

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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MARCH 31, 2017

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of March 31, 2017

(With comparative totals for March 31, 2016)

	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)	
								March 2017	March 2016
ASSETS:									
Cash, cash equivalents and investments	\$ 671,649,339	\$ 47,431,334	\$ 25,938,714	\$ 116,438,223	\$ 329,296,120	\$ (2,563)	\$ 15,565,337	\$ 1,206,316,504	\$ 1,029,109,056 (A)
Due from other agencies	8,903,224	36,954,895	-	-	3,419,679	-	-	49,277,798	35,821,360
Due from other funds	25,334,911	-	-	-	-	-	-	25,334,911	19,284,430
Inventories	7,706,052	3,158,251	-	-	-	14,005	-	10,878,308	11,586,206
Fixed assets	-	-	-	-	-	795	-	795	857
Prepays and Other assets	5,425,548	148,111	14,882	129,029	140,891	34	-	5,858,495	3,312,903
TOTAL ASSETS	\$ 719,019,074	\$ 87,692,591	\$ 25,953,596	\$ 116,567,252	\$ 332,856,690	\$ 12,271	\$ 15,565,337	\$ 1,297,666,811	\$ 1,099,114,812
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 23,033,989	\$ 5,425,724	\$ 14,485,863	\$ 1,131,460	\$ 1,423,910	\$ 5,663	\$ 15,565,337	\$ 61,071,946	\$ 38,796,319 (B)
Salaries, benefits and payroll taxes payable	57,537,058	-	-	-	-	-	-	57,537,058	62,208,535
Deferred summer pay	66,833,106	-	-	-	-	-	-	66,833,106	61,613,974
Payroll deductions and withholdings payable	25,930,040	-	-	-	-	-	-	25,930,040	24,642,250
Due to other agencies	13,689,732	-	-	-	-	-	-	13,689,732	20,308,331
Due to other funds	-	16,536,037	-	-	8,798,874	-	-	25,334,911	19,284,430
Deferred revenue	210,560,599	9,472,405	2,282,603	-	49,657,144	-	-	271,972,751	208,774,746 (C)
Liability for compensated absences	6,897,799	91,690	-	-	-	-	-	6,989,489	7,754,758
Estimated liability for self-insured risks	20,470,116	-	-	-	-	-	-	20,470,116	28,524,161
Notes payable	125,000,000	-	-	-	-	-	-	125,000,000	- (D)
Retainages payable	17,600	-	-	2,949	2,824,471	-	-	2,845,020	4,490,419
TOTAL LIABILITIES	549,970,039	31,525,856	16,768,466	1,134,409	62,704,399	5,663	15,565,337	677,674,169	476,397,923
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	-	-	-	857
Net assets-unrestricted	-	-	-	-	-	6,608	-	6,608	119,082
Fund balances:									
Nonspendable	7,706,052	3,158,251	-	-	-	-	-	10,864,303	25,129,365
Restricted-Other	15,900,689	48,731,867	9,185,130	90,639,858	265,319,887	-	-	429,777,431	444,383,393 (E)
Restricted-Capital Encumbrances	-	-	-	24,792,985	4,832,404	-	-	29,625,389	10,731,667 (E)
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,634,639
Assigned/Unassigned	91,114,999	4,276,617	-	-	-	-	-	95,391,616	87,717,886
TOTAL FUND EQUITY	169,049,035	56,166,735	9,185,130	115,432,843	270,152,291	6,608	-	619,992,642	622,716,889
TOTAL LIABILITIES AND FUND EQUITY	\$ 719,019,074	\$ 87,692,591	\$ 25,953,596	\$ 116,567,252	\$ 332,856,690	\$ 12,271	\$ 15,565,337	\$ 1,297,666,811	\$ 1,099,114,812

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

ALL GOVERNMENTAL FUND TYPES

For The Nine Months Ended March 31, 2017

(With comparative amounts for the nine months ended March 31, 2016)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						March 2017	March 2016
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 667,603,795	\$ -	\$ 8,787,330	\$ -	\$ 187,641,783	\$ 864,032,908	\$ 853,067,669
Food sales	-	11,816,212	-	-	-	11,816,212	11,929,728
Interest income and other	46,196,259	6,011,664	(805,402)	544,754	16,745,965	68,693,240	66,934,637
Total local sources	713,800,054	17,827,876	7,981,928	544,754	204,387,748	944,542,360	931,932,034
State sources:							
Florida education finance program	505,506,794	-	-	-	-	505,506,794	484,587,366 (F)
Other	288,700,087	2,420,855	-	-	16,466,808	307,587,750	304,913,595
Total state sources	794,206,881	2,420,855	-	-	16,466,808	813,094,544	789,500,961
Federal sources:							
Food service	-	74,992,542	-	-	-	74,992,542	63,476,757
Other	11,318,621	134,566,591	-	-	-	145,885,212	135,117,369
Total federal sources	11,318,621	209,559,133	-	-	-	220,877,754	198,594,126
TOTAL REVENUES	1,519,325,556	229,807,864	7,981,928	544,754	220,854,556	1,978,514,658	1,920,027,121
EXPENDITURES:							
Current Operating:							
Instructional services	1,054,073,740	93,861,524	-	-	-	1,147,935,264	1,122,730,469 (G)
Student and instructional support services	119,359,437	39,661,465	-	-	-	159,020,902	150,201,367
Pupil transportation services	63,994,628	407,260	-	-	-	64,401,888	57,361,402
Operation and maintenance of plant	173,602,113	40,857	-	-	-	173,642,970	170,810,081
School administration	100,372,380	646,287	-	-	-	101,018,667	97,615,797
Food service	-	85,336,177	-	-	-	85,336,177	73,625,607
Instruction related technology	19,941,008	-	-	-	-	19,941,008	17,782,332
General administration	60,483,228	6,543,171	-	-	-	67,026,399	61,596,374
Total current operating	1,591,826,534	226,496,741	-	-	-	1,818,323,275	1,751,723,429
Debt Service:							
Principal reduction	-	-	8,241,563	-	-	8,241,563	8,102,824
Interest and other charges	114,950	-	41,484,899	-	-	41,599,849	44,351,240
Capital Outlay	-	-	-	19,942,538	57,976,088	77,918,626	95,624,820 (H)
TOTAL EXPENDITURES	1,591,941,484	226,496,741	49,726,462	19,942,538	57,976,088	1,946,083,313	1,899,802,313
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(72,615,928)	3,311,123	(41,744,534)	(19,397,784)	162,878,468	32,431,345	20,224,808
OTHER FINANCING SOURCES (USES):							
Proceeds of bonds sold	975,000	-	-	-	-	975,000	-
Proceeds of certificates of participation	-	-	-	-	-	-	65,205,000 (I)
Proceeds of capital leases	-	-	-	-	22,300,000	22,300,000	- (J)
Proceeds from sale capital assets	-	-	-	-	552,200	552,200	687,305
Payments to refunded bond escrow agents	-	-	-	-	-	-	(65,000,000) (I)
Operating transfers in	61,555,287	40,000	46,381,978	-	8,452	107,985,717	101,380,892
Operating transfers out	(48,452)	(837,530)	-	-	(107,099,735)	(107,985,717)	(101,380,892)
TOTAL OTHER FINANCING SOURCES (USES)	62,481,835	(797,530)	46,381,978	-	(84,239,083)	23,827,200	892,305
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,134,093)	2,513,593	4,637,444	(19,397,784)	78,639,385	56,258,545	21,117,113
FUND BALANCES, BEGINNING OF PERIOD	179,183,128	53,653,142	4,547,686	134,830,627	191,512,906	563,727,489	601,479,837
FUND BALANCES, END OF PERIOD	\$ 169,049,035	\$ 56,166,735	\$ 9,185,130	\$ 115,432,843	\$ 270,152,291	\$ 619,986,034	\$ 622,596,950

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For The Nine Months Ended March 31, 2017

(With comparative amounts for the nine months ended March 31, 2016)

	<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 MARCH 2016</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 915,933,252	\$ 667,603,795	\$ 248,329,457	73%	\$ 668,660,392
Interest on investments	2,750,000	2,856,771	(106,771)	OVER 100%	950,701 (K)
After school supervision	16,400,000	14,844,136	1,555,864	91%	13,180,935 (L)
Course fees	10,444,567	7,351,772	3,092,795	70%	7,375,698
Gifts, grants, bequests	-	-	-	-	292
Receipt of federal indirect cost rate	8,000,000	7,188,647	811,353	90%	5,299,070 (M)
Rental income	1,500,000	1,069,456	430,544	71%	993,715
E-rate rebate	3,732,407	2,480,442	1,251,965	66%	1,961,803
Other	10,776,743	10,405,035	371,708	97%	12,573,298 (N)
Total local sources	<u>969,536,969</u>	<u>713,800,054</u>	<u>255,736,915</u>	74%	<u>710,995,904</u>
State sources:					
Florida education finance program	687,983,550	505,506,794	182,476,756	73%	484,587,366
Workforce development	70,846,690	51,505,544	19,341,146	73%	52,596,954
Adult w/Disabilities	800,000	581,600	218,400	73%	-
Discretionary lottery funds	-	-	-	-	727,330
Class size reduction	308,125,743	224,007,415	84,118,328	73%	225,252,446
State license tax	301,000	269,405	31,595	90%	274,718 (O)
Racing commission	446,500	334,875	111,625	75%	334,875
School recognition/merit schools	12,246,525	8,903,224	3,343,301	73%	8,981,581
Other	2,648,864	3,098,024	(449,160)	OVER 100%	2,521,166 (P)
Total state sources	<u>1,083,398,872</u>	<u>794,206,881</u>	<u>289,191,991</u>	73%	<u>775,276,436</u>
Federal sources:					
ROTC	2,000,000	1,398,205	601,795	70%	1,465,094
Other	11,289,407	9,920,416	1,368,991	88%	5,617,716 (Q)
Total federal sources	<u>13,289,407</u>	<u>11,318,621</u>	<u>1,970,786</u>	85%	<u>7,082,810</u>
Other financing sources:					
Transfer from special revenue funds	800,000	837,530	(37,530)	OVER 100%	613,916 (R)
Transfer from capital projects funds	83,518,235	60,717,757	22,800,478	73%	52,505,280
Proceeds of bonds sold	-	975,000	(975,000)	-	-
Total other financing sources	<u>84,318,235</u>	<u>62,530,287</u>	<u>21,787,948</u>	74%	<u>53,119,196</u>
TOTAL REVENUES & OTHER FINANCING SOURCES	<u>\$ 2,150,543,483</u>	<u>\$ 1,581,855,843</u>	<u>\$ 568,687,640</u>	74%	<u>\$ 1,546,474,346</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For The Nine Months Ended March 31, 2017

(With comparative amounts for the nine months ended March 31, 2016)

	BUDGET	EXPENDITURES YEAR-TO-DATE	BALANCE AVAILABLE	EXPENDITURES Y-T-D AS % OF BUDGET	EXPENDITURES AS OF MARCH 2016
EXPENDITURES:					
Instructional services	\$ 1,115,221,705	\$ 1,039,095,266	\$ 76,126,439	93%	\$ 1,019,647,940
Pupil personnel services	111,178,016	82,566,101	28,611,915	74%	79,614,678
Instructional media	21,912,544	16,772,681	5,139,863	77%	15,074,062
Instruction & curriculum development	19,541,643	16,739,442	2,802,201	86%	14,315,903
Instruction & staff training	4,640,100	3,281,213	1,358,887	71%	2,766,990 (S)
Technology-Instructional	22,005,545	17,966,377	4,039,168	82%	15,858,119
Board of education	4,626,101	3,314,305	1,311,796	72%	3,132,006
General administration	5,966,648	4,282,970	1,683,678	72%	4,253,205
School administration	131,700,825	100,372,380	31,328,445	76%	97,571,472
Fiscal services	8,816,865	6,610,803	2,206,062	75%	6,453,373
Central services	58,856,590	46,275,150	12,581,440	79%	41,532,162
Technology-Administrative	5,041,024	1,974,631	3,066,393	39%	1,924,213 (T)
Transportation services	82,050,121	63,994,628	18,055,493	78%	57,065,138
Operation services	176,943,163	125,958,560	50,984,603	71%	124,412,657
Maintenance services	64,600,704	47,643,553	16,957,151	74%	46,357,103
Community services	19,322,529	14,978,474	4,344,055	78%	13,471,553
Debt Service	376,507	114,950	261,557	31%	125,257 (U)
TOTAL EXPENDITURES	1,852,800,630	1,591,941,484	260,859,146	86%	1,543,575,831
Other financing uses:					
Transfer to special revenue funds	40,000	40,000	-	100%	- (V)
Transfer to capital projects funds	-	8,452	(8,452)	OVER 100%	- (W)
Transfer to debt service funds	5,016,638	-	5,016,638		- (X)
Total other financing uses	5,056,638	48,452	5,008,186	1%	-
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 1,857,857,268	\$ 1,591,989,936	\$ 265,867,332	86%	\$ 1,543,575,831

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For The Nine Months Ended March 31, 2017

(With comparative amounts for the nine months ended March 31, 2016)

	<u>MARCH 2017</u>	<u>MARCH 2016</u>
BEGINNING FUND BALANCE	\$ 179,183,128	\$ 161,431,897
Plus:		
Revenues and other financing sources	1,581,855,843	1,546,474,346
Less:		
Expenditures and other financing uses	<u>1,591,989,936</u>	<u>1,543,575,831</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>(10,134,093)</u>	 <u>2,898,515</u>
 ENDING FUND BALANCE:		
Nonspendable	7,706,052	21,476,882
Restricted	15,900,689	3,972,622
Committed	54,327,295	54,634,639
Assigned/Unassigned	91,114,999	84,246,269
TOTAL ENDING FUND BALANCE	<u>\$ 169,049,035</u>	<u>\$ 164,330,412</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>4.41%</u>	 <u>4.18%</u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues excluding charter school revenues	 <u>5.21%</u>	 <u>4.84%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
SCHEDULE OF EXPLANATION FOR COMBINED BALANCE SHEET
For The Nine Months Ended March 31, 2017

TOTAL ASSETS

- (A) Cash, cash equivalents and investments increased by \$177.2 million resulting from an increase in Ad Valorem taxes, Florida Education Finance Program (FEFP), revenues from federal sources, and proceeds from the issuance of Tax Anticipation Notes.

TOTAL LIABILITIES

- (B) Accounts payable and accrued expenditures/expenses increased by \$22.3 million primarily due to the increase in charter school payments as well as principal and interest payments for debt service.
- (C) Deferred revenue increased by \$63.2 million as the revenues such as FEFP and Ad Valorem taxes are proportionately recognized during the year.
- (D) Notes payable increased by \$125.0 million as the 2016 TANs repayment was extended to June to capitalize on the competitive interest rates on the investment of the proceeds. Historically, the District has issued TANs with a January maturity.

TOTAL FUND EQUITY

- (E) Restricted-Other fund balance decreased by \$14.6 million and Restricted-Capital Encumbrances increased by \$18.9 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 SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**SCHEDULE OF EXPLANATION FOR COMBINED REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For The Nine Months Ended March 31, 2017**

REVENUES

STATE SOURCES

(F) Florida Education Finance Program

The increase of \$20.9 million is due to additional revenues from the state in fiscal year 2017.

EXPENDITURES

(G) Instructional Services

The increase of \$25.2 million is due to the timing of the payment of teacher raises. In fiscal year 2016, teacher raises were approved in June 2016 and therefore are not reflected in March 2016 expenditures but are included in March 2017 expenditures.

(H) Capital Outlay

The decrease of \$17.7 million compared to last year is primarily due to the purchase of buses, other motor vehicles and computer/technology equipment in 2015-16 as a result of the capital leases.

OTHER FINANCING SOURCES (USES)

(I) Proceeds of Certificates of Participation & Payments to refunded bond escrow agents

In fiscal year 2016, the refunding of Certificates of Participation Series (COPs) 2006B and issuance of COPs 2015C resulted in proceeds and payments of \$65.2 million and \$65.0 million respectively, whereas no refunding was done in fiscal year 2017.

(J) Proceeds of capital leases

The increase of \$22.3 million is due to the 2016-17 capital lease for buses and other motor vehicles.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Nine Months Ended March 31, 2017

ESTIMATED REVENUES

LOCAL SOURCES

(K) Interest on investments

The increase is due to the investment of District's portfolios in higher yielding instruments.

(L) After school supervision

Revenues collected through March 2017 were higher as compared to last year as more fees were collected.

(M) Receipt of federal indirect cost rate

Most of the revenue was collected at the beginning of the year and therefore the collection rate through March 2017 was 90% of the budgeted revenues.

(N) Other local sources

Most of the revenue from fees and other local sources was collected at the beginning of the year and therefore the collection rate through March 2017 was 97% of the budgeted revenues. The remaining estimated revenue is anticipated to be received by the end of the school year.

(O) State License Tax

The revenue collection rate through March 2017 is about the same as last year. The budgeted revenues are anticipated to be received by the end of the school year.

STATE SOURCES

(P) Other State Sources

There was an increase in the revenues from the Florida's Best and Brightest Teacher Scholarship in 2017 as compared to prior fiscal year.

FEDERAL SOURCES

(Q) Other Federal Sources

There is an increase in the collection of Medicaid revenues through March 2017 as compared to prior fiscal year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For The Nine Months Ended March 31, 2017

ESTIMATED REVENUES

OTHER FINANCING SOURCES

(R) Transfer from Special Revenue Funds

Transfers are recorded as the After Care fees are collected. Revenues collected through March 2017 were higher as compared to last year as more fees were collected.

EXPENDITURES

(S) 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.

(T) Technology-Administrative

The budget increased mid-year following the School Board's approval of the Agenda Item No. EE-4 on January 18, 2017 for the implementation of IBM Maximo to replace the current work order management system with a financial impact to the District of \$2,052,928. Since the approval, funds set aside were not spent through March 2017.

(U) Debt Service

The Tax Anticipation Notes will be paid in June 2017.

(V) Transfer to Special Revenue Funds

The transfer was completed in March 2017 as compared to April last year.

(W) Transfer to Capital Projects Funds

Funds were transferred from Workforce Reserve to cover additional costs for Castle Hill Annex project.

(X) Transfer to Debt Service Funds

The budgeted appropriation will be transferred by the end of the school year when the debt service payments are due.