 1,224
Overlapping debt	\$ 106	\$ 283
Direct and overlapping debt	\$ 990	\$ 1,507

(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, 2017.

(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

(UNAUDITED)

# **Broward County Public Schools**



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**TABLE 14 - LEGAL DEBT MARGIN INFORMATION**

**LAST TEN FISCAL YEARS**

(dollars in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Limit on bond indebtedness	\$ 17,721,693	\$ 15,908,613	\$ 13,919,477	\$ 13,562,166
Total net debt applicable to limit	<u>63,004</u>	<u>57,144</u>	<u>61,748</u>	<u>53,736</u>
Legal debt margin on bonded debt	<u>\$ 17,658,689</u>	<u>\$ 15,851,469</u>	<u>\$ 13,857,729</u>	<u>\$ 13,508,430</u>
Total net debt applicable to limit as a percentage of debt limit	0.36%	0.36%	0.44%	0.40%

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

**Table 14 (concluded)**

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 13,647,126	\$ 14,204,292	\$ 15,353,975	\$ 16,468,277	\$ 17,880,381	\$ 19,347,185
39,734	34,162	191,021	172,484	164,631	159,150
<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>	<u>\$ 19,188,035</u>
0.29%	0.24%	1.24%	1.05%	0.92%	0.82%

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR**

Net Assessed Taxable Property Value - January 2017	<u>\$ 193,471,850</u>
Limit on Bond Indebtedness, 10% of net assessed taxable property value	\$ 19,347,185
Total Bonded Debt	164,897
Less:	
Net Position in Debt Service Funds	<u>(5,747)</u>
<b>TOTAL AMOUNT APPLICABLE TO DEBT LIMIT</b>	<u>159,150</u>
<b>LEGAL DEBT MARGIN ON BONDED DEBT</b>	<u>\$ 19,188,035</u>

(UNAUDITED)



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

<b>FISCAL YEAR</b>	<b>PRINCIPAL<sup>(1)</sup></b>	<b>INTEREST<sup>(1)</sup></b>	<b>TOTAL DEBT SERVICE</b>	<b>TOTAL GENERAL EXPENDITURES</b>	<b>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</b>
2009	\$ 6,495	\$ 3,591	\$ 10,086	\$ 3,048,233	0.33%
2010	6,835	8,319	15,154	2,719,163	0.56%
2011	7,160	10,758	17,918	2,611,047	0.69%
2012	7,500	10,805	18,305	2,321,367	0.79%
2013	7,665	10,399	18,064	2,379,577	0.76%
2014	12,475	10,062	22,537	2,519,482	0.89%
2015	10,985	9,424	20,409	2,546,430	0.80%
2016	15,102	16,214	31,316	2,669,142	1.17%
2017	12,299	15,396	27,695	2,766,669	1.00%
2018	15,402	14,930	30,332	2,903,972	1.04%

**(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**

<b>FISCAL YEAR</b>	<b>POPULATION<sup>(1)</sup></b>	<b>PER CAPITA INCOME<sup>(1)</sup></b>	<b>CIVILIAN LABOR FORCE<sup>(2)</sup></b>	<b>UNEMPLOYMENT RATE<sup>(2)</sup></b>	<b>PERSONAL INCOME<sup>(2)</sup></b>	<b>FALL SCHOOL ENROLLMENT<sup>(3)</sup></b>
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
2018	1,952,092 *	NA	1,048,194 *	3.70%	NA	271,517

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>2009</u>	<u>2010</u>	<u>2011</u>
Student Enrollment: <sup>(1)</sup>			
Pre-K	4,002	4,244	4,465
K	15,814	15,772	16,035
Pre-1	-	-	-
1	17,244	16,468	16,603
2	17,467	17,062	16,296
3	18,524	18,262	17,690
4	17,643	17,509	17,331
5	17,671	17,422	17,389
6	18,154	17,315	16,952
7	17,577	18,238	17,418
8	18,112	17,399	17,999
9	19,320	18,488	17,486
10	18,167	17,941	18,211
11	16,785	17,345	16,872
12	15,968	16,460	16,947
Centers	4,592	4,676	5,904
Total District Schools	<u>237,040</u>	<u>234,601</u>	<u>233,598</u>
Charter Schools	18,698	20,602	23,274
Total	<u><u>255,738</u></u>	<u><u>255,203</u></u>	<u><u>256,872</u></u>
Average Class Size:			
Grades Pre-K - 3	-	-	-
Grades 4 - 8	-	-	-
Grades 9 - 12	-	-	-
Number of Schools:			
Elementary	138	141	141
Middle	43	42	42
High	33	33	33
Adult/Vocational	5	5	5
Centers	10	10	10
Charter	56	56	68
K-8			1
Total	<u><u>285</u></u>	<u><u>287</u></u>	<u><u>300</u></u>

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

**Table 17 (concluded)**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
4,345	4,282	4,323	4,839	5,339	5,731	5,939
15,741	15,788	15,664	15,015	14,661	14,551	14,459
-	-	-	-	-	-	-
16,389	16,209	16,763	16,811	15,917	15,599	15,629
16,488	16,138	16,207	16,813	16,681	16,160	15,856
17,011	17,081	17,066	17,084	17,021	17,771	17,069
16,484	15,865	15,946	16,332	16,826	16,263	16,744
17,139	16,194	15,722	15,905	16,253	16,920	16,617
16,713	16,420	15,744	15,402	15,392	15,796	16,413
16,890	16,936	16,470	15,862	15,748	15,550	16,109
17,287	17,116	16,921	16,563	15,973	15,801	15,813
18,176	17,764	17,581	18,137	18,251	17,686	17,753
17,331	18,256	17,735	17,690	18,413	18,274	17,995
17,227	16,662	17,219	16,995	17,200	17,712	17,682
16,187	16,668	15,961	16,571	16,604	16,732	17,256
5,906	6,138	5,633	5,330	5,275	5,194	5,090
<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>226,424</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>45,093</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>	<u>271,517</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
141	141	140	137	137	136	136
42	42	40	40	40	38	37
33	33	32	33	33	33	33
5	5	3	9	9	10	11
12	10	14	19	19	19	17
76	83	95	99	96	97	89
1	1	-	-	-	-	-
<u>310</u>	<u>315</u>	<u>324</u>	<u>337</u>	<u>334</u>	<u>333</u>	<u>323</u>

**(UNAUDITED)**

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

<b>SCHOOL DISTRICT</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
New York City, NY	1,035,406	1,029,459	1,038,741	1,043,886
Los Angeles, CA	693,680	687,534	670,746	667,273
Chicago, IL	407,510	421,430	407,157	405,644
Miami-Dade County, FL	348,128	345,525	345,804	347,366
Clark County, NV (Las Vegas)	309,051	312,761	307,059	314,059
<b>Broward County, FL <sup>(2)</sup></b>	<b>258,905</b>	<b>255,738</b>	<b>255,203</b>	<b>256,872</b>
Houston, TX	199,534	200,225	202,773	204,245
Hillsborough County, FL	193,180	192,007	193,265	194,525
Orange County, FL	174,142	172,257	173,259	176,008
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 2017 Issue**

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

**Table 18 (concluded)**

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
1,041,437	1,036,053	1,104,479	1,122,783	1,141,232	NA
662,140	655,494	653,826	646,683	639,337	NA
409,530	403,461	399,930	397,138	391,961	NA
350,227	354,236	356,232	356,964	357,579	NA
321,655	311,429	314,598	318,040	319,712	NA
<b>258,803</b>	<b>260,796</b>	<b>262,563</b>	<b>265,401</b>	<b>268,836</b>	<b>271,105</b>
201,594	202,586	210,716	215,225	214,891	NA
197,001	200,287	203,432	207,469	211,923	NA
179,989	183,021	187,092	191,648	200,667	NA
NA	NA	NA	186,605	189,322	NA

(UNAUDITED)

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

<b>EMPLOYERS</b>	<b>2018</b>		
	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</b>
School Board of Broward County	27,220	1	2.6%
Memorial Healthcare System	13,137	2	1.3%
Broward County Government	12,521	3	1.2%
Broward Health	8,219	4	0.8%
Nova Southeastern University	7,102	5	0.7%
AutoNation	4,100	6	0.4%
American Express	3,500	7	0.3%
City of Fort Lauderdale	2,749	8	0.3%
Spirit Airlines	1,800	9	0.2%
Citrix	1,700	10	0.2%
	<u>82,048</u>		<u>8.0%</u>

	<b>2009</b>		
	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PRODUCTS/ SERVICE</b>
School Board of Broward County	39,714	1	Public Education
Broward County Government	12,858	2	County Government
The Healthcare Company (HCA)	12,034	3	Hospital/Health Care
Memorial Healthcare System	10,514	4	Hospital/Health Care
Tenet Healthcare Corp.	9,852	5	Hospital/Health Care
North Broward Hospital District	8,148	6	Hospital/Health Care
American Express	5,700	7	Financial Services
The Continental Group	5,500	8	Automotive Manufacturing
Nova Southeastern University	3,028	9	University
PRC, LLC	2,700	10	Management Services
	<u>110,048</u>		

**SOURCE: 2018 Greater Fort Lauderdale Alliance/Broward County  
(Economic Sourcebook & Market Profile)**

**SOURCE: 2009 School Board of Broward County CAFR - Statistical Section**

**(UNAUDITED)**

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

<b>FISCAL YEAR</b>	<b>INSTRUCTIONAL STAFF<sup>(1)</sup></b>	<b>TEACHER AIDES</b>	<b>PRINCIPALS &amp; ASSISTANT PRINCIPALS</b>	<b>MANAGEMENT &amp; SUPPORT STAFF<sup>(2)</sup></b>	<b>TOTAL</b>
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
2018	15,490	2,938	658	8,134	27,220

**(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>
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
2018	44,411	83,035	63,723

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

**(UNAUDITED)**

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**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>
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
2018	271,517	2,584,055,000	9,517	15,490

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

**(UNAUDITED)**

TABLE 23 - CAPITAL ASSET INFORMATION  
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Schools</b>										
<b>Elementary</b>										
Permanent Buildings:										
Number	1,134	1,136	1,135	1,134	1,129	1,127	1,097	1,111	1,115	1,103
Square Feet	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	15,058,704
Portables:										
Number	583	579	579	579	577	566	520	543	506	450
Square Feet	500,487	496,475	496,475	496,475	494,671	485,439	447,083	442,716	411,360	368,076
Student stations	126,865	126,122	125,016	124,026	123,331	124,125	120,922	122,479	121,380	120,734
Enrollment	108,365	106,739	105,746	103,597	101,557	101,691	102,799	100,201	99,577	98,926
<b>Middle</b>										
Permanent Buildings:										
Number	383	385	387	384	383	375	373	375	375	367
Square Feet	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	7,112,856
Portables:										
Number	593	575	571	471	470	459	454	440	382	344
Square Feet	479,893	467,813	463,393	375,727	374,935	366,375	362,183	344,628	300,700	276,756
Student stations	73,075	71,636	71,353	70,115	69,348	69,526	67,381	67,548	66,737	64,172
Enrollment	53,843	52,952	52,432	50,890	50,472	49,135	47,827	45,550	44,869	44,442
<b>Combination</b>										
Permanent Buildings:										
Number							56	56	56	56
Square Feet							1,083,291	1,096,643	1,096,643	1,096,643
Portables:										
Number							19	19	19	19
Square Feet							16,260	16,260	16,260	16,260
Student stations							8,419	8,395	8,395	8,395
Enrollment							5,646	5,987	7,686	9,308
<b>High</b>										
Permanent Buildings:										
Number	486	493	493	476	475	459	450	452	454	453
Square Feet	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	9,178,033
Portables:										
Number	589	588	587	585	572	573	567	525	498	380
Square Feet	480,429	479,789	478,997	477,413	466,051	467,063	461,515	427,999	406,931	310,603
Student stations	90,580	89,721	89,258	88,209	85,857	83,986	82,720	82,323	82,023	81,134
Enrollment	70,240	70,234	69,516	68,921	69,350	68,496	69,393	68,541	68,414	68,658
<b>Other</b>										
Permanent Buildings:										
Number	146	141	142	158	161	161	156	132	139	160
Square Feet	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	2,214,258
Portables:										
Number	136	152	154	106	106	106	106	95	93	105
Square Feet	112,264	122,960	124,984	86,168	86,168	86,168	86,168	77,388	75,320	85,352
Student stations	11,278	11,246	11,133	13,020	13,310	13,639	14,061	12,661	12,705	14,067
Enrollment	4,592	4,676	5,904	5,906	6,138	5,633	5,330	5,275	5,194	5,090
<b>Administrative</b>										
Permanent Buildings:										
Number	102	103	91	75	76	76	76	76	76	69
Portables:										
Number	148	147	144	289	287	306	304	304	303	178
Square Feet	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	1,403,537

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

(UNAUDITED)



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