

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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DECEMBER 31, 2018

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of December 31, 2018

(With comparative totals for December 31, 2017)

	GOVERNMENTAL FUND TYPES					PROPRIETARY	FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	INTERNAL SERVICE	AGENCY FUNDS	(Memorandum Only)	
						December 2018	December 2017		
ASSETS:									
Cash, cash equivalents and investments	\$ 614,341,313	\$ 48,931,335	\$ 76,802,400	\$ 32,804,146	\$ 552,780,037	\$ 306,981	\$ 18,255,628	\$ 1,344,221,840	\$ 1,387,912,577 (A)
Due from other agencies	720,004	27,362,011	-	-	22,853,546	-	-	50,935,561	27,373,130 (B)
Due from other funds	56,765,838	-	-	-	-	-	-	56,765,838	55,862,257
Inventories	8,079,326	447,780	-	-	-	100,503	-	8,627,609	12,903,828
Fixed assets	-	-	-	-	-	10,106	-	10,106	3,860
Prepays and Other assets	10,440,767	314,636	41,858	99,534	339,368	1,119	-	11,237,282	9,783,443
TOTAL ASSETS	\$ 690,347,248	\$ 77,055,762	\$ 76,844,258	\$ 32,903,680	\$ 575,972,951	\$ 418,709	\$ 18,255,628	\$ 1,471,798,236	\$ 1,493,839,095
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 11,917,377	\$ 4,652,107	\$ 50,063,442	\$ 613,715	\$ 219,048	\$ 29,865	\$ 18,255,628	\$ 85,751,182	\$ 95,626,232
Salaries, benefits and payroll taxes payable	43,475,054	-	-	-	-	-	-	43,475,054	33,644,662
Deferred summer pay	42,059,245	-	-	-	-	-	-	42,059,245	44,423,050
Payroll deductions and withholdings payable	27,030,967	-	-	-	-	-	-	27,030,967	25,568,547
Due to other agencies	13,550,065	-	-	-	-	-	-	13,550,065	17,597,082
Due to other funds	-	19,723,974	-	-	37,041,864	-	-	56,765,838	55,862,257
Deferred revenue	245,264,457	1,314,483	9,121,976	-	256,228,627	-	-	511,929,543	489,998,525 (C)
Liability for compensated absences	7,095,639	93,584	-	-	-	-	-	7,189,223	6,983,156
Estimated liability for self-insured risks	12,893,325	-	-	-	-	-	-	12,893,325	9,085,730
Notes payable	125,000,000	-	-	-	-	-	-	125,000,000	125,000,000
Retainage payable	47,903	-	-	1,445,154	2,137,792	-	-	3,630,849	2,478,127
TOTAL LIABILITIES	528,334,032	25,784,148	59,185,418	2,058,869	295,627,331	29,865	18,255,628	929,275,291	906,267,368
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	10,106	-	10,106	6,047
Net assets-unrestricted	-	-	-	-	-	378,738	-	378,738	266,280
Fund balances:									
Nonspendable	22,636,249	447,780	-	-	-	-	-	23,084,029	26,958,003
Restricted-Other	8,490,466	45,474,997	17,658,840	(72,398,872)	233,259,059	-	-	232,484,490	329,654,892 (D)
Restricted-Capital Encumbrances	-	-	-	103,243,683	47,086,561	-	-	150,330,244	65,725,401 (D)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	76,559,206	5,348,837	-	-	-	-	-	81,908,043	110,633,809
TOTAL FUND EQUITY	162,013,216	51,271,614	17,658,840	30,844,811	280,345,620	388,844	-	542,522,945	587,571,727
TOTAL LIABILITIES AND FUND EQUITY	\$ 690,347,248	\$ 77,055,762	\$ 76,844,258	\$ 32,903,680	\$ 575,972,951	\$ 418,709	\$ 18,255,628	\$ 1,471,798,236	\$ 1,493,839,095

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For The Six Months Ended December 31, 2018
(With comparative amounts for the six months ended December 31, 2017)**

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						December 2018	December 2017
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 457,802,126	\$ -	\$ 12,331,420	\$ -	\$ 144,734,179	\$ 614,867,725	\$ 587,196,308 (E)
Food sales	-	7,299,118	-	-	-	7,299,118	4,888,984
Interest income and other	35,573,236	3,944,965	541,330	647,398	8,022,650	48,729,579	44,600,477
Total local sources	493,375,362	11,244,083	12,872,750	647,398	152,756,829	670,896,422	636,685,769
State sources:							
Florida education finance program	352,403,653	-	-	-	-	352,403,653	341,123,517
Other	193,447,705	1,946,753	-	-	19,947,844	215,342,302	202,924,593
Total state sources	545,851,358	1,946,753	-	-	19,947,844	567,745,955	544,048,110
Federal sources:							
Food service	-	44,582,212	-	-	-	44,582,212	43,715,850
Other	11,151,750	93,249,063	-	-	-	104,400,813	89,755,988
Total federal sources	11,151,750	137,831,275	-	-	-	148,983,025	133,471,838
TOTAL REVENUES	1,050,378,470	151,022,111	12,872,750	647,398	172,704,673	1,387,625,402	1,314,205,717
EXPENDITURES:							
Current Operating:							
Instructional services	720,206,357	61,477,071	-	-	-	781,683,428	751,953,735 (F)
Student and instructional support services	84,748,513	29,887,177	-	-	-	114,635,690	105,519,514
Student transportation services	43,963,036	430,945	-	-	-	44,393,981	41,835,994
Operation and maintenance of plant	122,335,662	43,799	-	-	-	122,379,461	121,566,470
School administration	71,162,846	673,765	-	-	-	71,836,611	68,368,475
Food service	-	56,082,825	-	-	-	56,082,825	46,004,949
Instruction related technology	14,860,120	-	-	-	-	14,860,120	14,855,847
General administration	45,238,199	4,973,262	-	-	-	50,211,461	47,787,171
Total current operating	1,102,514,733	153,568,844	-	-	-	1,256,083,577	1,197,892,155
Debt Service:							
Principal reduction	-	-	6,061,602	-	-	6,061,602	6,351,824
Interest and other charges	-	-	36,412,899	-	-	36,412,899	38,265,525
Capital Outlay	-	18,872	-	27,848,407	24,586,720	52,453,999	66,557,826 (G)
TOTAL EXPENDITURES	1,102,514,733	153,587,716	42,474,501	27,848,407	24,586,720	1,351,012,077	1,309,067,330
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(52,136,263)	(2,565,605)	(29,601,751)	(27,201,009)	148,117,953	36,613,325	5,138,387
OTHER FINANCING SOURCES (USES):							
Proceeds of capital leases	-	-	-	-	158,434	158,434	4,874,840
Proceeds from sale capital assets	-	-	-	-	1,399,307	1,399,307	6,328,055
Operating transfers in	53,581,140	-	39,145,508	-	(771)	92,725,877	104,807,009
Operating transfers out	-	(233,778)	-	-	(92,492,099)	(92,725,877)	(104,807,009)
TOTAL OTHER FINANCING SOURCES (USES)	53,581,140	(233,778)	39,145,508	-	(90,935,129)	1,557,741	11,202,895
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,444,877	(2,799,383)	9,543,757	(27,201,009)	57,182,824	38,171,066	16,341,282
FUND BALANCES, BEGINNING OF PERIOD	160,568,339	54,070,997	8,115,083	58,045,820	223,162,796	503,963,035	570,958,118
FUND BALANCES, END OF PERIOD	\$ 162,013,216	\$ 51,271,614	\$ 17,658,840	\$ 30,844,811	\$ 280,345,620	\$ 542,134,101	\$ 587,299,400

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Six Months Ended December 31, 2018

(With comparative amounts for the six months ended December 31, 2017)

	<u>BUDGET</u>	<u>REVENUES YEAR-TO-DATE</u>	<u>BALANCE REMAINING</u>	<u>REVENUES Y-T-D AS % OF BUDGET</u>	<u>REVENUES AS OF DECEMBER 2017</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 935,216,264	\$ 457,133,710	\$ 478,082,554	49%	\$ 446,639,323
Ad valorem taxes - prior years	5,912,852	668,416	5,244,436	11%	-
Interest on investments	4,000,000	3,794,427	205,573	95%	1,018,553 (H)
After school supervision	19,200,000	11,015,974	8,184,026	57%	8,848,788
Course fees	11,279,490	4,288,303	6,991,187	38%	4,097,777
Gifts, grants, bequests	-	13,239	(13,239)	OVER 100%	13,853 (I)
Receipt of federal indirect cost rate	11,400,000	5,675,542	5,724,458	50%	5,075,135
Rental income	1,500,000	704,379	795,621	47%	733,088
E-rate rebate	3,500,000	1,833,021	1,666,979	52%	1,746,945
Other	15,517,646	8,248,351	7,269,295	53%	6,916,257
Total local sources	<u>1,007,526,252</u>	<u>493,375,362</u>	<u>514,150,890</u>	49%	<u>475,089,719</u>
State sources:					
Florida education finance program	709,972,044	352,403,653	357,568,391	50%	341,123,517
Workforce development	74,576,965	36,453,220	38,123,745	49%	35,438,061
Adult w/Disabilities	800,000	391,040	408,960	49%	386,400
Discretionary lottery funds	952,632	465,647	486,985	49%	242,358
Class size reduction	304,323,006	148,753,085	155,569,921	49%	148,664,984
State license tax	300,000	105,631	194,369	35%	149,592 (J)
Racing commission	446,500	-	446,500	-	-
School recognition/merit schools	12,365,000	6,044,012	6,320,988	49%	6,707,681
Other	2,479,564	1,235,070	1,244,494	50%	1,220,268
Total state sources	<u>1,106,215,711</u>	<u>545,851,358</u>	<u>560,364,353</u>	49%	<u>533,932,861</u>
Federal sources:					
Federal impact					
ROTC	2,000,000	1,110,402	889,598	56%	728,289
Other	18,450,000	10,041,348	8,408,652	54%	881,172 (K)
Total federal sources	<u>20,450,000</u>	<u>11,151,750</u>	<u>9,298,250</u>	55%	<u>1,609,461</u>
Other financing sources:					
Transfer from special revenue funds	1,200,000	233,777	966,223	19%	853,468 (L)
Transfer from capital projects funds	109,139,450	53,347,363	55,792,087	49%	44,498,354
Total other financing sources	<u>110,339,450</u>	<u>53,581,140</u>	<u>56,758,310</u>	49%	<u>45,351,822</u>
TOTAL REVENUES & OTHER FINANCING SOURCES	<u>\$ 2,244,531,413</u>	<u>\$ 1,103,959,610</u>	<u>\$ 1,140,571,803</u>	49%	<u>\$ 1,055,983,863</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Six Months Ended December 31, 2018

(With comparative amounts for the six months ended December 31, 2017)

	BUDGET	EXPENDITURES YEAR-TO-DATE	BALANCE AVAILABLE	EXPENDITURES	
				Y-T-D AS % OF BUDGET	EXPENDITURES AS OF DECEMBER 2017
EXPENDITURES:					
Instructional services	\$ 1,474,380,859	\$ 709,330,338	\$ 765,050,521	48%	\$ 683,153,606
Pupil personnel services	125,065,170	57,400,736	67,664,434	46%	54,049,061
Instructional media	22,458,012	11,428,076	11,029,936	51%	10,337,607
Instruction & curriculum development	27,871,766	12,842,670	15,029,096	46%	11,581,337
Instruction & staff training	9,635,061	3,077,031	6,558,030	32%	3,052,203 (M)
Technology-Instructional	24,516,921	12,919,773	11,597,148	53%	12,240,414
Board of education	4,534,949	2,514,097	2,020,852	55%	2,664,880
General administration	9,770,249	3,942,137	5,828,112	40%	2,863,885
School administration	137,365,421	71,162,846	66,202,575	52%	67,723,763
Facilities acquisition & construction	2,864	-	2,864	-	-
Fiscal services	10,189,193	4,647,101	5,542,092	46%	4,430,195
Central services	67,769,311	34,134,864	33,634,447	50%	33,209,504
Technology-Administrative	3,970,083	1,940,347	2,029,736	49%	2,615,433
Transportation services	83,654,563	43,963,036	39,691,527	53%	41,545,379
Operation services	177,750,356	90,235,257	87,515,099	51%	87,317,163
Maintenance services	62,589,951	32,100,405	30,489,546	51%	26,937,843
Community services	16,037,758	10,876,019	5,161,739	68%	9,360,717
Debt Service	1,480,417	-	1,480,417	(100)%	- (N)
TOTAL EXPENDITURES	2,259,042,904	1,102,514,733	1,156,528,171	49%	1,053,082,990
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	\$ 2,259,082,904	\$ 1,102,514,733	\$ 1,156,568,171	49%	\$ 1,053,082,990

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Six Months Ended December 31, 2018

(With comparative amounts for the six months ended December 31, 2017)

	<u>DECEMBER 2018</u>	<u>DECEMBER 2017</u>
BEGINNING FUND BALANCE	\$ 160,568,339	\$ 190,025,243
Plus:		
Revenues and other financing sources	1,103,959,610	1,055,983,863
Less:		
Expenditures and other financing uses	<u>1,102,514,733</u>	<u>1,053,082,990</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>1,444,877</u>	 <u>2,900,873</u>
 ENDING FUND BALANCE:		
Nonspendable	22,636,249	21,339,556
Restricted	8,490,466	21,632,819
Committed	54,327,295	54,327,295
Assigned/Unassigned	76,559,206	95,626,446
TOTAL ENDING FUND BALANCE	<u>\$ 162,013,216</u>	<u>\$ 192,926,116</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>3.59%</u>	 <u>4.53%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>4.25%</u>	 <u>5.34%</u>

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

ASSETS

- (A) Cash, cash equivalents and investments decreased by \$43.7 million as the District continues to complete approved projects funded by the accumulated capital reserves of the General Obligation Bond and other Capital Outlay resources.

- (B) Due from other agencies increased by \$23.6 million due to the timing difference in recognizing revenues.

LIABILITIES

- (C) Deferred revenue increased by \$21.9 million as the revenues such as FEFP and Ad Valorem taxes are proportionately recognized during the year.

FUND EQUITY

- (D) Restricted-Other fund balance decreased by \$97.2 million and Restricted-Capital Encumbrances increased by \$84.6 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 \$30.8 million.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

REVENUES

LOCAL SOURCES

(E) Ad valorem taxes

The increase of \$27.7 million is due to the property tax revenues being proportionately recognized during the year.

EXPENDITURES

(F) Instructional services

The increase of \$29.7 million is due to the 2017-18 approved teachers salary increases that were implemented in January 2018.

(G) Capital outlay

The decrease of \$14.1 million in capital outlay expenditures is due to the fact that there are no lease purchases through December 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 Six Months Ended December 31, 2018

ESTIMATED REVENUES

LOCAL SOURCES

(H) Interest on investments

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

(I) Gifts, grants and bequests

Funds were received as a donation for the Butler Foundation.

(J) State license tax

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

FEDERAL SOURCES

(K) Other federal sources

The collection of Medicaid revenues is higher by \$4.7 million as compared to December 2017. Additionally, \$4.4 million was received for the temporary emergency impact aid for displaced students.

OTHER FINANCING SOURCES

(L) 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

(M) 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.

(N) Debt Service

The Tax Anticipation Notes will be paid in June 2019.