

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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NOVEMBER 30, 2018

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of November 30, 2018

(With comparative totals for November 30, 2017)

	GOVERNMENTAL FUND TYPES					PROPRIETARY	FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	INTERNAL SERVICE	AGENCY FUNDS	(Memorandum Only)	
						November 2018	November 2017		
ASSETS:									
Cash, cash equivalents and investments	\$ 136,029,360	\$ 47,805,530	\$ 30,464,635	\$ 36,709,901	\$ 272,228,756	\$ 345,468	\$ 18,280,646	\$ 541,864,296	\$ 620,136,314 (A)
Due from other agencies	254,776,127	32,055,655	6,295,438	-	77,997,295	-	-	371,124,515	335,484,451 (B)
Due from other funds	53,400,323	-	-	-	-	-	-	53,400,323	45,472,239
Inventories	7,819,246	195,765	-	-	-	100,503	-	8,115,514	11,256,424
Fixed assets	-	-	-	-	-	10,106	-	10,106	3,860
Prepays and Other assets	11,716,232	404,093	56,528	145,571	523,480	1,757	-	12,847,661	10,532,879
TOTAL ASSETS	\$ 463,741,288	\$ 80,461,043	\$ 36,816,601	\$ 36,855,472	\$ 350,749,531	\$ 457,834	\$ 18,280,646	\$ 987,362,415	\$ 1,022,886,167
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 26,223,653	\$ 4,428,332	\$ 18,488,452	\$ 413,475	\$ 1,153,672	\$ 41,616	\$ 18,280,646	\$ 69,029,846	\$ 50,992,557
Salaries, benefits and payroll taxes payable	35,840,305	-	-	-	-	-	-	35,840,305	60,380,958 (C)
Deferred summer pay	32,802,291	-	-	-	-	-	-	32,802,291	30,280,362
Payroll deductions and withholdings payable	26,575,994	-	-	-	-	-	-	26,575,994	26,995,744
Due to other agencies	18,387,383	-	-	-	-	-	-	18,387,383	13,361,527
Due to other funds	-	23,553,524	-	-	29,846,798	-	-	53,400,322	45,472,239
Deferred revenue	25,707,216	828,141	-	-	26,749,020	-	-	53,284,377	52,173,793
Liability for compensated absences	7,095,639	93,584	-	-	-	-	-	7,189,223	6,983,156
Estimated liability for self-insured risks	2,956,500	-	-	-	-	-	-	2,956,500	8,640,326
Notes payable	125,000,000	-	-	-	-	-	-	125,000,000	125,000,000
Retainages payable	47,764	-	-	1,371,079	2,125,748	-	-	3,544,591	2,554,785
TOTAL LIABILITIES	300,636,745	28,903,581	18,488,452	1,784,554	59,875,238	41,616	18,280,646	428,010,832	422,835,447
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	10,106	-	10,106	9,504
Net assets-unrestricted	-	-	-	-	-	406,112	-	406,112	217,866
Fund balances:									
Nonspendable	22,376,169	195,765	-	-	-	-	-	22,571,934	25,310,599
Restricted-Other	8,490,466	46,061,510	18,328,149	(66,726,357)	244,502,443	-	-	250,656,211	346,412,575 (D)
Restricted-Capital Encumbrances	-	-	-	101,797,275	46,371,850	-	-	148,169,125	64,991,095 (D)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	77,910,613	5,300,187	-	-	-	-	-	83,210,800	108,781,786
TOTAL FUND EQUITY	163,104,543	51,557,462	18,328,149	35,070,918	290,874,293	416,218	-	559,351,583	600,050,720
TOTAL LIABILITIES AND FUND EQUITY	\$ 463,741,288	\$ 80,461,043	\$ 36,816,601	\$ 36,855,472	\$ 350,749,531	\$ 457,834	\$ 18,280,646	\$ 987,362,415	\$ 1,022,886,167

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

For The Five Months Ended November 30, 2018

(With comparative amounts for the five months ended November 30, 2017)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						November 2018	November 2017
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 371,434,685	\$ -	\$ 10,003,785	\$ -	\$ 117,425,401	\$ 498,863,871	\$ 460,474,386 (E)
Food service	-	6,018,075	-	-	-	6,018,075	3,718,696 (F)
Interest income and other	27,422,577	3,540,050	460,532	590,802	6,080,956	38,094,917	30,090,493
Total local sources	<u>398,857,262</u>	<u>9,558,125</u>	<u>10,464,317</u>	<u>590,802</u>	<u>123,506,357</u>	<u>542,976,863</u>	<u>494,283,575</u>
State sources:							
Florida education finance program	295,645,531	-	-	-	-	295,645,531	280,423,968
Other	158,486,311	1,218,594	-	-	14,961,321	174,666,226	158,867,403
Total state sources	<u>454,131,842</u>	<u>1,218,594</u>	<u>-</u>	<u>-</u>	<u>14,961,321</u>	<u>470,311,757</u>	<u>439,291,371</u>
Federal sources:							
Food service	-	37,093,510	-	-	-	37,093,510	35,252,917 (F)
Other	10,581,877	73,533,544	-	-	-	84,115,421	70,936,010
Total federal sources	<u>10,581,877</u>	<u>110,627,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,208,931</u>	<u>106,188,927</u>
TOTAL REVENUES	<u>863,570,981</u>	<u>121,403,773</u>	<u>10,464,317</u>	<u>590,802</u>	<u>138,467,678</u>	<u>1,134,497,551</u>	<u>1,039,763,873</u>
EXPENDITURES:							
Current Operating:							
Instructional services	583,430,132	48,296,469	-	-	-	631,726,601	591,111,103 (G)
Student and instructional support services	69,254,439	24,167,133	-	-	-	93,421,572	82,006,839
Student transportation services	36,453,228	270,959	-	-	-	36,724,187	34,336,515
Operation and maintenance of plant	102,700,712	36,459	-	-	-	102,737,171	101,318,147
School administration	59,278,603	595,909	-	-	-	59,874,512	56,403,119
Food service	-	46,456,084	-	-	-	46,456,084	36,258,066 (H)
Instruction related technology	12,654,422	-	-	-	-	12,654,422	12,616,498
General administration	39,225,928	3,919,478	-	-	-	43,145,406	39,895,816
Total current operating	<u>902,997,464</u>	<u>123,742,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,026,739,955</u>	<u>953,946,103</u>
Debt Service:							
Principal reduction	-	-	5,709,434	-	-	5,709,434	6,298,762
Interest and other charges	-	-	2,876,640	-	-	2,876,640	2,961,184
Capital Outlay	-	18,872	-	23,565,704	22,015,018	45,599,594	55,781,047 (I)
TOTAL EXPENDITURES	<u>902,997,464</u>	<u>123,761,363</u>	<u>8,586,074</u>	<u>23,565,704</u>	<u>22,015,018</u>	<u>1,080,925,623</u>	<u>1,018,987,096</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(39,426,483)</u>	<u>(2,357,590)</u>	<u>1,878,243</u>	<u>(22,974,902)</u>	<u>116,452,660</u>	<u>53,571,928</u>	<u>20,776,777</u>
OTHER FINANCING SOURCES (USES):							
Proceeds of capital leases	-	-	-	-	27,491	27,491	4,680,066
Proceeds from sale capital assets	-	-	-	-	1,372,911	1,372,911	3,408,389
Operating transfers in	41,962,687	-	8,334,823	-	-	50,297,510	60,728,751
Operating transfers out	-	(155,945)	-	-	(50,141,565)	(50,297,510)	(60,728,751)
TOTAL OTHER FINANCING SOURCES (USES)	<u>41,962,687</u>	<u>(155,945)</u>	<u>8,334,823</u>	<u>-</u>	<u>(48,741,163)</u>	<u>1,400,402</u>	<u>8,088,455</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>2,536,204</u>	<u>(2,513,535)</u>	<u>10,213,066</u>	<u>(22,974,902)</u>	<u>67,711,497</u>	<u>54,972,330</u>	<u>28,865,232</u>
FUND BALANCES, BEGINNING OF PERIOD	<u>160,568,339</u>	<u>54,070,997</u>	<u>8,115,083</u>	<u>58,045,820</u>	<u>223,162,796</u>	<u>503,963,035</u>	<u>570,958,118</u>
FUND BALANCES, END OF PERIOD	<u>\$ 163,104,543</u>	<u>\$ 51,557,462</u>	<u>\$ 18,328,149</u>	<u>\$ 35,070,918</u>	<u>\$ 290,874,293</u>	<u>\$ 558,935,365</u>	<u>\$ 599,823,350</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Five Months Ended November 30, 2018

(With comparative amounts for the five months ended November 30, 2017)

	<u>BUDGET</u>	<u>REVENUES YEAR-TO-DATE</u>	<u>BALANCE REMAINING</u>	<u>REVENUES Y-T-D AS % OF BUDGET</u>	<u>REVENUES AS OF NOVEMBER 2017</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 935,216,264	\$ 370,813,249	\$ 564,403,015	40%	\$ 350,250,762
Ad valorem taxes - prior years	5,912,852	621,436	5,291,416	11%	-
Interest on investments	4,000,000	2,273,862	1,726,138	57%	679,996 (J)
After school supervision	19,200,000	8,689,024	10,510,976	45%	6,217,719
Course fees	11,279,490	3,391,068	7,888,422	30%	3,179,494
Gifts, grants, bequests	-	13,239	(13,239)	OVER 100%	13,853 (K)
Receipt of federal indirect cost rate	11,400,000	4,444,817	6,955,183	39%	4,052,847
Rental income	1,500,000	604,163	895,837	40%	677,429
E-rate rebate	3,500,000	1,833,021	1,666,979	52%	882,796 (L)
Other	15,154,408	6,173,383	8,981,025	41%	5,507,353
Total local sources	<u>1,007,163,014</u>	<u>398,857,262</u>	<u>608,305,752</u>	40%	<u>371,462,249</u>
State sources:					
Florida education finance program	732,096,375	295,645,531	436,450,844	40%	280,423,968
Workforce development	74,576,965	29,569,767	45,007,198	40%	27,792,831
Adult w/Disabilities	800,000	317,200	482,800	40%	303,040
Discretionary lottery funds	494,880	196,220	298,660	40%	1,782,765
Class size reduction	307,398,446	121,883,484	185,514,962	40%	117,833,800
State license tax	300,000	60,973	239,027	20%	77,328 (M)
Racing commission	446,500	-	446,500	-	-
School recognition/merit schools	13,887,539	5,506,409	8,381,130	40%	3,472,529
Other	2,479,564	952,258	1,527,306	38%	864,073
Total state sources	<u>1,132,480,269</u>	<u>454,131,842</u>	<u>678,348,427</u>	40%	<u>432,550,334</u>
Federal sources:					
ROTC	2,000,000	800,775	1,199,225	40%	553,272
Other	18,450,000	9,781,102	8,668,898	53%	864,643 (N)
Total federal sources	<u>20,450,000</u>	<u>10,581,877</u>	<u>9,868,123</u>	52%	<u>1,417,915</u>
Other financing sources:					
Transfer from special revenue funds	1,200,000	155,945	1,044,055	13%	510,469 (O)
Transfer from capital projects funds	105,439,450	41,806,742	63,632,708	40%	32,967,015
Total other financing sources	<u>106,639,450</u>	<u>41,962,687</u>	<u>64,676,763</u>	39%	<u>33,477,484</u>
TOTAL REVENUES & OTHER FINANCING SOURCES	<u>\$ 2,266,732,733</u>	<u>\$ 905,533,668</u>	<u>\$ 1,361,199,065</u>	40%	<u>\$ 838,907,982</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Five Months Ended November 30, 2018

(With comparative amounts for the five months ended November 30, 2017)

	BUDGET	EXPENDITURES YEAR-TO-DATE	BALANCE AVAILABLE	EXPENDITURES Y-T-D AS % OF BUDGET	EXPENDITURES AS OF NOVEMBER 2017
EXPENDITURES:					
Instructional services	\$ 1,491,647,850	\$ 574,421,579	\$ 917,226,271	39%	\$ 535,581,790
Pupil personnel services	125,419,328	46,270,145	79,149,183	37%	42,131,065
Instructional media	22,169,461	9,410,449	12,759,012	42%	8,424,118
Instruction & curriculum development	27,974,617	10,974,200	17,000,417	39%	9,212,617
Instruction & staff training	11,066,918	2,599,645	8,467,273	23%	2,330,708 (P)
Technology-Instructional	24,618,365	10,904,431	13,713,934	44%	10,224,388
Board of education	4,549,348	2,130,756	2,418,592	47%	2,162,481
General administration	8,761,867	3,424,881	5,336,986	39%	2,427,786
School administration	137,943,373	59,278,603	78,664,770	43%	55,815,653
Fiscal services	10,178,915	4,011,510	6,167,405	39%	3,761,323
Central services	69,362,621	29,658,781	39,703,840	43%	27,741,749
Technology-Administrative	3,980,904	1,749,991	2,230,913	44%	2,392,110
Transportation services	83,603,789	36,453,228	47,150,561	44%	34,085,383
Operation services	178,136,433	74,817,629	103,318,804	42%	71,455,577
Maintenance services	62,620,167	27,883,083	34,737,084	45%	22,824,101
Community services	16,086,563	9,008,553	7,078,010	56%	7,429,254
Debt Service	1,480,417	-	1,480,417	(100)%	- (Q)
TOTAL EXPENDITURES	2,279,600,936	902,997,464	1,376,603,472	40%	838,000,103
Other financing uses:					
Transfer to special revenue funds	40,000	-	40,000	-	-
Total other financing uses	40,000	-	40,000	-	-
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 2,279,640,936	\$ 902,997,464	\$ 1,376,643,472	40%	\$ 838,000,103

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Five Months Ended November 30, 2018

(With comparative amounts for the five months ended November 30, 2017)

	<u>NOVEMBER 2018</u>	<u>NOVEMBER 2017</u>
BEGINNING FUND BALANCE	\$ 160,568,339	\$ 190,025,243
Plus:		
Revenues and other financing sources	905,533,668	838,907,982
Less:		
Expenditures and other financing uses	<u>902,997,464</u>	<u>838,000,103</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>2,536,204</u>	 <u>907,879</u>
 ENDING FUND BALANCE:		
Nonspendable	22,376,169	21,645,264
Restricted	8,490,466	21,632,819
Committed	54,327,295	54,327,295
Assigned/Unassigned	77,910,613	93,327,744
TOTAL ENDING FUND BALANCE	<u>\$ 163,104,543</u>	<u>\$ 190,933,122</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>3.61%</u>	 <u>4.35%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>4.27%</u>	 <u>5.10%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET
For The Five Months Ended November 30, 2018

ASSETS

- (A) Cash, cash equivalents and investments decreased by \$78.3 million as the District continues to complete approved projects funded by the accumulated capital reserves of the General Obligation Bond and other Capital Outlay resources. The decrease is also due to the accrual of revenue based on leveled expenditures.
- (B) Due from other agencies increased by \$35.6 million due to the timing difference in recognizing revenues.

LIABILITIES

- (C) Salaries, benefits and payroll taxes payable decreased by \$24.5 million due to the timing of payroll dates in fiscal year 2019 compared to 2018. An additional teacher payroll was accrued in November 2017 that resulted in a higher payable in fiscal year 2018.

FUND EQUITY

- (D) Restricted-Other fund balance decreased by \$95.8 million and Restricted-Capital Encumbrances increased by \$83.2 million as the District continues to complete approved projects funded by the accumulated capital reserves of the General Obligation Bond and other Capital Outlay resources. The overall fund balance for the General Obligation Bond is \$35.1 million. The decrease in restricted other fund balance is also due to a reduction in the remaining balance of state categorical funding carried over at the end of fiscal year 2018, primarily instructional materials, as compared to prior year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**SCHEDULE OF EXPLANATION FOR COMBINED REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For The Five Months Ended November 30, 2018**

REVENUES

LOCAL AND FEDERAL SOURCES

(E) Ad valorem taxes

The increase of \$38.4 million is due to the property tax revenues being proportionately recognized during the year.

(F) Food service

Food service revenues from federal and local sources increased in fiscal year 2019 compared to fiscal year 2018 due to a loss of seven operating days due to Hurricane Irma in fiscal year 2018. For fiscal year 2019, year to date lunch meals increased by 11%, year to date breakfast increased by 16% and year to date supper meals increased by 22%. The increase of operating days and more meals being served through November 2018 accounts for the increase in revenues in fiscal year 2019.

EXPENDITURES

(G) Instructional services

The increase of \$40.6 million is due to the 2017-18 approved teachers salary increases that were implemented in January 2018.

(H) Food service

Food service operating expenditures for fiscal year 2019 increased by \$10.2 million compared to fiscal year 2018 as seven operating days were lost due to Hurricane Irma in fiscal year 2018. In fiscal year 2019, year to date lunch meals increased by 11%, year to date breakfast increased by 16% and year to date supper meals increased by 22%, thus more food and supplies were used to prepare and serve the increase in meals and operating days. Salaries and benefits have increased as a result of an increase in managers' hours, pay increase/raise and overtime, capital purchases have been made to replace aged equipment and the indirect cost rate is higher.

(I) Capital outlay

The decrease of \$10.2 million in capital outlay expenditures is due to the fact that there are no lease purchases through November 2018 as compared to the prior year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Five Months Ended November 30, 2018

ESTIMATED REVENUES

LOCAL SOURCES

(J) Interest on investments

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

(K) Gifts, grants and bequests

Funds were received as a donation for the Butler Foundation.

(L) E-rate rebate

The collection of E-rate rebate is higher as compared to November 2017.

(M) State license tax

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

FEDERAL SOURCES

(N) Other federal sources

Medicaid revenues are higher by \$4.5 million as compared to November 2017 due to the timing of revenue collection. Additionally, \$4.4 million was received for the temporary emergency impact aid for displaced students.

OTHER FINANCING SOURCES

(O) Transfer from special revenue funds

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

EXPENDITURES

(P) Instruction & staff training

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

(Q) Debt Service

The Tax Anticipation Notes will be paid in June 2019.