

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

INTERIM FINANCIAL STATEMENTS

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MAY 31, 2020

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

COMBINED BALANCE SHEET

As of May 31, 2020

(With comparative totals for May 31, 2019)

	GOVERNMENTAL FUND TYPES					PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	TOTALS (Memorandum Only)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	INTERNAL SERVICE	AGENCY FUNDS	May 2020	May 2019
	ASSETS:								
Cash, cash equivalents and investments	\$ 501,906,179	\$ 36,688,404	\$ 67,455,105	\$ 92,413,402	\$ 689,744,890	\$ 410,944	\$ 18,949,050	\$ 1,407,567,974	\$ 1,181,997,043 (A)
Due from other agencies	42,244,014	24,710,121	-	-	12,099,975	-	-	79,054,110	96,052,617
Due from other funds	60,987,416	-	-	-	-	-	-	60,987,416	73,611,661
Inventories	7,714,733	2,107,090	-	-	-	41,790	-	9,863,613	7,361,926
Fixed assets	-	-	-	-	-	9,346	-	9,346	10,106
Prepays and Other assets	4,565,174	144,489	29,144	-	97,180	259	-	4,836,246	6,678,368
TOTAL ASSETS	\$ 617,417,516	\$ 63,650,104	\$ 67,484,249	\$ 92,413,402	\$ 701,942,045	\$ 462,339	\$ 18,949,050	\$ 1,562,318,705	\$ 1,365,711,721
LIABILITIES AND FUND EQUITY:									
LIABILITIES:									
Accounts payable and accrued expenditures/expenses	\$ 21,428,121	\$ 3,755,758	\$ 37,714,437	\$ 648,622	\$ 1,284,561	\$ 144,098	\$ 18,949,050	\$ 83,924,647	\$ 74,493,201
Salaries, benefits and payroll taxes payable	52,278,829	-	-	-	-	-	-	52,278,829	35,205,938
Deferred summer pay	101,127,004	-	-	-	-	-	-	101,127,004	91,828,427
Payroll deductions and withholdings payable	37,195,242	-	-	-	-	-	-	37,195,242	38,810,831
Due to other agencies	22,571,670	-	-	-	-	-	-	22,571,670	19,788,929
Due to other funds	-	21,500,048	-	-	39,487,368	-	-	60,987,416	73,611,661
Deferred revenue	31,564,076	53,583	382,639	-	18,287,536	-	-	50,287,834	69,245,877
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	23,998,123
Notes payable	157,480,000	-	-	-	-	-	-	157,480,000	125,000,000 (B)
Retainages payable	49,100	-	-	7,787,714	2,890,430	-	-	10,727,244	3,673,598
TOTAL LIABILITIES	449,414,460	25,411,894	38,097,076	8,436,336	61,949,895	144,098	18,949,050	602,402,809	562,845,808
FUND EQUITY:									
Net assets-invested in capital assets	-	-	-	-	-	9,345	-	9,345	10,106
Net assets-unrestricted	-	-	-	-	-	308,896	-	308,896	419,339
Fund balances:									
Nonspendable	23,274,226	2,107,090	-	-	-	-	-	25,381,316	21,818,348
Restricted-Other	9,512,324	36,131,120	29,387,173	-	502,992,911	-	-	578,023,528	422,918,165 (C)
Restricted-Capital Encumbrances	-	-	-	83,977,066	136,999,239	-	-	220,976,305	222,547,286
Committed	54,327,295	-	-	-	-	-	-	54,327,295	54,327,295
Assigned/Unassigned	80,889,211	-	-	-	-	-	-	80,889,211	80,825,374
TOTAL FUND EQUITY	168,003,056	38,238,210	29,387,173	83,977,066	639,992,150	318,241	-	959,915,896	802,865,913
TOTAL LIABILITIES AND FUND EQUITY	\$ 617,417,516	\$ 63,650,104	\$ 67,484,249	\$ 92,413,402	\$ 701,942,045	\$ 462,339	\$ 18,949,050	\$ 1,562,318,705	\$ 1,365,711,721

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

ALL GOVERNMENTAL FUND TYPES

For the Eleven Months Ended May 31, 2020

(With comparative amounts for the eleven months ended May 31, 2019)

	GOVERNMENTAL FUND TYPES					TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	GENERAL OBLIGATION BOND	OTHER CAPITAL FUNDS	(Memorandum Only)	
						May 2020	May 2019
REVENUES:							
Local sources:							
Ad valorem taxes	\$ 1,009,914,388	\$ -	\$ 20,515,930	\$ -	\$ 295,024,396	\$ 1,325,454,714	\$ 1,189,046,008 (D)
Food sales	-	11,643,286	-	-	-	11,643,286	15,617,850
Interest income and other	63,849,641	4,811,259	397,407	3,982,225	19,486,867	92,527,399	114,901,829 (E)
Total local sources	1,073,764,029	16,454,545	20,913,337	3,982,225	314,511,263	1,429,625,399	1,319,565,687
State sources:							
Florida education finance program	705,725,643	-	-	-	-	705,725,643	674,360,824 (F)
Other	376,418,189	6,502,994	-	-	35,707,796	418,628,979	428,109,329
Total state sources	1,082,143,832	6,502,994	-	-	35,707,796	1,124,354,622	1,102,470,153
Federal sources:							
Food service	-	75,538,078	-	-	-	75,538,078	94,006,000
Other	22,926,788	182,425,332	-	-	3,692,060	209,044,180	219,721,092
Total federal sources	22,926,788	257,963,410	-	-	3,692,060	284,582,258	313,727,092
TOTAL REVENUES	2,178,834,649	280,920,949	20,913,337	3,982,225	353,911,119	2,838,562,279	2,735,762,932
EXPENDITURES:							
Current Operating:							
Instructional services	1,507,675,262	125,454,130	-	-	-	1,633,129,392	1,565,930,419 (G)
Student and instructional support services	185,728,900	54,892,418	-	-	-	240,621,318	226,842,141
Student transportation services	87,491,963	851,273	-	-	-	88,343,236	88,985,539
Operation and maintenance of plant	240,970,938	460,087	-	-	-	241,431,025	235,901,144
School administration	138,733,783	910,252	-	-	-	139,644,035	134,033,948
Food service	-	98,218,504	-	-	-	98,218,504	113,029,178 (H)
Instruction related technology	29,093,119	-	-	-	-	29,093,119	27,335,239
General administration	87,736,997	9,093,806	-	-	-	96,830,803	91,907,200
Total current operating	2,277,430,962	289,880,470	-	-	-	2,567,311,432	2,483,964,808
Debt Service:							
Principal reduction	-	-	14,058,340	-	-	14,058,340	13,620,771
Interest and other charges	-	-	76,635,802	-	371,004	77,006,806	39,671,511 (I)
Capital Outlay	5,168,617	101,061	-	106,142,494	82,261,459	193,673,631	124,073,321 (J)
TOTAL EXPENDITURES	2,282,599,579	289,981,531	90,694,142	106,142,494	82,632,463	2,852,050,209	2,661,330,411
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(103,764,930)	(9,060,582)	(69,780,805)	(102,160,269)	271,278,656	(13,487,930)	74,432,521
OTHER FINANCING SOURCES (USES):							
Proceeds of bonds sold	-	-	-	-	-	-	201,207,350 (K)
Proceeds of certificates of participation	-	-	170,325,000	-	202,590,000	372,915,000	- (L)
Premiums on refunding bonds	-	-	44,515,994	-	-	44,515,994	- (L)
Premiums on certificates of participation	-	-	-	-	48,324,428	48,324,428	- (L)
Proceeds of capital leases	-	-	-	-	14,200,000	14,200,000	19,989,098
Proceeds from sale capital assets	-	-	-	-	308,990	308,990	2,844,465
Payments to refunded bond escrow agents	-	-	(178,782,299)	-	-	(178,782,299)	- (L)
Operating transfers in	113,220,585	-	47,414,979	-	2,650,000	163,285,564	157,865,098
Operating transfers out	(2,650,000)	-	-	-	(160,635,564)	(163,285,564)	(157,865,099)
TOTAL OTHER FINANCING SOURCES (USES)	110,570,585	-	83,473,674	-	107,437,854	301,482,113	224,040,912
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,805,655	(9,060,582)	13,692,869	(102,160,269)	378,716,510	287,994,183	298,473,433
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	\$ 168,003,056	\$ 38,238,210	\$ 29,387,173	\$ 83,977,066	\$ 639,992,150	\$ 959,597,655	\$ 802,436,468

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

GENERAL FUND

For the Eleven Months Ended May 31, 2020

(With comparative amounts for the eleven months ended May 31, 2019)

	<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 MAY 2019</u>
REVENUES:					
Local sources:					
Ad valorem taxes - current year	\$ 1,070,390,857	\$ 1,009,271,539	\$ 61,119,318	94%	\$ 880,973,721
Ad valorem taxes - prior years	-	642,849	(642,849)	OVER 100%	5,569,907
Interest on investments	11,000,000	7,687,216	3,312,784	70%	11,949,472 (M)
After school supervision	14,500,000	18,639,809	(4,139,809)	OVER 100%	22,957,855 (N)
Course fees	11,169,008	8,623,667	2,545,341	77%	9,208,856 (O)
Gifts, grants, bequests	-	13,239	(13,239)	OVER 100%	13,887 (P)
Receipt of federal indirect cost rate	12,600,000	10,498,433	2,101,567	83%	11,516,597 (Q)
Rental income	1,500,000	1,349,447	150,553	90%	1,451,130
E-rate rebate	2,500,000	2,078,742	421,258	83%	3,547,972 (R)
Other	21,989,000	14,959,088	7,029,912	68%	25,762,282 (S)
Total local sources	1,145,648,865	1,073,764,029	71,884,836	94%	972,951,679
State sources:					
Florida education finance program	742,571,285	705,725,643	36,845,642	95%	674,360,824
Workforce development	77,642,799	73,209,395	4,433,404	94%	70,251,501
Adult w/Disabilities	800,000	754,320	45,680	94%	753,600
Discretionary lottery funds	278,583	262,676	15,907	94%	897,465
Class size reduction	302,946,281	285,648,048	17,298,233	94%	286,672,272
State license tax	300,000	282,290	17,710	94%	286,110
Racing commission	446,500	446,500	-	100%	446,500
School recognition/merit schools	13,730,903	12,946,868	784,035	94%	11,647,830
Other	3,500,000	2,868,092	631,908	82%	2,860,908 (T)
Total state sources	1,142,216,351	1,082,143,832	60,072,519	95%	1,048,177,010
Federal sources:					
Federal impact					
ROTC	2,300,000	2,157,953	142,047	94%	2,214,167
Other	22,450,000	20,768,835	1,681,165	93%	21,324,572
Total federal sources	24,750,000	22,926,788	1,823,212	93%	23,538,739
Other financing sources:					
Transfer from special revenue funds	1,200,000	-	1,200,000	-	1,517,654
Transfer from capital projects funds	120,076,981	113,220,585	6,856,396	94%	108,461,362
Total other financing sources	121,276,981	113,220,585	8,056,396	93%	109,979,016
TOTAL REVENUES & OTHER FINANCING SOURCES	\$ 2,433,892,197	\$ 2,292,055,234	\$ 141,836,963	94%	\$ 2,154,646,444

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES

GENERAL FUND

For the Eleven Months Ended May 31, 2020

(With comparative amounts for the eleven months ended May 31, 2019)

	<u>BUDGET</u>	<u>EXPENDITURES YEAR-TO-DATE</u>	<u>BALANCE AVAILABLE</u>	<u>EXPENDITURES</u>	
				<u>Y-T-D AS % OF BUDGET</u>	<u>EXPENDITURES AS OF MAY 2019</u>
EXPENDITURES:					
Instructional services	\$ 1,574,658,796	\$ 1,488,363,982	\$ 86,294,814	95%	\$ 1,396,590,648
Pupil personnel services	132,807,137	131,274,760	1,532,377	99%	114,532,261
Instructional media	21,836,815	21,409,951	426,864	98%	21,925,463
Instruction & curriculum development	27,481,006	27,396,312	84,694	100%	24,964,942
Instruction & staff training	9,413,047	5,647,877	3,765,170	60%	6,010,817 (U)
Technology-Instructional	24,710,613	24,586,135	124,478	99%	24,246,727
Board of education	5,963,208	5,543,920	419,288	93%	4,530,092
General administration	9,149,715	7,564,721	1,584,994	83%	6,719,141 (V)
School administration	142,612,402	138,733,783	3,878,619	97%	133,039,130
Facilities acquisition & construction	10,122,864	5,168,617	4,954,247	51%	4,360,277 (W)
Fiscal services	11,415,088	9,553,029	1,862,059	84%	8,809,791
Central services	74,861,261	65,075,327	9,785,934	87%	61,832,957
Technology-Administrative	4,293,154	4,506,984	(213,830)	OVER 100%	3,088,512 (X)
Transportation services	82,569,855	87,491,963	(4,922,108)	OVER 100%	88,084,517 (Y)
Operation services	199,456,575	187,134,984	12,321,591	94%	172,666,080
Maintenance services	65,237,228	53,835,954	11,401,274	83%	63,181,830 (Z)
Community services	14,161,207	19,311,280	(5,150,073)	OVER 100%	21,102,012 (AA)
Debt Service	1,480,417	-	1,480,417	(100)%	- (AB)
TOTAL EXPENDITURES	2,412,230,388	2,282,599,579	129,630,809	95%	2,155,685,197
Other financing uses:					
Transfer to special revenue funds	4,399,147	-	4,399,147	-	- (AC)
Transfer to capital projects funds	2,650,000	2,650,000	-	100%	-
Total other financing uses	7,049,147	2,650,000	4,399,147	38%	-
TOTAL EXPENDITURES & OTHER FINANCING USES	\$ 2,419,279,535	\$ 2,285,249,579	\$ 134,029,956	94%	\$ 2,155,685,197

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF FUND BALANCE UTILIZATION

GENERAL FUND

For the Eleven Months Ended May 31, 2020

(With comparative amounts for the eleven months ended May 31, 2019)

	<u>MAY 2020</u>	<u>MAY 2019</u>
BEGINNING FUND BALANCE	\$ 161,197,401	\$ 160,568,339
Plus:		
Revenues and other financing sources	2,292,055,234	2,154,646,444
Less:		
Expenditures and other financing uses	<u>2,285,249,579</u>	<u>2,155,685,197</u>
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 <u>6,805,655</u>	 <u>(1,038,753)</u>
 ENDING FUND BALANCE:		
Nonspendable	23,274,226	20,747,776
Restricted	9,512,324	8,490,466
Committed	54,327,295	54,327,295
Assigned/Unassigned	80,889,211	75,964,049
TOTAL ENDING FUND BALANCE	<u><u>\$ 168,003,056</u></u>	<u><u>\$ 159,529,586</u></u>
 Assigned/Unassigned fund balance as a percentage of projected General Fund revenues	 <u>3.50%</u>	 <u>3.56%</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 Eleven Months Ended May 31, 2020

ASSETS

(A) Cash, cash equivalents and investments increased by \$225.6 million due to the issuance of General Obligation Bond Series 2019 in February 2019 and Certificates of Participation Series 2020 in May 2020. 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.

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 increased by \$155.1 million due to the issuance of General Obligation Bond Series 2019 and Certificates of Participation Series 2020.

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 Eleven Months Ended May 31, 2020

REVENUES

LOCAL SOURCES

(D) Ad valorem taxes

The increase of \$136.4 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.

(E) Interest income and other

The decrease of \$22.4 million is primarily due to the decreases in the fair value of investments in the District's portfolio and the decrease of revenues from other local sources such as after school care and student fees due to the District's physical closures of educational facilities and locations for COVID-19.

STATE SOURCES

(F) Florida education finance program

The increase of \$31.4 million is due to additional revenues from the State in the current fiscal year.

EXPENDITURES

(G) Instructional services

The increase of \$67.2 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.

(H) Food service

Food service operating expenditures through May 2020 decreased by \$14.8 million primarily due to administration tightening up on the ordering of food and supplies in order to be aligned with meal participation, particularly as a result of the District's physical closures for COVID-19.

(I) Interest and other charges

The \$37.3 million increase is due to the SWAP termination fees for the refunding of Certificates of Participation (COP) Series 2014A and 2015C.

(J) Capital outlay

The increase of \$69.6 million in capital outlay expenditures is primarily due to remodeling and renovations.

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 Eleven Months Ended May 31, 2020**

OTHER FINANCING SOURCES (USES)

(K) Proceeds of bonds sold

The decrease of \$201.2 million is due to the issuance of General Obligation Bond Series 2019 in the prior fiscal year.

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

(i) Debt Service: 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.

(ii) Other Capital Funds: The \$250.9 million net increase is due to the issuance of Certificates of Participation (COP) Series 2020.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL GENERAL FUND

For the Eleven Months Ended May 31, 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

The collection rate for after school supervision revenue is less as compared to prior year due to the District's physical closures of educational facilities and locations for COVID-19.

(O) Course fees

The collection rate for course fees is less as compared to prior year due to the District's physical closures of educational facilities and locations for COVID-19.

(P) Gifts, grants and bequests

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

(Q) Receipt of federal indirect cost rate

The collection of the federal indirect cost revenue is lower compared to prior year due to the decrease in the restricted indirect cost rate of 0.14%.

(R) E-rate rebate

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

(S) Other local sources

The collection rate for Miscellaneous Operating Receipts is less as compared to prior year due to the District's physical closures of educational facilities and locations for COVID-19.

STATE SOURCES

(T) Other state sources

Due to the timing of revenue collection for other miscellaneous sources of state revenues, the collection rate is lower through May 2020 as compared to the estimated revenue.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SCHEDULE OF EXPLANATION FOR BUDGET vs ACTUAL

GENERAL FUND

For the Eleven Months Ended May 31, 2020

EXPENDITURES

(U) 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.

(V) 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.

(W) Facilities acquisition & construction

The increase in expenditures is primarily due to remodeling and renovations.

(X) 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).

(Y) Transportation services

The increase in expenditures is due to overtime as a result of bus operator vacancies.

(Z) Maintenance services

The expenditures are less than prior year due to the District's physical closures of educational facilities and locations for COVID-19.

(AA) Community services

The expenditures are less than prior year due to the District's physical closures of educational facilities and locations for COVID-19.

(AB) Debt Service

The Tax Anticipation Notes will be paid in June 2020.

(AC) Transfer to special revenue funds

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