

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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FEBRUARY 29, 2020

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of February 29, 2020

(With comparative totals for February 28, 2019)

	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)	
								February 2020	February 2019
ASSETS:									
Cash, cash equivalents and investments	\$ 752,580,345	\$ 41,594,726	\$ 66,780,314	\$ 126,953,726	\$ 437,697,580	\$ 593,188	\$ 18,997,137	\$ 1,445,197,016	\$ 1,389,324,820 (A)
Due from other agencies	5,312,255	28,400,471	-	-	18,068,531	-	-	51,781,257	61,633,390
Due from other funds	37,633,606	-	-	-	-	-	-	37,633,606	73,333,518 (B)
Inventories	8,174,465	1,842,223	-	-	-	41,790	-	10,058,478	8,620,104
Fixed assets	-	-	-	-	-	9,346	-	9,346	10,106
Prepays and Other assets	8,106,290	171,199	17,731	8,351	57,896	167	-	8,361,634	9,240,034
TOTAL ASSETS	\$ 811,806,961	\$ 72,008,619	\$ 66,798,045	\$ 126,962,077	\$ 455,824,007	\$ 644,491	\$ 18,997,137	\$ 1,553,041,337	\$ 1,542,161,972
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 18,575,332	\$ 5,085,471	\$ 38,548,184	\$ 1,608,796	\$ 1,283,282	\$ 275,306	\$ 18,995,786	\$ 84,372,157	\$ 51,002,380 (C)
Salaries, benefits and payroll taxes payable	56,406,957	308,156	-	-	-	75,535	1,314	56,791,962	65,348,687
Deferred summer pay	66,333,700	-	-	-	-	-	-	66,333,700	60,187,340
Payroll deductions and withholdings payable	28,248,989	173,787	-	-	-	26,274	37	28,449,087	29,103,573
Due to other agencies	14,948,833	-	-	-	-	-	-	14,948,833	13,787,605
Due to other funds	-	18,051,236	-	-	19,582,370	-	-	37,633,606	73,333,518 (D)
Deferred revenue	275,277,193	1,102,839	5,330,048	-	95,439,132	-	-	377,149,212	330,986,372 (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	16,587,192
Notes payable	157,480,000	-	-	-	-	-	-	157,480,000	125,000,000 (F)
Retainages payable	57,331	-	-	5,937,169	2,695,523	-	-	8,690,023	3,693,748
TOTAL LIABILITIES	643,048,753	24,823,994	43,878,232	7,545,965	119,000,307	377,115	18,997,137	857,671,503	776,219,638
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	9,345	-	9,345	10,106
Net assets-unrestricted	-	-	-	-	-	258,031	-	258,031	244,362
Fund balances:									
Nonspendable	23,733,959	1,842,223	-	-	-	-	-	25,576,182	23,177,027
Restricted-Other	9,512,324	45,342,402	22,919,813	-	208,174,368	-	-	285,948,907	441,097,885 (G)
Restricted-Capital Encumbrances	-	-	-	119,416,112	128,649,332	-	-	248,065,444	164,881,181 (G)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	81,184,630	-	-	-	-	-	-	81,184,630	82,204,478
TOTAL FUND EQUITY	168,758,208	47,184,625	22,919,813	119,416,112	336,823,700	267,376	-	695,369,834	765,942,334
TOTAL LIABILITIES AND FUND EQUITY	\$ 811,806,961	\$ 72,008,619	\$ 66,798,045	\$ 126,962,077	\$ 455,824,007	\$ 644,491	\$ 18,997,137	\$ 1,553,041,337	\$ 1,542,161,972

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 29, 2020

(With comparative amounts for the eight months ended February 28, 2019)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						February 2020	February 2019
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 704,764,315	\$ -	\$ 14,317,228	\$ -	\$ 205,883,722	\$ 924,965,265	\$ 840,729,756 (H)
Food sales	-	10,732,740	-	-	-	10,732,740	10,557,558
Interest income and other	49,509,918	3,531,875	67,794	3,054,793	14,252,017	70,416,397	74,133,726
Total local sources	<u>754,274,233</u>	<u>14,264,615</u>	<u>14,385,022</u>	<u>3,054,793</u>	<u>220,135,739</u>	<u>1,006,114,402</u>	<u>925,421,040</u>
State sources:							
Florida education finance program	494,573,565	-	-	-	-	494,573,565	479,985,629
Other	262,498,226	3,866,596	-	-	23,630,875	289,995,697	291,438,361
Total state sources	<u>757,071,791</u>	<u>3,866,596</u>	<u>-</u>	<u>-</u>	<u>23,630,875</u>	<u>784,569,262</u>	<u>771,423,990</u>
Federal sources:							
Food service	-	65,903,063	-	-	-	65,903,063	65,956,619
Other	16,533,536	128,693,183	-	-	1,990,987	147,217,706	150,383,504
Total federal sources	<u>16,533,536</u>	<u>194,596,246</u>	<u>-</u>	<u>-</u>	<u>1,990,987</u>	<u>213,120,769</u>	<u>216,340,123</u>
TOTAL REVENUES	<u>1,527,879,560</u>	<u>212,727,457</u>	<u>14,385,022</u>	<u>3,054,793</u>	<u>245,757,601</u>	<u>2,003,804,433</u>	<u>1,913,185,153</u>
EXPENDITURES:							
Current Operating:							
Instructional services	1,042,954,035	85,570,922	-	-	-	1,128,524,957	1,081,403,974 (I)
Student and instructional support services	124,339,366	41,750,225	-	-	-	166,089,591	157,770,583
Student transportation services	65,387,397	601,125	-	-	-	65,988,522	61,561,030
Operation and maintenance of plant	175,249,565	418,727	-	-	-	175,668,292	167,549,944
School administration	99,680,711	741,593	-	-	-	100,422,304	96,845,332
Food service	-	77,113,610	-	-	-	77,113,610	77,860,729
Instruction related technology	21,325,376	-	-	-	-	21,325,376	19,761,628
General administration	65,919,086	6,621,062	-	-	-	72,540,148	67,354,728
Total current operating	<u>1,594,855,536</u>	<u>212,817,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,807,672,800</u>	<u>1,730,107,948</u>
Debt Service:							
Principal reduction	-	-	7,237,868	-	-	7,237,868	6,714,088
Interest and other charges	-	-	74,975,135	-	-	74,975,135	38,223,189 (J)
Capital Outlay	4,002,195	24,360	-	69,776,016	52,914,982	126,717,553	79,375,342 (K)
TOTAL EXPENDITURES	<u>1,598,857,731</u>	<u>212,841,624</u>	<u>82,213,003</u>	<u>69,776,016</u>	<u>52,914,982</u>	<u>2,016,603,356</u>	<u>1,854,420,567</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(70,978,171)</u>	<u>(114,167)</u>	<u>(67,827,981)</u>	<u>(66,721,223)</u>	<u>192,842,619</u>	<u>(12,798,923)</u>	<u>58,764,586</u>
OTHER FINANCING SOURCES (USES):							
Proceeds of certificates of participation	-	-	170,325,000	-	-	170,325,000	- (L)
Premiums on refunding bonds	-	-	44,515,994	-	-	44,515,994	- (L)
Proceeds from sale capital assets	-	-	-	-	239,794	239,794	1,493,958
Payments to refunded bond escrow agents	-	-	(178,782,299)	-	-	(178,782,299)	- (L)
Operating transfers in	79,539,558	-	38,994,795	-	1,000,000	119,534,353	113,769,644
Operating transfers out	(1,000,580)	-	-	-	(118,534,353)	(119,534,933)	(113,769,644)
TOTAL OTHER FINANCING SOURCES (USES)	<u>78,538,978</u>	<u>-</u>	<u>75,053,490</u>	<u>-</u>	<u>(117,294,559)</u>	<u>36,297,909</u>	<u>202,859,742</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>7,560,807</u>	<u>(114,167)</u>	<u>7,225,509</u>	<u>(66,721,223)</u>	<u>75,548,060</u>	<u>23,498,986</u>	<u>261,624,328</u>
FUND BALANCES, BEGINNING OF PERIOD	<u>161,197,401</u>	<u>47,298,792</u>	<u>15,694,304</u>	<u>186,137,335</u>	<u>261,275,640</u>	<u>671,603,472</u>	<u>503,963,035</u>
FUND BALANCES, END OF PERIOD	<u>\$ 168,758,208</u>	<u>\$ 47,184,625</u>	<u>\$ 22,919,813</u>	<u>\$ 119,416,112</u>	<u>\$ 336,823,700</u>	<u>\$ 695,102,458</u>	<u>\$ 765,587,363</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For the Eight Months Ended February 29, 2020

(With comparative amounts for the eight months ended February 28, 2019)

	BUDGET	REVENUES YEAR-TO-DATE	BALANCE REMAINING	REVENUES Y-T-D AS % OF BUDGET	REVENUES AS OF FEBRUARY 2019
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 1,070,390,857	\$ 704,210,145	\$ 366,180,712	66%	\$ 625,192,072
Ad valorem taxes - prior years	-	554,170	(554,170)	OVER 100%	768,847
Interest on investments	11,000,000	2,683,004	8,316,996	24%	7,104,872 (M)
After school supervision	21,000,000	16,634,946	4,365,054	79%	15,690,215 (N)
Course fees	11,026,008	6,961,941	4,064,067	63%	6,686,885
Gifts, grants, bequests	-	13,239	(13,239)	OVER 100%	13,887 (O)
Receipt of federal indirect cost rate	12,600,000	7,568,756	5,031,244	60%	7,991,409
Rental income	1,500,000	1,216,882	283,118	81%	1,007,412 (P)
E-rate rebate	2,500,000	2,078,742	421,258	83%	1,833,021 (Q)
Other	17,632,000	12,352,408	5,279,592	70%	13,721,084
Total local sources	1,147,648,865	754,274,233	393,374,632	66%	680,009,704
State sources:					
Florida education finance program	743,302,002	494,573,565	248,728,437	67%	479,985,629
Workforce development	77,642,799	51,081,197	26,561,602	66%	49,854,701
Adult w/Disabilities	800,000	526,320	273,680	66%	534,800
Discretionary lottery funds	278,983	183,543	95,440	66%	636,834
Class size reduction	302,946,281	199,308,358	103,637,923	66%	203,439,930
State license tax	300,000	257,884	42,116	86%	251,442 (R)
Racing commission	446,500	223,250	223,250	50%	223,250 (S)
School recognition/merit schools	13,730,903	9,033,561	4,697,342	66%	8,266,003
Other	3,500,000	1,884,113	1,615,887	54%	1,813,519 (T)
Total state sources	1,142,947,468	757,071,791	385,875,677	66%	745,006,108
Federal sources:					
Federal impact					
ROTC	2,300,000	1,429,717	870,283	62%	1,494,006
Other	22,450,000	15,103,819	7,346,181	67%	16,707,242
Total federal sources	24,750,000	16,533,536	8,216,464	67%	18,201,248
Other financing sources:					
Transfer from special revenue funds	1,200,000	-	1,200,000	-	407,805
Transfer from capital projects funds	120,899,161	79,539,558	41,359,603	66%	72,959,722
Total other financing sources	122,099,161	79,539,558	42,559,603	65%	73,367,527
TOTAL REVENUES & OTHER FINANCING SOURCES	\$ 2,437,445,494	\$ 1,607,419,118	\$ 830,026,376	66%	\$ 1,516,584,587

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For the Eight Months Ended February 29, 2020

(With comparative amounts for the eight months ended February 28, 2019)

	BUDGET	EXPENDITURES YEAR-TO-DATE	BALANCE AVAILABLE	EXPENDITURES Y-T-D AS % OF BUDGET	EXPENDITURES AS OF FEBRUARY 2019
EXPENDITURES:					
Instructional services	\$ 1,586,568,108	\$ 1,027,964,441	\$ 558,603,667	65%	\$ 978,758,707
Pupil personnel services	133,839,748	86,078,738	47,761,010	64%	80,114,112
Instructional media	22,014,585	14,932,382	7,082,203	68%	15,549,610
Instruction & curriculum development	27,968,638	19,204,001	8,764,637	69%	16,755,145
Instruction & staff training	9,489,677	4,124,245	5,365,432	43%	3,825,126 (U)
Technology-Instructional	24,911,779	17,851,792	7,059,987	72%	17,356,223
Board of education	5,713,208	3,821,989	1,891,219	67%	3,219,247
General administration	9,149,715	5,449,347	3,700,368	60%	5,147,969
School administration	142,612,402	99,680,711	42,931,691	70%	96,021,546
Facilities acquisition & construction	10,122,864	4,002,195	6,120,669	40%	2,598,238 (V)
Fiscal services	11,156,088	7,153,570	4,002,518	64%	6,289,883
Central services	73,093,183	49,494,180	23,599,003	68%	45,676,947
Technology-Administrative	4,328,104	3,473,584	854,520	80%	2,405,405 (W)
Transportation services	86,269,855	65,387,397	20,882,458	76%	60,889,561 (X)
Operation services	209,904,445	130,657,667	79,246,778	62%	124,823,709
Maintenance services	65,946,135	44,591,898	21,354,237	68%	42,691,156
Community services	15,912,452	14,989,594	922,858	94%	14,872,310 (Y)
Debt Service	1,480,417	-	1,480,417	(100)%	- (Z)
TOTAL EXPENDITURES	2,440,481,403	1,598,857,731	841,623,672	66%	1,516,994,894
Other financing uses:					
Transfer to special revenue funds	4,399,147	-	4,399,147	-	- (AA)
Transfer to capital projects funds	-	1,000,000	(1,000,000)	OVER 100%	- (AB)
Total other financing uses	4,399,147	1,000,580	3,398,567	23%	-
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 2,444,880,550	\$ 1,599,858,311	\$ 845,022,239	65%	\$ 1,516,994,894

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For the Eight Months Ended February 29, 2020

(With comparative amounts for the eight months ended February 28, 2019)

	<u>FEBRUARY 2020</u>	<u>FEBRUARY 2019</u>
BEGINNING FUND BALANCE	\$ 161,197,401	\$ 160,568,339
Plus:		
Revenues and other financing sources	1,607,419,118	1,516,584,587
Less:		
Expenditures and other financing uses	<u>1,599,858,311</u>	<u>1,516,994,894</u>
EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>7,560,807</u>	<u>(410,307)</u>
ENDING FUND BALANCE:		
Nonspendable	23,733,959	20,666,473
Restricted	9,512,324	8,490,466
Committed	54,327,295	54,327,295
Assigned/Unassigned	81,184,630	76,673,798
TOTAL ENDING FUND BALANCE	<u>\$ 168,758,208</u>	<u>\$ 160,158,032</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>4.15%</u>	<u>4.26%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET

For the Eight Months Ended February 29, 2020

ASSETS

- (A) Cash, cash equivalents and investments increased by \$55.9 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 \$35.7 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 \$33.4 million due to the accrual of expenditures for February 2020.
- (D) Due to other funds decreased by \$35.7 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 \$46.2 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 decreased by \$155.1 million and Restricted-Capital Encumbrances increased by \$83.2 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 Eight Months Ended February 29, 2020**

REVENUES

LOCAL SOURCES

(H) Ad valorem taxes

The increase of \$84.2 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 \$47.1 million is primarily due to an increase in charter schools enrollment. There is also an increase in salaries, fringe, and purchased services for the Exceptional Student Education (ESE) and Basic K-12 programs.

(J) Interest and other charges

The \$36.8 million increase is due to the SWAP termination fees for the refunding of Certificates of Participation (COP) Series 2014A and 2015C.

(K) Capital outlay

The increase of \$47.3 million in capital outlay expenditures is primarily due to remodeling and renovations.

OTHER FINANCING SOURCES (USES)

**(L) Proceeds of certificates of participation, premiums on refunding bonds, and
payments to refunded bond escrow agents**

The \$36.1 million net increase is due to the refunding of Certificates of Participation (COP) Series 2014A and 2015C and issuance of COP Series 2019A and 2019B.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For the Eight Months Ended February 29, 2020

ESTIMATED REVENUES

LOCAL SOURCES

(M) Interest on investments

The interest on investments is less as compared to prior year due to the net decrease in the fair value of investments.

(N) 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.

(O) Gifts, grants and bequests

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

(P) Rental income

Due to the timing of revenue collection, the revenues through February 2020 are higher as compared to budget. The estimated revenue is anticipated to be collected by the end of the school year.

(Q) E-rate rebate

Due to the timing of revenue collection, the revenues through February 2020 are higher as compared to budget. The estimated revenue is anticipated to be collected by the end of the school year.

STATE SOURCES

(R) State license tax

Due to the timing of revenue collection, the collection rate is higher through February 2020. The estimated revenue is anticipated to be received by the end of the school year.

(S) Racing Commission

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

(T) Other state sources

Due to the timing of revenue collection for the Voluntary Prekindergarten Program, the collection rate is higher through February 2020 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 29, 2020

EXPENDITURES

(U) Instruction & staff training

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

(V) Facilities acquisition & construction

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

(W) 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).

(X) Transportation services

The increase is due to an increase in overtime related to bus operator vacancies and the Board approved change in the Employee Work Calendar for Transportation employees. The change moved the fourth planning day from March to January, therefore due to the timing difference, the offset will occur in March.

(Y) Community services

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

(Z) Debt Service

The Tax Anticipation Notes will be paid in June 2020.

(AA) Transfer to special revenue funds

There are no transfers to special revenue funds as of February 2020.

(AB) Transfer to capital projects funds

Funds were transferred for the Sprint transition project per the lease agreement.