

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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FEBRUARY 28, 2019

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of February 28, 2019

(With comparative totals for February 28, 2018)

	GOVERNMENTAL FUND TYPES					PROPRIETARY	FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	INTERNAL SERVICE	AGENCY FUNDS	(Memorandum Only)	
								February 2019	February 2018
ASSETS:									
Cash, cash equivalents and investments	\$ 496,291,098	\$ 38,925,914	\$ 44,620,121	\$ 221,518,769	\$ 569,401,318	\$ 278,225	\$ 18,289,375	\$ 1,389,324,820	\$ 1,234,713,914 (A)
Due from other agencies	2,782,417	36,327,584	-	-	22,523,389	-	-	61,633,390	26,799,366 (B)
Due from other funds	73,333,518	-	-	-	-	-	-	73,333,518	53,311,294 (C)
Inventories	6,109,550	2,410,051	-	-	-	100,503	-	8,620,104	13,495,499
Fixed assets	-	-	-	-	-	10,106	-	10,106	3,860
Prepays and Other assets	8,208,289	393,916	89,671	67,943	478,735	1,480	-	9,240,034	7,882,147
TOTAL ASSETS	\$ 586,724,872	\$ 78,057,465	\$ 44,709,792	\$ 221,586,712	\$ 592,403,442	\$ 390,314	\$ 18,289,375	\$ 1,542,161,972	\$ 1,336,206,080
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 10,305,656	\$ 3,699,958	\$ 17,578,849	\$ 209,152	\$ 884,670	\$ 35,343	\$ 18,289,375	\$ 51,003,003	\$ 54,321,411
Salaries, benefits and payroll taxes payable	65,348,687	-	-	-	-	-	-	65,348,687	57,336,982
Deferred summer pay	60,187,340	-	-	-	-	-	-	60,187,340	63,489,113
Payroll deductions and withholdings payable	29,103,573	-	-	-	-	-	-	29,103,573	29,220,139
Due to other agencies	13,787,605	-	-	-	-	-	-	13,787,605	15,442,842
Due to other funds	-	18,710,507	-	-	54,623,011	-	-	73,333,518	53,311,294 (D)
Deferred revenue	99,074,019	994,814	5,842,207	-	225,075,332	-	-	330,986,372	329,142,109
Liability for compensated absences	7,095,639	93,584	-	-	-	-	-	7,189,223	6,983,156
Estimated liability for self-insured risks	16,586,569	-	-	-	-	-	-	16,586,569	13,079,630
Notes payable	125,000,000	-	-	-	-	-	-	125,000,000	125,000,000
Retainages payable	77,752	-	-	1,702,047	1,913,949	-	-	3,693,748	2,183,069
TOTAL LIABILITIES	426,566,840	23,498,863	23,421,056	1,911,199	282,496,962	35,343	18,289,375	776,219,638	749,509,745
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	10,106	-	10,106	6,047
Net assets-unrestricted	-	-	-	-	-	244,362	-	244,362	213,108
Fund balances:									
Nonspendable	20,666,473	2,410,051	-	-	-	100,503	-	23,177,027	27,549,675
Restricted-Other	8,490,466	46,617,871	21,288,736	105,710,327	258,990,485	-	-	441,097,885	340,843,801 (E)
Restricted-Capital Encumbrances	-	-	-	113,965,186	50,915,995	-	-	164,881,181	62,214,058 (E)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	76,673,798	5,530,680	-	-	-	-	-	82,204,478	101,542,351
TOTAL FUND EQUITY	160,158,032	54,558,602	21,288,736	219,675,513	309,906,480	354,971	-	765,942,334	586,696,335
TOTAL LIABILITIES AND FUND EQUITY	\$ 586,724,872	\$ 78,057,465	\$ 44,709,792	\$ 221,586,712	\$ 592,403,442	\$ 390,314	\$ 18,289,375	\$ 1,542,161,972	\$ 1,336,206,080

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For The Eight Months Ended February 28, 2019
(With comparative amounts for the eight months ended February 28, 2018)**

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						February 2019	February 2018
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 625,960,919	\$ -	\$ 16,863,413	\$ -	\$ 197,905,424	\$ 840,729,756	\$ 804,904,832 (F)
Food sales	-	10,557,558	-	-	-	10,557,558	7,540,716
Interest income and other	54,048,785	5,447,285	844,629	866,568	12,926,459	74,133,726	65,859,710
Total local sources	680,009,704	16,004,843	17,708,042	866,568	210,831,883	925,421,040	878,305,258
State sources:							
Florida education finance program	479,985,629	-	-	-	-	479,985,629	472,955,120
Other	265,020,479	2,541,051	-	-	23,876,831	291,438,361	276,372,201
Total state sources	745,006,108	2,541,051	-	-	23,876,831	771,423,990	749,327,321
Federal sources:							
Food service	-	65,956,619	-	-	-	65,956,619	62,999,735
Other	18,201,248	132,182,256	-	-	-	150,383,504	133,773,565
Total federal sources	18,201,248	198,138,875	-	-	-	216,340,123	196,773,300
TOTAL REVENUES	1,443,217,060	216,684,769	17,708,042	866,568	234,708,714	1,913,185,153	1,824,405,879
EXPENDITURES:							
Current Operating:							
Instructional services	993,631,017	87,772,957	-	-	-	1,081,403,974	1,061,650,191 (G)
Student and instructional support services	116,243,993	41,526,590	-	-	-	157,770,583	149,586,140
Student transportation services	60,889,561	671,469	-	-	-	61,561,030	58,239,685
Operation and maintenance of plant	167,514,865	35,079	-	-	-	167,549,944	163,350,665
School administration	96,021,546	823,786	-	-	-	96,845,332	93,120,349
Food service	-	77,860,729	-	-	-	77,860,729	66,747,963 (H)
Instruction related technology	19,761,628	-	-	-	-	19,761,628	20,344,298
General administration	60,334,046	7,020,682	-	-	-	67,354,728	62,655,406
Total current operating	1,514,396,656	215,711,292	-	-	-	1,730,107,948	1,675,694,697
Debt Service:							
Principal reduction	-	-	6,714,088	-	-	6,714,088	8,269,670
Interest and other charges	-	-	38,223,189	-	-	38,223,189	40,085,673
Capital Outlay	2,598,238	78,067	-	40,444,225	36,254,812	79,375,342	96,136,644 (I)
TOTAL EXPENDITURES	1,516,994,894	215,789,359	44,937,277	40,444,225	36,254,812	1,854,420,567	1,820,186,684
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(73,777,834)	895,410	(27,229,235)	(39,577,657)	198,453,902	58,764,586	4,219,195
OTHER FINANCING SOURCES (USES):							
Proceeds of bonds sold	-	-	-	201,207,350	-	201,207,350	- (J)
Proceeds of certificates of participation	-	-	-	-	-	-	207,530,000 (K)
Premiums on refunding bonds	-	-	-	-	-	-	36,074,548 (K)
Proceeds of capital leases	-	-	-	-	158,434	158,434	5,243,541
Proceeds from sale capital assets	-	-	-	-	1,493,958	1,493,958	6,494,520
Payments to refunded bond escrow agents	-	-	-	-	-	-	(244,042,742) (K)
Operating transfers in	73,367,527	-	40,402,888	-	(771)	113,769,644	123,940,441
Operating transfers out	-	(407,805)	-	-	(113,361,839)	(113,769,644)	(123,940,441)
TOTAL OTHER FINANCING SOURCES (USES)	73,367,527	(407,805)	40,402,888	201,207,350	(111,710,218)	202,859,742	11,299,867
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(410,307)	487,605	13,173,653	161,629,693	86,743,684	261,624,328	15,519,062
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	\$ 160,158,032	\$ 54,558,602	\$ 21,288,736	\$ 219,675,513	\$ 309,906,480	\$ 765,587,363	\$ 586,477,180

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Eight Months Ended February 28, 2019

(With comparative amounts for the eight months ended February 28, 2018)

	<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 FEBRUARY 2018</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 935,216,264	\$ 625,192,072	\$ 310,024,192	67%	\$ 612,244,326
Ad valorem taxes - prior years	5,912,852	768,847	5,144,005	13%	-
Interest on investments	4,000,000	7,104,872	(3,104,872)	OVER 100%	2,527,697 (L)
After school supervision	19,200,000	15,690,215	3,509,785	82%	12,679,508
Course fees	11,279,490	6,686,885	4,592,605	59%	6,521,313
Gifts, grants, bequests	-	13,887	(13,887)	OVER 100%	13,853 (M)
Receipt of federal indirect cost rate	11,400,000	7,991,409	3,408,591	70%	7,215,557
Rental income	1,500,000	1,007,412	492,588	67%	1,043,511
E-rate rebate	3,500,000	1,833,021	1,666,979	52%	2,721,769 (N)
Other	15,517,646	13,721,084	1,796,562	88%	12,483,248 (O)
Total local sources	1,007,526,252	680,009,704	327,516,548	67%	657,450,782
State sources:					
Florida education finance program	709,972,044	479,985,629	229,986,415	68%	472,955,120
Workforce development	74,576,965	49,854,701	24,722,264	67%	48,571,421
Adult w/Disabilities	800,000	534,800	265,200	67%	529,600
Discretionary lottery funds	952,632	636,834	315,798	67%	332,176
Class size reduction	304,323,006	203,439,930	100,883,076	67%	203,760,288
State license tax	300,000	251,442	48,558	84%	243,789 (P)
Racing commission	446,500	223,250	223,250	50%	223,250 (Q)
School recognition/merit schools	12,365,000	8,266,003	4,098,997	67%	9,193,551
Other	2,479,564	1,813,519	666,045	73%	1,714,709
Total state sources	1,106,215,711	745,006,108	361,209,603	67%	737,523,904
Federal sources:					
Federal impact					
ROTC	2,000,000	1,494,006	505,994	75%	1,190,688
Other	18,450,000	16,707,242	1,742,758	91%	6,530,567 (R)
Total federal sources	20,450,000	18,201,248	2,248,752	89%	7,721,255
Other financing sources:					
Transfer from special revenue funds	1,200,000	407,805	792,195	34%	985,353 (S)
Transfer from capital projects funds	109,139,450	72,959,722	36,179,728	67%	60,989,463
Total other financing sources	110,339,450	73,367,527	36,971,923	66%	61,974,816
TOTAL REVENUES & OTHER FINANCING SOURCES	\$ 2,244,531,413	\$ 1,516,584,587	\$ 727,946,826	68%	\$ 1,464,670,757

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Eight Months Ended February 28, 2019

(With comparative amounts for the eight months ended February 28, 2018)

	BUDGET	EXPENDITURES YEAR-TO-DATE	BALANCE AVAILABLE	EXPENDITURES Y-T-D AS % OF BUDGET	EXPENDITURES AS OF FEBRUARY 2018
EXPENDITURES:					
Instructional services	\$ 1,474,380,859	\$ 978,758,707	\$ 495,622,152	66%	\$ 963,125,798
Pupil personnel services	125,065,170	80,114,112	44,951,058	64%	77,719,041
Instructional media	22,458,012	15,549,610	6,908,402	69%	14,232,746
Instruction & curriculum development	27,871,766	16,755,145	11,116,621	60%	16,078,981
Instruction & staff training	9,635,061	3,825,126	5,809,935	40%	4,386,955 (T)
Technology-Instructional	24,516,921	17,356,223	7,160,698	71%	16,763,657
Board of education	4,534,949	3,219,247	1,315,702	71%	3,374,732
General administration	9,770,249	5,147,969	4,622,280	53%	3,905,479 (U)
School administration	137,365,421	96,021,546	41,343,875	70%	92,363,151
Facilities acquisition & construction	2,864	2,598,238	(2,595,374)	OVER 100%	- (V)
Fiscal services	10,189,193	6,289,883	3,899,310	62%	6,097,750
Central services	67,769,311	45,676,947	22,092,364	67%	42,792,724
Technology-Administrative	3,970,083	2,405,405	1,564,678	61%	3,580,641
Transportation services	83,654,563	60,889,561	22,765,002	73%	57,802,858
Operation services	177,750,356	124,823,709	52,926,647	70%	118,985,644
Maintenance services	62,589,951	42,691,156	19,898,795	68%	35,980,773
Community services	16,037,758	14,872,310	1,165,448	93%	12,889,092
Debt Service	1,480,417	-	1,480,417	(100)%	- (W)
TOTAL EXPENDITURES	2,259,042,904	1,516,994,894	742,048,010	67%	1,470,080,022
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	\$ 1,516,994,894	\$ 742,088,010	67%	\$ 1,470,080,022

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Eight Months Ended February 28, 2019

(With comparative amounts for the eight months ended February 28, 2018)

	<u>FEBRUARY 2019</u>	<u>FEBRUARY 2018</u>
BEGINNING FUND BALANCE	\$ 160,568,339	\$ 190,025,243
Plus:		
Revenues and other financing sources	1,516,584,587	1,464,670,757
Less:		
Expenditures and other financing uses	<u>1,516,994,894</u>	<u>1,470,080,022</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>(410,307)</u>	 <u>(5,409,265)</u>
 ENDING FUND BALANCE:		
Nonspendable	20,666,473	21,215,065
Restricted	8,490,466	21,632,819
Committed	54,327,295	54,327,295
Assigned/Unassigned	76,673,798	87,440,799
TOTAL ENDING FUND BALANCE	<u>\$ 160,158,032</u>	<u>\$ 184,615,978</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>3.59%</u>	 <u>4.15%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>4.26%</u>	 <u>4.88%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET
For The Eight Months Ended February 28, 2019

ASSETS

- (A) Cash, cash equivalents and investments increased by \$154.6 million primarily due to the issuance of General Obligation Bond Series 2019 offset by a decrease in the accumulated capital reserves of the General Obligation Bond and other Capital Outlay resources as the District continues to complete approved projects.

- (B) Due from other agencies increased by \$34.8 million due to the timing difference in recognizing revenues for Grants, Food Service, as well as for the replacement of Building 12 and construction of a Memorial at Marjory Stoneman Douglas High School.

- (C) Due from other funds increased by \$20.0 million due to the timing difference of the funds transferred from the Capital Project and Special Revenue funds to the General Fund.

LIABILITIES

- (D) Due to other funds increased by \$20.0 million due to the timing difference of the funds transferred from the Capital Project and Special Revenue funds to the General Fund.

FUND EQUITY

- (E) Restricted-Other fund balance increased by \$100.3 million and Restricted-Capital Encumbrances increased by \$102.7 million due to the issuance of General Obligation Bond Series 2019.

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 Eight Months Ended February 28, 2019

REVENUES

LOCAL SOURCES

(F) Ad valorem taxes

The increase of \$35.8 million is due to the property tax revenues being proportionately recognized during the year.

EXPENDITURES

(G) Instructional services

The increase of \$19.8 million is primarily due to the increase in charter schools enrollment. There is also an increase in the salaries and fringe expenditures for the Exceptional Student Education (ESE) program.

(H) Food service

Food service operating expenditures through February 2019 increased by \$11.1 million as compared to February 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 4.88%, breakfast increased by 8.5% and supper meals increased by 14.4%, thus more food and supplies were used to prepare and serve due to the increase in meals and operating days. Salaries and benefits have increased as a result of an increase in managers' hours, pay increase/raise and overtime, capital purchases have been made to replace aged equipment and the indirect cost rate is higher.

(I) Capital outlay

The decrease of \$16.8 million in capital outlay expenditures is primarily due to the \$11.5 million reduction in charter schools' local capital improvement as compared to prior year and \$5.5 million reduction in capital outlay expenditures as of February 2019.

(J) Proceeds of bonds sold

The increase of \$201.2 million is due to the issuance of General Obligation Bond Series 2019.

(K) Proceeds of certificates of participation, Premiums on refunding bonds, and Payments to refunded bond escrow agents

The change is due to the refunding of Certificates of Participation (COP) Series refunding in the prior year and issuance of COP Series 2017B and 2017C. The District did not have any refunding of COP Series in the current fiscal year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Eight Months Ended February 28, 2019

ESTIMATED REVENUES

LOCAL SOURCES

(L) Interest on investments

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

(M) Gifts, grants and bequests

Funds were received as a donation for the Butler Foundation and PTA Donation for North Andrews Gardens Elementary School.

(N) E-rate rebate

Due to the timing of revenue collection, the collection rate is less through February 2019. The estimated revenue is anticipated to be received by the end of the school year.

(O) Other local sources

Due to the timing of revenue collection, the collection rate is higher through February 2019. The estimated revenue is anticipated to be received by the end of the school year.

STATE SOURCES

(P) State license tax

Due to the timing of revenue collection, the collection rate is higher through February 2019. The estimated revenue is anticipated to be received by the end of the school year.

(Q) Racing Commission

The estimated revenue is anticipated to be received by the end of the school year.

FEDERAL SOURCES

(R) Other federal sources

The collection of Medicaid revenues is higher by \$5.8 million as compared to prior year. Additionally, \$4.4 million was received for the temporary emergency impact aid for displaced students.

OTHER FINANCING SOURCES

(S) 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.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Eight Months Ended February 28, 2019

EXPENDITURES

(T) 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.

(U) General administration

The expenditure is higher as compared to prior year due to salary increases. The budgeted allocation is anticipated to be paid by the end of the school year.

(V) Facilities acquisition and construction

The budget will be adjusted in the next amendment.

(W) Debt Service

The Tax Anticipation Notes will be paid in June 2019.