

**BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
JUNE 30, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Key components of the Foundation's net position are reflected in the following table:

NET POSITION		
JUNE 30,		
	2013	2012
Assets, excluding capital assets	\$ 8,315,981	\$ 8,329,407
Total assets	<u>8,315,981</u>	<u>8,329,407</u>
Liabilities, excluding long-term liabilities	388,321	147,101
Total liabilities	<u>388,321</u>	<u>147,101</u>
Net position		
Restricted for:		
Expendable-scholarships	4,986,061	5,126,374
Unrestricted	2,941,599	3,055,932
Total net position	<u>\$ 7,927,660</u>	<u>\$ 8,182,306</u>

The restricted portion of Foundation's net position represents funds set aside for future scholarships. The remaining balance of unrestricted net position may be used to meet the Foundation's other obligations.

The Foundation's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations exceeded ongoing program revenues.

Key elements of the change in the Foundation's net position are reflected in the following table:

CHANGES IN NET POSITION		
FOR THE FISCAL YEARS ENDED JUNE 30,		
	2013	2012
Revenues:		
Program revenues		
Charges for services	\$ 75,071	\$ 79,929
Operating grants and contributions	2,327,953	1,773,912
General revenues		
Unrestricted investment earnings	94,783	10,525
Total revenues	<u>2,497,807</u>	<u>1,864,366</u>
Expenses:		
General administration	626,091	397,206
Scholarships and programs	2,126,362	1,895,554
Total expenses	<u>2,752,453</u>	<u>2,292,760</u>
Change in net position	<u>(254,646)</u>	<u>(428,394)</u>
Net position - beginning	8,182,306	8,610,700
Net position - ending	<u>\$ 7,927,660</u>	<u>\$ 8,182,306</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended June 30, 2013 was \$2,752,453. The majority of these costs were offset by program revenues consisting primarily of contributions. The increase in expenses is primarily the result of an increase in salaries for new positions added, additional grants distributed to schools from Annenberg Funds received in a prior fiscal year, additional teacher grants awarded, and an increase in Florida Prepaid scholarship contract usage and change in value of contracts.

Total revenues increased by \$633,441, or approximately 34%, principally from increases in donated scholarships, in-kind donations of supplies for the Tools for Schools Resource Center and unrealized gains in the fair value of investments.

**BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
JUNE 30, 2013**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Budgetary Comparison

No analysis of significant variations between the original and final budget amounts and between the final budget and actual results have been presented in these financial statements as not all programs of the Foundation have legally adopted budgets.

CONTACTING THE FOUNDATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Foundation's finances and to demonstrate the Foundation's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Broward Education Foundation, Inc. at 600 SE Third Avenue, 1st Floor, Fort Lauderdale, Florida, 33301.

BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 120,420
Investments	2,271,263
Accounts receivable	84,352
Inventories	853,885
Prepaid scholarships	4,986,061
Total assets	<u>8,315,981</u>
 LIABILITIES	
Accounts payable and accrued expenses	323,321
Unearned revenue	65,000
Total liabilities	<u>388,321</u>
 NET POSITION	
Restricted for:	
Expendable - scholarships	4,986,061
Unrestricted	2,941,599
Total net position	<u><u>\$ 7,927,660</u></u>

See notes to the financial statements

BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Functions/Programs</u>	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	
			Governmental Activities	
Component Unit Activities:				
General administration	\$ 626,091	\$ 75,071	\$ -	\$ (551,020)
Scholarships and programs	2,126,362	-	2,327,953	201,591
Total governmental activities	2,752,453	75,071	2,327,953	(349,429)
General revenues:				
Unrestricted investment earnings				94,783
Total general revenues				94,783
Change in net position				(254,646)
Net position - beginning				8,182,306
Net position - ending				\$ 7,927,660

See notes to the financial statements

BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2013

	General Fund
ASSETS	
Cash and cash equivalents	\$ 120,420
Investments	2,271,263
Prepaid scholarships	4,986,061
Inventories	853,885
Accounts receivable	84,352
Total assets	\$ 8,315,981
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 323,321
Unearned revenue	65,000
Total liabilities	388,321
Fund balances:	
Nonspendable - Inventories	853,885
Restricted - Scholarships	4,986,061
Unassigned	2,087,714
Total fund balances	7,927,660
Total liabilities and fund balances	\$ 8,315,981

See notes to the financial statements

BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Major Fund General	Total Governmental Funds
REVENUES		
Contributions		
Brace Scholarship Program	\$ 387,945	\$ 387,945
Tools for School Broward		
School supplies/in-kind donations	529,577	529,577
Cash donations	194,882	194,882
Teacher Grant Program	284,459	284,459
Other	662,293	662,293
Prepaid scholarships match - FL Prepaid	261,758	261,758
Administrative fees	75,071	75,071
Investment income	4,392	4,392
Other revenues	7,039	7,039
Unrealized gain in fair value of investments	90,391	90,391
Total revenues	2,497,807	2,497,807
EXPENDITURES		
Current:		
General administration	626,091	626,091
Scholarships and programs		
Brace Scholarship Program	1,007,749	1,007,749
Tools for School Broward		
School supplies distributed/in-kind expenses	375,645	375,645
Payroll and miscellaneous	181,942	181,942
Teacher Grant Program (IMP)	321,899	321,899
Other	239,127	239,127
Total expenditures	2,752,453	2,752,453
Excess (deficiency) of revenues over (under) expenditures	(254,646)	(254,646)
Fund balances - beginning	8,182,306	8,182,306
Fund balances - ending	\$ 7,927,660	\$ 7,927,660

See notes to the financial statements

BROWARD EDUCATION FOUNDATION, INC.
A COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUND
JUNE 30, 2013

ASSETS

Cash and cash equivalents	\$ 284,134
Investments	1,610,108
Prepaid scholarships	151,944
Receivables	1,617
Total assets	<u>\$ 2,047,803</u>

LIABILITIES

Due to other programs and schools	\$ 2,047,803
Total liabilities	<u>\$ 2,047,803</u>

See notes to the financial statements