



Office of the President  
Willis Holcombe Center  
Phone 954-201-7401  
Fax 954-201-7357

[www.broward.edu](http://www.broward.edu)

# BROWARD COLLEGE

Define yourself.

To: Members of the Board of Trustees

From: J. David Armstrong Jr., President

Date: August 26, 2008

Place: Regular Meeting of the Board of Trustees  
Broward College  
Willis Holcombe Center, Boardroom #1208  
111 East Las Olas Boulevard  
Fort Lauderdale, FL

Subject: Agenda Item VIII-B-2 - Financial Statements

The first quarter of fiscal year 2009 ended with enrollment exceeding original budget estimates. Net assets are up due to the beginning of the year PECO funding of capital projects and bond proceeds received for the Central Campus garage. Expenses are tracking closely to prior year actuals.

Board member comments or questions about our fiscal status are always welcome.

INFORMATION ONLY

Board Agenda Approved: \_\_\_\_\_  
Date: \_\_\_\_\_

Agenda Item \_\_\_\_\_ VIII-B  
Enclosure 2

**BOARD OF TRUSTEES  
AGENDA TRANSMITTAL SHEET**

To: David Armstrong, President  
From: Jayson Iroff, Controller  
Subj: Quarterly Financial Statements

Date: November 7, 2008

Issue: N/A

Background/Analysis: N/A

Fiscal Impact: N/A

E. Mendez for J. Iroff  
Jayson Iroff  
Controller

William D. Pennell  
William D. Pennell  
Chief Financial Officer

Staff Position: Information only.

**THIS RECOMMENDED ACTION MEETS THE FOLLOWING ELEMENT(S) OF THE COLLEGE'S MISSION STATEMENT:**

- |   |   |
|---|---|
| <input type="checkbox"/> Providing high quality educational programs                    | <input checked="" type="checkbox"/> Providing high quality services                     |
| <input type="checkbox"/> Providing for affordability to a diverse community of learners | <input type="checkbox"/> Providing for accessibility to a diverse community of learners |
| <input type="checkbox"/> Commitment to student achievement                              | <input type="checkbox"/> Commitment to lifelong learning                                |
| <input type="checkbox"/> Commitment to academic excellence                              | <input type="checkbox"/> Providing use of current technology                            |

**BRIEFLY DESCRIBE HOW THIS RECOMMENDATION ACHIEVES THE ABOVE ELEMENT(S) IN THE COLLEGE'S MISSION STATEMENT:**

Provide relevant information to the Board to support the decision making process.

Minority Firm: Yes \_\_\_ No \_\_\_ N/A X  
revised 11/06

Broward Firm: Yes \_\_\_ No \_\_\_ N/A X

# Overview of the College's Quarterly Financial Statements

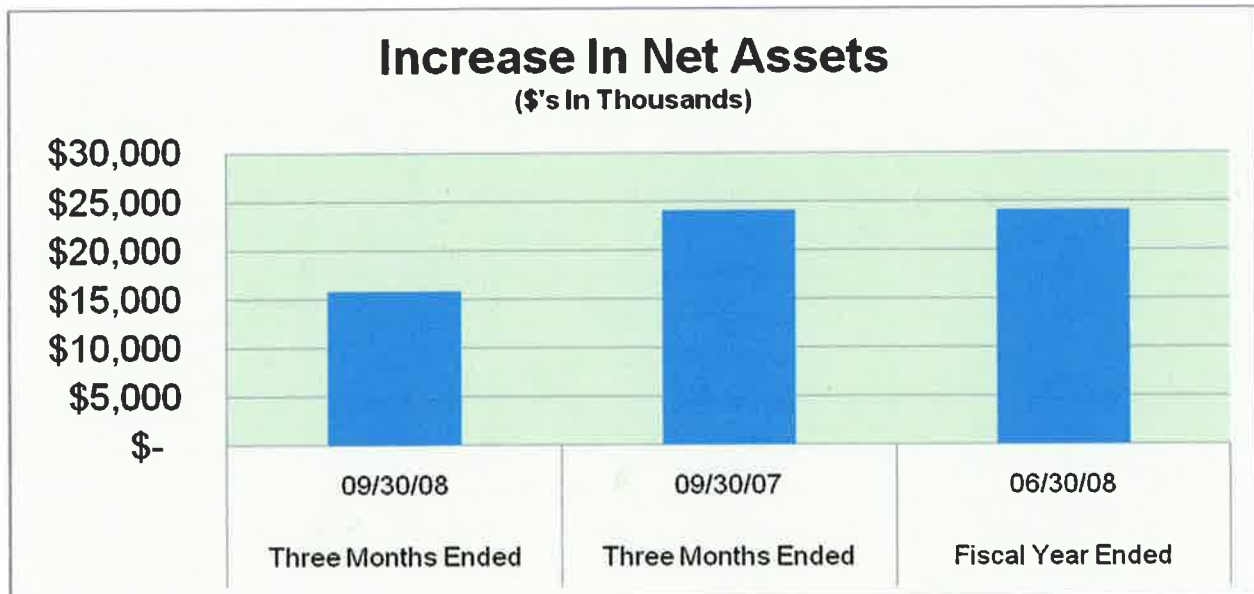
Management has prepared these interim Financial Statements, Financial Highlights analysis, and a related footnote disclosure for the three months ended September 30, 2008.

The three basic financial statements that are presented in these financial statements are the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. These statements are presented to provide information on the College (excluding the College Foundation) and present both a short-term and long-term view of the college's finances.

## Financial Highlights:

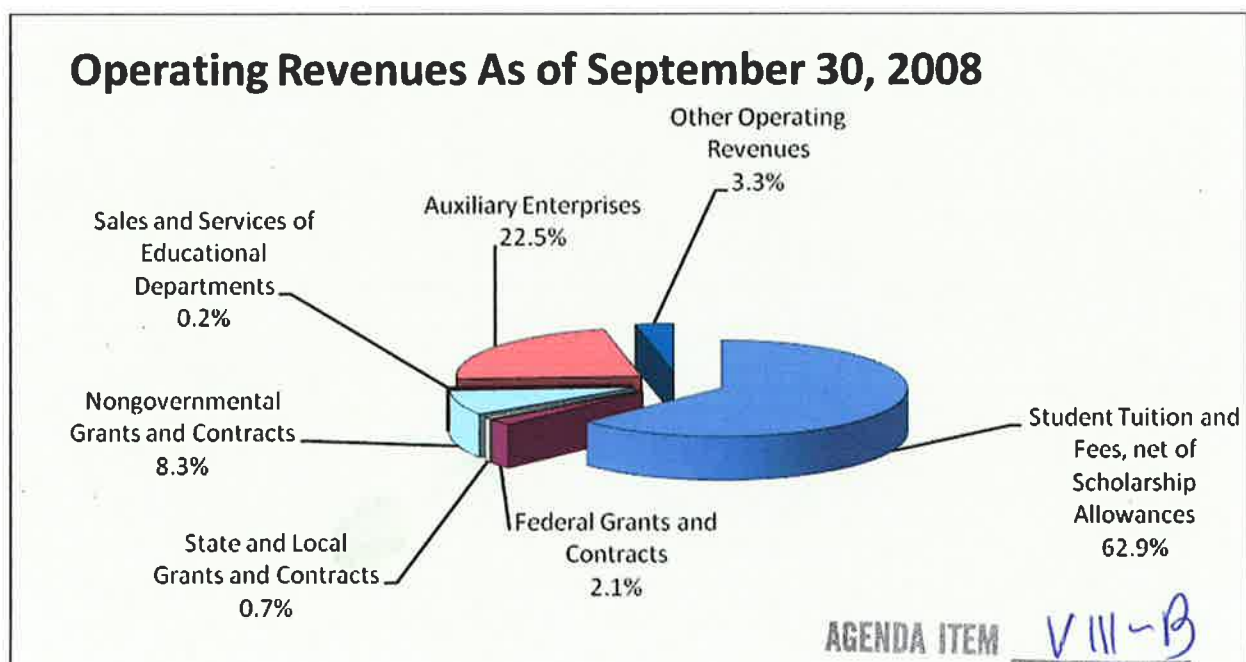
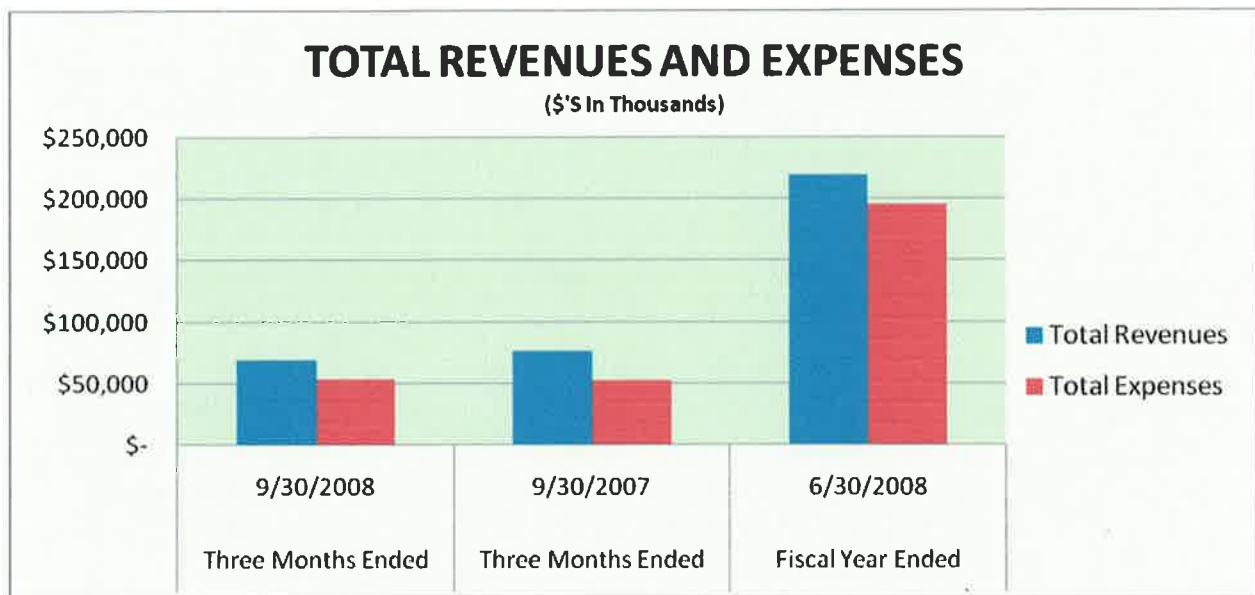
### The Statement of Net Assets

Commonly referred to as the Balance Sheet, it indicates the College's financial position at a particular point in time. It is a good assessment of the overall "health" of an organization. After taking into consideration the "timing" issues described in the Statement of Revenue, Expenses and Change in Net Assets and how those affect the Statement of Net Assets, we currently have \$15.8 million more in Net Assets as compared to June 30, 2008. The quarter ending September 30, 2007 had a \$24.1 million increase in Net Assets. We continue to be in a good financial position.

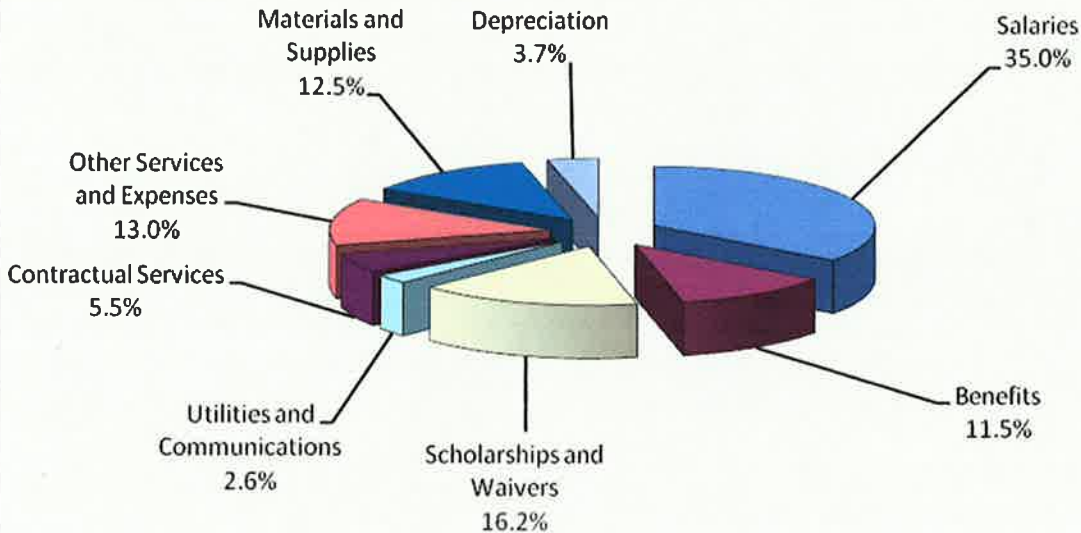


## The Statement of Revenues, Expenses and Changes in Net Assets

Commonly referred to as the Income Statement, it indicates the College's operational performance for a period of time which is measured by the bottom line increase or decrease in Net Assets. The current statement indicates a bottom line increase of \$15.8 million through three months ended September 30, 2008 as compared to an increase of \$24.1 million for the three months ended September 30, 2007. These large first quarter increases are due to "timing" issues that exist from the method the college must use to account for certain types of revenues and expenses such as PECO dollars, Student Tuition, and Scholarship Allowance expense. A comparison to the prior year indicates an \$8.3 million decrease in Net Assets for the same quarter. This is due primarily to a \$5 million decrease in PECO revenues and timing issues associated with recognizing financial aid revenues.



## Operating Expenses As of September 30, 2008



### The Statement of Cash Flows

Commonly referred to as the Cash Flow Statement, it is another way to look at the financial health of the College. It provides relevant information about the cash receipts and cash payments over a period of time. As of September 30, 2008 our cash or cash equivalents were \$77.8 million which was an increase of \$20.4 million over our prior fiscal year-end. This large increase was due primarily to an increase in Capital and Related Financing Activities which includes the \$19.2 million bond issue for the new parking garage.

### A Note to the Financial Statements:

In order to make these Quarterly Financial Statements relevant and comparable to the financial statements contained within the Annual Financial Report, certain accounting adjustments must be represented within these statements. These adjustments, which were made for this presentation, are normally recorded at year-end (such as depreciation expense of fixed assets, netting of scholarship expense to tuition revenue, etc.) when complete information is available to do so. In order to make these adjustments, certain assumptions are made based on prior year's financial reports, using historical data and as much "up to date" relevant information available to us at the time of this printing.

# BROWARD COLLEGE

## Statement of Net Assets

For Periods Ended September 30, 2007, June 30, 2008, and September 30, 2008

( \$'s In Thousands )

	Three Months Ended <u>09/30/08</u>	Three Months Ended <u>09/30/07</u>	Fiscal Year Ended <u>06/30/08</u>
<b>Assets</b>			
Current Assets	\$ 114,624	\$ 104,255	\$ 104,915
Noncurrent Assets	31,276	9,119	11,728
Capital Assets, Net	145,413	143,673	142,291
<b>Total Assets</b>	<u><u>291,313</u></u>	<u><u>257,047</u></u>	<u><u>258,934</u></u>
<b>Liabilities</b>			
Current Liabilities	12,733	13,113	15,579
Noncurrent Liabilities	35,722	16,942	16,317
<b>Total Liabilities</b>	<u><u>48,455</u></u>	<u><u>30,055</u></u>	<u><u>31,896</u></u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	136,466	133,146	133,072
Restricted	65,312	60,292	62,462
Unrestricted	41,080	33,554	31,504
<b>Total Net Assets</b>	<u><u>\$ 242,858</u></u>	<u><u>\$ 226,992</u></u>	<u><u>\$ 227,038</u></u>
<b>Increase in Net Assets</b>	<u><u>\$ 15,820</u></u>	<u><u>\$ 24,070</u></u>	<u><u>\$ 24,116</u></u>

**BROWARD COLLEGE**  
**Statement of Revenue, Expenses and Changes in Net Assets**  
**For Periods Ended September 30, 2007, June 30, 2008, and September 30, 2008**  
(\$'s In Thousands)

	Three Months Ended <u>9/30/08</u>	Three Months Ended <u>9/30/07</u>	Fiscal Year Ended <u>6/30/08</u>	9/30/08 % of 9/30/07	9/30/08 % of PFY*
<b>Operating Revenues</b>					
Student Tuition and Fees, net of Scholarship Allowances	\$ 17,334	\$ 15,324	\$ 38,060	113%	46%
Federal Grants and Contracts	580	362	8,183	160%	7%
State and Local Grants and Contracts	189	365	2,957	52%	6%
Nongovernmental Grants and Contracts	2,279	2,831	8,546	81%	27%
Sales and Services of Educational Departments	54	55	158	98%	34%
Auxiliary Enterprises	6,202	5,295	13,891	117%	45%
Other Operating Revenues	918	491	1,259	<u>187%</u>	<u>73%</u>
<b>Total Operating Revenues</b>	<b><u>27,556</u></b>	<b><u>24,723</u></b>	<b><u>73,054</u></b>	111%	38%
<b>Operating Expenses</b>					
Salaries	18,885	19,175	88,333	98%	21%
Benefits	6,193	5,827	26,344	106%	24%
Scholarships and Waivers	8,762	7,707	21,181	114%	41%
Utilities and Communications	1,380	1,294	4,972	107%	28%
Contractual Services	2,959	3,936	12,664	75%	23%
Other Services and Expenses	2,976	3,546	9,171	84%	32%
Materials and Supplies	10,782	9,032	24,702	119%	44%
Depreciation	2,015	2,146	8,210	94%	25%
<b>Total Operating Expenses</b>	<b><u>53,952</u></b>	<b><u>52,663</u></b>	<b><u>195,577</u></b>	102%	28%
<b>Net Operating Income (Loss)</b>	<b><u>(26,396)</u></b>	<b><u>(27,940)</u></b>	<b><u>(122,523)</u></b>	94%	22%
<b>Nonoperating Revenues</b>					
State appropriations	16,459	17,884	81,501	92%	20%
Other nonoperating revenues	6,170	9,537	37,559	<u>65%</u>	<u>16%</u>
<b>Total Nonoperating Revenues</b>	<b><u>22,629</u></b>	<b><u>27,421</u></b>	<b><u>119,060</u></b>	<u>83%</u>	<u>19%</u>
<b>Income Before Other Revenues, Expenses, Gains or Losses</b>	<b>(3,767)</b>	<b>(519)</b>	<b>(3,463)</b>		
Capital Appropriations	17,832	22,814	22,916	78%	78%
Capital Grants and Contracts	0	400	999	0%	0%
Capital Gifts and Fees	1,752	1,375	3,636		
Additions to Permanent Endowments	3		28	<u>N/A</u>	<u>11%</u>
<b>Increase in Net Assets</b>	<b><u>15,820</u></b>	<b><u>24,070</u></b>	<b><u>24,116</u></b>	66%	66%
<b>Net Assets:</b>					
<b>Net Assets - Beginning of Period</b>	<b><u>227,038</u></b>	<b><u>202,922</u></b>	<b><u>202,922</u></b>		
<b>Net Assets - End of Period</b>	<b><u>\$ 242,858</u></b>	<b><u>\$ 226,992</u></b>	<b><u>\$ 227,038</u></b>		

\*PFY = PRIOR FISCAL YEAR

AGENDA ITEM V 111-B

DEC - 3 2008

ENCLOSURE 2

# BROWARD COLLEGE

## Statement of Cash Flows

For Periods Ended September 30, 2007, June 30, 2008, and September 30, 2008

( \$'s In Thousands )

	<u>Three Months Ended</u> <u>9/30/08</u>	<u>Three Months Ended</u> <u>9/30/07</u>	<u>Fiscal Year Ended</u> <u>6/30/08</u>
<b>Cash Provided (used) by:</b>			
Operating Activities	\$ (25,285)	\$ (23,111)	\$ (112,127)
Noncapital Financing Activities	22,761	27,529	116,979
Capital and Related Financing Activities	22,585	30	1,916
Investing Activities	351	140	139
<b>Net increase (decrease) in cash</b>	<u>20,412</u>	<u>4,588</u>	<u>6,907</u>
<b>Cash, Beginning of Period</b>	57,348	50,441	50,441
<b>Cash, End of Period</b>	<u>\$ 77,760</u>	<u>\$ 55,029</u>	<u>\$ 57,348</u>

AGENDA ITEM V III - B

DEC - 3 2008

ENCLOSURE 2

**Fiscal Year 2008-09 – 1<sup>st</sup> Quarter (7/1/08 – 9/30/08)**

**Fund 1 Unrestricted Current Fund**

**Budget vs Actual Analysis**

Overall the College's fiscal 2009 revenues and spending is inline with the first quarter results of fiscal 2008.

**Revenue**

**Student Revenue:**

For the 1<sup>st</sup> Quarter 2008-2009 fiscal year, Student Tuition and Out-of-State fees is approximately 41% of budget which is typical for Term I revenue collections. College Workforce Education actual revenue is in line with the prior year collections, although the percent collected to budget is lower due to the \$800K increase in the current year budget.

Other Student Fees (lab fees, testing fees, etc..) is at 32% of budget which is in line with the prior year collections. Non-credit lab fees, open college fees and student insurance fees revenues are higher when compared to last year's quarterly actual (19%, 95% and 18% respectively). Continuing Education non-credit fees are lower when compared to last year's quarter (approximately 15%).

**State Government Revenue:**

The College recognized a decrease in state appropriations in the 1<sup>st</sup> quarter 2008-2009 fiscal year from the prior year. Budgeted CCPF appropriations have decreased by 8% over prior year same period. The difference in Other Revenue which includes the FAU library contract is due to a change in accounting treatment, anticipated revenue is now being recognized on a quarterly basis.

**Other Revenues:**

Gifts, Private Grants and Contracts is 58% of Budget. There has been a 7% decrease in actual revenue from the prior year 1<sup>st</sup> quarter.

Sales and Services is about 64% of budget and is approximately 31% higher than prior year actual.

Interest and dividends is at 24% of budget. A comparison to last year indicates a substantial increase. This increase is due to timing issues which will reverse itself over the next two quarters.

Other Revenues (misc. revenue, testing services, etc...) is 34% of budget. Student Testing Service actual revenue has increased by 106% while the budget remains the same as prior year.

**AGENDA ITEM** VIII-B

DEC - 3 2008

**ENCLOSURE** 2

## Expenses

### Salaries

Salary expenditures are at 20% of budget which is in line with prior year actual.

### Benefits

The benefits expenditures are at 21% of budget which is in line with prior year actual.

### Utilities

The utilities expenditures are at 19% of budget which is lower than 22% the prior year. There is an increase in spending for water, sewer and fuel compared to last year which has been more than offset by savings in electricity.

### Current Expense

Current expense is at 13% of budget as compared to 19% last year. Information Technology license fees had a budget decrease of \$318K and a decrease in actual expenditures of \$279K from prior year activity. Institutional Memberships is at 76% of budget with a \$297K increase in budget and \$339K increase in expenditures.

### Capital Expense

Capital expense is at 22% of budget compared to 13% last year. Computer equipment is at 41% of budget and has increased by 58% over prior year spending, an increase of \$215K. Vehicle purchase is at 88% of budget with an increase of \$30K in budget and \$48K in expense.

AGENDA ITEM VIII-B

DEC - 3 2008

ENCLOSURE 2

**Broward College**  
**Fund 1 Unrestricted Current Fund**  
**Fiscal Year 2008-2009 - 1st Quarter**  
**Budget vs. Actual Analysis**

	9/30/08 FY 2008-2009 Actual	9/30/07 FY 2007-2008 Actual	9/30/08 FY 2008-2009 Total Year Budget	9/30/2008 % of 9/30/07	FY 2008-2009 % Actual to Budget
<b>Revenues</b>					
<b>Student Revenue:</b>					
Tuition	\$ 17,245,997	\$ 14,615,959	\$ 42,418,499	118%	41%
Out-of-State Fees	\$ 2,828,569	\$ 2,570,381	\$ 6,904,325	110%	41%
Other Student Fees	\$ 2,486,235	\$ 2,338,274	\$ 7,720,774	106%	32%
<b>Total Student Revenue</b>	<b>\$ 22,560,801</b>	<b>\$ 19,524,614</b>	<b>\$ 57,043,598</b>	<b>116%</b>	<b>40%</b>
<b>State Government Revenue:</b>					
CCPF (includes 2+2)	\$ 16,156,023	\$ 17,468,701	\$ 67,049,353	92%	24%
Lottery	\$ -	\$ -	\$ 9,367,483	0%	0%
Performance Based Funding	\$ -	\$ 415,531	\$ -	0%	0%
Other (FAU and License tag)	\$ 272,405	\$ 1,217,554	\$ 1,485,249	22%	18%
<b>T State Government Revenue</b>	<b>\$ 16,428,428</b>	<b>\$ 19,101,786</b>	<b>\$ 77,902,085</b>	<b>86%</b>	<b>21%</b>
Federal Indirect Cost Recovered	\$ -	\$ -	\$ 95,000	0%	0%
Gifts, Private Grants and Contracts	\$ 361,507	\$ 387,563	\$ 621,829	93%	58%
Sales & Services	\$ 154,646	\$ 118,425	\$ 240,517	131%	64%
Interest	\$ 306,269	\$ 111,862	\$ 1,253,814	274%	24%
Other Revenues (Fines and Misc Rev)	\$ 441,986	\$ 322,719	\$ 1,301,119	137%	34%
Mandatory and Non-Mandatory Trnsfrs	\$ -	\$ -	\$ 543,584	0%	0%
Non-Revenue Receipts	\$ (31,284)	\$ (90,951)	\$ -	34%	n/a
<b>Total Revenues</b>	<b>\$ 40,222,353</b>	<b>\$ 39,476,018</b>	<b>\$ 139,001,546</b>	<b>102%</b>	<b>29%</b>
<b>Fund Balance Contribution</b>			<b>\$ 23,992,336</b>		
<b>Total</b>	<b>\$ 40,222,353</b>	<b>\$ 39,476,018</b>	<b>\$ 162,993,882</b>		
<b>Expenses</b>					
Salaries	\$ 16,671,072	\$ 16,933,492	\$ 82,932,289	98%	20%
Benefits	\$ 5,456,215	\$ 5,302,474	\$ 26,269,574	103%	21%
Utilities	\$ 1,190,168	\$ 1,045,280	\$ 6,221,429	114%	19%
Other Current Expenses	\$ 5,588,081	\$ 6,014,247	\$ 41,725,285	93%	13%
Capital Expenses	\$ 1,294,995	\$ 740,993	\$ 5,845,305	175%	22%
<b>Total Expenses</b>	<b>\$ 30,200,531</b>	<b>\$ 30,036,486</b>	<b>\$ 162,993,882</b>	<b>101%</b>	<b>19%</b>
<b>Balance</b>	<b>\$ 10,021,822</b>	<b>\$ 9,439,532</b>	<b>\$ -</b>		

AGENDA ITEM VIII-B  
 DEC - 3 2008  
 ENCLOSURE 2