

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

TABLE OF CONTENTS

DECEMBER 31, 2019

	<u>PAGE(S)</u>
COMBINED BALANCE SHEET - ALL FUND TYPES	1
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	2
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - GENERAL FUND	3
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - GENERAL FUND	4
SCHEDULE OF FUND BALANCE UTILIZATION - GENERAL FUND	5
SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET	6
SCHEDULE OF EXPLANATION FOR COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	7
SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL - GENERAL FUND	8-9

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of December 31, 2019

(With comparative totals for December 31, 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)	
								December 2019	December 2018
ASSETS:									
Cash, cash equivalents and investments	\$ 888,226,775	\$ 43,063,083	\$ 102,020,958	\$ 150,817,821	\$ 434,157,078	\$ 2,065,716	\$ 18,964,315	\$ 1,639,315,746	\$ 1,344,221,840 (A)
Due from other agencies	6,127,749	26,210,615	-	-	21,593,515	-	-	53,931,879	50,935,561
Due from other funds	29,732,837	-	-	-	-	-	-	29,732,837	56,765,838 (B)
Inventories	7,433,886	1,068,167	-	-	-	41,790	-	8,543,843	8,627,609
Fixed assets	-	-	-	-	-	9,346	-	9,346	10,106
Prepays and Other assets	10,460,500	155,182	10,444	-	42,212	124	-	10,668,462	11,237,282
TOTAL ASSETS	\$ 941,981,747	\$ 70,497,047	\$ 102,031,402	\$ 150,817,821	\$ 455,792,805	\$ 2,116,976	\$ 18,964,315	\$ 1,742,202,113	\$ 1,471,798,236
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 23,035,830	\$ 4,732,789	\$ 67,703,678	\$ 1,076,014	\$ 497,420	\$ 1,822,538	\$ 18,964,315	\$ 117,832,584	\$ 85,750,559 (C)
Salaries, benefits and payroll taxes payable	47,712,637	-	-	-	-	-	-	47,712,637	43,475,054
Deferred summer pay	46,579,157	-	-	-	-	-	-	46,579,157	42,059,245
Payroll deductions and withholdings payable	27,615,432	-	-	-	-	-	-	27,615,432	27,030,967
Due to other agencies	13,764,220	-	-	-	-	-	-	13,764,220	13,550,065
Due to other funds	-	18,222,630	-	-	11,510,207	-	-	29,732,837	56,765,838 (D)
Deferred revenue	431,198,322	848,764	8,298,619	-	140,647,287	-	-	580,992,992	511,929,543 (E)
Liability for compensated absences	7,961,073	102,505	-	-	-	-	-	8,063,578	7,189,223
Estimated liability for self-insured risks	17,759,345	-	-	-	-	-	-	17,759,345	12,893,948
Notes payable	157,480,000	-	-	-	-	-	-	157,480,000	125,000,000 (F)
Retainages payable	53,868	-	-	5,049,302	2,325,106	-	-	7,428,276	3,630,849
TOTAL LIABILITIES	773,159,884	23,906,688	76,002,297	6,125,316	154,980,020	1,822,538	18,964,315	1,054,961,058	929,275,291
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	9,345	-	9,345	10,106
Net assets-unrestricted	-	-	-	-	-	285,093	-	285,093	378,738
Fund balances:									
Nonspendable	22,993,380	1,068,167	-	-	-	-	-	24,061,547	23,084,029
Restricted-Other	9,512,324	45,522,192	26,029,105	-	186,698,063	-	-	267,761,684	232,484,490 (G)
Restricted-Capital Encumbrances	-	-	-	144,692,505	114,114,722	-	-	258,807,227	150,330,244 (G)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	81,988,864	-	-	-	-	-	-	81,988,864	81,908,043
TOTAL FUND EQUITY	168,821,863	46,590,359	26,029,105	144,692,505	300,812,785	294,438	-	687,241,055	542,522,945
TOTAL LIABILITIES AND FUND EQUITY	\$ 941,981,747	\$ 70,497,047	\$ 102,031,402	\$ 150,817,821	\$ 455,792,805	\$ 2,116,976	\$ 18,964,315	\$ 1,742,202,113	\$ 1,471,798,236

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, 2019

(With comparative amounts for the six months ended December 31, 2018)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						December 2019	December 2018
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 504,636,074	\$ -	\$ 10,252,275	\$ -	\$ 147,422,750	\$ 662,311,099	\$ 614,867,725 (H)
Food sales	-	7,331,436	-	-	-	7,331,436	7,299,118
Interest income and other	38,325,622	2,998,641	187,427	2,991,133	3,795,957	48,298,780	48,729,579
Total local sources	542,961,696	10,330,077	10,439,702	2,991,133	151,218,707	717,941,315	670,896,422
State sources:							
Florida education finance program	367,135,179	-	-	-	-	367,135,179	352,403,653
Other	187,029,269	3,198,755	-	-	16,002,804	206,230,828	215,342,302
Total state sources	554,164,448	3,198,755	-	-	16,002,804	573,366,007	567,745,955
Federal sources:							
Food service	-	45,807,373	-	-	-	45,807,373	44,582,212
Other	12,186,145	89,413,643	-	-	1,840,814	103,440,602	104,400,813
Total federal sources	12,186,145	135,221,016	-	-	1,840,814	149,247,975	148,983,025
TOTAL REVENUES	1,109,312,289	148,749,848	10,439,702	2,991,133	169,062,325	1,440,555,297	1,387,625,402
EXPENDITURES:							
Current Operating:							
Instructional services	755,384,246	59,405,580	-	-	-	814,789,826	781,683,428 (I)
Student and instructional support services	89,747,216	29,597,844	-	-	-	119,345,060	114,635,690
Student transportation services	45,988,167	498,203	-	-	-	46,486,370	44,393,981
Operation and maintenance of plant	124,822,406	230,231	-	-	-	125,052,637	122,379,461
School administration	73,127,788	627,312	-	-	-	73,755,100	71,836,611
Food service	-	54,370,685	-	-	-	54,370,685	56,082,825
Instruction related technology	16,043,309	-	-	-	-	16,043,309	14,860,120
General administration	50,201,532	4,712,500	-	-	-	54,914,032	50,211,461
Total current operating	1,155,314,664	149,442,355	-	-	-	1,304,757,019	1,256,083,577
Debt Service:							
Principal reduction	-	-	5,523,666	-	-	5,523,666	6,061,602
Interest and other charges	-	-	30,892,457	-	-	30,892,457	36,412,899
Capital Outlay	3,014,090	15,926	-	44,435,963	36,703,468	84,169,447	52,453,999 (J)
TOTAL EXPENDITURES	1,158,328,754	149,458,281	36,416,123	44,435,963	36,703,468	1,425,342,589	1,351,012,077
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,016,465)	(708,433)	(25,976,421)	(41,444,830)	132,358,857	15,212,708	36,613,325
OTHER FINANCING SOURCES (USES):							
Proceeds of capital leases	-	-	-	-	-	-	158,434
Proceeds from sale capital assets	-	-	-	-	130,437	130,437	1,399,307
Operating transfers in	56,943,505	-	36,311,222	-	302,578	93,557,305	92,725,877
Operating transfers out	(302,578)	-	-	-	(93,254,727)	(93,557,305)	(92,725,877)
TOTAL OTHER FINANCING SOURCES (USES)	56,640,927	-	36,311,222	-	(92,821,712)	130,437	1,557,741
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7,624,462	(708,433)	10,334,801	(41,444,830)	39,537,145	15,343,145	38,171,066
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	\$ 168,821,863	\$ 46,590,359	\$ 26,029,105	\$ 144,692,505	\$ 300,812,785	\$ 686,946,617	\$ 542,134,101

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For the Six Months Ended December 31, 2019

(With comparative amounts for the six months ended December 31, 2018)

	BUDGET	REVENUES YEAR-TO-DATE	BALANCE REMAINING	REVENUES Y-T-D AS % OF BUDGET	REVENUES AS OF DECEMBER 2018
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 1,070,390,857	\$ 504,154,094	\$ 566,236,763	47%	\$ 457,133,710
Ad valorem taxes - prior years	-	481,980	(481,980)	OVER 100%	668,416
Interest on investments	11,000,000	3,942,433	7,057,567	36%	3,794,427 (K)
After school supervision	21,000,000	12,490,116	8,509,884	59%	11,015,974 (L)
Course fees	11,026,008	4,193,729	6,832,279	38%	4,288,303
Gifts, grants, bequests	-	13,239	(13,239)	OVER 100%	13,239 (M)
Receipt of federal indirect cost rate	12,600,000	5,394,886	7,205,114	43%	5,675,542
Rental income	1,500,000	891,267	608,733	59%	704,379 (N)
E-rate rebate	2,500,000	1,441,059	1,058,941	58%	1,833,021 (O)
Other	17,632,000	9,958,893	7,673,107	56%	8,248,348
Total local sources	1,147,648,865	542,961,696	604,687,169	47%	493,375,359
State sources:					
Florida education finance program	767,685,777	367,135,179	400,550,598	48%	352,403,653
Workforce development	77,642,799	36,569,759	41,073,040	47%	36,453,220
Adult w/Disabilities	800,000	376,800	423,200	47%	391,040
Discretionary lottery funds	939,800	442,646	497,154	47%	465,647
Class size reduction	302,023,964	142,253,287	159,770,677	47%	148,753,085
State license tax	300,000	163,719	136,281	55%	105,631
Racing commission	446,500	-	446,500	-	-
School recognition/merit schools	12,365,000	5,823,915	6,541,085	47%	6,044,012
Other	3,500,000	1,399,143	2,100,857	40%	1,235,070
Total state sources	1,165,703,840	554,164,448	611,539,392	48%	545,851,358
Federal sources:					
Federal impact					
ROTC	2,300,000	916,531	1,383,469	40%	1,110,402
Other	22,450,000	11,269,614	11,180,386	50%	10,041,351
Total federal sources	24,750,000	12,186,145	12,563,855	49%	11,151,753
Other financing sources:					
Transfer from special revenue funds	1,200,000	-	1,200,000	-	233,777
Transfer from capital projects funds	120,899,161	56,943,505	63,955,656	47%	53,347,363
Total other financing sources	122,099,161	56,943,505	65,155,656	47%	53,581,140
TOTAL REVENUES & OTHER FINANCING SOURCES	\$ 2,460,201,866	\$ 1,166,255,794	\$ 1,293,946,072	47%	\$ 1,103,959,610

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For the Six Months Ended December 31, 2019

(With comparative amounts for the six months ended December 31, 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 DECEMBER 2018</u>
EXPENDITURES:					
Instructional services	\$ 1,598,205,700	\$ 744,433,114	\$ 853,772,586	47%	\$ 709,330,338
Pupil personnel services	133,627,319	61,824,140	71,803,179	46%	57,400,736
Instructional media	21,669,585	10,962,858	10,706,727	51%	11,428,076
Instruction & curriculum development	27,751,138	13,893,837	13,857,301	50%	12,842,670
Instruction & staff training	8,774,772	3,066,381	5,708,391	35%	3,077,031 (P)
Technology-Instructional	24,911,779	13,174,230	11,737,549	53%	12,919,773
Board of education	5,275,208	3,011,990	2,263,218	57%	2,514,097 (Q)
General administration	9,149,715	3,944,471	5,205,244	43%	3,942,137
School administration	142,612,402	73,127,788	69,484,614	51%	71,162,846
Facilities acquisition & construction	10,122,864	3,014,090	7,108,774	30%	- (R)
Fiscal services	11,156,088	5,321,307	5,834,781	48%	4,647,101
Central services	72,674,807	37,923,764	34,751,043	52%	34,134,864
Technology-Administrative	4,328,104	2,869,079	1,459,025	66%	1,940,347 (S)
Transportation services	86,269,855	45,988,167	40,281,688	53%	43,963,036
Operation services	210,023,647	91,729,426	118,294,221	44%	90,235,257
Maintenance services	65,946,135	33,092,980	32,853,155	50%	32,100,405
Community services	15,912,452	10,951,132	4,961,320	69%	10,876,019 (T)
Debt Service	1,480,417	-	1,480,417	(100)%	- (U)
TOTAL EXPENDITURES	2,449,891,987	1,158,328,754	1,291,563,233	47%	1,102,514,733
Other financing uses:					
Transfer to special revenue funds	4,399,147	-	4,399,147	-	- (V)
Total other financing uses	4,399,147	302,578	4,096,569	7%	-
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 2,454,291,134	\$ 1,158,631,332	\$ 1,295,659,802	47%	\$ 1,102,514,733

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For the Six Months Ended December 31, 2019

(With comparative amounts for the six months ended December 31, 2018)

	<u>DECEMBER 2019</u>	<u>DECEMBER 2018</u>
BEGINNING FUND BALANCE	\$ 161,197,401	\$ 160,568,339
Plus:		
Revenues and other financing sources	1,166,255,794	1,103,959,610
Less:		
Expenditures and other financing uses	<u>1,158,631,332</u>	<u>1,102,514,733</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>7,624,462</u>	 <u>1,444,877</u>
 ENDING FUND BALANCE:		
Nonspendable	22,993,380	22,636,249
Restricted	9,512,324	8,490,466
Committed	54,327,295	54,327,295
Assigned/Unassigned	81,988,864	76,559,206
TOTAL ENDING FUND BALANCE	<u><u>\$ 168,821,863</u></u>	<u><u>\$ 162,013,216</u></u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>3.51%</u>	 <u>3.59%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>4.14%</u>	 <u>4.21%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET

For the Six Months Ended December 31, 2019

ASSETS

- (A) Cash, cash equivalents and investments increased by \$295.1 million due to the issuance of General Obligation Bond Series 2019 in February 2019. The increase is also due to an increase in property tax values and additional revenues generated from the Secure the Next Generation 1/2 mill referendum as the property tax revenues are proportionately recognized during the year.
- (B) Due from other funds decreased by \$27 million due to the timing difference of the funds transferred from the Capital Project and Special Revenue funds to the General Fund.

LIABILITIES

- (C) Accounts payable and accrued expenditures/expenses increased by \$32.1 million due to the accounting adjustment to accrue the expenditures for December 2019.
- (D) Due to other funds decreased by \$27 million due to the timing difference of the funds transferred from the Capital Project and Special Revenue funds to the General Fund.
- (E) Deferred revenue increased by \$69.1 million as the revenues such as FEFP and Ad Valorem taxes are proportionately recognized during the year.
- (F) 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

- (G) Restricted-Other fund balance increased by \$35.3 million and Restricted-Capital Encumbrances increased by \$108.5 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 Six Months Ended December 31, 2019

REVENUES

LOCAL SOURCES

(H) Ad valorem taxes

The increase of \$47.4 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.

EXPENDITURES

(I) Instructional services

The increase of \$33.1 million is primarily due to the increase in charter schools enrollment. The increase is also due to the salaries, fringe, and purchased services for the Exceptional Student Education (ESE) and Basic K-12 programs.

(J) Capital outlay

The increase of \$31.7 million in capital outlay expenditures is primarily due to remodeling and renovations.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For the Six Months Ended December 31, 2019

ESTIMATED REVENUES

LOCAL SOURCES

(K) Interest on investments

The estimated revenues are anticipated to be received by the end of the fiscal year.

(L) After school supervision

After school supervision revenue is higher than prior year due to an increase in revenue generated from the after care program and the fringe cost reimbursement from the after care program to the District. After care program also reimburses the District for the campus monitors.

(M) Gifts, grants and bequests

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

(N) Rental income

Due to the timing of revenue collection, the revenues through December 2019 are higher as compared to budget. The estimated revenue is anticipated to be collected by the end of the school year.

(O) E-rate rebate

Due to the timing of revenue collection, the revenues through December 2019 are higher as compared to budget. The estimated revenue is anticipated to be collected by the end of the school year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For the Six Months Ended December 31, 2019

EXPENDITURES

(P) Instruction & staff training

The budgeted allocation is anticipated to be used by the end of the school year.

(Q) Board of education

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

(R) Facilities acquisition & construction

The budgeted allocation is anticipated to be used as remodeling and renovation improvements are completed.

(S) 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).

(T) Community services

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

(U) Debt Service

The Tax Anticipation Notes will be paid in June 2020.

(V) Transfer to special revenue funds

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