

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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SEPTEMBER 30, 2019

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of September 30, 2019

(With comparative totals for September 30, 2018)

	GOVERNMENTAL FUND TYPES					PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	INTERNAL SERVICE	AGENCY FUNDS	(Memorandum Only)	
								September 2019	September 2018
ASSETS:									
Cash, cash equivalents and investments	\$ 256,571,899	\$ 33,219,662	\$ 44,007,328	\$ 172,737,559	\$ 248,878,069	\$ 576,005	\$ 19,004,381	\$ 774,994,903	\$ 556,802,122 (A)
Due from other agencies	208,937,306	36,805,618	4,524,372	-	89,367,295	-	-	339,634,591	324,101,456
Due from other funds	41,662,738	-	-	-	-	-	-	41,662,738	32,717,958
Inventories	6,629,905	2,066,042	-	-	-	41,790	-	8,737,737	7,795,602
Fixed assets	-	-	-	-	-	9,346	-	9,346	10,106
Prepays and Other assets	14,228,767	86,589	(26,217)	126,928	2,611	-	-	14,418,678	16,112,578
TOTAL ASSETS	\$ 528,030,615	\$ 72,177,911	\$ 48,505,483	\$ 172,864,487	\$ 338,247,975	\$ 627,141	\$ 19,004,381	\$ 1,179,457,993	\$ 937,539,822
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 20,009,418	\$ 5,015,189	\$ 28,326,475	\$ 673,991	\$ 456,913	\$ 426,760	\$ 19,004,381	\$ 73,913,127	\$ 74,667,905
Salaries, benefits and payroll taxes payable	49,237,361	-	-	-	-	-	-	49,237,361	38,150,480
Deferred summer pay	11,392,236	-	-	-	-	-	-	11,392,236	9,727,613
Payroll deductions and withholdings payable	28,612,024	-	-	-	-	-	-	28,612,024	26,045,999
Due to other agencies	14,916,547	-	-	-	-	-	-	14,916,547	4,849,082
Due to other funds	-	20,577,123	-	-	21,085,615	-	-	41,662,738	32,717,958
Deferred revenue	52,809,320	954,430	-	-	24,099,843	-	-	77,863,593	83,344,276
Liability for compensated absences	7,961,073	102,505	-	-	-	-	-	8,063,578	7,189,223
Estimated liability for self-insured risks	3,062,623	-	-	-	-	-	-	3,062,623	3,046,324
Notes payable	157,480,000	-	-	-	-	-	-	157,480,000	125,000,000 (B)
Retainages payable	56,614	-	-	4,123,683	1,776,907	-	-	5,957,204	3,032,146
TOTAL LIABILITIES	345,537,216	26,649,247	28,326,475	4,797,674	47,419,278	426,760	19,004,381	472,161,031	407,771,006
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	9,345	-	9,345	10,106
Net assets-unrestricted	-	-	-	-	-	191,036	-	191,036	396,158
Fund balances:									
Nonspendable	36,746,322	2,066,042	-	-	-	-	-	38,812,364	22,252,022
Restricted-Other	9,512,324	43,462,622	20,179,008	14,455,817	178,545,305	-	-	266,155,076	293,610,660 (C)
Restricted-Capital Encumbrances	-	-	-	153,610,996	112,283,392	-	-	265,894,388	76,263,924 (C)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	81,907,458	-	-	-	-	-	-	81,907,458	82,908,651
TOTAL FUND EQUITY	182,493,399	45,528,664	20,179,008	168,066,813	290,828,697	200,381	-	707,296,962	529,768,816
TOTAL LIABILITIES AND FUND EQUITY	\$ 528,030,615	\$ 72,177,911	\$ 48,505,483	\$ 172,864,487	\$ 338,247,975	\$ 627,141	\$ 19,004,381	\$ 1,179,457,993	\$ 937,539,822

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES

For The Three Months Ended September 30, 2019

(With comparative amounts for the three months ended September 30, 2018)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						September 2019	September 2018
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 201,059,113	\$ -	\$ 4,532,819	\$ -	\$ 65,182,367	\$ 270,774,299	\$ 254,692,148 (D)
Food sales	-	2,480,584	-	-	-	2,480,584	2,307,460
Interest income and other	18,775,582	1,804,343	21,004	1,273,889	834,685	22,709,503	11,420,749 (E)
Total local sources	219,834,695	4,284,927	4,553,823	1,273,889	66,017,052	295,964,386	268,420,357
State sources:							
Florida education finance program	159,755,410	-	-	-	-	159,755,410	155,449,075
Other	83,091,465	2,352,214	-	-	6,707,475	92,151,154	88,032,560
Total state sources	242,846,875	2,352,214	-	-	6,707,475	251,906,564	243,481,635
Federal sources:							
Food service	-	17,388,733	-	-	-	17,388,733	16,607,574
Other	5,912,056	29,578,760	-	-	270,022	35,760,838	36,831,657
Total federal sources	5,912,056	46,967,493	-	-	270,022	53,149,571	53,439,231
TOTAL REVENUES	468,593,626	53,604,634	4,553,823	1,273,889	72,994,549	601,020,521	565,341,223
EXPENDITURES:							
Current Operating:							
Instructional services	286,707,769	18,991,756	-	-	-	305,699,525	306,590,032
Student and instructional support services	36,801,124	12,795,261	-	-	-	49,596,385	47,510,301
Student transportation services	19,667,660	180,620	-	-	-	19,848,280	17,566,012
Operation and maintenance of plant	58,835,278	71,870	-	-	-	58,907,148	57,225,271
School administration	34,640,687	182,379	-	-	-	34,823,066	33,887,864
Food service	-	21,984,739	-	-	-	21,984,739	21,138,596
Instruction related technology	8,210,576	-	-	-	-	8,210,576	7,501,244
General administration	26,135,342	1,156,300	-	-	-	27,291,642	25,412,105
Total current operating	470,998,436	55,362,925	-	-	-	526,361,361	516,831,425
Debt Service:							
Principal reduction	-	-	3,297,506	-	-	3,297,506	2,729,662
Interest and other charges	-	-	549,213	-	-	549,213	1,595,899
Capital Outlay	1,458,307	11,837	-	19,344,411	14,561,033	35,375,588	19,905,848
TOTAL EXPENDITURES	472,456,743	55,374,762	3,846,719	19,344,411	14,561,033	565,583,668	541,062,834
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,863,117)	(1,770,128)	707,104	(18,070,522)	58,433,516	35,436,853	24,278,389
OTHER FINANCING SOURCES (USES):							
Proceeds of bonds sold	-	-	-	-	-	-	-
Proceeds of certificates of participation	-	-	-	-	-	-	-
Premiums on refunding bonds	-	-	-	-	-	-	-
Proceeds of capital leases	-	-	-	-	-	-	5,484
Proceeds from sale capital assets	-	-	-	-	56,256	56,256	1,115,644
Payments to refunded bond escrow agents	-	-	-	-	-	-	-
Operating transfers in	25,159,115	-	3,777,600	-	-	28,936,715	24,882,692
Operating transfers out	-	-	-	-	(28,936,715)	(28,936,715)	(24,882,692)
TOTAL OTHER FINANCING SOURCES (USES)	25,159,115	-	3,777,600	-	(28,880,459)	56,256	1,121,128
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	21,295,998	(1,770,128)	4,484,704	(18,070,522)	29,553,057	35,493,109	25,399,517
FUND BALANCES, BEGINNING OF PERIOD	161,197,401	47,298,792	15,694,304	186,137,335	261,275,640	671,603,472	503,963,035
FUND BALANCES, END OF PERIOD	\$ 182,493,399	\$ 45,528,664	\$ 20,179,008	\$ 168,066,813	\$ 290,828,697	\$ 707,096,581	\$ 529,362,552

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Three Months Ended September 30, 2019

(With comparative amounts for the three months ended September 30, 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 SEPTEMBER 2018</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 1,049,741,946	\$ 198,372,779	\$ 851,369,167	19%	\$ 191,991,259
Ad valorem taxes - prior years	12,923,901	2,686,334	10,237,567	21%	-
Interest on investments	11,000,000	2,345,098	8,654,902	21%	(3,194,046)
After school supervision	21,000,000	5,241,531	15,758,469	25%	3,477,991
Course fees	11,026,008	1,900,594	9,125,414	17%	2,008,811
Gifts, grants, bequests	-	13,239	(13,239)	OVER 100%	13,239 (F)
Receipt of federal indirect cost rate	12,600,000	1,380,400	11,219,600	11%	1,580,425
Rental income	1,500,000	521,700	978,300	35%	334,628 (G)
E-rate rebate	2,500,000	861,021	1,638,979	34%	982,992 (H)
Other	17,632,000	6,511,999	11,120,001	37%	2,285,579 (I)
Total local sources	1,139,923,855	219,834,695	920,089,160	19%	199,480,878
State sources:					
Florida education finance program	767,685,777	159,755,410	607,930,367	21%	155,449,075
Workforce development	77,642,799	16,157,466	61,485,333	21%	15,288,278
Adult w/Disabilities	800,000	166,480	633,520	21%	164,000
Discretionary lottery funds	939,800	195,572	744,228	21%	101,450
Class size reduction	302,023,964	62,851,187	239,172,777	21%	63,016,681
State license tax	300,000	46,835	253,165	16%	43,278
Racing commission	446,500	-	446,500	-	-
School recognition/merit schools	12,365,000	2,573,157	9,791,843	21%	2,846,946
Other	3,500,000	1,100,768	2,399,232	31%	57,312 (J)
Total state sources	1,165,703,840	242,846,875	922,856,965	21%	236,967,020
Federal sources:					
Federal impact					
ROTC	2,300,000	297,536	2,002,464	13%	359,646
Other	22,450,000	5,614,520	16,835,480	25%	4,612,502
Total federal sources	24,750,000	5,912,056	18,837,944	24%	4,972,148
Other financing sources:					
Transfer from special revenue funds	1,200,000	-	1,200,000	-	29,810
Transfer from capital projects funds	120,899,161	25,159,115	95,740,046	21%	20,560,693
Total other financing sources	122,099,161	25,159,115	96,940,046	21%	20,590,503
TOTAL REVENUES & OTHER FINANCING SOURCES	\$ 2,452,476,856	\$ 493,752,741	\$ 1,958,724,115	20%	\$ 462,010,549

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Three Months Ended September 30, 2019

(With comparative amounts for the three months ended September 30, 2018)

	<u>BUDGET</u>	<u>EXPENDITURES YEAR-TO-DATE</u>	<u>BALANCE AVAILABLE</u>	<u>EXPENDITURES Y-T-D AS % OF BUDGET</u>	<u>EXPENDITURES AS OF SEPTEMBER 2018</u>
EXPENDITURES:					
Instructional services	\$ 1,593,242,179	\$ 281,736,739	\$ 1,311,505,440	18%	\$ 281,812,352
Pupil personnel services	132,789,962	24,302,963	108,486,999	18%	23,381,518
Instructional media	21,669,585	4,763,308	16,906,277	22%	5,291,750
Instruction & curriculum development	27,751,138	6,551,164	21,199,974	24%	6,031,233
Instruction & staff training	8,774,772	1,183,689	7,591,083	13%	1,495,957
Technology-Instructional	24,911,779	6,452,801	18,458,978	26%	6,379,283
Board of education	5,275,208	1,681,970	3,593,238	32%	1,229,450 (K)
General administration	9,149,715	1,998,798	7,150,917	22%	2,110,863
School administration	142,549,291	34,640,687	107,908,604	24%	33,681,973
Facilities acquisition & construction	10,122,864	1,458,307	8,664,557	14%	-
Fiscal services	11,016,088	2,714,914	8,301,174	25%	2,266,077
Central services	72,480,845	19,739,660	52,741,185	27%	18,349,554
Technology-Administrative	4,328,104	1,757,775	2,570,329	41%	1,121,961 (L)
Transportation services	86,269,855	19,667,660	66,602,195	23%	17,383,380
Operation services	208,695,780	42,226,998	166,468,782	20%	41,547,472
Maintenance services	65,762,054	16,608,280	49,153,774	25%	14,993,831
Community services	15,912,452	4,971,030	10,941,422	31%	3,858,609 (M)
Debt Service	1,480,417	-	1,480,417	(100)%	- (N)
TOTAL EXPENDITURES	2,442,182,088	472,456,743	1,969,725,345	19%	460,935,263
Other financing uses:					
Transfer to special revenue funds	4,399,147	-	4,399,147	-	- (O)
Total other financing uses	4,399,147	-	4,399,147	-	-
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 2,446,581,235	\$ 472,456,743	\$ 1,974,124,492	19%	\$ 460,935,263

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Three Months Ended September 30, 2019

(With comparative amounts for the three months ended September 30, 2018)

	<u>SEPTEMBER 2019</u>	<u>SEPTEMBER 2018</u>
BEGINNING FUND BALANCE	\$ 161,197,401	\$ 160,568,339
Plus:		
Revenues and other financing sources	493,752,741	462,010,549
Less:		
Expenditures and other financing uses	<u>472,456,743</u>	<u>460,935,263</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>21,295,998</u>	 <u>1,075,286</u>
 ENDING FUND BALANCE:		
Nonspendable	36,746,322	20,903,107
Restricted	9,512,324	8,490,466
Committed	54,327,295	54,327,295
Assigned/Unassigned	81,907,458	77,922,757
TOTAL ENDING FUND BALANCE	<u><u>\$ 182,493,399</u></u>	<u><u>\$ 161,643,625</u></u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>3.51%</u>	 <u>3.61%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>4.15%</u>	 <u>4.23%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET
For The Three Months Ended September 30, 2019

ASSETS

- (A) Cash, cash equivalents and investments increased by \$218.2 million primarily due to the issuance of General Obligation Bond Series 2019.

LIABILITIES

- (B) Notes payable increased by \$32.5 million as the par amount for the Tax Anticipation Notes ("TANS") increased in the current fiscal year from \$125 million to \$157.5 million to ensure appropriate funding for continuity of hiring school resource officers and District school security staff; recruiting and retaining of highly qualified District teachers, etc., until funding from the 1/2 mill operational levy (approved by the referendum on August 28, 2018) is received by the District at the end of November 2019 (Board Agenda Item AA-1 for TAN Series 2019 approved on 6/25/19).

FUND EQUITY

- (C) Restricted-Other fund balance decreased by \$27.5 million and Restricted-Capital Encumbrances increased by \$189.6 million due to the issuance of General Obligation Bond Series 2019 and an increase in Capital encumbrances.

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 Three Months Ended September 30, 2019**

REVENUES

LOCAL SOURCES

(D) Ad valorem taxes

The increase of \$16.1 million is due to an increase in property tax values and additional revenues generated from the Secure the Next Generation 1/2 mill referendum. The property tax revenues are proportionately recognized during the year.

(E) Interest income and other

The increase of \$11.3 million is due to the investment of District's portfolios in higher yielding instruments and fees generated from the before and after care program.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Three Months Ended September 30, 2019

ESTIMATED REVENUES

LOCAL SOURCES

(F) Gifts, grants and bequests

Funds were received as a donation from the Butler Foundation for Deerfield Beach High School.

(G) Rental income

The collection of rental income is higher than the estimated revenue.

(H) E-rate rebate

The collection of E-rate rebate is higher than the estimated revenue.

(I) Other local sources

The increase is due to the premium resulting from the issuance of Tax Anticipation Notes ("TANS").

STATE SOURCES

(J) Other state sources

Due to the timing of revenue collection, the collection rate is higher as compared to prior year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Three Months Ended September 30, 2019

ESTIMATED REVENUES

EXPENDITURES

(K) Board of education

The expenditures are higher than the prior fiscal year due to the increase in legal costs and fees.

(L) Technology-Administrative

The increase in expenditures is due to the SAP Expansion for Payroll Process Improvement (Board Item EE-16 approved on 6/25/19).

(M) Community services

The increase is due to the before and after care program and student activities.

(N) Debt Service

The Tax Anticipation Notes will be paid in June 2020.

(O) Transfer to special revenue funds

There are no transfers to special revenue funds as of September 2019.