

Comprehensive

Annual Financial Report

The School District of Palm Beach County



2017

For Fiscal Year Ended June 30, 2017

3300 Forest Hill Boulevard, West Palm Beach, Florida 33406

The School District of Palm Beach County



Robert Avossa, Ed.D.
Superintendent



School Board Members

Fiscal Year
2017



District 1

Barbara McQuinn



District 2

Chairman

Chuck Shaw



District 3

Karen M. Brill



District 4

Erica Whitfield



District 5

Frank A. Barbieri, Jr., Esq.



District 6

Marcia Andrews



District 7

Vice-Chairwoman

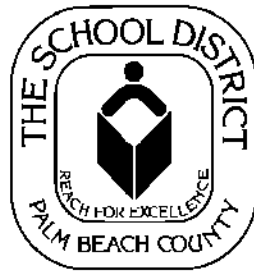
Debra L. Robinson, M.D.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The School District of Palm Beach County, Florida

for the

Fiscal Year Ended June 30, 2017



Issued by:

**Robert M. Avossa, Ed.D., Superintendent of Schools
Michael J. Burke, Chief Financial Officer**

Prepared by:

**Division of Financial Management
Nancy Samuels, C.P.A., Director of Accounting**

**The School District of Palm Beach County
3300 Forest Hill Boulevard
West Palm Beach, Florida 33406**



MORE OF
EVERYTHING YOU
WANT FOR
YOUR CHILD

 PALM BEACH COUNTY SCHOOLS
Your *BEST* Choice

GROWING. STRONG.

The graphic is a square with a light blue background. At the top, a dark red circle contains the text 'MORE OF EVERYTHING YOU WANT FOR YOUR CHILD' in white, bold, sans-serif font. Below the circle is the Palm Beach County Schools logo, which consists of a small square icon with a heart and a graduation cap, followed by the text 'PALM BEACH COUNTY SCHOOLS' in a bold, sans-serif font and 'Your BEST Choice' in a smaller, italicized font. At the bottom, a dark blue horizontal bar contains the text 'GROWING. STRONG.' in white, bold, sans-serif font.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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SECTION

Introductory





**THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FL**

**ROBERT M. AVOSSA, Ed.D.
SUPERINTENDENT**

**CHUCK SHAW
CHAIRMAN**

OFFICE OF THE SUPERINTENDENT
3300 FOREST HILL BOULEVARD, C-316
WEST PALM BEACH, FL 33406-5869

PHONE: 561-629-8566 / FAX: 561-649-6837
WWW.PALMBEACHSCHOOLS.ORG/SUPERINTENDENT

**DEBRA ROBINSON, M.D.
VICE-CHAIRWOMAN**

MARCIA ANDREWS
FRANK A. BARBIERI, JR., ESQ.
KAREN M. BRILL
BARBARA McQUINN
ERICA WHITFIELD

November 29, 2017

To: School Board Members
Residents of Palm Beach County

We respectfully submit the Comprehensive Annual Financial Report (CAFR) of the School District of Palm Beach County, Florida (the "District") for the fiscal year ended June 30, 2017. These financial statements are presented to conform to accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units and are audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

State law Section 218.39(1), Florida Statutes, requires that each school district have an annual financial audit of its accounts and records completed within nine months after the end of its fiscal year by an independent certified public accountant. The District engaged RSM US LLP, a firm of licensed certified public accountants, to audit the District's financial statements for fiscal year 2017.

The District received an unmodified ("clean") opinion on the financial statements for the fiscal year ended June 30, 2017. The independent auditor concluded, based upon the audit, that there was reasonable assurance the financial statements are free of material misstatement. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A which can be found immediately following the report of the independent certified public accountants.

PROFILE OF THE GOVERNMENT

The District and its governing board (the "Board") were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of seven elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The Superintendent is responsible for the administration and management of the schools within the applicable parameters of State Laws, State Board of Education Rules, and School Board Policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts for the District by Florida Statutes Section 1010.01, as prescribed by the State Board of Education.

The CAFR contains the audited financial statements for all operations over which the District is financially accountable. District management has determined that the Palm Beach School Board Leasing Corporation, (the "Corporation") represents a blended component unit of the District and the Corporation's activities are reported with the operations of the District in the accompanying financial statements. The Corporation's sole purpose is to provide for financing and construction of certain District school facilities under the District's Certificates of Participation (COPS) Program.

The District is legally responsible for providing a full range of educational programs in Palm Beach County. These include Early Childhood, Kindergarten through Grade 12, Basic Regular and Enriched Programs, Exceptional Student Education, Vocational Education, Adult Education and specialized instruction, in areas such as English proficiency for speakers of other languages.

Covering 2,023 square miles (2,578 square miles including lakes), it is one of the largest counties east of the Mississippi River. To fully appreciate its size, consider that Palm Beach County is larger than both Rhode Island and Delaware. In the past decade, total population in the county is 1.4 billion, which represents a slow steady growth. The community is vastly diverse in both geographical aspects as well as population. The eastern portion of the county is a rich thriving urban area, while the western portion is primarily agricultural.

The District is the tenth largest in the Nation and the fifth largest in the State of Florida with 180 District schools and 51 charter schools. Approximately 190,200 students were enrolled in Palm Beach County Public Schools during fiscal year 2017. Of the total students enrolled, approximately 169,300 are in District schools and 20,900 are in charter schools, representing an increase of 2,400 students in District schools and an increase of 300 students in charter schools. As the largest employer in Palm Beach County, the District has over 22,000 full time employees, including nearly 13,000 teachers.

District management has determined that charter schools are not part of the District's Reporting Entity and should not be reported as discretely presented component units. The District is not financially accountable for charter schools since charter schools are not fiscally dependent on the District. Charter schools also fail to meet the definition of "misleading to exclude" since the District does not have the ability to access the economic or organizational resources received or held by a charter school. Additional information on component units can be found in the notes to the financial statements. Charter schools are separate legal entities with independent boards that were created by Florida Statute and are authorized to operate in each county by the sponsoring district. Charter schools receive a per student allocation based on the Florida Department of Education standard formula that is passed through the sponsoring district. The District is not financially accountable for charter schools and therefore their financial information is not included in this report.

The demographics of our District reflect our rich cultural diversity. For example, our students speak more than 145 languages with 197 different countries or territories of birth. The population of the county is approximately 56% White, 21.2% Hispanic, 19.4% Black, 2.8% Asian, and 0.6% American Indian and Alaska Native. There are over 39,700 students with Individualized Education Plans or Educational Plans (for gifted students). Of the total, approximately 29,500 are eligible for services under the Individuals with Disabilities Education Act. Approximately 61% of our students participate in the National School Lunch Program which provides free and reduced lunch to children each school day.

The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the Board. Activities of the General Fund, Special Revenue Funds, Debt Service, and Capital Projects Funds are included in the annual appropriations budget. Although financial plans are adopted for the capital projects funds based on the actual length of the project, the continued funding for the projects is contingent upon the annual budget adoption. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within each school center, department, or project. Budgetary control is maintained at the function level by the encumbrance of estimated purchase commitments prior to the release of purchase orders (PO) to vendors. When commitments exceed established function balances, POs are not released until additional appropriations are made available. Open encumbrances are reported as a restriction or assignment of fund balance at the end of the fiscal year. Budgetary control over salary expenditures is achieved through the position authorization process.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local economy

The economic outlook in Palm Beach County continues to improve. The County's unemployment rate has decreased to 4.4% in September 2017 from 4.8% in December 2016; in addition, property values continue to rise along with sales tax revenues. Efforts continue within Palm Beach County to build an economic base that is broad and diverse. Traditional industries include tourism, agriculture, and construction activities with new business sectors such as aerospace, medical and biomedical, and business and professional services.

Public-private partnerships, including the Business Development Board and Career Source Palm Beach County, are shaping strategies to attract and cultivate companies that will pay high wages for highly skilled jobs in targeted areas with growth potential, such as medical services and computer technology. The District has become an integral part of these efforts. Preparing students for productive employment is crucial to successful economic development.

Long-term financial planning

The District continues to face challenges in the near term due to meager State K-12 education budget forecasts, moderate charter school enrollment growth, and limitations in capital millage rates allowed by Statute which were reduced from 2.0 mills to 1.5 mills by the Legislature.

Although the State economy continues to improve, funding for K-12 education is not expected to grow proportionally due to competition with other budget drivers including tax cuts, Medicaid, and higher education. The District's revenues are determined in large part by the Florida Legislature and Governor. Funding per student is set as part of the State's annual budget approval. Local school board taxing authority is also governed at the Required Local Effort

(RLE) and through statutory caps that limit the remaining components of the school levy. The fiscal year 2018 state budget provided Florida school districts with a 2.26% increase in funding per student for operating costs compared to 1.66% in the fiscal year 2017 state budget. The increase for Palm Beach was slightly higher due to categorical adjustments and local tax levies. Florida continues to rank in the bottom quartile of the nation in terms of education funding (42nd per 2016 National Education Association) and there is no indication this will change in the foreseeable future.

Enrollment in public schools in Palm Beach County is projected to increase by approximately 3,000 students in fiscal year 2018, District enrollment is projected to increase by 1,850 students, while the enrollment in charter schools is expected to increase by 1,150. The trend of charter school enrollment growth has slowed. By fiscal year 2022, charter school enrollment is projected to grow to 23,640 students, up from 20,860 in fiscal year 2017.

The voter approved 0.25 millage property tax levy for operations generated \$43.1 million in revenue in fiscal year 2017 and runs through fiscal year 2019. The revenue is designated for art, music, physical education instruction, choice programs, and career academies and funds over 600 teaching positions. It is important that the community continue to support the referendum to preserve fine arts in District schools.

Providing adequate facilities to all students is fundamental to maintaining an effective education system. The District operates 180 schools in 172 school buildings in Palm Beach County and 99 of those schools were either newly built or modernized over an ambitious ten-year construction program that was supported by new debt issues and a voter approved ½ cent sales tax referendum that sunset in December 2010. Since the capital millage rates allowed by Statute were lowered from 2.0 mills to 1.75 mills in fiscal year 2009, and then to 1.5 mills in fiscal year 2010, the District has utilized carryover balances to bridge the gap between revenue received and the actual costs of facility maintenance and that of non-construction projects. The difference between 2.0 and 1.5 mills resulted in lost revenue totaling \$865 million over the last nine years. In November 2016, Voters in Palm Beach County stepped up to address this significant shortfall by increasing the local sales tax by one penny in order to address the backlog of critical capital needs, including school security and safety, classroom technology, and safe and reliable school buses. This one penny Local Government Infrastructure Surtax to be split 50% to the District, 30% to the County, and 20% to municipalities. The District is anticipated to receive \$1,345 billion over the next ten years.

ACADEMIC BASED AWARDS AND ACKNOWLEDGEMENTS

- 2017 higher percentage of A and B rated elementary, middle, and high schools than that of the State or other large urban district
- Has 60 semifinalists for the 2018 National Merit Scholarship Program, allowing them to continue in the competition for approximately 7,500 National Merit Scholarships worth about \$32 million
- Received \$7.6 million Grant for three Schools of Hope
- 26 schools were recognized as model schools by Florida's Positive Behavioral Interventions & Support Project for the 2017 school year, for their efforts in implementing the School-wide Positive Behavior Support system (SwPBS)
- Three schools received STEM Certification the first year it was offered
- Two schools in top 100 by US News and World Reports Best High Schools
- 12,000 Class of 2017 graduates earned over \$110 million in scholarships to attend top colleges and universities

FINANCIAL AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2016. This was the 27th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

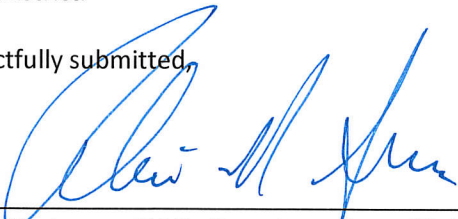
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2016. The Certificate of Excellence in Financial Reporting awarded by ASBO certifies that the CAFR substantially conforms to the accounting and reporting standards adopted by ASBO. The District has received a Certificate of Excellence in Financial Reporting for the last 20 consecutive years for which it was submitted.

The GFOA Certificate of Achievement and the ASBO Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the requirements of the Certificate of Achievement Program as well as the Certificate of Excellence Program. Accordingly, we are submitting it to both the GFOA and ASBO for consideration for another award.

The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Accounting Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

In closing, we would like to thank the School Board for their support in planning and conducting the financial operations of the District.

Respectfully submitted,



Robert M. Avossa, Ed.D., Superintendent of Schools



Michael J. Burke, Chief Financial Officer



Nancy Samuels, C.P.A., Director of Accounting

RMA/MJB/NS:sms



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**The School District
of Palm Beach County, Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

The School District of Palm Beach County

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'. The signature is written in a cursive style and is positioned above a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director



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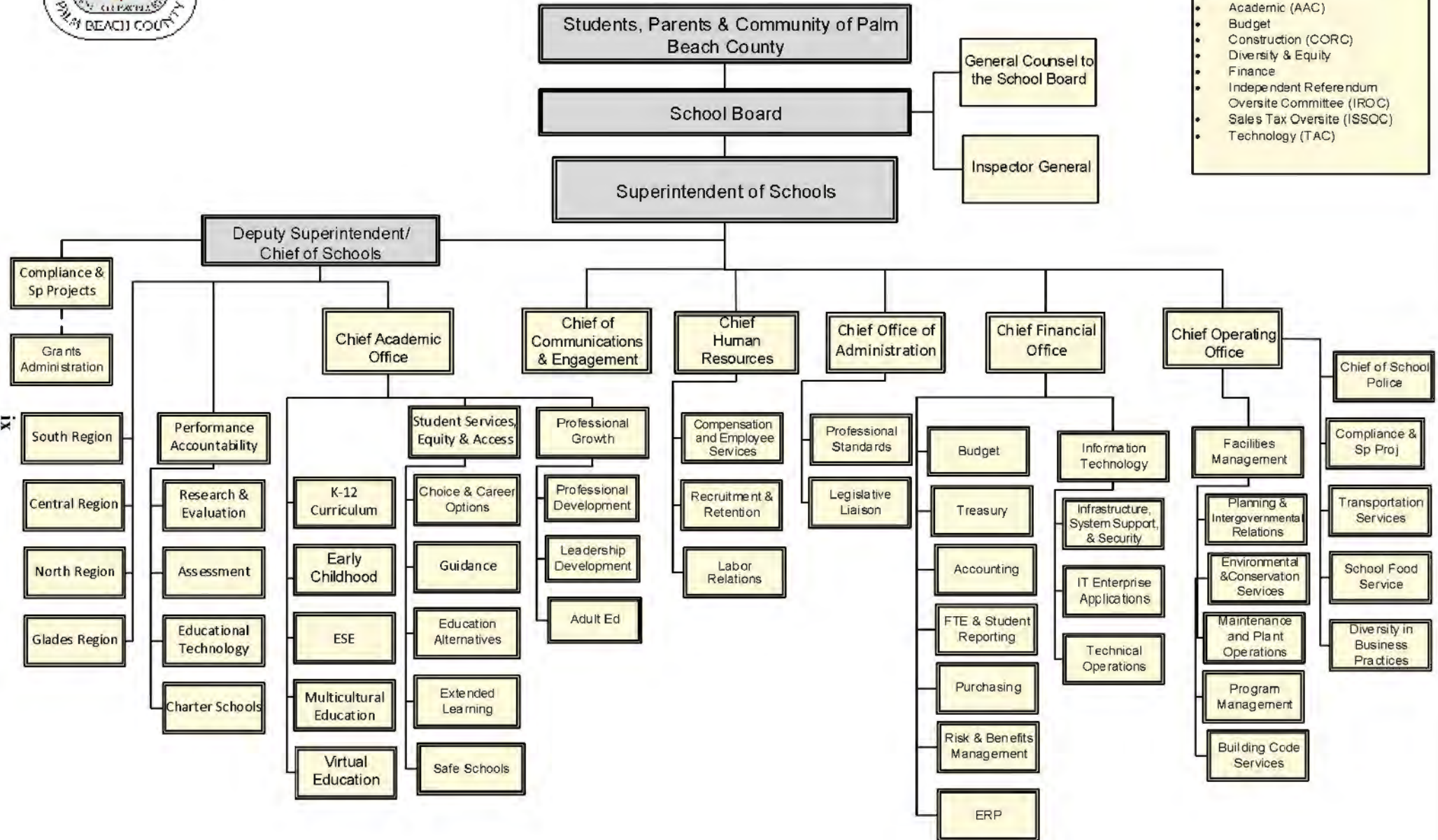
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School District of Palm Beach County

School Year 2016-2017

- Board Advisory Committees
- Audit
 - Academic (AAC)
 - Budget
 - Construction (CORC)
 - Diversity & Equity
 - Finance
 - Independent Referendum Oversight Committee (IROC)
 - Sales Tax Oversight (ISSOC)
 - Technology (TAC)



xi.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

PRINCIPAL OFFICIALS - NON-PARTISAN ELECTED

BOARD MEMBERS - TERMS OF OFFICE

Mrs. Barbara McQuinn Member from District 1 Present term expires	November 2020
Mr. Chuck Shaw, Chairman Member from District 2 Present term expires	November 2020
Mrs. Karen M. Brill Member from District 3 Present term expires	November 2018
Mrs. Erica Whitfield Member from District 4 Present term expires	November 2018
Mr. Frank Barbieri, Jr., Esq. Member from District 5 Present term expires	November 2020
Mrs. Marcia Andrews Member from District 6 Present term expires	November 2018
Debra L. Robinson, M.D. Vice Chairwoman Member from District 7 Present term expires	November 2018



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL OFFICIALS-APPOINTED
JUNE 30, 2017**

Robert M. Avossa, Ed.D.	Superintendent
David Christiansen, Ed.D.	Deputy Superintendent/Chief of Schools
JulieAnn Rico, Esq.	Chief Counsel to the School Board
Lung Chiu	Inspector General
Keith Oswald	Chief Academic Officer
Amity Chandler	Chief Officer Strategic Communications & Engagement
Gonzalo S. La Cava, Ed.D.	Chief Human Resources
Michael J. Burke	Chief Financial Officer
Donald E. Fennoy, II, Ed.D.	Chief Operating Officer



SECTION

Financial



Independent Auditor's Report

The Honorable Chairperson and Board Members of
The School District of Palm Beach County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The School District of Palm Beach County, Florida (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Palm Beach County, Florida, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, Schedule of Funding Progress – Other Post-Employment Benefits Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – FRS, Schedule of District Contributions – FRS, Schedule of the District's Proportionate Share of the Net Pension Liability – HIS, and Schedule of District Contributions – HIS*, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated November 29, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RSM US LLP

West Palm Beach, Florida
November 29, 2017

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The School District of Palm Beach County, Florida's (the "District") management discussion and analysis (MD&A) is designed to provide an objective and easy to read analysis of the District's financial activities for the fiscal year ended June 30, 2017, based on currently known facts, decisions or conditions. It is intended to provide a broad overview using a short-term and long-term analysis of the District's activities based on information presented in the financial report and fiscal policies that have been adopted by the seven elected members of the school board (the "Board"). Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget) and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the notes that are provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$0.085 billion, or 6.5%, from \$1.310 billion to \$1.395 billion. Funding per student has slowly increased since the low point in school year 2011-12, although it has still not recovered to school year 2007-08 levels. Enrollment at district schools increased 1.5%, approximately 2,435 students. The increase in net position is mainly related to the revenue received for the new ½ penny sales tax with limited expenditures prior to year end.
- The District's total long-term debt decreased by \$128.7 million or 7.7% primarily due to debt repayments of \$85.9 million, amortization of issuance premiums of \$13.4 million, and a decrease in negative fair value of hedging derivative instruments of \$29.1 million (discussed in Notes 10 and 11).
- Total revenues increased by \$161.0 million or 8.1%, from \$1.987 billion to \$2.148 billion when compared to the prior year.
 - General revenue accounted for \$1.559 billion, or 72.6%, of all revenues and increased \$131.5 million or 9.2%. This increase is primarily attributed to new sales tax revenue of \$65.8 million, property tax increase of \$16.7 million (mainly due to 8% increase in property values offset by 6% lower millage rate), increase in the Florida Education Finance Program (FEFP) revenue of \$44.7 million and \$5 million increase in Medicaid revenue.
 - Program specific revenue in the form of charges for services, grants and contributions accounted for \$588.4 million, or 27.4% of all revenues and increased \$29.5 million or 5.3%. The increase is primarily attributed to an increase in reimbursements for school lunch and breakfast programs, increase in Class Size Reduction revenue, PECO, Charter School Capital Outlay and other State revenue, and an increase in Afterschool Program fees.
- Total expenses increased \$106.4 million from \$1.956 billion to \$2.063 billion. The increase in expenses is primarily due to \$72 million higher pension expense in the current year based on actuarially determined Net Pension Liability (and related Deferred Inflows and Outflows) as determined under General Accounting Standards Board (GASB) Statement No. 68, raises given to employees in 2017, and an increase in the amount passed through to charter schools of \$7.3 million.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

- The District's governmental funds reported combined fund balances of \$469.5 million.
 - The General Fund (the primary operating fund), reflected on a current financial resources basis, ended the year with a fund balance of \$138.5 million. Of this amount, \$52.0 million is classified as unassigned that is available to cover unanticipated financial needs and includes the Board approved contingency, \$58.2 million is classified as assigned, \$20.4 million is classified as restricted and \$7.9 million is classified as nonspendable. During the current year, General Fund revenues (including other financing sources) exceeded expenditures (including other financing uses) by \$11.3 million, primarily due to higher than anticipated revenues, staff vacancies, and less than expected charter school enrollment.
 - Debt Service funds ended the year with a fund balance of \$122.1 million and is restricted to cover debt service payments. COPS Debt Service fund, a major fund, has a restricted fund balance of \$116.4 million, and the remaining debt service funds which are included with the other non-major governmental funds have a restricted fund balance of \$5.7 million.
 - Capital Project funds ended the year with a fund balance of \$183.3 million and is restricted or assigned to fund existing and future capital projects. The Capital Improvement fund, a major fund, has a restricted fund balance of \$55.6 million. Total Non-Major capital funds have a restricted fund balance of \$92.0 million, mainly comprised of new sales tax fund (\$59.8 million), COPS Capital (\$15.1 million), and remaining Capital funds (\$17.1 million), and an assigned fund balance of \$35.7 million in Other Capital Projects Fund.
 - Special Revenue funds ended the year with a fund balance of \$25.6 million, of which \$20.4 million is restricted to child nutrition costs, and \$5.2 million is nonspendable inventory.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations *in more detail* than the government-wide statements.
- The *governmental funds* statements tell how *basic* services like instruction and instructional support services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the District operates *like businesses*, such as group health self-insurance and long term claim self-insurance.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Figure 1 Major Features of Government-Wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as instructional costs	Activities the District operates similar to private businesses: health internal service fund and worker’s compensation, automobile and general liability claims fund	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

Figure 1, above, summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District’s assets and liabilities. All of the current year’s revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets, deferred outflows liabilities, and deferred inflows – is one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, the reader needs to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, all the District’s activities are reported as governmental activities.

- *Governmental activities* – All of the District’s basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of the activities.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. There are two types of proprietary funds:
 - *Enterprise funds* account for goods and services provided to those outside the District, generally on a user-charge basis. Currently, the District has no enterprise funds.
 - *Internal service funds* report self-insurance activities charged to the District's other programs and activities.
- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.
 - The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements – The notes provided, disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining and individual fund statements and schedules beginning with page 77.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Government-Wide

The District's net position was \$1.395 billion at June 30, 2017. The largest portion of the District's net position, \$1.757 billion, reflect its investment in capital assets (i.e. land, buildings, furniture, buses and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position (\$320.0 million) represents resources that are subject to external restrictions on how they may be used, the increase of \$82.3 million is mainly related to new Sales Tax Fund.

Table 1

	Summary of Net Position Governmental Activities (in thousands)			
	June 30, 2017	June 30, 2016	Increase (Decrease)	Percentage Change
Current and other assets	\$ 890,157	\$ 673,058	\$ 217,099	32.3%
Capital assets (net)	3,288,764	3,370,622	(81,858)	(2.4%)
Total assets	<u>4,178,921</u>	<u>4,043,680</u>	<u>135,241</u>	3.3%
Accumulated Decrease in Fair Value of				
Hedging Derivatives	61,946	91,076	(29,130)	(32.0%)
Deferred Loss on Debt Refunding	61,781	68,131	(6,350)	(9.3%)
Pension Related	378,156	159,861	218,295	136.6%
Total Deferred Outflows of Resources	<u>501,883</u>	<u>319,068</u>	<u>182,815</u>	57.3%
Current and other liabilities	405,045	308,677	96,368	31.2%
Long-term liabilities	2,843,412	2,639,323	204,089	7.7%
Total liabilities	<u>3,248,457</u>	<u>2,948,000</u>	<u>300,457</u>	10.2%
Pension Related	36,952	104,152	(67,200)	
Total Deferred Inflows of Resources	<u>36,952</u>	<u>104,152</u>	<u>(67,200)</u>	0.0%
Net position:				
Net investment in Capital Assets	1,756,568	1,760,930	(4,362)	(0.2%)
Restricted	320,003	237,692	82,311	34.6%
Unrestricted (deficit)	(681,176)	(688,026)	6,850	1.0%
Total net position	<u>\$ 1,395,395</u>	<u>\$ 1,310,596</u>	<u>\$ 84,799</u>	6.5%

Capital assets (net) decreased \$81.9 million or 2.4% compared to prior year and primarily reflects the impact of current year depreciation exceeding capital spending. See Note 7 of the Notes to the Financial Statements for more information on capital assets. Cash and other assets increased \$217.1 million or 32.3%, primarily as a result of \$115 million TANS outstanding at the end of year, and \$65.3 million of cash and taxes receivable generated by the new Sales Tax fund in the second half of the year.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The analyses in Table 1, on page 7, and Table 2, below, focus on the summary of net position and summary of changes in net position for the District's governmental activities.

Table 2

Summary of Changes in Net Position
Governmental Activities
(in thousands)

	Year Ended June 30, 2017	Year Ended June 30, 2016	Increase (Decrease)	Percentage Change
Revenues:				
Program revenue:				
Charges for services	\$ 54,380	\$ 53,493	\$ 887	1.7%
Operating grants and contributions	511,816	491,973	19,843	4.0%
Capital grants and contributions	22,197	13,430	8,767	65.3%
General revenue:				
Property taxes	1,218,207	1,201,557	16,650	1.4%
Local sales taxes	65,783	-	65,783	-
Grants and contributions not restricted	228,152	180,622	47,530	26.3%
Investment earnings	6,047	3,493	2,554	73.1%
Other general revenue	40,947	41,938	(991)	(2.4%)
Total revenues	<u>2,147,529</u>	<u>1,986,506</u>	<u>161,023</u>	8.1%
Functions/Programs Expenses				
Instruction	1,154,360	1,062,354	92,006	8.7%
Instructional support services	173,946	170,617	3,329	2.0%
Board	7,468	6,634	834	12.6%
General administration	10,449	10,089	360	3.6%
School administration	107,027	97,556	9,471	9.7%
Facilities acquisition and construction	20,761	14,750	6,011	40.8%
Fiscal services	6,853	6,805	48	0.7%
Food services	89,897	81,095	8,802	10.9%
Central services	16,052	15,646	406	2.6%
Student transportation services	54,396	48,223	6,173	12.8%
Operation and maintenance of plant	200,247	194,129	6,118	3.2%
Administrative technology services	7,643	7,916	(273)	(3.4%)
Community services	43,149	40,980	2,169	5.3%
Interest on long-term debt	62,739	90,428	(27,689)	(30.6%)
Unallocated depreciation/amortization	107,743	109,134	(1,391)	(1.3%)
Total expenses	<u>2,062,730</u>	<u>1,956,356</u>	<u>106,374</u>	5.4%
Change in net position	84,799	30,150	54,649	181.3%
Net Position - beginning	<u>1,310,596</u>	<u>1,280,446</u>	<u>30,150</u>	2.4%
Net Position - ending	<u>\$ 1,395,395</u>	<u>\$ 1,310,596</u>	<u>\$ 84,799</u>	6.5%

The results of this year's operations for the District as a whole are reported in the Statement of Activities. Table 2, above, takes the information from that statement and rearranges them slightly so the reader can see the total revenues and expenses for the current year compared to fiscal year 2016.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

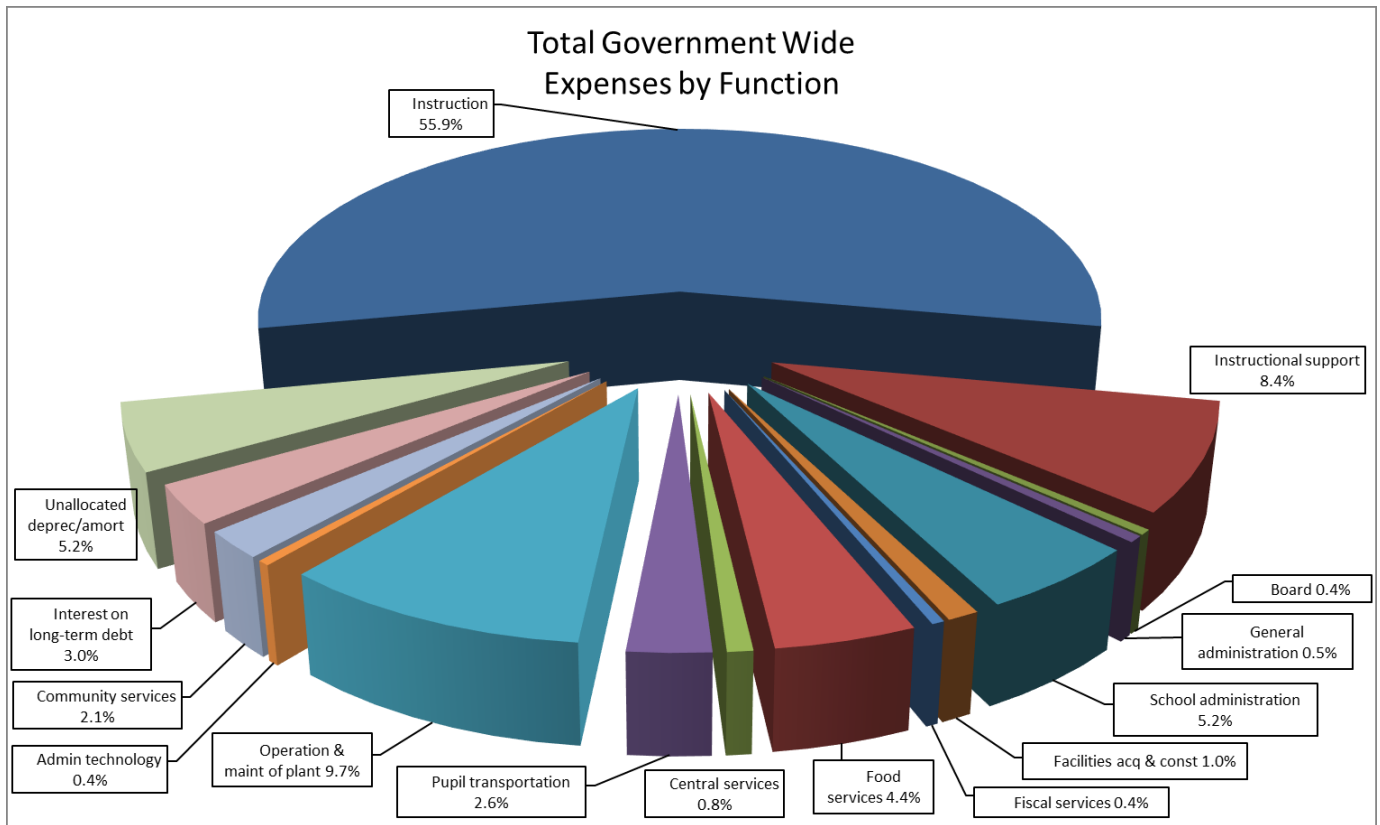
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

As reported in the Statement of Activities, the cost of all of the governmental activities this year was \$2.063 billion. Some costs were paid by those who benefited from the programs (\$54.4 million), or by other governments and organizations who subsidized certain programs with grants and contributions (\$534.0 million). The District paid for the remaining “public benefit” portion of the governmental activities with \$1.2 billion in property taxes, \$65.8 million in Sales Tax, \$228.2 million in grants and contributions not restricted to specific programs, \$6.0 million in investment earnings, and \$40.9 million in other general revenue.

Property taxes increased \$16.7 million or 1.4%, which is primarily attributed to an 8% increase in property values partially offset by a 6% reduction in millage rate, as well as a \$4.2 million lower collection of prior year taxes than in fiscal year 2016. Sales Tax Revenue of \$65.8 million represents 6 months of collections for the current year for the newly approved penny sales tax, of which the District receives ½ cent.

Grants and contributions not restricted increased \$47.5 million or 26.3%, which is primarily related to an increase of \$44.7 million in FEFP revenue and an increase of \$5.0 million in Medicaid revenue. FEFP revenue increased mainly due to decrease in required local effort provided by property taxes.

The pie chart below represents total expenses classified by function.



FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Governmental Funds

As of June 30, 2017 the District’s governmental funds reported a combined fund balance of \$469.5 million, which is an increase of \$78.8 million or 20.2% over the prior year.

The General Fund, which is the chief operating fund of the District and is always considered a major fund, had a fund balance of \$138.5 million which is an increase of \$11.3 million or 8.9%. The increase is

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

primarily due to higher than anticipated revenues, staff vacancies and less than expected charter school enrollment. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$52.0 million.

The COPS Debt Service Fund, another major fund, reported an ending fund balance of \$116.4 million, which is a decrease of \$2.4 million or 2.0% when compared with prior year. The decrease is related to the amount of debt service payments the District will need to make in early fiscal year 2018.

The Capital Improvement Fund, another major fund, reported an ending fund balance of \$55.6 million which is an increase of \$15.5 million or 38.5% due to the timing of revenue and capital outlay spending.

Other Non-Major Governmental Funds, which represent a summarization of all the other non-major governmental funds, ended the year with total fund balance of \$159.0 million, an increase of \$54.4 million or 52.1%. This increase is primarily due to the new Sales Tax fund, which had a fund balance of \$59.8 million.

Proprietary Funds

The District's internal service funds reported a combined net position of \$100.0 million. The Health Internal Service Fund ended the year with a net position of \$96.4 million, which is an increase of \$7.4 million or 8.2% over last year due to premiums exceeding claims and other expenses. The Worker's Compensation and Claims Fund ended the year with a net position of \$3.6 million, which is an increase of \$30.9 million. Proprietary funds use accrual basis accounting, thus this Fund records actuarially determined long term claims liabilities. In the current year, the District fully funded the negative position in the Worker's Compensation and Claims Fund.

General Fund Budgetary Highlights

During the year, appropriations increased \$29.5 million from original budget to final budget. The increase in appropriations is primarily attributed to growth in weighted FTE from original appropriation of \$9.8 million, the District received a higher reimbursement for Medicaid eligible services by \$3.9 million, District school tax revenue increased \$2.7 million, miscellaneous local revenue increased \$6.2 million primarily due to an increase in E-rate and federal indirect cost, more investment income generated due to higher rates of \$2.8 million, offset in part by a decrease of \$6.5 million in transfers in from Capital Projects Funds for projects that were not completed during the year. Appropriations were amended to align with total revenue.

The General Fund actual expenditures were less than the budgeted appropriations by approximately \$85.1 million. This is primarily due to enhanced cost containment measures put in place, such as a hiring freeze on non-instructional positions and increased scrutiny of overtime and purchases, as well as unspent funds in programs such as afterschool, International Baccalaureate, Advanced Placement, AICE, Industry Certification, and state categorical programs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in Table 3, on the next page, at June 30, 2017, the District had \$3.289 billion invested in a broad range of capital assets, including land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials and computer software. This amount represents a net decrease (including additions, deletions and depreciation) of \$81.9 million from last year. The decrease is primarily due to depreciation expense of \$107.6 million exceeding capital spending of \$26.2 million. Capital spending in the current year reflects

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

the acquisition of 100 buses for \$11.4 million, completion of the installation of new air conditioner chillers at 18 locations for \$3.8 million, and land donation of \$3.7 million for a future Elementary School.

The District's successful building program, which was funded from the proceeds of the Sales Tax Referendum that ended in 2010 and capital millage proceeds, is complete. Between fiscal year 2001 and fiscal year 2017, forty-one (41) new schools were built and fifty-eight (58) others were replaced or totally renovated. In November 2016, the taxpayers of Palm Beach County approved a one penny sales surtax of which ½ will be for the District. These new capital dollars will allow the District to continue its effort to provide state-of-the-art facilities, buses and technology for all of its students. See Note 7 of the Notes to the Financial Statements for more information on capital assets.

Table 3

Capital Assets at Year End Governmental Activities (in thousands)			
	June 30, 2017	June 30, 2016	Increase (Decrease)
Land	\$ 342,380	\$ 338,680	\$ 3,700
Construction in progress	3,656	1,150	2,506
Improvements other than buildings	58,834	58,506	328
Buildings and fixed equipment	4,172,921	4,173,322	(401)
Furniture, fixtures and equipment	129,525	127,183	2,342
Motor vehicles	118,641	116,031	2,610
AV materials and computer software	40,278	41,127	(849)
Less: accumulated depreciation	(1,577,471)	(1,485,377)	(92,094)
Total capital assets, net	<u>\$ 3,288,764</u>	<u>\$ 3,370,622</u>	<u>\$ (81,858)</u>

Long-term Debt

As shown in Table 4, at the end of this year, the District had \$1.648 billion in debt outstanding, which is \$128.7 million lower than last year. The decrease in outstanding debt is mainly due to debt principle repayments of \$85.9 million, regular amortization of \$13.4 million, and a decrease in negative fair value of hedging derivative instruments of \$29.1 million. See Notes 10 and 11 of the Notes to the Financial Statements for more information on long-term liabilities and derivatives.

Table 4

Long-term Debt Outstanding at Year End Governmental Activities (in thousands)			
	June 30, 2017	June 30, 2016	Increase (Decrease)
Notes / Loans Payable	\$ 23,485	\$ 31,846	\$ (8,361)
Capital Outlay Bond Issues	11,396	13,713	(2,317)
Certificates of Participation	1,466,758	1,541,963	(75,205)
Borrowing-Swap Upfront Payment	2,430	2,658	(228)
Derivative Instruments - Hedging	61,946	91,076	(29,130)
Plus: Issuance Premium	81,587	95,002	(13,415)
Total	<u>\$ 1,647,602</u>	<u>\$ 1,776,258</u>	<u>\$ (128,656)</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The District's certificates of participation are rated Aa3 by Moody's Investors Service, and AA- by Standard and Poor's Corporation, and AA- by Fitch Ratings Services.

The District is subject to State laws that limit the amount of State Board of Education Capital Outlay Bond Issues outstanding to 10% of the non-exempt assessed valuation. At June 30, 2017, the statutory limit for the District was approximately \$17.6 billion, providing additional debt capacity of approximately \$17.6 billion.

State Statute requires that no more than 75% of the capital millage levy be used for COP debt service. The District's debt policy limits the issuance of COPS by stating that the debt service could not exceed half of the capital millage levy. In fiscal year 2009, when the capital millage levy was reduced to 1.75 mills, the Debt Policy was amended to allow debt service to be up to 1 mil but should be within 50% of the capital millage levy within five years. Based on the reduction of the capital millage levy and existing property values, the District's capacity to issue new COPS debt has been dramatically reduced.

Other long-term obligations include liability for compensated absences, estimated claims liability, other post-employment benefits, and the reporting requirement of GASB No. 68 related to net pension liabilities.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The School District's revenues are determined in large part by the Florida Legislature and Governor. Funding per student is set as part of the State's annual budget approval. Local school board taxing authority is also governed at the state level with the Legislature dictating the largest component of school property taxes, known as the Required Local Effort (RLE), and through statutory caps that limit the remaining components of the school levy. The fiscal year 2018 state budget provided Florida school districts with a disappointing \$100 (1.3%) increase in funding per student compared to a 3.9% projected growth in the State general revenue forecast. The increase for Palm Beach is slightly higher due to an increase in the District cost differential and local tax levies. District-wide enrollment is expected to increase approximately 2,800 students. It is no surprise that Florida continues to rank in the bottom quartile of the nation in terms of education funding. Although the State economy continues to improve, funding for K-12 education is not expected to grow proportionally due to competition with other budget drivers including legislative tax cuts that reduce the RLE to the "rolled back rate", increasing Medicaid demands, and the needs of higher education.

With limited new funds allocated by the state, the primary goal of this, and future budget cycles, is to optimize existing resources. Last year, the District partnered with Educational Resource Strategies (ERS) to perform a comprehensive ten-month review of how we allocate our resources – people, time, and money. The findings from ERS helped to identify three areas of focus necessary to meet the long-term outcomes identified in the District's Strategic Plan including cultivating great teachers, reallocating resources within English Language Learners (ELL) and Students with Disabilities, and increasing supports for the lowest-performing schools. Staff is currently assessing methodologies to differentiate staffing ratios based on proficiency and instructional time.

The District's .25 mill property tax levy for operations was approved by the voters for another four years in 2014, from fiscal year 2016 through fiscal year 2019. For fiscal year 2018, the .25 mills is expected to generate \$47.5 million in revenue. The revenue is designated for art, music, and physical education instruction, choice programs, and career academies.

In recent years, districts throughout Florida have been hard hit by the reduction in local capital outlay taxing authority and the decline in property values. While property values continue to recover, the 2008 and 2009 Florida Legislature reduced the capital millage authority of local school boards to 1.5 mills from 2.0 mills. Over time, the substantial loss of capital revenue crippled the ability of school districts to meet school facility maintenance, classroom technology, and bus fleet demands.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Voters in Palm Beach County stepped up in November 2016 to address this significant shortfall by increasing the local sales tax by one penny in order to address the backlog of critical capital needs including school security and safety, classroom technology, and safe and reliable school buses. The District is anticipated to receive \$1.345 billion over the next 10 years. Although the passage of HB 7069, this legislative cycle, has again exacerbated the problem by requiring districts to provide charter schools a pro-rata share of local capital outlay millage funding. Without additional funds to compensate for the loss in revenue, an estimated \$230 million over the next ten years, the District will again face a backlog of critical capital needs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact:

Michael J. Burke, Chief Financial Officer
The School District of Palm Beach County, Florida
3328 Forest Hill Boulevard, Suite C-316
West Palm Beach, FL 33406

Visit our website at:

<http://www.palmbeachschools.org/>

View an electronic copy of our CAFR at:

<http://www.palmbeachschools.org/accounting/>

BASIC FINANCIAL STATEMENTS



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2017
(amounts expressed in thousands)

	Primary Government Governmental Activities
ASSETS	
Cash, cash equivalents and investments	\$ 794,014
Ad Valorem and Sales Taxes receivable	44,342
Accounts, deposits and interest receivable	889
Due from other governments or agencies	28,891
Inventories	13,201
Restricted assets (cash with fiscal agent)	2,885
Other assets	5,935
Capital assets:	
Land	342,380
Construction in progress	3,656
Improvements other than buildings	58,834
Buildings and improvements	4,172,921
Furniture, fixtures and equipment	129,525
Motor vehicles	118,641
Audio/video materials and software	40,278
Less accumulated depreciation	(1,577,471)
Total capital assets, net of depreciation	<u>3,288,764</u>
TOTAL ASSETS	<u>4,178,921</u>
DEFERRED OUTFLOWS OF RESOURCES	
Accumulated decreases in fair value of hedging derivatives	61,946
Deferred loss on debt refunding	61,781
Pension	378,156
TOTAL DEFERRED OUTFLOWS OF RESOURCE	<u>501,883</u>
LIABILITIES	
Accounts and contracts payable	37,678
Accrued payroll and payroll deductions	85,425
Current notes payable	115,000
Retainage payable on contracts	256
Deposits payable	365
Interest payable	35,578
Unearned revenue	1,455
Noncurrent liabilities:	
Portion due or payable within one year:	
Loans/note payable	8,454
Bonds payable	1,543
Liability for compensated absences	15,654
Certificates of participation payable	76,850
Borrowing-swap upfront payment	229
Estimated claims	26,560
Portion due or payable after one year:	
Loans/note payable	15,031
Bonds payable	11,104
Liability for compensated absences	170,046
Certificates of participation payable	1,470,245
Borrowing-swap upfront payment	2,201
Derivative instrument - Hedging	61,946
Estimated claims	35,468
Other post-employment benefits obligation	111,919
Net Pension Liability	965,450
TOTAL LIABILITIES	<u>3,248,457</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	36,952
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>36,952</u>
NET POSITION	
Net Investment in capital assets	1,756,568
Restricted for:	
Categorical carryover programs	4,010
Debt service	88,145
Capital projects	183,212
School food service	25,568
Other purposes (See Footnote 14)	19,068
Unrestricted (deficit)	(681,176)
TOTAL NET POSITION	<u>\$ 1,395,395</u>

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Instruction	\$ 1,154,360	\$ 2,334	\$ 327,887	\$ 5,329
Instructional support services	173,946	-	57,239	-
Board	7,468	-	-	-
General administration	10,449	-	3,314	-
School administration	107,027	-	5,581	-
Facilities acquisition and construction	20,761	-	-	8,509
Fiscal services	6,853	-	104	-
Food services	89,897	13,465	76,193	-
Central services	16,052	-	788	-
Student transportation services	54,396	709	27,342	-
Operation of plant	126,506	-	5,422	-
Maintenance of plant	73,741	-	-	-
Administrative technology services	7,644	-	1,883	5,490
Community services	43,149	37,872	6,063	-
Interest on long-term debt	62,739	-	-	2,869
Unallocated depreciation expense	107,633	-	-	-
Amortization expense	109	-	-	-
Total primary government governmental activities	\$ 2,062,730	\$ 54,380	\$ 511,816	\$ 22,197

General revenues:

- Taxes:
 - Property taxes, levied for general purposes
 - Property taxes, levied for capital projects
 - Local sales taxes
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Other
 - Total general revenues
 - Change in net position
- Net Position—beginning
- Net Position—ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense)
Revenue and Changes
in Net Position**

Primary Government

**Governmental
Activities**

\$		(818,810)
		(116,707)
		(7,468)
		(7,135)
		(101,446)
		(12,252)
		(6,749)
		(239)
		(15,264)
		(26,345)
		(121,084)
		(73,741)
		(271)
		786
		(59,870)
		(107,633)
		(109)
		<hr/>
		(1,474,337)
		<hr/>

		959,828
		258,379
		65,783
		228,152
		6,047
		40,947
		<hr/>
		1,559,136
		<hr/>
		84,799
		<hr/>
		1,310,596
		<hr/>
\$		<u>1,395,395</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>
ASSETS		
Cash, cash equivalents and investments	\$ 325,406	\$ 116,492
Ad Valorem and Sales taxes receivable	17,493	-
Accounts and interest receivable	889	-
Due from other governments or agencies	6,470	-
Due from other funds	8,460	-
Inventories	7,969	-
Other assets	15	-
TOTAL ASSETS	<u>366,702</u>	<u>116,492</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts and contracts payable	21,688	76
Accrued payroll and payroll deductions	86,666	-
Tax anticipation notes payable	115,000	-
Accrued interest payable	1,648	-
Due to other funds	-	-
Retainage payable on contracts	-	-
Deposits payable	365	-
Unearned revenue	589	-
TOTAL LIABILITIES	<u>225,956</u>	<u>76</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	2,200	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,200</u>	<u>-</u>
FUND BALANCES		
Nonspendable	7,969	-
Restricted	20,378	116,416
Committed	-	-
Assigned	58,199	-
Unassigned	52,000	-
TOTAL FUND BALANCES	<u>138,546</u>	<u>116,416</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 366,702</u>	<u>\$ 116,492</u>

The notes to the financial statements are an integral part of this statement.

<u>CAPITAL IMPROVEMENT</u>	<u>OTHER NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 53,219	\$ 138,776	\$ 633,893
4,711	22,138	44,342
-	-	889
-	20,232	26,702
-	-	8,460
-	5,232	13,201
-	22	37
<u>57,930</u>	<u>186,400</u>	<u>727,524</u>
2,153	11,677	35,594
-	5,760	92,426
-	-	115,000
-	-	1,648
-	8,460	8,460
182	74	256
-	-	365
-	1,231	1,820
<u>2,335</u>	<u>27,202</u>	<u>255,569</u>
-	238	2,438
-	238	2,438
-	5,232	13,201
55,595	117,990	310,379
-	35	35
-	35,703	93,902
-	-	52,000
<u>55,595</u>	<u>158,960</u>	<u>469,517</u>
<u>\$ 57,930</u>	<u>\$ 186,400</u>	<u>\$ 727,524</u>



MORE OF
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WANT FOR
YOUR CHILD

 PALM BEACH COUNTY SCHOOLS
Your *BEST* Choice

GROWING. STRONG.

The image is a square graphic with a light blue background. At the top, a dark red circle contains the text 'MORE OF EVERYTHING YOU WANT FOR YOUR CHILD' in white, bold, sans-serif font. Below the circle, on the left, is a small circular logo with a white background and a red heart. To the right of the logo, the text 'PALM BEACH COUNTY SCHOOLS' is written in a small, dark blue font, and 'Your BEST Choice' is written in a larger, italicized, dark blue font. At the bottom of the graphic, a dark blue horizontal bar contains the text 'GROWING. STRONG.' in white, bold, sans-serif font.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017
(amounts expressed in thousands)**

Total Fund Balances - Governmental Funds \$ 469,517

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Cost of the assets	\$	4,866,235	
Accumulated depreciation		(1,577,471)	
Total capital assets, net of depreciation			3,288,764

Bond insurance amounts related to debt issuance are reported as expenditures in the governmental funds when first incurred, however, they are included with other assets in the governmental activities in the statement of net position. 724

Deferred outflow of resources are reported at the fair values of the corresponding hedging derivative instruments in the statement of net position. 61,946

Deferred outflow of resources are reported at net carrying amount for refunding transactions in the statement of net position. 61,781

Deferred outflows of resources related to pensions are recorded in the statement of net position. 377,719

Expenditures for insurance and software extending over more than one accounting period not allocated between or among accounting periods, but accounted for as expenditures of the period of acquisition in the funds. 5,174

An internal service fund is used by management to charge the costs of health premiums, worker's compensation, auto and general liability to individual funds. The net position of the internal service fund is included in governmental activities in the statement of net position.

Assets and Deferred Outflows of Resources	\$	165,632	
Liabilities and Deferred Inflows of Resources		65,639	
Net position			99,993

Revenues that are unavailable or unearned in the governmental funds but are recognized as revenue in the governmental-wide financial statements. 2,803

Deferred inflows of resources related to pensions are recorded in the statement of net position. (36,909)

Long-term liabilities are not due and payable in the current period and not reported as liabilities in the governmental funds. Long-term liabilities (net of premiums) at year-end consist of:

Loans / Note payable		23,485	
Bonds payable		12,647	
Certificates of participation payable		1,547,095	
Borrowing-swap upfront payment		2,430	
Hedging derivative instruments		61,946	
Compensated absences		178,434	
Other post employment benefits		111,813	
Net Pension Liability		964,337	
Accrued interest on long-term debt		33,930	
			(2,936,117)

Total Net Position - Governmental Activities \$ 1,395,395

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>
REVENUES:		
Local sources:		
Ad valorem taxes	\$ 959,828	\$ -
Local sales taxes	-	-
Interest income and other	3,867	119
School age child care fees	37,872	-
Food service sales	239	-
Impact fees	-	-
Local grants and other	32,763	-
Total local sources	<u>1,034,569</u>	<u>119</u>
State sources:		
Florida education finance program	277,399	-
Capital outlay and debt service	115	-
Food service	-	-
Class size reduction	216,754	-
Charter school capital outlay	-	-
State grants and entitlements	34,508	-
Total state sources	<u>528,776</u>	<u>-</u>
Federal sources:		
Federal grants and entitlements	7,987	-
National school lunch act	-	-
Total federal sources	<u>7,987</u>	<u>-</u>
TOTAL REVENUES	<u>1,571,332</u>	<u>119</u>
EXPENDITURES:		
Current:		
Instruction	1,081,637	-
Instructional support services	120,022	-
Board	7,295	-
General administration	7,537	-
School administration	105,345	-
Facilities acquisition and construction	349	-
Fiscal services	6,662	-
Food services	117	-
Central services	15,133	-
Student transportation services	53,559	-
Operation of plant	127,091	-
Maintenance of plant	73,064	-
Administrative technology services	7,540	-
Community services	42,298	-
Total Current Expenditures	<u>1,647,649</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

CAPITAL IMPROVEMENT	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 258,379	\$ -	\$ 1,218,207
-	65,783	65,783
977	435	5,398
-	-	37,872
-	13,226	13,465
-	6,948	6,948
-	7,884	40,647
<u>259,356</u>	<u>94,276</u>	<u>1,388,320</u>
-	-	277,399
-	7,678	7,793
-	995	995
-	-	216,754
-	5,329	5,329
-	10,076	44,584
-	24,078	552,854
-	122,065	130,052
-	75,187	75,187
-	197,252	205,239
<u>259,356</u>	<u>315,606</u>	<u>2,146,413</u>
-	67,189	1,148,826
-	53,526	173,548
-	-	7,295
-	3,314	10,851
-	25	105,370
15,414	5,396	21,159
-	104	6,766
-	89,814	89,931
-	790	15,923
-	340	53,899
-	7	127,098
-	-	73,064
-	-	7,540
-	830	43,128
<u>15,414</u>	<u>221,335</u>	<u>1,884,398</u>

(Continued)

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - Continued
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>
Capital outlay	1,896	-
Debt service:		
Retirement of principal	-	75,205
Interest	666	66,252
Fiscal charges	-	219
TOTAL EXPENDITURES	<u>1,650,211</u>	<u>141,676</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(78,879)</u>	<u>(141,557)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	90,260	139,180
Transfers out	(92)	-
Issuance of long-term and refunded debt	-	-
Net premium (discount) from issuance of long-term and refunded debt	-	-
Payments to refunded debt escrow agent	-	-
Proceeds from loss recoveries	7	-
Sale of capital assets and other	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>90,175</u>	<u>139,180</u>
NET CHANGE IN FUND BALANCES	11,296	(2,377)
FUND BALANCES, JULY 1, 2016	<u>127,250</u>	<u>118,793</u>
FUND BALANCES, JUNE 30, 2017	<u>\$ 138,546</u>	<u>\$ 116,416</u>

The notes to the financial statements are an integral part of this statement.

<u>CAPITAL IMPROVEMENT</u>	<u>OTHER NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
4,572	19,310	25,778
-	10,678	85,883
-	4,624	71,542
-	12	231
<u>19,986</u>	<u>255,959</u>	<u>2,067,832</u>
<u>239,370</u>	<u>59,647</u>	<u>78,581</u>
-	9,418	238,858
(223,908)	(14,858)	(238,858)
-	-	-
-	-	-
-	-	7
-	224	224
<u>(223,908)</u>	<u>(5,216)</u>	<u>231</u>
15,462	54,431	78,812
<u>40,133</u>	<u>104,529</u>	<u>390,705</u>
<u>\$ 55,595</u>	<u>\$ 158,960</u>	<u>\$ 469,517</u>

(Concluded)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

Total net change in fund balances - governmental funds \$ 78,812

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense (\$107,633) in excess of capitalized capital outlay (\$26,255) in the current period. (81,378)

Governmental funds report the effect of bond insurance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Insurance Cost Amortization	(109)	
Debt Refunding Amortization	(6,349)	
Premium/Discount Amortization	13,414	6,956

Investment loss related to derivative instruments reported in the statement of activities that are not reported as revenue in the governmental funds (25)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 2,803

Revenues reported in the governmental funds that were reported as revenue in the statement of activities in the prior year under full accrual. (2,324)

Repayment of notes / loans is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 8,361

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 77,522

The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. (480)

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds.

Prepaid Insurance & Software	(259)	
Compensated Absences	(2,287)	
Other Post Employment Benefits	(4,433)	
Pension Expense	(38,740)	
Borrowing-SWAP	228	
Accrued Interest on Long-Term Debt	1,742	(43,749)

An internal service fund is used by management to charge the costs of self insurance claims (including health, workers compensation, auto and general liability) to individual funds. The net income of the internal service fund is reported with governmental activities. 38,301

Change in net position of governmental activities \$ 84,799

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources	\$ 1,021,613	\$ 1,034,568	\$ 1,034,569	\$ 12,955	\$ 1
State sources	513,081	528,776	528,776	15,695	-
Federal sources	3,807	7,987	7,987	4,180	-
TOTAL REVENUES	<u>1,538,501</u>	<u>1,571,331</u>	<u>1,571,332</u>	<u>32,830</u>	<u>1</u>
EXPENDITURES:					
Instruction	1,126,207	1,146,281	1,084,027	(20,074)	62,254
Instructional support services	119,428	122,074	120,039	(2,646)	2,035
Board	7,743	8,013	7,302	(270)	711
General administration	7,476	7,625	7,537	(149)	88
School administration	99,517	105,578	105,347	(6,061)	231
Facilities acquisition and construction	497	717	349	(220)	368
Fiscal services	6,768	7,048	6,662	(280)	386
Food Services	17	120	117	(103)	3
Central services	14,987	15,617	15,147	(630)	470
Student transportation services	52,743	53,656	53,585	(913)	71
Operation of plant	133,281	135,405	127,099	(2,124)	8,306
Maintenance of plant	79,316	73,569	73,731	5,747	(162)
Administrative Technology Services	7,916	7,871	7,540	45	331
Community services	50,794	52,516	42,480	(1,722)	10,036
Debt service	577	667	666	(90)	1
TOTAL EXPENDITURES	<u>1,707,267</u>	<u>1,736,757</u>	<u>1,651,628</u>	<u>(29,490)</u>	<u>85,129</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(168,766)</u>	<u>(165,426)</u>	<u>(80,296)</u>	<u>3,340</u>	<u>85,130</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	93,600	90,261	90,260	(3,339)	(1)
Transfers out	(84)	(92)	(92)	(8)	-
Proceeds from loss recoveries	-	7	7	7	-
TOTAL OTHER FINANCING SOURCES	<u>93,516</u>	<u>90,176</u>	<u>90,175</u>	<u>(3,340)</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (75,250)</u>	<u>\$ (75,250)</u>	<u>9,879</u>	<u>\$ -</u>	<u>\$ 85,129</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>127,250</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			<u>137,129</u>		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>1,417</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 138,546</u>		

The notes to the financial statements are an integral part of this statement.



MORE OF
EVERYTHING YOU
WANT FOR
YOUR CHILD

 PALM BEACH COUNTY SCHOOLS
Your *BEST* Choice

GROWING. STRONG.

The graphic is a square with a light blue background. At the top, a dark red circle contains the text 'MORE OF EVERYTHING YOU WANT FOR YOUR CHILD' in white, bold, sans-serif font. Below the circle is the Palm Beach County Schools logo, which consists of a small square icon with a heart and a graduation cap, followed by the text 'PALM BEACH COUNTY SCHOOLS' and 'Your BEST Choice' in a smaller font. At the bottom, a dark blue horizontal bar contains the text 'GROWING. STRONG.' in white, bold, sans-serif font.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2017
(amounts expressed in thousands)

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current Assets:	
Cash, cash equivalents and investments	\$ 160,121
Due from other agencies	2,189
Total Current Assets	<u>162,310</u>
Noncurrent Assets:	
Restricted cash	2,885
Total Noncurrent Assets	<u>2,885</u>
Total assets	<u><u>\$ 165,195</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	\$ 437
Total Deferred Outflows of Resources	<u><u>\$ 437</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 2,084
Accrued payroll and payroll deductions	43
Portion due or payable within one year:	
Estimated unpaid claims	26,560
Total Current Liabilities	<u>28,687</u>
Noncurrent liabilities:	
Portion due or payable after one year:	
Liability for compensated absences	222
Estimated unpaid claims	35,468
Other post-employment benefits obligation	106
Pension	1,113
Total Noncurrent Liabilities	<u>36,909</u>
Total liabilities	<u><u>\$ 65,596</u></u>
DEFERRED INFLOWS OF RESOURCES	
Pension	\$ 43
Total Deferred Inflows of Resources	<u><u>\$ 43</u></u>
NET POSITION	
Unrestricted	<u><u>\$ 99,993</u></u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES:	
Premium revenue	\$ 246,172
Pharmacy Rebates	10,580
Other operating revenue	1,027
TOTAL OPERATING REVENUES	257,779
OPERATING EXPENSES:	
Salaries	1,212
Benefits	1,062
Purchased services	495
Claims and other expenses	217,383
TOTAL OPERATING EXPENSES	220,152
OPERATING INCOME	37,627
NONOPERATING REVENUES:	
Interest and other income	674
TOTAL NONOPERATING REVENUES	674
CHANGE IN NET POSITION	38,301
NET POSITION - Beginning of year	61,692
NET POSITION - End of year	\$ 99,993

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from interfund services provided	\$ 246,172
Cash payments for claims and administration	(217,963)
Cash receipts for pharmacy rebates	10,580
Cash payments for salaries and benefits	(1,589)
Other receipts	5,550
Net cash provided by operating activities	<u>42,750</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and other income	674
Net cash provided by investing activities	<u>674</u>
Net increase in cash and cash equivalents	43,424
Cash and cash equivalents, beginning of year*	<u>119,582</u>
Cash and cash equivalents, end of year*	<u><u>\$ 163,006</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	<u>\$ 37,627</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in due from other agencies	307
Decrease in payroll and payroll deductions	(34)
Decrease in accounts payable	(85)
Increase in pension	719
Increase in estimated unpaid claims	4,216
Total adjustments	<u>5,123</u>
Net cash provided by operating activities	<u><u>\$ 42,750</u></u>

*Includes Restricted Cash

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	<u>PRIVATE- PURPOSE TRUST FUND</u>	<u>AGENCY FUND</u>
	<u>FLORIDA FUTURE EDUCATORS OF AMERICA</u>	<u>SCHOOL INTERNAL FUNDS</u>
ASSETS		
Cash, cash equivalents and investments	\$ 335	\$ 18,936
Accounts receivable	-	1,248
TOTAL ASSETS	<u>\$ 335</u>	<u>\$ 20,184</u>
LIABILITIES		
Accounts payable	\$ -	\$ 249
Due to student organizations	-	19,935
TOTAL LIABILITIES	<u>-</u>	<u>\$ 20,184</u>
NET POSITION		
Held in trust for scholarships	<u>335</u>	
TOTAL NET POSITION	<u>\$ 335</u>	

The notes to the financial statements are an integral part of this statement.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	PRIVATE- PURPOSE TRUST FUND <hr/> FLORIDA FUTURE EDUCATORS <hr/> OF AMERICA
ADDITIONS	
Donations	\$ 111
Interest	<u>2</u>
TOTAL ADDITIONS	<u>113</u>
DEDUCTIONS	
Scholarships	<u>45</u>
TOTAL DEDUCTIONS	<u>45</u>
CHANGE IN NET POSITION	68
NET POSITION - Beginning of year	<u>267</u>
NET POSITION - End of year	<u><u>\$ 335</u></u>

The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District of Palm Beach County, Florida (the "District") have been prepared to conform with Accounting Principles Generally Accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to Florida Statutes, Section 1010.01, the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education. The following is a summary of the more significant of these policies.

A. Reporting Entity

The District and its governing board are organized and operated under Section 4, Article IX, of the Constitution of Florida and Chapter 1001 of Florida Statutes. The District's boundaries are coterminous with those of Palm Beach County. Management of the School District is independent of county and city governments. The membership of the governing board of the District (the "Board") consists of seven members elected from single member districts for overlapping four-year terms. The Superintendent is appointed by the Board to act as executive officer of the District.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units" and GASB 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and are either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Applying this definition, District management has determined that the component unit and/or joint venture reportable within the accompanying financial statements is the Palm Beach School Board Leasing Corporation (the "Corporation").

Blended Component Unit - The Corporation's sole purpose is to provide for financing and construction of certain District school facilities. Additionally, the Corporation is legally separate from the District and the Board of the Corporation consists of the seven Board members of the District. Therefore, the financial activities of the Corporation have been blended (reported as if it were part of the District) with those of the District. The Corporation does not publish individual component unit financial statements.

Based on assessing the criteria for classifying entities as component units under GASB 61, charter schools do not qualify as part of the District's Reporting Entity and will not be reported as discretely presented component units.

Since the District is independent of and is not financially accountable for other governmental units or civic entities, these financial statements represent the operations of the District, the Corporation, as well as all of the funds of the District as a governmental unit.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds. The District eliminates from the Statement of Net Position and the Statement of Activities all interfund

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

receivables and payables and transfers between funds as well as the transactions associated with its Internal Service Funds.

The government-wide statements are prepared using the economic resources measurement focus and accrual basis accounting. This is the same approach used in the preparation of the Proprietary Fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and presented in a single column. Internal Service Funds are aggregated and presented in a single column on the face of the Proprietary Fund statements. Fiduciary Funds are reported by fund type.

The Governmental Funds are accounted for on the "flow of current financial resources" measurement focus. Governmental fund financial statements are prepared using the current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The Proprietary Fund is accounted for on an "economic resources" measurement focus. Accordingly, the Statement of Revenues, Expenses and Changes in Fund Net Position for the Proprietary Fund reports increases and decreases in total economic net worth. The private purpose trust fund is reported using the economic resources measurement focus.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most District functions are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in the Proprietary Fund and Fiduciary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the District's major Governmental Funds:

General Fund

The General Fund is the primary operating fund of the District. Ad valorem tax revenues, revenues from the Florida Education Finance Program ("FEFP") and other receipts not allocated by law or contractual agreement to other funds are accounted for in this fund. Similarly, general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from this fund.

COPS Debt Service Fund

The COPS Debt Service Fund accounts for the repayment of the certificates of participation.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Capital Improvement Fund

The Capital Improvement Fund accounts for locally received funds, primarily ad valorem tax revenue, and funds are used to service COPs debt.

Other Non-Major Governmental Funds

The Other Non-Major Governmental Funds are a summary of all the non-major government Funds.

PROPRIETARY FUNDS

The Proprietary Fund is used to account for ongoing activities where the intent is that charges made to users will cover the costs of the services provided. The measurement focus is upon the determination of net income. The only Proprietary Fund that the District has is its Internal Service Funds. A Proprietary Fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Operating expenses for Internal Service Funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

Internal Service Fund

Internal Service Fund is used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The District has two Internal Service Funds, one for group health and one for worker's compensation, general and auto liability claims. The District has fully funded the workers compensation and claims insurance fund. Expenditures of the self-insurance funds are charged back to the appropriate governmental fund.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the District on behalf of outside related organizations or on behalf of other funds within the District. The Fiduciary Funds are prepared under the economic resources measurement focus and the accrual basis of accounting.

Agency Funds

Agency Funds consist of activity funds, which are established at each school to record the receipts and disbursements of various school activities administered for the general welfare of the students and completion of certain planned objectives and special programs of school groups. The District retains no equity interest in these funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private Purpose Trust Fund

A trust fund was established in January 1993 and is used to account for a District-supported Florida Future Educators of America. Revenues consist of employee donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recognized in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and Fiduciary Funds use the accrual basis of accounting.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers all revenues (with the exception of the expenditure-driven grants) as available if they are collected within sixty (60) days after year-end. The expenditure driven grants are considered available if received within one year from the balance sheet date. Current year property tax revenue is recognized when levied for, if available. Amounts are considered available if received by the District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, OPEB, pension, claims and judgments.

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the District will receive any amounts; therefore, revenues are recognized based upon the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In all cases, monies received before the revenue recognition criteria have been met are reported as advance payments or deferred inflows.

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

Program Revenues – Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

State Revenue Sources – Revenues from State sources for current operations are primarily from the Florida Education Finance Program ("FEFP"), administered by the Florida Department of Education ("FDOE"), under the provisions of Chapter 1011, Florida Statutes. This revenue is recognized when received. The District files reports on full time equivalent ("FTE") student membership with the FDOE. The FDOE accumulates information from these reports and calculates the allocation of FEFP funds to the District. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review. Normally, such adjustments are treated as reductions of revenue in the year the reduction is made, as amounts are not significant.

The District receives and recognizes revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs.

Property Taxes – Property tax revenue anticipated to be collected is recognized in the fiscal year for which it is levied. Delinquent taxes collected in subsequent periods are recognized as revenue during the fiscal year

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

in which they are received.

Federal Revenue Sources – The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

Use of Resources – When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

C. Budgetary Policies

Expenditures are controlled by budgetary systems in accordance with various legal and administrative requirements that govern the District's operations. The budget represents a process through which policy decisions are made, implemented and controlled. The budget is adopted on a basis consistent with GAAP, except for encumbrances. The budgetary process includes encumbrances in the current year budget. The encumbrances are reported as expenditures on the budgetary basis of accounting.

Annual budgets are legally adopted for all funds except the Fiduciary Funds. The budget amounts for revenues and expenditures reflect all amendments to the original budget with the final amendment approved by the Board on September 6, 2017. Significant dates in the budgeting timetable follow:

1. The Palm Beach County Property Appraiser certifies to the District the taxable value of all nonexempt District property by July 1 of each year, or the Clerk of the Circuit Court is required to certify an interim tax roll.
2. Within 24 days of tax roll certification, the Board considers and approves for advertising a tentative budget.
3. Within 29 days after tax roll certification, the District advertises the tentative budget and the millage rates therein.
4. A public hearing to adopt the tentative budget and proposed millage rate is held not less than two nor more than five days after the budget is advertised.
5. Within 35 days of tax roll certification, the District notifies the Palm Beach County Property Appraiser of proposed millage rates.

At a final public hearing within 80 days, but not less than 65 days, after tax roll certification, the Board adopts the District budget.

The major functional level is the legal level of budgetary control. Per Board policy, management is authorized to make budget amendments at function level with Board approval. All interim budget amendments between major functional areas within each fund are submitted to the Board for approval. Federal and State grant budget amendments which require State approval prior to processing are also submitted to the Board for approval with monthly amendments.

Unreserved appropriations are cancelled at the end of the fiscal year. However, encumbered appropriations for funds do not lapse at the end of the fiscal year. Restricted, committed and assigned fund balances at June 30, 2017 for funds under budgetary control have been re-appropriated for the fiscal year 2018 operating budget within the appropriate fund. Programs restricted for carryover include all State categorical grants required to be expended on specific programs and District approved carryover programs.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of an applicable appropriation, is utilized for budgetary control purposes. Encumbrances are not the equivalent of expenditures, and accordingly, amounts assigned for encumbrances at the governmental fund level indicate that portion of the fund balance segregated for expenditure upon vendor performance.

E. Cash, Cash Equivalents and Investments

The District maintains a Treasurer's pool for the District's cash and investments. Each fund's portion of the pool is presented on the financial statements. Investments recorded at fair value consist of direct obligations of the United States Treasury, U.S. Government Agency Securities, U.S. Government sponsored agencies, investing in U.S. Treasury Securities, AAA rated local government investment pools, corporate notes, U.S. Government Supported Corporate Debt, and other investments allowable by the District's investment policy. The District categorizes its investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. All money market mutual funds are AAA rated by the various rating agencies and each fund is registered as a 2a-7 fund with the SEC and recorded at amortized cost. Rule 2a-7 of the Investment Company Act of 1940, comprises the rules governing money market funds. For purposes of the statement of cash flows, cash equivalents are considered to be the money market funds and all highly liquid investments with a maturity of three months or less when purchased.

F. Inventories

Inventories are valued at the lower of cost or net realizable value, using the average cost method. The District's inventories include various items consisting of school supplies, paper, textbooks, fuel, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method. Inventorial items are recorded as expenditures when shipped to schools and department offices (the consumption method). The nonspendable fund balance at the governmental fund level is equal to the amount of inventories at year-end to indicate the portion of the governmental fund balances that are nonspendable.

G. Prepaid Items

Expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods in the governmental funds and are instead accounted for as expenditures in the period of acquisition (Purchase method). In the Government-Wide financial statements these amounts are reported as other assets and will be charged to expense in the period used or consumed.

H. Capital Assets

Capital assets represent the cumulative amount of capital assets owned and in use by the District. Purchased assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position. Gifts or contributions are recorded at estimated acquisition value at the time received. The District's capitalization levels are \$1,000 on tangible personal property, \$100,000 on building improvements, \$50,000 on improvements other than buildings and \$100,000 on intangible assets. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets except land and construction in progress are depreciated.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Depreciation is computed using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Furniture, Fixtures and Equipment	3 – 15 years
Motor Vehicles	5 – 10 years
Audio/Video Materials & Software	3 – 5 years
Buildings and Improvements	15 – 50 years
Improvements Other Than Buildings	15 years
Intangibles	5 years

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position has a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item is accumulated decrease in fair value of hedging derivatives (See Note 11). A second item is the net carrying amount of debt refunding reported in the government-wide statement of net position. A deferred loss on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or new refunding debt. A third item, in accordance with GASB 68, reports pension related deferred outflows of resources and deferred inflows of resources on its financial statements (see footnote 12 for additional information).

On the Government-Wide financial statements Deferred Outflows of Resources activity for fiscal year ended June 30, 2017 is as follows (in thousands):

	Ending Balance June 30, 2016	Increase	Decrease	Ending Balance June 30, 2017
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 91,076	\$ -	\$ 29,130	\$ 61,946
Deferred Loss on Debt Refunding	68,131	-	6,350	61,781
Pension Related - FRS (see footnote 12)	113,703	241,355	60,417	294,641
Pension Related - HIS (see footnote 12)	46,158	54,536	17,179	83,515
Total Outflows of Resources	\$ 319,068	\$ 295,891	\$ 113,076	\$ 501,883

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has \$2.4 million Unavailable Deferred Revenue (\$2.2 million is related to Medicaid administration claims) that qualifies as a deferred inflow of resources and it is shown in the governmental funds Balance Sheet under the modified accrual basis of accounting.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

On the Government-Wide financial statements Deferred Inflows of Resources total \$37.0 million as shown below (in thousands):

	Ending Balance June 30, 2016	Increase	Decrease	Ending Balance June 30, 2017
Deferred Inflows of Resources				
Pension Related - FRS (see footnote 12)	\$ 95,909	\$ -	\$ 66,732	\$ 29,177
Pension Related - HIS (see footnote 12)	8,243	-	468	7,775
Total Inflows of Resources	\$ 104,152	\$ -	\$ 67,200	\$ 36,952

J. Long Term Debt

In the fund-level financial statements, governmental funds report the face amount of debt issued and debt principal payments, as well as any premiums (discounts) as other financing sources (uses). Debt issuance costs and principal payments are reported as debt service expenditures. In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Bond premiums/ discounts and Bond insurance cost are amortized over the life of the bonds.

The District entered into interest rate swap agreements to modify interest rates on outstanding debt. The fair value of these instruments is reflected on the government-wide financial statements (See Notes 10 and 11).

K. Self-Insurance

The District is self-insured for health (health insurance for employees and eligible dependents) and portions of its general and automobile liability insurance and workers' compensation (insurance for various risks of loss related to torts; theft of; damage to; destruction of assets; errors and omissions; injury to employees and natural disasters). The estimated liability for self-insured risks represents an estimate of the amount to be paid on insurance claims reported and on insurance claims incurred but not reported (See Note 8).

Consistent with GAAP guidelines, in the Proprietary Fund financial statements, the liability for self-insured risks is recorded under the accrual basis of accounting. The District has fully funded the workers compensation and claims insurance fund. Expenditures of the self-insurance funds are charged back to the appropriate governmental fund.

L. Compensated Absences

Compensated absences are obligations to employees for accumulated vacation and sick leave. These amounts also include the related employer's share of applicable taxes and retirement contributions. District employees may accumulate unused vacation and sick leave up to a specified amount depending on their date of hire. Vacation and sick leave are payable to employees upon termination or retirement at the current rate of pay on the date of termination or retirement.

The District uses the vesting method to calculate the compensated absences amounts. The entire compensated absence liability is reported on the government-wide financial statements. The portion related to employees in the Internal Service Fund is recorded at the fund level. The current portion is the amount estimated to be used in the following year. To liquidate the liability, an expenditure is mainly recognized in the general fund as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations (See Note 10).

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

M. Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Pension liabilities are liquidated in the governmental fund in which the employee is charged. Investments are reported at fair value. See footnote 12 for additional information regarding the District's retirement plans and related amounts.

N. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows of resources and liabilities/deferred inflows of resources and disclosures of contingent assets/deferred outflows of resources and liabilities/deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

O. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In June 2015, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. This Statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments. The adoption of this statement did not impact the District's financial statements.

In August 2015, GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the District beginning with its year ending June 30, 2017. This Statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The adoption of this statement did not impact the District's financial statements.

In December 2015 GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The adoption of this statement did not impact the District's financial statements.

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In January 2016, GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, will be effective for the District beginning with its year ending June 30, 2017. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption of this statement did not impact the District's financial statements.

In March 2016, GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The impact of the adoption of this statement did not impact the District's financial statements.

Recently Issued Accounting Pronouncements

In January 2017, GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the District beginning with its year ending June 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In January 2017, GASB Statement No. 84, *Fiduciary Activities*, will be effective for the District beginning with its year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should and establishes criteria for identifying fiduciary activities of all state and local governments. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In March 2017, GASB Statement No. 85, *Omnibus 2017*, will be effective for the District beginning with its year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In May 2017, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, will be effective for the District beginning with its year ending June 30, 2018. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

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In June 2017, GASB Statement No. 87, *Leases*, will be effective for the District beginning with its year ending June 30, 2020. This Statement outlines new guidance that establishes a single approach to accounting for and reporting leases by state and local governments. The goal is to better align reporting these leases with their particular situations, as well as provide greater transparency and usefulness of financial statements. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the District beginning with its year ending June 30, 2018. This Statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This standard will require the immediate recognition of the entire net OPEB liability and a more comprehensive measurement of OPEB expense. The implementation of this statement will result in the recognition of a significant liability that is not yet measurable.

2. AD VALOREM TAXES

The Board is authorized by Florida Statutes to levy property taxes for District operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. The Palm Beach County Property Appraiser assesses property values and the Palm Beach County Tax Collector collects the property taxes.

Property values are assessed as of January 1 each year. The Board levies the property tax at the final budget hearing each year based on the assessed valuation of all non-exempt property. This levy finances the expenditures of the current fiscal year. Tax bills are mailed by the Palm Beach County Tax Collector on November 1 and are due no later than April 1. After this date, taxes become an enforceable lien on property. Discounts of up to 4% are available for early payment. The majority of ad valorem taxes are collected in November and December and remitted to the School Board. Section 197.383, Florida Statutes, requires the Palm Beach County Tax Collector to distribute the taxes collected to each taxing authority at least four times during the first two months after the tax roll comes into the Tax Collector's possession, and at least once per month thereafter. Taxes are considered delinquent if not paid prior to April 1. State law provides for enforcement of collection of taxes by the sale of tax certificates on real property and for levy upon, seizure and sale of personal property after the Palm Beach County Tax Collector initiates a sequence of required procedures resulting in a court order to carry out the action.

The State Legislature prescribes the maximum non-voted millage that may be levied by the Board for each fiscal year. The total millage rate levy was 7.070 mills and the total assessed value on which the 2016-17 levy was based was \$187.4 billion. Gross taxes levied were approximately \$1.3 billion. Total revenue, net of discounts, was approximately \$1.2 billion. A portion of the taxes levied for the Local Capital Improvement Capital Project Fund, designated for repairs and maintenance programs are transferred to the General Fund as provided by Chapter 1013, Florida Statutes. For fiscal year 2017, the maintenance transfer amounted to approximately \$76.7 million. Additionally, approximately \$8.3 million was transferred for property insurance; approximately \$5.3 million was transferred for charter school capital outlay bringing the total transfer from capital funds to approximately \$90.3 million.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Florida Statutes authorize the deposit of District funds in demand deposits or time deposits of financial institutions approved by the State Treasurer and are defined as public deposits. All District public deposits are held in qualified public depositories pursuant to chapter 280, Florida Statutes, the "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125%

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depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the District are fully insured or collateralized. At June 30, 2017, the carrying amount of the District's cash deposits was approximately \$258.4 million and the bank balance was approximately \$261.8 million. The carrying amount of the Agency Fund - School Internal Funds cash deposits was approximately \$18.9 million.

The District receives interest on all balances in its cash accounts from the qualified public depository acting as its banking agent. Interest earnings are allocated to all funds based on the average daily balance of each fund's equity in the Treasurer's Pool.

Cash Equivalents consist of amounts invested in money market mutual funds, Florida Education Investment Trust Fund (FEITF) and Florida Prime. FEITF and Florida PRIME are external investment pools that are not registered with the Securities Exchange Commission (SEC), but do operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of \$1.00 per share. Accordingly, the District's investments in both FEITF and Florida PRIME are reported at the account balance which is amortized cost. There are no restrictions or fees to withdrawal from either of these pools.

Investments

The District's investment policy permits investments in the Florida Prime Fund, FEITF, securities of the United States Government, U.S. Government Agencies, Federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state and/or local government debt, and money market mutual funds. The District's investment advisor used the effective duration method to calculate effective duration measures for the securities held by the District. Besides measuring the sensitivity of the securities market value to changes in interest rates, the effective duration method accounts for any call (early redemption) features which a security may have.

In 2016, the District implemented GASB *Statement No. 72, Fair Value Measurement and Application* issued in February 2015. The District categorized investments according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs. Certain investments are measured at fair value using the net asset value per share (or its equivalent) practical expedient and have not been classified in the fair value hierarchy. The fair value amounts, presented in the following table, are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net position.

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As of June 30, 2017, the District had the following unrestricted cash and investments with stated maturities that were categorized as Level 1 and Level 2 (amounts in thousands):

Investments by Level	Balance (in thousands)	Fair Value Measurements Using		Effective Duration (years)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Commercial Paper	\$ 2,293	\$ -	\$ 2,293	0.33
Core Fund Investments				
US Treasury - Notes	267,894	267,894	-	0.25
Federal Agency - Bond/Notes	22,683	-	22,683	1.61
Corporate Notes	5,220	-	5,220	0.67
Municipal Bonds	999	-	999	0.83
Total Investments by Fair Value Level	299,089	\$ 267,894	\$ 31,195	
Investments Reported at Amortized Cost				
Florida Education Investment Trust Fund (FEITF)	172,113			N/A
Money Market Funds	64,435			N/A
Florida Prime	33			0.04
Total Investments Reported at Amortized Cost	236,581			
Total Investments	535,670			
Cash Deposits	258,344			
Total Cash and Investments	\$ 794,014			

Interest Rate Risk

To limit exposure to fair value losses resulting from increases in interest rates, the District's Investment Policy limits operating funds to maturities of two years or less. Investments of reserves, project funds, debt proceeds and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years. The District's investment in the Federally Backed Securities (Fannie Mae, Freddie Mac (also known as Federal Home Loan Mortgage Corporation) and Farmer Mac) matures between September, 2017 and August, 2019. As of June 30, 2017, the District held no callable securities.

Concentration of Credit Risk

The District's Investment Policy specifies the maximum percentage allocation to any single investment type as well as the maximum percentage holding per issuer. Up to 100% of the portfolio may be invested in U.S. Government securities, 80% may be invested in Federal Instrumentalities (US government sponsored agencies) with no more than 50% with a single issuer and 50% may be invested in US government agencies

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with no more than 25% with a single issuer. Corporate Notes are limited to 15% of the portfolio with no more than 5% with a single issuer.

PORTFOLIO / INVESTMENTS	FAIR VALUE (in thousands)	PERCENTAGE OF INVESTMENT BALANCE	RATING S&P / MOODY'S
Money Market Funds			
Dreyfus Treasury and Agency	\$ 37,781	4.76%	AAAm/Aaa-mf
Federated Government Obligation	8,035	1.01%	AAAm/Aaa-mf
Fidelity Institutional Government Fund	18,619	2.34%	AAAm/Aaa-mf
Florida Education Investment Trust Fund (FEITF)	172,113	21.68%	AAAm
Florida Prime	33	0.00%	AAAm
Commercial Paper			
Fortis	2,293	0.29%	A-1
Investments in Fixed Income Securities			
US Treasury - Notes/Bill	267,894	33.74%	AA+/Aaa
Toyota Motor Corporation	1,209	0.15%	AA-/Aa3
Berkshire Hathaway	402	0.05%	AA/Aa2
IBM Corp	1,206	0.15%	A+/A1
Apple	1,198	0.15%	AA+/Aa1
Chevron	1,205	0.15%	AA-/Aa2
Federally Backed Securities (Fannie Mae, Farmer Mac & Freddie Mac) - Long Term	22,683	2.86%	AA+/Aaa
Municipal Bonds	999	0.13%	AA
Total Investments	<u>535,670</u>	<u>67.46%</u>	
Plus Cash Deposits	258,344	32.54%	
Total Cash and Investments	<u><u>\$ 794,014</u></u>	<u><u>100.00%</u></u>	

As of June 30, 2017, all District investments were in compliance with the District's Investment Policy or Debt Management Policy and did not exceed portfolio allocation or issuer maximums.

Credit Risk

The District's Investment Policy lists the authorized investment types as well as the minimum allowable credit rating for each investment type. Corporate notes purchased for investment must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "A" by Moody's and a minimum long term debt rating of "A" by Standard & Poor's ("S&P"). The maximum length to maturity for corporate notes shall be three (3) years from the date of purchase. As of June 30, 2017, the District held \$5.2 million of corporate notes of which had an S&P rating between AA- and AA+. All investments in the Federally Backed Securities (Fannie Mae, Freddie Mac (also known as Federal Home Loan Mortgage Corporation) and Farmer Mac) had an S&P rating of AA+ and a Moody's rating of Aaa for securities held for more than one year. All other rated investments were rated between A-1 and AAAm by S&P. As of June 30, 2017, the Local Government Investment Pools were rated AAAm by S&P.

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Custodial Risk

The District's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal government, the state of Florida, or any other state or territory of the United States which has a branch or principal place of business in the state of Florida as defined in § 658.12, F.S., or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the state of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of June 30, 2017, the District's investment in fixed income securities was held with a third-party custodian.

4. INVESTMENT DERIVATIVE INSTRUMENTS

The District received an upfront payment of \$3.0 million for allowing the swap counterparty the right to terminate the 2003B Interest Rate Swap if the 180 day average of the BMA Index exceeds 7.0% in the future. The barrier feature was effective June 2003 and is exercisable anytime until August 2018. Once the barrier option expires the District will be left with a fixed-payer swap that matures August 2029. Therefore, for accounting and financial reporting purposes, the barrier option derivative instrument is considered an investment derivative instrument. At June 30, 2017, the fair value of the barrier option is zero (See Note 11).

5. DUE FROM OTHER GOVERNMENTS OR AGENCIES

At June 30, 2017, the District had a total of approximately \$28.9 million in Due From Other Governments or Agencies which consisted of the following balances (amount in thousands):

	Other			Total
	General Fund	Non-major Governmental Funds	Internal Service Fund	
Federal and State Sources				
Medicaid*	\$ 4,264	\$ -	\$ -	\$ 4,264
Grants and Entitlements	-	17,705	-	17,705
FEMA	358	6	-	364
Fuel Tax*	-	239	-	239
PECO	-	1,472	-	1,472
Charter School Capital Outlay	-	460	-	460
CO&DS	-	69	-	69
Local Sources				
Early Learning Coalition	977	-	-	977
Pharmacy Rebates	-	-	2,189	2,189
Other	871	281	-	1,152
Total Due From Other Governments or Agencies	\$ 6,470	\$ 20,232	\$ 2,189	\$ 28,891

* All or partially recorded as Deferred Inflow - Unavailable Revenue at the fund level.

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6. INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances at June 30, 2017 (amounts in thousands):

	Interfund Receivables	Interfund Payables
General Fund	\$ 8,460	\$ -
Other Non-Major Governmental Funds	-	8,460
Total Interfund	\$ 8,460	\$ 8,460

The amount payable by the Other Non-Major Governmental Fund to the General Fund is to cover temporary cash shortages related to timing of receipts.

Interfund transfers for the year ended June 30, 2017 were as follows (amounts in thousands):

	Transfer to:			
	General Fund	COPS Debt Service	Other Non-Major Governmental Funds	Total
Transfer from:				
Capital Improvement	\$ 75,402	\$ 139,180	\$ 9,326	\$ 223,908
General Fund	-	-	92	92
Other Non-Major Governmental Funds	14,858	-	-	14,858
Total	\$ 90,260	\$ 139,180	\$ 9,418	\$ 238,858

Transfers to the General Fund relate primarily to funding for the maintenance, renovation and/or repair of school facilities, pursuant to Section 1011.71 of the Florida Statutes, and for charter school capital outlay. Transfers to COPS Debt Service and Other Non-Major Governmental funds mainly relate to amounts transferred to make debt service payments and to fund minor capital projects.

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7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 is as follows (amounts in thousands):

	Begining Balance July 1, 2016	Additions and Transfer In	Retirements and Transfers Out	Ending Balance June 30, 2017
<u>Non-Depreciable Assets:</u>				
Land	\$ 338,680	\$ 3,700	\$ -	\$ 342,380
Construction in Progress	1,150	2,506	-	3,656
Total Non-Depreciable Assets	<u>339,830</u>	<u>6,206</u>	<u>-</u>	<u>346,036</u>
<u>Depreciable Assets:</u>				
Improvements Other Than Buildings	58,506	328	-	58,834
Buildings and Improvements	4,173,322	-	401	4,172,921
Furniture, Fixtures & Equipment	127,183	7,442	5,100	129,525
Motor Vehicles	116,030	12,176	9,565	118,641
Audio/Video Materials & Software	41,127	103	952	40,278
Total Depreciable Assets	<u>4,516,168</u>	<u>20,049</u>	<u>16,018</u>	<u>4,520,199</u>
<u>Less Depreciation For:</u>				
Improvements Other Than Buildings	(31,765)	(3,863)	-	(35,628)
Buildings and Improvements	(1,230,315)	(87,037)	(401)	(1,316,951)
Furniture, Fixtures & Equipment	(101,804)	(8,497)	(4,941)	(105,360)
Motor Vehicles	(81,900)	(7,121)	(9,330)	(79,691)
Audio/Video Materials & Software	(39,592)	(1,115)	(866)	(39,841)
Total Accumulated Depreciation	<u>(1,485,376)</u>	<u>(107,633)</u>	<u>(15,538)</u>	<u>(1,577,471)</u>
Capital Assets, Net	<u>\$ 3,370,622</u>	<u>\$ (81,378)</u>	<u>\$ 480</u>	<u>\$ 3,288,764</u>

Depreciation expense for the year ended June 30, 2017 of approximately \$107.6 million was not allocated to specific functions. The District's capital assets essentially serve all functions and as such the depreciation expense is included as a separate line item in the statement of activities.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; administrative errors and omissions; injuries to employees, students and guests; as well as natural disasters and employee health and medical insurance. The District is self-insured for portions of its general and automobile liability insurance, workers compensation and employee health and medical insurance. Losses involving auto and general liability claims are limited (generally) by provisions of the Florida State Statute 768.28. These self-insured funds are administered by a third party. The District purchases commercial insurance for other risks including property, construction and other miscellaneous risks. The District has not experienced any significant reduction in insurance coverage from previous years nor has it paid any settlements in excess of insurance coverage in the past three years. This liability is typically liquidated from the internal service fund.

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The employee health insurance claims liability is based on an analysis performed by management, which is based on historical trends. The remaining claims liability is based on an actuarial evaluation performed by an independent actuary as of June 30, 2017 using a discounted rate factor of 4.0%. The liability consists of claims reported and payable, as well as an estimate for claims incurred but not reported. At June 30, 2017, the liability for claims consisted of approximately \$14.0 million, \$16.3 million and \$31.7 million for employee health, auto and general liability, and workers' compensation, respectively.

A summary of changes in the estimated liability for self-insured risks is as follows (amounts in thousands):

	Prior Year Ended June 30, 2016	Fiscal Year Ended June 30, 2017
Beginning Balance	\$ 56,829	\$ 57,812
Additions:		
Current year claims and changes in estimates	195,200	207,061
Reductions:		
Claim payments	(194,217)	(202,845)
Ending Balance	<u>\$ 57,812</u>	<u>\$ 62,028</u>

9. SHORT-TERM DEBT

Tax Anticipation Notes

On September 21, 2016, the District issued Tax Anticipation Notes ("TANS") Series 2016. The \$115.0 million issue has a coupon rate of 2.0% with an effective yield of 0.80%. The notes are dated October 11, 2016 and are due August 31, 2017.

Short-term debt activity for the year ended June 30, 2017 was as follows (amount in thousands):

	Beginning Balance July 1, 2016	Issued	Redeemed	Ending Balance June 30, 2017
Tax anticipation notes	\$ -	\$ 115,000	\$ -	\$ 115,000
Total short-term debt	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ -</u>	<u>\$ 115,000</u>

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10. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2017, is as follows (amounts in thousands):

	Beginning Balance July 1, 2016	Additions	Reductions	Ending Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities:					
Bonds, Notes and Other Payable:					
Notes/Loans Payable	\$ 31,846	\$ -	\$ (8,361)	\$ 23,485	\$ 8,454
Capital Outlay Bond Issue	13,713	-	(2,317)	11,396	1,543
Certificates of Participation	1,541,963	-	(75,205)	1,466,758	76,850
Borrowing-Swap Upfront Payment	2,658	-	(228)	2,430	229
Derivative Instruments-Hedging	91,076	-	(29,130)	61,946	-
	<u>1,681,256</u>	<u>-</u>	<u>(115,241)</u>	<u>1,566,015</u>	<u>87,076</u>
Plus Issuance Premium	95,002	-	(13,415)	81,587	-
Total Bonds, Notes and Other Payable	<u>1,776,258</u>	<u>-</u>	<u>(128,656)</u>	<u>1,647,602</u>	<u>87,076</u>
Other Liabilities:					
Compensated Absences	183,080	17,126	(14,506)	185,700	15,654
Self-Insurance					
Claims and Judgments	57,812	207,061	(202,845)	62,028	26,560
Post Employment Benefits	107,486	9,763	(5,330)	111,919	-
Net Pension Liability	640,495	324,955	-	965,450	-
Total Other Liabilities	<u>988,873</u>	<u>558,905</u>	<u>(222,681)</u>	<u>1,325,097</u>	<u>42,214</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 2,765,131</u>	<u>\$ 558,905</u>	<u>\$ (351,337)</u>	<u>\$ 2,972,699</u>	<u>\$ 129,290</u>

Notes/Loans Payable

On February 20, 2014, the District entered into loan agreement 2014 with TD Equipment Finance for financing the acquisition of 119 buses. The \$14.0 million issue with a coupon of 1.235% is payable over 5 years and will mature August 1, 2018.

On July 2, 2015, the District entered into loan agreement 2015 with Banc of America Public Capital Corp for financing the acquisition of 125 buses and other equipment \$14.2 million issue with a coupon rate of 1.242%. Under the terms of the loan agreement the debt is payable over five years.

On October 1, 2015, the District entered into loan agreement 2015A with Banc of America Public Capital Corp for financing the acquisition of 18 HVAC systems and other equipment \$7.2 million issue with a coupon rate of 1.274%. Under the terms of the loan agreement the debt is payable over five years.

On March 18, 2016, the District entered into loan agreement 2016 with Banc of America Public Capital Corp for financing the acquisition of 60 buses and other equipment \$6.9 million issue with a coupon rate of 1.255%. Under the terms of the loan agreement the debt is payable over five years.

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A summary of notes/loans payable terms are presented as follows (amounts in thousands):

Bus & Equipment Loans	Date of Issue	Amount Issued	Remaining Interest Rates (Percent)	Final Maturity Date	Debt Outstanding June 30, 2016	Debt Reedemed	Debt Outstanding June 30, 2017
2014	02/20/14	\$ 14,002	1.235%	08/01/18	\$ 7,065	\$ 2,801	\$ 4,264
2015	07/02/15	14,235	1.242%	02/01/20	11,399	2,797	8,602
2015 A	10/01/15	7,152	1.274%	08/01/20	6,432	1,398	5,034
2016	03/18/16	6,950	1.255%	02/01/21	6,950	1,365	5,585
		<u>\$ 42,339</u>			<u>\$ 31,846</u>	<u>\$ 8,361</u>	<u>\$ 23,485</u>

The annual future minimum loan payments are as follows (amounts in thousands):

Year Ended June 30	Principal	Interest	Total Principal and Interest
2018	\$ 8,454	\$ 267	\$ 8,721
2019	7,115	162	7,277
2020	5,760	81	5,841
2021	2,156	18	2,174
Total	<u>\$ 23,485</u>	<u>\$ 528</u>	<u>\$ 24,013</u>

State Board of Education Capital Outlay Bond Issues

State Board of Education Capital Outlay Bond Issues ("COBI") are serviced entirely by the State using a portion of the District's share of revenue derived from motor vehicle license taxes pursuant to Chapter 320, Florida Statutes, and Article XII, Section 9(d), of the Florida Constitution. The State Board of Administration determines the annual sinking fund requirements. The amounts necessary to retire bonds and interest payable are withheld from the entitlement to the District. Interest rates on the COBI bonds range from 2.00% to 5.00%. Interest is payable semiannually on January 1 and July 1. The bonds are redeemable at par.

A summary of bond terms are presented as follows (amounts in thousands):

Capital Outlay Bond Issues	Date of Issue	Amount Issued	Remaining Interest Rates (Percent)	Final Maturity Date	Debt Outstanding June 30, 2016	Debt Matured	Debt Outstanding June 30, 2017
COBI 2009-A	9/10/2009	\$ 1,655	5.0%	1/1/2019	\$ 585	\$ 185	\$ 400
COBI 2010-A	10/14/2010	9,700	3.5% to 5.0%	1/1/2030	7,140	445	6,695
COBI 2010-A	10/14/2010	1,790	4.0% to 5.0%	1/1/2022	1,250	170	1,080
COBI 2011-A	12/7/2011	5,820	3.0% to 5.0%	1/1/2023	3,120	330	2,790
COBI 2014-B	12/2/2014	4,275	2.0% to 5.0%	1/1/2020	1,618	1,187	431
		<u>\$ 23,240</u>			<u>\$ 13,713</u>	<u>\$ 2,317</u>	<u>\$ 11,396</u>

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The debt service requirements through maturity to the holders of the Capital Outlay Bond Issue are as follows (amounts in thousands):

Year Ended June 30	Principal Capital Outlay Bonds	Interest	Total Principal and Interest
2018	\$ 1,543	\$ 494	\$ 2,037
2019	1,311	417	1,728
2020	1,177	358	1,535
2021	1,200	300	1,500
2022	1,280	240	1,520
2023-2027	3,190	661	3,851
2028-2032	1,695	136	1,831
Total	<u>\$ 11,396</u>	<u>\$ 2,606</u>	<u>\$ 14,002</u>

The District is subject to State Board of Education Administrative Rule 6A-1037(2) that limits the amount of State Board of Education Capital Outlay Bond Issues outstanding to 10% of the non-exempt assessed valuation. At June 30, 2017, the statutory limit for the District was approximately \$18.7 billion, providing additional debt capacity of approximately \$18.7 billion.

Certificates of Participation

On November 16, 1994, the District entered into a Master Lease Purchase Agreement (the "Master Lease") dated November 1, 1994, with the Palm Beach School Board Leasing Corporation, a Florida not-for-profit corporation, to finance the acquisition and construction of certain facilities, and equipment for District operations. The Corporation was formed by the Board solely for the purpose of acting as the lessor for Certificates of Participation financed facilities, with the District as lessee. The Corporation issued Certificates of Participation (COP) to third parties, evidencing undivided proportionate interest in basic lease payments to be made by the District, as lessee, pursuant to the Master Lease. Simultaneously therewith, the Board entered into Ground Leases with the Corporation for the Facilities sites.

The District also sold Certificates of Participation Qualified Zone Academy Bonds ("QZAB"). The QZAB program is a financial instrument that provides a different form of subsidy from traditional tax-exempt bonds. Interest on QZABs is paid by the Federal government in the form of an annual tax credit to an eligible financial institution that holds the QZAB. The QZAB issuer is responsible for repayment upon maturity. The tax credits and bonding authority are made available by the Federal government to support innovative school partnerships; enhance reform initiatives, including augmenting Federal education programs, technology and vocational equipment; and development of curriculum or better teacher training to promote market driven technology. To be eligible, a school must:

1. Be located in an Empowerment Zone or an Enterprise Community or have 35% or more of its students eligible for free or reduced lunch under the National School Lunch Act.
2. Obtain cash and/or in-kind contribution agreements from partnerships equal to at least 10% of the gross proceeds of the QZAB.

The District deposits funds annually into an escrow account, which when coupled with interest earnings will be sufficient to pay off the principal at maturity.

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As part of the American Reinvestment and Recovery Act, the District was authorized to issue up to \$67.7 million of Qualified School Construction Bonds (QSCB) for the purpose of new construction. The District chose to modernize two schools (Galaxy Elementary and Gove Elementary) and replace two roofs (Belle Glade Elementary and Pioneer Park Elementary). The District issued the bonds as Taxable Certificates of Participation through the Build America Bonds program, also created by the ARRA legislation. The District issued taxable bonds and receives a federal subsidy from the Treasury department equal to the difference between the taxable and tax-exempt rates. The Certificates were sold to Bank of America during a competitive sale held on November 3, 2010 and closed on November 15, 2010. The par amount was \$67.7 million and the interest rate was 5.40%. The District will pay interest only until 2019 when deposits to the sinking fund begin. The final maturity of the bonds is August 1, 2025. The total interest that will be paid over the life of the bonds is \$53.8 million. A total subsidy of \$48.6 million will be recorded as revenue in the year earned. Therefore, the amount the District will pay net of the federal subsidy is \$5.2 million. In the current year, the District recorded \$3.3 million subsidy as revenue and \$3.7 million as interest expense resulting in a net impact of \$0.4 million.

Subsequent to the sale of the QSCB certificates, the District entered into a forward delivery agreement (FDA) classified as a nonparticipating interest-earning investment contract with Barclays Bank related to the COPs 2010A QSCB. A forward delivery agreement is a type of investment in which the investor purchases eligible securities on a periodic basis from the agreement provider at a fixed rate of return. The Board expects to purchase eligible securities, which consist of direct obligations of or obligations guaranteed by the US Treasury and AAA-rated senior debt obligations of Fannie Mae, Freddie Mac the FHLB and Federal Farm Credit System from Barclays on a semi-annual basis beginning July 19, 2019 through the final maturity date of August 1, 2025. The Agreement will generate a guaranteed fixed rate of return of 4.262% or \$8.1 million. The interest earnings associated with this transaction will completely offset the interest due (net of the federal subsidy) and will generate an additional \$3.0 million to be used to repay the principal in 2025.

The Corporation leases facilities and equipment to the District under the Master Lease. The Master Lease is automatically renewable annually unless terminated, in accordance with the provisions of the Master Lease, as a result of default or the failure of the Board to appropriate funds to make lease payments in its final official budget. Failure to appropriate funds to pay lease payments under any lease will, and an event of default under any lease may, result in the termination of all leases. The remedies on default or upon an event of non-appropriation include the surrender of the COP Series 1994A, Series, 1995A, Series 1996A, Series 2000A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B, Series 2004A, Series 2006A, Series 2007A, Series 2007B, Series 2007E; QZAB Series 2002, QZAB Series 2004, QZAB Series 2005, and QSCB Series 2010A Facilities by the District and the Trustee's re-letting for the remaining Ground Lease term, or the voluntary sale of the COP Series 1994A, Series 1995A, Series 1996A, Series 2000A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B, Series 2004A, Series 2006A, Series 2007A, Series 2007B, Series 2007E; QZAB Series 2002, QZAB Series 2004, QZAB Series 2005, and QSCB Series 2010A, Facilities by the School Board. In either case, the proceeds will be applied against the School Board's obligations under the Master Lease.

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A summary of lease terms are presented as follows (amounts in thousands):

Certificate Series	Date of Issue	Amount Issued	Remaining Interest Rates (Percent)	Final Maturity Date	Debt June 30, 2016		Debt June 30, 2017		Ground Lease Term
					Outstanding	Matured	Outstanding	Matured	
2002E (1)	09/01/2002	\$ 93,350	-	08/01/2016	\$ 2,465	\$ 2,465	\$ -	\$ -	06/30/2016
2003B (2)	06/26/2003	124,295	1.56%	08/01/2029	**	124,295	124,295	124,295	08/01/2029
2004 QZAB	04/30/2004	2,923	-	04/30/2020		2,923	-	2,923	N/A
2005 QZAB	12/15/2005	2,150	-	12/15/2020		2,150	-	2,150	N/A
2006A	05/25/2006	222,015	-	08/01/2016		7,185	7,185	-	08/01/2031
2007A	02/28/2007	268,545	4.00% to 5.00%	08/01/2017		27,445	13,455	13,990	08/01/2031
2007C (3)	03/22/2007	192,310	4.00% to 5.00%	08/01/2027		178,340	1,075	177,265	07/31/2027
2007E	10/31/2007	147,390	4.00% to 4.25%	08/01/2017		10,230	5,015	5,215	08/01/2032
2010A QSCB	11/15/2010	67,665	5.40%	08/01/2025	***	67,665	-	67,665	08/01/2032
2011A (4)	07/13/2011	112,425	4.00% to 5.00%	08/01/2025		44,520	-	44,520	08/01/2032
2011C (5)	11/15/2011	15,355	1.74%	08/01/2018		6,170	4,585	1,585	08/01/2018
2011D (6)	11/15/2011	25,065	2.64%	08/01/2021		23,855	4,205	19,650	08/01/2021
2012A (7)	05/15/2012	20,085	5.00%	08/01/2028		20,085	-	20,085	08/01/2028
2012B (8)	06/29/2012	116,555	1.40%	08/01/2028	****	107,225	105	107,120	08/01/2028
2012C (9)	08/09/2012	67,145	4.00% to 5.00%	08/01/2029	*	67,145	3,500	63,645	08/01/2029
2014A (10)	01/31/2014	115,560	1.277%	08/01/2027		115,455	105	115,350	08/01/2027
2014B (11)	06/27/2014	166,010	3.00% to 5.00%	08/01/2025		165,070	11,345	153,725	08/01/2025
2014C (12)	07/29/2014	33,280	5.00%	08/01/2031		33,280	-	33,280	08/01/2031
2015A (13)	05/05/2015	106,315	2.52%	08/01/2022		106,315	22,165	84,150	08/01/2022
2015B (14)	01/14/2015	145,535	5.00%	08/01/2031		145,535	-	145,535	08/01/2031
2015D (15)	04/30/2015	221,640	5.00%	08/01/2032		221,640	-	221,640	08/01/2032
2015C (16)	10/28/2015	62,970	5.00%	08/01/2032		62,970	-	62,970	08/01/2032
		<u>\$ 2,328,583</u>				<u>\$ 1,541,963</u>	<u>\$ 75,205</u>	<u>\$ 1,466,758</u>	

* 2014A - Variable rate paid to certificate holders 70% of 1 month Libor +42 basis points. Resets weekly, 1.277% at 6/30/2017

** 2003B - Variable rate paid to certificate holders SIFMA + 65 basis points. Resets weekly, 1.56% at 6/30/2017

*** 2010A QSCB - Average coupon rate before IRS subsidy is 5.4%. Net interest rate with IRS subsidy is 0.5681%

**** 2012B - Variable rate paid to certificate holders SIFMA +49 basis points. Resets weekly, 1.40% at 6/30/2017

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Notes to Certificates of Participation Series leases on previous pages:

- (1) Issued to advance refund and defease a portion of the Series 1995A and Series 1996A Certificates of Participation.
- (2) On March 20, 2008, the District converted and remarketed the Series 2003B (with no change to principal).
- (3) Issued to advance refund and defease a portion the Series 2001A, and Series 2002C Certificates of Participation. **
- (4) Issued to advance refund and defease Series 2007B Certificates of Participation, refunded and partially defeased by 2015C Certificates of Participation. **
- (5) Issued to advance refund and defease a portion of Series 2002A Certificates of Participation. **
- (6) Issued to advance refund and defease a portion of Series 2003A Certificates of Participation. **
- (7) Issued to advance refund and defease a portion of Series 2002D Certificates of Participation. **
- (8) Issued to advance refund and defease remaining Series 2002D Certificates of Participation. **
- (9) Issued to advance refund and defease a portion of Series 2004A Certificates of Participation. **
- (10) Issued to advance refund and defease remaining Series 2002B Certificates of Participation. **
- (11) Issued to advance refund and defease a portion of Series 2011B Certificates of Participation (which previously refunded Series 2001B Certificates of Participation). **
- (12) Issued to advance refund and defease Series a portion of 2007A Certificates of Participation. **
- (13) Issued to advance refund and defease a portion of Series 2005A Certificates of Participation (which previously refunded Series 2001A, 2002A, 2002C, and 2002D Certificates of Participation). **
- (14) Issued to advance refund and defease a portion of Series 2006A Certificates of Participation. **
- (15) Issued to advance refund and defease portions of Series 2007A and 2007E Cert. of Participation. **
- (16) Issued to advance refund and defease a portion of Series 2011A Cert. of Participation. **

** These refunding issues were done in order to achieve debt service savings.

The Certificates are not separate legal obligations of the Board but represent undivided proportionate interests in lease payments to be made from appropriated funds budgeted annually by the School Board for such purpose from current or other funds authorized by law and regulations of the Department of Education, including the local optional millage levy. However, neither the Board, the District, the State of Florida, nor any political subdivision thereof are obligated to pay, except from Board appropriated funds, any sums due under the Master Lease from any source of taxation. The full faith and credit of the Board and the District are not pledged for payment of such sums due under the Master Lease, and such sums do not constitute an indebtedness of the Board or the District within the meaning of any constitutional or statutory provision or limitation. A trust fund was established with a Trustee to facilitate payments in accordance with the Master Lease and the Trust Agreement. Various accounts are maintained by the Trustee in accordance with the trust indenture. Interest earned on invested funds is applied toward the basic lease payments. Basic lease payments are deposited with the Trustee semi-annually on June 30 and December 30 or January 5 (for variable rate issue), and are payable to Certificate holders on August 1 and February 1.

Due to the economic substance of the issuances of Certificates of Participation as a financing arrangement on behalf of the Board, the financial activities of the Corporation have been blended in with the financial statements of the District. For accounting purposes, due to the blending of the Corporation within the District's financial statements, basic lease payments are reflected as debt service expenditures when payable to Certificate holders. During the year ended June 30, 2017, no amount was expended for capital outlay in the Certificates of Participation Capital Projects Funds.

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All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2017, the arbitrage liability was zero.

The debt service requirements through maturity to the holders of the Certificates of Participation, which will be serviced by the annual lease payments, are as follows (amounts in thousands):

Year ended June 30	Series 2003B	Series 2007A	Series 2007C	Series 2007E	Series 2011A	Series 2011C	Series 2011D	Series 2012A
2018	\$ -	\$ 13,990	\$ 605	\$ 5,215	\$ -	\$ 230	\$ 4,325	\$ -
2019	-	-	800	-	-	1,355	4,435	-
2020	-	-	1,905	-	5,630	-	4,555	-
2021	-	-	15,730	-	5,895	-	4,670	-
2022	3,130	-	6,810	-	6,335	-	1,665	-
2023-2027	27,850	-	107,020	-	26,660	-	-	1,795
2028-2032	93,315	-	44,395	-	-	-	-	18,290
2033-2037	-	-	-	-	-	-	-	-
Total	\$ 124,295	\$ 13,990	\$ 177,265	\$ 5,215	\$ 44,520	\$ 1,585	\$ 19,650	\$ 20,085

Year ended June 30	Series 2012B	Series 2012C	Series 2014A	Series 2014B	Series 2014C	Series 2015A	Series 2015B	Series 2015C
2018	\$ 5,130	\$ 3,680	\$ -	\$ 14,335	\$ -	\$ 22,595	\$ 6,745	\$ -
2019	5,380	3,825	3,045	14,945	-	18,820	7,080	-
2020	70	4,015	10,420	15,615	-	18,345	7,435	-
2021	-	4,180	10,810	16,190	-	5,475	7,805	-
2022	6,115	4,385	11,370	16,965	-	9,345	8,200	-
2023-2027	31,625	25,210	64,915	75,675	-	9,570	47,560	-
2028-2032	58,800	18,350	14,790	-	33,280	-	60,710	33,210
2033-2037	-	-	-	-	-	-	-	29,760
Total	\$ 107,120	\$ 63,645	\$ 115,350	\$ 153,725	\$ 33,280	\$ 84,150	\$ 145,535	\$ 62,970

Year ended June 30	Series 2015D	Series 2004 QZAB	Series 2005 QZAB	Series 2010A QSCB	Total Lease Payment	Total Interest	Total Lease Payment & Interest
2018	\$ -	\$ -	\$ -	\$ -	\$ 76,850	\$ 67,311	\$ 144,161
2019	18,915	-	-	-	78,600	64,163	142,763
2020	5,275	2,923	-	-	76,188	61,032	137,220
2021	5,535	-	2,150	-	78,440	57,822	136,262
2022	5,815	-	-	-	80,135	54,318	134,453
2023-2027	53,845	-	-	67,665	539,390	204,529	743,919
2028-2032	122,310	-	-	-	497,450	62,481	559,931
2033-2037	9,945	-	-	-	39,705	993	40,698
Total	\$ 221,640	\$ 2,923	\$ 2,150	\$ 67,665	\$ 1,466,758	\$ 572,649	\$ 2,039,407

State Statute requires that no more that 75% of the capital millage levy be used for COP debt service. Two trends have lowered the district's debt capacity in this area. First, property values decline between fiscal year 2009 and fiscal year 2013. Second, the Florida Legislature lowered the allowable capital millage rate from 2.0 mills to 1.75 mills in fiscal year 2009 and again from 1.75 to 1.50 mills in fiscal year 2010. In the course

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of two years, Legislator reduced district debt service capacity by 25%. Debt service payments remain in compliance at 52.6% of capital millage proceeds. The District's legal lease purchase agreement remaining debt issuance capacity is \$61.2 million, however Board Policy recommends no additional issuance until debt service falls below 50% of capital millage.

Defeased Debt

In prior years, the District defeased certain certificates of participation by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments. These investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the financial statements. As of June 30, 2017, the total amount of defeased debt outstanding but removed from the District's financial statements amounted to \$234.7 million.

Certificates of Participation:

Series	Maturities	Outstanding (in thousands)	Call Date	Defeased by COPS Series
2007A	8/2018 - 8/2031	\$ 119,605	8/1/2017	2015D
2007E	8/2018 - 8/2032	115,065	8/1/2017	2015D
Total Defeased COPS		\$ 234,670		

Hedging Derivative Instrument Payments and Hedged Debt

As of June 30, 2017, aggregate debt service requirements of the District's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Refer to Note 11 for information on derivative instruments (amounts in thousands):

Fiscal Year Ending June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2018	\$ 5,130	\$ 4,705	\$ 12,027	\$ 21,862
2019	8,415	4,612	11,760	24,787
2020	10,500	4,533	11,524	26,557
2021	10,810	4,410	11,156	26,376
2022	20,615	4,171	10,478	35,264
2023-2027	124,390	16,315	40,106	180,811
2028-2032	86,435	4,142	9,122	99,699
2033-2035	80,470	-	-	80,470
	\$ 346,765	\$ 42,888	\$ 106,173	\$ 495,826

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Borrowings of Hybrid Derivative Instruments

The District sold a swaption with the 2002D certificates with an initial notional amount of \$116,555,000. Upon entering into the swaption, the District received an up-front payments of \$4,240,000 from the counterparty. The up-front payment was composed of the swaptions' intrinsic value and time value. Accordingly, the swaption is a hybrid instrument consisting of a borrowing and an embedded derivative instrument. The embedded derivative instrument – the option – was recorded at a value equal to the time value of the option only and the remaining value of the swaption was allocated to the companion instrument (borrowing). The intrinsic value of the borrowing was calculated using the net present value method and is recorded at historical cost. During the option period, interest accreted at the market rate at inception of the borrowing of 4.40% totaling \$882,451. The 2002D swaption was executed August 1, 2012.

The original borrowing of the 2012B/2002D continues to be amortized over the remaining term. Aggregate debt service requirements of the District's borrowing amounts assume that current interest rates on variable-rate bonds is equal to the market rates at inception of the derivative instruments and will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the derivative instruments will vary. Refer to Note 11 for information on derivative instruments.

Debt service requirements for the 2012B/2002D borrowing at June 30, 2017, are as follows (amounts in thousands):

Fiscal Year	Total		
Ending June 30	Principal	Interest	Principal and Interest
2018	\$ 229	\$ 98	\$ 327
2019	223	89	312
2020	224	79	303
2021	233	69	302
2022	234	59	293
2023-2027	1,040	153	1,193
2028-2032	246	6	252
	<u>\$ 2,429</u>	<u>\$ 553</u>	<u>\$ 2,982</u>

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11. DERIVATIVE INSTRUMENTS

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2017, classified by type, and the changes in fair value of such derivatives are as follows (amounts in thousands):

Changes in Fair Value		Fair Value at June 30, 2017			Fair Value Levels	
Classification	Amount	Classification	Amount	Notional		
<u>Governmental Activities Hedging Derivatives:</u>						
2002B/2014A Pay-fixed Interest Rate Swap	Deferred outflow of resources	\$ 8,239	Liability	\$ (18,562)	\$ 115,350	Level 2
2003B Pay-fixed Interest Rate Swap	Deferred outflow of resources	11,501	Liability	(23,060)	124,295	Level 2
2002D/2012B Pay-fixed Interest Rate Swap	Deferred outflow of resources	9,390	Liability	(20,324)	107,120	Level 2
Total Hedging Derivative Instruments		<u>\$ 29,130</u>		<u>\$ (61,946)</u>		

Investment Derivatives:

	Investment earnings					
2003B-Barrier Option at 7%	(Loss)	\$ (25)	Asset	\$ -	100,000	Level 2
Total Investment Derivative Instruments		<u>\$ (25)</u>		<u>\$ -</u>		

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application* which addresses the accounting and financial reporting issues related to fair value measurements, including non-performance risk. The statement is effective for reporting periods beginning after June 15, 2015 and the District adopted GASB Statement No. 72 for the fiscal year ended 2016.

The derivatives had changes in fair value totaling \$29.1 million classified as a decrease of deferred outflows of resources. All expected derivatives cash flows have been calculated using the zero-coupon method by an independent party. This method calculates the future net settlement payments required by the derivatives, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the derivatives using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and time value of money. The observability of inputs used to perform the measurement results in the derivatives fair values being categorized as level 2.

The barrier option is considered an investment derivative instrument. Refer to Note 4. Investment Derivative Instruments for information on investment derivative instruments. All other derivative instruments are considered hedging derivative instruments. Fair values of options may be based on an option pricing model, such as the Black-Scholes-Merton model. That model considers probabilities, volatilities, time, settlement prices, and other variables.

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Objective and Terms of Derivative Instruments

The table below displays the objective and terms of the District's derivative instruments outstanding at June 30, 2017, along with the credit rating of the associated counterparty (amounts in thousands):

Objective	Notional	Effective Date	Maturity Date	Amount of Cash Received	Terms	Counterparty	Counterparty Credit Rating
<u>Governmental Activities Hedging Derivatives:</u>							
2002B/2014A - Interest Rate Swap	Hedge changes in cash flows on the 2014A Certificates \$ 115,350	3/20/2002	8/1/2027	N/A	Pay 4.22%; receive 67% of USD LIBOR or SIFMA bps Swap Index	Citigroup Financials Products Inc.	Baa1,BBB+,A
2003B -Interest Rate Swap	Hedge changes in cash flows on the 2003B Certificates 124,295	6/26/2003	8/1/2029	N/A	Pay 3.91%; receive SIFMA bps Swap Index	UBS AG, Stamford Branch	A1,A,A
2002D/2012B - Interest Rate Swap	Hedge changes in cash flows on the 2012B Certificates 107,120	8/1/2012	8/1/2028	\$ 4,240	Pay 4.71%; receive SIFMA Swap Index	Citibank N.A. New York	A1,A+,A+
<u>Investment Derivatives:</u>							
2003B -Barrier option at 7%	Hedge against future increase in interest rates \$ 100,000	6/26/2003	8/1/2018	\$ 3,010	See Note 1	UBS AG, Stamford Branch	A1,A,A

Note 1: Counterparty has right to terminate the 2003B Interest Rate Swap if the 180 day average of the BMA index exceeds 7.0% in the future

Risks

Credit Risk

The District is exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the District's policy to require counterparty collateral posting provisions on all swap agreements. These terms require full collateralization of the fair value of derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparty's credit rating fall below AA as issued by Standard & Poor's or Aa as issued by Moody's Investors Service. Collateral posted is to be in the form of U.S. Treasury securities held by a third-party custodian. The District has never failed to access collateral when required.

It is the District's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the nondefaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the nondefaulting party.

The District has no investment derivative instruments in asset positions and no hedging derivative instruments in asset positions at June 30, 2017.

Interest rate risk

The District is exposed to interest rate risk on its interest rate swaps. On its pay-fixed, receive-variable interest rate swaps, as LIBOR or the SIFMA swap index decreases, the District's net payment on the swap increases which is offset by the variable rate paid on the hedged debt.

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Termination risk

The District or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract including if either parties credit rating falls below designated levels. In addition, the District is exposed to termination risk on its 2003B interest rate swap with barrier option because the counterparty has the option to terminate the swap if the 180 day average of the BMA index exceeds 7.0% at any time beginning on the commencement date. If at the time of termination, a hedging derivative instrument is in a liability position, the District would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

12. RETIREMENT PLANS

Florida Retirement System (FRS)

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

The District's pension expense in the governmental funds totaled \$83.1 million for the fiscal year ended June 30, 2017.

FRS Pension Plan - Defined Benefit

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, "except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service". All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service

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“except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service”). Members of the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits.

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service % Value</u>	
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2016-17 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	7.52
FRS, Elected County Officers	3.00	42.47
FRS, Senior Management Service	3.00	21.77
FRS, Special Risk Regular	3.00	22.57
DROP - Applicable to		
Members from All of the Above Classes	0.00	12.99
FRS, Reemployed Retiree	(2)	(2)
TRS, Plan E	6.25	11.90

Notes (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the

(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions to the Plan totaled \$89.0 million (which includes \$28.3 million of employee contributions) for the fiscal year ended June 30, 2017. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a liability of \$587.1 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 2.325 percent, which was a decrease of 0.108 from its proportionate share measured as of June 30, 2015.

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For the fiscal year ended June 30, 2017, the District recognized pension expense of \$25.2 million (\$85.6 million due to the District's share of changes in deferred inflows and deferred outflows of resources, reduced by \$60.4 million for the District's contributions subsequent to the measurement date) related to the FRS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 44,956	\$ (5,467)
Change of assumptions	35,520	-
Net difference between projected and actual earnings on FRS pension plan investments	151,767	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,981	(23,710)
District FRS contributions subsequent to the measurement date	60,417	-
Total	\$ 294,641	\$ (29,177)

The deferred outflows of resources related to pensions, totaling \$60.4 million, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 25,198
2019	25,197
2020	89,713
2021	57,393
2022	5,703
Thereafter	1,843

Actuarial Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013

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The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.7%
Fixed Income	18.0%	4.7%	4.6%	4.6%
Global Equity	53.0%	8.1%	6.8%	17.2%
Real Estate (Property)	10.0%	6.4%	5.8%	12.0%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investment	12.0%	6.1%	5.6%	11.1%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		1.90%

Note: (1) As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 7.60 percent, down from 7.65 percent in prior year. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate (amounts in thousands):

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of the net pension liability (asset)	\$1,080,953	\$ 587,134	\$ 176,094

In the comprehensive annual financial report issued by FRS for the plan year ended June 30, 2016, management of the plan included a disclosure about the investment rate of return assumption as set by the 2016 FRS Actuarial Assumption Conference and the exception taken (unreasonable assumption) by the Plan Actuary in its Actuarial Valuation report of the Plan as of and for the year ended June 30, 2016. Management of the District considered this information, other information as well as the audited financial statements of the FRS Pension Plan and Employer Allocation Reports issued by the Auditor General of the State of Florida as of and for the year ended June 30, 2016, which both contained unmodified opinions and has concluded that the information provided by the Plan for reporting by the cost-sharing employers was reasonable.

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Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$16.4 million for the outstanding amount of contributions owed to the Plan required for the fiscal year ended June 30, 2017.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$17.2 million for the fiscal year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension liability of \$378.3 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The District's proportionate share of the net pension liability was based on the District's 2015-16 fiscal year contributions relative to the total 2015-16 fiscal year contributions of all participating members. At June 30, 2016, the District's proportionate share was 3.246 percent, which was a decrease of 0.047 from its proportionate share measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$14.3 million (\$31.5 million due to the District's share of changes in deferred inflows and deferred outflows of resources, reduced by \$17.2 million for the District's contributions subsequent to the measurement date) related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 59,368	\$ (862)
Net difference between projected and actual earnings on HIS pension plan investments	191	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	6,778	(6,913)
District contributions subsequent to the measurement date	17,179	-
Total	<u>\$ 83,516</u>	<u>\$ (7,775)</u>

The deferred outflows of resources related to pensions, totaling \$17.2 million, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 10,711
2019	10,711
2020	10,674
2021	10,657
2022	9,222
Thereafter	6,587

Actuarial Assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.85 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 2.85 percent, down from 3.80 percent in the prior year. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.85 percent, as well as what the District's proportionate share of the net pension liability would be if

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it were calculated using a discount rate that is 1-percentage-point lower (1.85 percent) or 1-percentage-point higher (3.85 percent) than the current rate (amounts in thousands):

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
District's proportionate share of the net pension liability	\$ 434,015	\$ 378,316	\$ 332,090

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan. At June 30, 2017, the District reported a payable of \$3.4 million for the outstanding amount of contributions owed the HIS Plan required for the fiscal year ended June 30, 2017.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member's accounts during the 2016-17 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	5.56
FRS, Elected County Officers	40.57
FRS, Senior Management Service	19.73
FRS, Special Risk Regular	20.34

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the

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employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$5.1 million for the fiscal year ended June 30, 2017.

Payables to the Investment Plan. At June 30, 2017, the District reported a payable of \$2.0 million for the outstanding amount of contributions owed the Investment Plan required for the fiscal year ended June 30, 2017.

13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The District follows the guidance contained in Governmental Accounting Standards Board Statement No. 45, *Accounting and Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB 45); for certain post-employment health care benefits provided by the District for the fiscal year ended June 30, 2017. The postemployment health care and life insurance plan does not issue a stand-alone financial report, and is not included in the report of a public employee retirement system (PERS) or another entity.

Plan Description

Pursuant to Section 112.0801, Florida Statutes, the District is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The plan is a single employer plan.

Funding Policy

The District is financing the post-employment benefits on a pay-as-you-go basis. Expenditures for these insurance premiums are prorated between the General Fund and other funds where the personnel are located. For fiscal year 2017, 1,065 retirees received health care benefits. The District provided required contributions of approximately \$10.1 million toward the annual OPEB cost. Retiree contributions totaled approximately \$5.3 million, which represents 0.5 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation

The District's annual Other Post Employment Benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The table on the next page shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the retiree health plan (amounts in thousands):

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Annual Required Contribution	\$ 10,069
Interest on Net OPEB Obligation	3,848
Adjustment to Annual Required Contribution	(4,154)
Annual OPEB Cost (Expense)	9,763
Contribution Towards OPEB Cost	(5,330)
Increase in Net OPEB Obligation	4,433
Net OPEB Obligation - Beginning of Year	107,486
Net OPEB Obligation - End of Year	<u>\$ 111,919</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2017, and the two preceding years were as follows (amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 9,763	55%	\$ 111,919
June 30, 2016	12,277	56%	107,486
June 30, 2015	12,006	47%	102,032

Funded Status and Funding Progress

As of June 30, 2017, the actuarial accrued liability for benefits was \$115.1 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1.0 billion, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.4%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Projected Unit Cost method (PUC) with benefits attributed from date of hire to expected retirement age was used in the actuarial valuation as of June 30, 2017. The unfunded actuarial accrued liability is amortized over the maximum acceptable period of thirty years on an open basis. It is calculated assuming a level dollar percentage. The remaining amortization period at June 30, 2017 is thirty years (open basis).

The following assumptions were made:

Retirement Age – Annual retirement probabilities have been determined based on the Florida Retirement System Actuarial Valuation as of July 1, 2016.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Spouse Age – Spouse dates of birth were provided by the District. Where this information is missing, male spouses are assumed to be three years older than female spouses.

Per Capita Health Claim Cost – Per capita health claim costs are developed based on 2 years of historical claim experience June 2017. The per capita cost at age 60 is \$10,500 and at age 70 is \$5,500.

Age Based Morbidity – The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increase are based on a 2013 Society of Actuaries study, with sample rates shown below.

Sample Age	Male	Female
45	4.6%	1.6%
50	6.2%	4.2%
55	5.4%	2.4%
60	4.7%	3.6%
65	1.7%	2.4%
70	1.8%	2.0%
75	1.2%	1.3%
80	0.8%	1.1%

Mortality – Life expectancies were based on Generational Mortality Table. The RP-2014 Table projected to 2030 using Scale MP-16 and applied on a gender specific basis.

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on District historical experience, market-place knowledge and macro-economic theory. A rate of 7.0% for under age 65 and 6.0% over age 65 initially, reduced 0.5% each year until reaching the ultimate trend rate of 4.5%.

Retiree Contributions – Contributions are required for both retiree and dependent coverage. Retirees contribute the full active premium equivalent rates for coverage.

Non-Claim Expenses – Non-claim expenses are based on the current amounts charged per retired employee.

Termination – The rate of withdrawal for reasons other than death and retirement has been developed from the Florida Retirement System Actuarial Valuation as of July 1, 2016. The annual termination probability is dependent on an employee’s age, gender, and years of service.

Plan Participation Percentage – It is assumed that 30% of all future retirees and their dependents who are eligible for benefits participate in the post-employment benefit plan.

Census Data – The census data was provided as of July 2017.

Salary Increase Assumption – 2.5% per annum.

Discount Rate – 3.58% per annum

Inflation Rate – 2.5%

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

14. NET POSITION AND FUND BALANCE REPORTING

Fund Balance

GASB 54 categorizes fund balance as either nonspendable or spendable. Nonspendable is defined as the portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. District nonspendable items include inventories.

Spendable is defined as a hierarchy of fund balance classifications that is available to be spent based on the element to which the District is bound to observe constraints imposed upon the use of resources:

- Restricted fund balance is constrained by external parties, and constitutional provisions or enabling legislation. District restricted balances includes: Carryover balances as a result of revenue received with constraints from Federal laws, Florida Statute, Florida School Board Rules, local ordinances or contract provisions.
- Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board. District committed balance includes: Funds committed by the School Board on June 2, 2010 for future purchase and installation of equipment needed to transmit and receive programming for The Education Network (TEN).
- Assigned fund balances are amounts that are constrained by the School Board or Superintendent to be used for a specific purpose. Florida Statute 1001.51, Duties and Responsibilities of District School Superintendent, delegates certain financial authority to the Superintendent.
- Unassigned fund balance is the residual classification for the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted assets first, followed by unrestricted assets. Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The District has not established a stabilization arrangement. Instead, the Board has established policy 2.55, Fund Balance for Contingency to set aside 3% of total annual operating fund appropriations and transfers from the operating fund to cover unanticipated financial needs and to avoid a budget deficit. At the end of the fiscal year, the unassigned general fund balance was \$52.0 million or 3.15% of general fund total expenditures.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

The following table shows the District's fund balance classification at June 30, 2017 (in thousands):

	Major Funds				Total Governmental
	General Fund	COPS Debt Service	Capital Improvement	Other Non-Major Governmental	
FUND BALANCES:					
<u>Nonspendable:</u>					
<u>Inventory:</u>					
Textbooks	\$ 6,288	\$ -	\$ -	\$ -	\$ 6,288
Child Nutrition	-	-	-	5,232	5,232
Transportation	287	-	-	-	287
Warehouse	1,379	-	-	-	1,379
Other	15	-	-	-	15
Total Nonspendable	7,969	-	-	5,232	13,201
<u>Restricted for:</u>					
Categorical carryover programs	4,010	-	-	-	4,010
IB, AP, AICE & Industry cert prog	12,697	-	-	-	12,697
School Improvement	1,865	-	-	-	1,865
Local Sales Tax Projects	-	-	-	59,766	59,766
Workforce development	1,806	-	-	-	1,806
Child nutrition	-	-	-	20,336	20,336
Debt service	-	116,416	-	5,659	122,075
Capital projects	-	-	55,595	32,229	87,824
Total Restricted	20,378	116,416	55,595	117,990	310,379
<u>Committed to:</u>					
The Education Network program	-	-	-	35	35
Total Committed	-	-	-	35	35
<u>Assigned to:</u>					
School Operations					
Instruction	494	-	-	-	494
Instructional support services	17	-	-	-	17
Board	7	-	-	-	7
General & School admin	2	-	-	-	2
Central services	14	-	-	-	14
Pupil transportation services	26	-	-	-	26
Operation of plant	675	-	-	-	675
Community services:					
After care/summer camp	9,379	-	-	-	9,379
Pre-K/VPK Fee Based Activities	478	-	-	-	478
Community Schools	745	-	-	-	745
Other	181	-	-	-	181
Capital projects	220	-	-	35,703	35,923
Misc local grants/donations	1,737	-	-	-	1,737
Next year budget appropriations	44,224	-	-	-	44,224
Total Assigned	58,199	-	-	35,703	93,902
Unassigned	52,000	-	-	-	52,000
Total fund balance	\$ 138,546	\$ 116,416	\$ 55,595	\$ 158,960	\$ 469,517

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

15. COMMITMENTS AND CONTINGENCIES

The District receives funding from the State that is based, in part, on a computation of the number of full time equivalent ("FTE") students enrolled in different types of instructional programs. The accuracy of data compiled by individual schools supporting the FTE count is subject to State audit and, if found to be in error, could result in refunds or in decreases in future funding allocations. It is the opinion of management that any amounts of revenue which may be remitted back to the State due to errors in the FTE count, if any, will not be material to the financial position of the District.

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the District.

The District is involved in various lawsuits arising in the ordinary course of operations. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated liability for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management in consultation with legal counsel that any final settlements in these matters will not result in a material adverse effect on the financial position of the District.

As part of its capital outlay program, the District has entered into various construction contracts. The District's construction commitments of \$16.1 million and other encumbrances of \$3.7 million as of June 30, 2017 are shown below (amounts in thousands):

	<u>Encumbrances</u>	<u>Construction Commitments</u>	<u>Total</u>
General Fund	\$ 1,417	\$ -	\$ 1,417
Capital Improvement	-	5,477	5,477
Other Non-Major Governmental	2,235	10,662	12,897
Total Commitments	\$ 3,652	\$ 16,139	\$ 19,791

16. SUBSEQUENT EVENTS

On September 26, 2017, the District issued Tax Anticipation Notes ("TANS") Series 2017. The \$115.0 million issue has a coupon rate of 3.00% with an effective yield of 0.95%. The notes are dated October 10, 2017.

On September 26, 2017, the District issued \$147.9 million (plus a premium of \$31.9 million) in Certificates of Participation, Series 2017A to refund the Series 2007C publicly owned Certificates. Refinancing the Series 2007C Series will generate \$32.0 million cash flow savings for 2018 through 2027. The Series 2017A Certificates possess underlying credit ratings of Aa3 Moody's and AA- Fitch.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS PLAN
JUNE 30, 2017
(amounts expressed in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (in thousands) (b)	Unfunded AAL (UAAL) (in thousands) (b-a)	Funded Ratio (a/b)	Covered Payroll (in thousands) (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
July 1, 2016	\$ -	\$ 115,142	\$ 115,142	0.0%	\$ 1,011,258	11.4%
July 1, 2015	-	141,585	141,585	0.0%	989,739	14.3%
July 1, 2014	-	135,559	135,559	0.0%	966,098	14.0%
July 1, 2013	-	138,454	138,454	0.0%	971,608	14.2%
July 1, 2012	-	130,194	130,194	0.0%	933,906	13.9%
July 1, 2011	-	168,939	168,939	0.0%	900,783	18.8%
July 1, 2010	-	161,375	161,375	0.0%	906,746	17.8%
July 1, 2009	-	218,964	218,964	0.0%	922,938	23.7%
July 1, 2008	-	216,013	216,013	0.0%	926,287	23.3%
June 30, 2008	-	239,500	239,500	0.0%	930,821	25.7%

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

**Schedule of the District's Proportionate Share of the Net Pension Liability -
Florida Retirement System Pension Plan (1)**
(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the FRS net pension liability (asset)	2.3253%	2.4332%	2.5354%
District's proportionate share of the FRS net pension liability (asset)	\$ 587,133	\$ 314,284	\$ 154,697
District's covered-employee payroll	\$ 989,739	\$ 966,098	\$ 971,624
District's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	59.32%	32.53%	15.92%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%

**Schedule of District Contributions -
Florida Retirement System Pension Plan (1)**
(amounts expressed in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 60,417	\$ 57,082	\$ 59,324	\$ 55,536
District FRS contributions in relation to the contractually required contribution	<u>(60,417)</u>	<u>(57,082)</u>	<u>(59,324)</u>	<u>(55,536)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,011,258	\$ 989,739	\$ 966,098	\$ 971,624
FRS contributions as a percentage of covered-employee payroll	5.97%	5.77%	6.14%	5.72%

Note: (1) The amounts presented for each fiscal year were determined as of June 30 (in thousands). Additional years will be displayed as they become available.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

**Schedule of the District's Proportionate Share of the Net Pension Liability -
Health Insurance Subsidy Pension Plan (1)**
(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability (asset)	3.2461%	3.1986%	3.3048%
District's proportionate share of the HIS net pension liability (asset)	\$ 378,316	\$ 326,211	\$ 309,012
District's covered-employee payroll	\$ 989,739	\$ 966,098	\$ 971,624
District's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	38.22%	33.77%	31.80%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

**Schedule of District Contributions -
Health Insurance Subsidy Pension Plan (1)**
(amounts expressed in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 17,178	\$ 16,674	\$ 12,227	\$ 11,321
District HIS contributions in relation to the contractually required contribution	<u>(17,178)</u>	<u>(16,674)</u>	<u>(12,227)</u>	<u>(11,321)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,011,258	\$ 989,739	\$ 966,098	\$ 971,624
HIS contributions as a percentage of covered-employee payroll	1.70%	1.68%	1.27%	1.17%

Note: (1) The amounts presented for each fiscal year were determined as of June 30 (in thousands). Additional years will be displayed as they become available.



MORE OF
EVERYTHING YOU
WANT FOR
YOUR CHILD

 PALM BEACH COUNTY SCHOOLS
Your *BEST* Choice

GROWING. STRONG.

The graphic is a square with a light blue background. At the top, a dark red circle contains the text 'MORE OF EVERYTHING YOU WANT FOR YOUR CHILD' in white, bold, sans-serif font. Below the circle is the Palm Beach County Schools logo, which consists of a small square icon with a heart and a graduation cap, followed by the text 'PALM BEACH COUNTY SCHOOLS' and 'Your BEST Choice' in a smaller font. At the bottom, a dark blue horizontal bar contains the text 'GROWING. STRONG.' in white, bold, sans-serif font.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



Non-major Governmental Funds

Special Revenue Funds

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Food Services Fund

To account for all School District cafeteria and food service programs.

Other Special Revenue Fund

To account for federal, state and local grant revenue sources which are legally restricted.

Federal Economic Stimulus Programs Fund

To account for targeted assistance funds received from the State of Florida under the American Recovery and Reinvestment Act (ARRA) with the intended use of avoiding job losses.

Debt Service Funds

Debt Service Funds are maintained to account for the payment of interest and principal requirements on long-term debt.

State Board of Education/Capital Outlay Bond Indebtedness (SBE/COBI) Fund

To account for the repayment of the State Board of Education Capital Outlay Bonds.

Buses and Equipment Debt Service Fund

To account for the repayment of loans used to acquire buses and other equipment.

ARRA Qualified School Construction Bonds (QSCB) Fund

To account for the payment of interest and principal of ARRA Qualified School Construction Bonds.

Non-major Governmental Funds

Capital Projects Funds

Capital Outlay Bond Indebtedness (COBI) Fund

To account for the repayment of the State Board of Education Capital Outlay Bonds

Capital Outlay and Debt Service (CO & DS) Fund

To account for capital projects financed through the District's allocation of the state Capital Outlay and Debt Service program.

Sales Tax Fund

To account for locally received funds, primarily sales tax revenue, for the acquisition, construction or renovation of capital facilities, including land and equipment.

Buses and Equipment Capital Fund

To account for the acquisition of the buses and other equipment financed by loans.

COPS Fund

Certificates of Participation ("COPS") capital projects fund accounts for construction projects and equipment purchases financed by sale of certificates of participation.

Other Capital Projects Fund

To account for various other miscellaneous revenues designated for construction projects.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (amounts expressed in thousands)

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS		
	FOOD SERVICES	OTHER SPECIAL REVENUE	SBE/COBI BONDS	BUSES & EQUIPMENT	ARRA QSCB
ASSETS					
Cash, cash equivalents and investments	\$ 22,651	\$ 585	\$ 248	\$ 4,356	\$ 1,055
Ad Valorem and Sales taxes receivable	-	-	-	-	-
Due from other governments or agencies	1,654	16,332	-	-	-
Inventories	5,232	-	-	-	-
Other assets	-	22	-	-	-
TOTAL ASSETS	\$ 29,540	\$ 16,939	\$ 248	\$ 4,356	\$ 1,055
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts and contracts payable	2,913	3,009	-	-	-
Accrued payroll and payroll deductions	1,059	4,667	-	-	-
Due to other funds	-	8,000	-	-	-
Retainage payable on contracts	-	3	-	-	-
Unearned revenue	-	1,225	-	-	-
TOTAL LIABILITIES	3,972	16,904	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
FUND BALANCES					
Nonspendable	5,232	-	-	-	-
Restricted	20,336	-	248	4,356	1,055
Committed	-	35	-	-	-
Assigned	-	-	-	-	-
TOTAL FUND BALANCES	25,568	35	248	4,356	1,055
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 29,540	\$ 16,939	\$ 248	\$ 4,356	\$ 1,055

CAPITAL PROJECTS FUNDS

<u>COBI</u>	<u>PECO</u>	<u>CO & DS</u>	<u>SALES TAX</u>	<u>BUSES & EQUIPMENT</u>	<u>COPS</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
\$ 5	\$ -	\$ -	\$ 43,192	\$ 376	\$ 15,131	\$ 51,174	\$ 138,776
-	-	-	22,138	-	-	-	22,138
-	1,472	69	-	-	-	705	20,232
-	-	-	-	-	-	-	5,232
-	-	-	-	-	-	-	22
<u>\$ 5</u>	<u>\$ 1,472</u>	<u>\$ 69</u>	<u>\$ 65,330</u>	<u>\$ 376</u>	<u>\$ 15,131</u>	<u>\$ 51,879</u>	<u>\$ 186,400</u>
5	41	-	5,564	75	-	70	11,677
-	-	-	-	-	-	34	5,760
-	-	-	-	-	-	460	8,460
-	-	-	-	-	-	71	74
-	-	-	-	-	-	6	1,231
<u>5</u>	<u>41</u>	<u>-</u>	<u>5,564</u>	<u>75</u>	<u>-</u>	<u>641</u>	<u>27,202</u>
-	-	-	-	-	-	238	238
-	-	-	-	-	-	238	238
-	-	-	-	-	-	-	5,232
-	1,131	69	59,766	301	15,131	15,297	117,990
-	-	-	-	-	-	-	35
-	-	-	-	-	-	35,703	35,703
-	1,131	69	59,766	301	15,131	51,000	158,960
<u>\$ 5</u>	<u>\$ 1,472</u>	<u>\$ 69</u>	<u>\$ 65,330</u>	<u>\$ 376</u>	<u>\$ 15,131</u>	<u>\$ 51,879</u>	<u>\$ 186,400</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS		
	FOOD SERVICES	OTHER SPECIAL REVENUE	SRE/COBI BONDS	BUSES & EQUIPMENT	ARRA QSCB
REVENUES					
Local sources:					
Food service sales	\$ 13,226	\$ -	\$ -	\$ -	\$ -
Local sales tax	-	-	-	-	-
Impact fees	-	-	-	-	-
Interest income and other	124	-	-	-	-
Local grants and other	3	3,880	-	-	-
Total local sources	<u>13,353</u>	<u>3,880</u>	<u>-</u>	<u>-</u>	<u>-</u>
State sources:					
Capital outlay and debt service	-	-	2,869	-	-
Food service	995	-	-	-	-
Charter school capital outlay	-	-	-	-	-
State grants and entitlements	-	4,265	-	-	-
Total state sources	<u>995</u>	<u>4,265</u>	<u>2,869</u>	<u>-</u>	<u>-</u>
Federal sources:					
Federal grants and entitlements	-	118,794	-	-	3,271
National school lunch act	75,187	-	-	-	-
Total federal sources	<u>75,187</u>	<u>118,794</u>	<u>-</u>	<u>-</u>	<u>3,271</u>
TOTAL REVENUES	<u>89,535</u>	<u>126,939</u>	<u>2,869</u>	<u>-</u>	<u>3,271</u>
EXPENDITURES:					
Current:					
Instruction	-	67,189	-	-	-
Instructional support services	-	53,526	-	-	-
General administration	-	3,314	-	-	-
School administration	-	25	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Fiscal services	-	104	-	-	-
Food services	89,803	11	-	-	-
Central services	-	790	-	-	-
Student transportation services	-	340	-	-	-
Operation of plant	-	7	-	-	-
Community services	-	830	-	-	-
Total Current Expenditures	<u>89,803</u>	<u>126,136</u>	<u>-</u>	<u>-</u>	<u>-</u>

CAPITAL PROJECTS FUNDS

COBI	PECO	CO & DS	SALES TAX	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,226
-	-	-	65,783	-	-	-	65,783
-	-	-	-	-	-	6,948	6,948
-	-	-	61	-	20	230	435
-	-	-	-	-	-	4,001	7,884
-	-	-	65,844	-	20	11,179	94,276
-	-	1,800	-	-	-	-	7,678
-	-	-	-	-	-	-	995
-	-	-	-	-	-	5,329	5,329
-	5,490	-	-	-	-	321	10,076
-	5,490	1,809	-	-	-	5,650	24,078
-	-	-	-	-	-	-	122,065
-	-	-	-	-	-	-	75,187
-	-	-	-	-	-	-	197,252
-	5,490	1,809	65,844	-	20	16,829	315,606
-	-	-	-	-	-	-	67,189
-	-	-	-	-	-	-	53,526
-	-	-	-	-	-	-	3,314
-	-	-	-	-	-	-	25
430	41	-	678	3,785	-	462	5,396
-	-	-	-	-	-	-	104
-	-	-	-	-	-	-	89,814
-	-	-	-	-	-	-	790
-	-	-	-	-	-	-	340
-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	830
430	41	-	678	3,785	-	462	221,335

(Continued)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017
 (amounts expressed in thousands)

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS		
	FOOD SERVICES	OTHER SPECIAL REVENUE	SRE/COBI BONDS	BUSES & EQUIPMENT	ARRA QSCB
Capital outlay	2,117	805	-	-	-
Debt service:					
Retirement of principal	-	-	2,317	8,361	-
Interest	-	-	610	361	3,653
Fiscal charges	-	-	1	-	5
TOTAL EXPENDITURES	<u>91,920</u>	<u>126,941</u>	<u>2,928</u>	<u>8,722</u>	<u>3,658</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,385)</u>	<u>(2)</u>	<u>(59)</u>	<u>(8,722)</u>	<u>(387)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	9,321	5
Transfers out	-	-	-	-	-
Sale of capital assets and other	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,321</u>	<u>5</u>
NET CHANGE IN FUND BALANCES	(2,385)	(2)	(59)	599	(382)
FUND BALANCES, JULY 1, 2016	<u>27,953</u>	<u>37</u>	<u>307</u>	<u>3,757</u>	<u>1,437</u>
FUND BALANCES, JUNE 30, 2017	<u>\$ 25,568</u>	<u>\$ 35</u>	<u>\$ 248</u>	<u>\$ 4,356</u>	<u>\$ 1,055</u>

CAPITAL PROJECTS FUNDS

COBI	PECO	CO & DS	SALES TAX	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	5,400	6,768	-	4,220	19,310
-	-	-	-	-	-	-	10,678
-	-	-	-	-	-	-	4,624
-	-	6	-	-	-	-	12
<u>430</u>	<u>41</u>	<u>6</u>	<u>6,078</u>	<u>10,553</u>	<u>-</u>	<u>4,682</u>	<u>255,959</u>
<u>(430)</u>	<u>5,449</u>	<u>4,803</u>	<u>59,766</u>	<u>(10,553)</u>	<u>20</u>	<u>12,147</u>	<u>59,647</u>
-	-	-	-	-	-	92	9,418
-	(4,018)	(5,512)	-	-	-	(5,328)	(14,858)
-	-	-	-	-	-	224	224
-	<u>(4,018)</u>	<u>(5,512)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,012)</u>	<u>(5,216)</u>
<u>(130)</u>	<u>1,431</u>	<u>(709)</u>	<u>59,766</u>	<u>(10,553)</u>	<u>20</u>	<u>7,135</u>	<u>51,431</u>
<u>430</u>	<u>-</u>	<u>778</u>	<u>-</u>	<u>10,854</u>	<u>15,111</u>	<u>43,865</u>	<u>104,529</u>
<u>\$</u>	<u>\$ 1,431</u>	<u>\$ 69</u>	<u>\$ 59,766</u>	<u>\$ 301</u>	<u>\$ 15,131</u>	<u>\$ 51,000</u>	<u>\$ 158,960</u>

(Concluded)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
ASSETS			
Current Assets:			
Cash, cash equivalents and investments	\$ 108,628	\$ 51,493	\$ 160,121
Due from Other Agencies	2,189	-	2,189
Total Current Assets	110,817	51,493	162,310
Noncurrent Assets:			
Restricted cash	1,796	1,089	2,885
Total Noncurrent Assets	1,796	1,089	2,885
TOTAL ASSETS	\$ 112,613	\$ 52,582	\$ 165,195
DEFERRED OUTFLOWS OF RESOURCES			
Pension	241	196	437
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 241	\$ 196	\$ 437
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	\$ 1,579	\$ 505	\$ 2,084
Accrued payroll and payroll deductions	22	21	43
Portion due or payable within one year:			
Estimate unpaid claims	14,000	12,560	26,560
Total Current Liabilities	15,601	13,086	28,687
Noncurrent liabilities:			
Portion due or payable after one year:			
Liability for compensated absences	131	91	222
Estimate unpaid claims	-	35,468	35,468
Other post-employment benefits obligation	57	49	106
Net Pension Liability	613	500	1,113
Total Noncurrent Liabilities	801	36,108	36,909
TOTAL LIABILITIES	16,402	49,194	65,596
DEFERRED INFLOWS OF RESOURCES			
Pension	23	20	43
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 23	\$ 20	\$ 43
NET POSITION			
Unrestricted	\$ 96,429	\$ 3,564	\$ 99,993

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017
 (amounts expressed in thousands)**

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES:			
Premium revenue	\$ 195,449	\$ 50,723	\$ 246,172
Pharmacy Rebates	10,580	-	10,580
Other operating revenue	555	472	1,027
TOTAL REVENUES	<u>206,584</u>	<u>51,195</u>	<u>257,779</u>
OPERATING EXPENSES:			
Salaries	681	531	1,212
Benefits	584	478	1,062
Purchased services	321	174	495
Claims and other expenses	198,172	19,211	217,383
TOTAL OPERATING EXPENSES	<u>199,758</u>	<u>20,394</u>	<u>220,152</u>
OPERATING INCOME (LOSS)	6,826	30,801	37,627
NONOPERATING REVENUES:			
Interest and other income	549	125	674
TOTAL NONOPERATING REVENUES	<u>549</u>	<u>125</u>	<u>674</u>
CHANGE IN NET POSITION	7,375	30,926	38,301
NET POSITION - Beginning of year	<u>89,054</u>	<u>(27,362)</u>	<u>61,692</u>
NET POSITION - End of year	<u>\$ 96,429</u>	<u>\$ 3,564</u>	<u>\$ 99,993</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and interfund services provided	\$ 195,449	\$ 50,723	\$ 246,172
Cash payments for claims and administration	(198,381)	(19,582)	(217,963)
Cash receipts for pharmacy rebates	10,580	-	10,580
Cash payments for salaries and benefits	(890)	(699)	(1,589)
Other receipts	1,769	3,781	5,550
Net cash provided by operating activities	<u>8,527</u>	<u>31,223</u>	<u>42,750</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earnings on investments	549	125	674
Net cash provided by investing activities	<u>549</u>	<u>125</u>	<u>674</u>
Net increase in cash and cash equivalents	9,076	34,348	43,424
Cash and cash equivalents, beginning of year*	<u>101,348</u>	<u>18,234</u>	<u>119,582</u>
Cash and cash equivalents, end of year*	<u>\$ 110,424</u>	<u>\$ 52,582</u>	<u>\$ 163,006</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED IN OPERATING ACTIVITIES:			
Operating income (loss)	\$ 6,826	\$ 30,801	\$ 37,627
Adjustments to reconcile operating income to net cash provided (used) in operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in due from agencies	214	93	307
Increase (decrease) in accounts payable	112	(197)	(85)
Increase (decrease) in payroll and payroll deductions	(21)	(13)	(34)
Increase (decrease) in pension	396	323	719
Increase (decrease) in estimated unpaid claims - Self- Insurance Program	1,000	3,216	4,216
Total adjustments	<u>1,701</u>	<u>3,422</u>	<u>5,123</u>
Net cash provided by operating activities	<u>\$ 8,527</u>	<u>\$ 31,223</u>	<u>\$ 42,750</u>

*Includes restricted cash

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - COPS DEBT SERVICE
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local sources:					
Interest income, local grants and other	\$ -	\$ 119	\$ 119	\$ 119	\$ -
TOTAL REVENUES	<u>-</u>	<u>119</u>	<u>119</u>	<u>119</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Retirement of principal	75,707	75,205	75,205	502	-
Interest	65,627	66,252	66,252	(625)	-
Fiscal Charges	<u>5,127</u>	<u>219</u>	<u>219</u>	<u>4,908</u>	<u>-</u>
TOTAL EXPENDITURES	<u>146,461</u>	<u>141,676</u>	<u>141,676</u>	<u>4,785</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(146,461)</u>	<u>(141,557)</u>	<u>(141,557)</u>	<u>4,904</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfer from Capital Project Fund	<u>145,600</u>	<u>139,180</u>	<u>139,180</u>	<u>(6,420)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>145,600</u>	<u>139,180</u>	<u>139,180</u>	<u>(6,420)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (861)</u>	<u>\$ (2,377)</u>	<u>(2,377)</u>	<u>\$ (1,516)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>118,793</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			116,416		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 116,416</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - CAPITAL IMPROVEMENT
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources:					
District local capital improvement tax	\$ 257,204	\$ 258,379	\$ 258,379	\$ 1,175	\$ -
Interest income, local grants and other	750	1,009	977	259	(32)
TOTAL REVENUES	<u>257,954</u>	<u>259,388</u>	<u>259,356</u>	<u>1,434</u>	<u>(32)</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Buildings and fixed equipment	10,131	9,427	52	704	9,375
Furniture, fixtures and equipment	16,722	19,140	9,985	(2,418)	9,155
Motor vehicles	43	-	-	43	-
Land	1,290	1,290	4	-	1,286
Improvements other than buildings	2,372	2,682	2,059	(310)	623
Remodeling and renovations	39,743	27,028	11,284	12,715	15,744
Computer software	4,733	4,718	2,079	15	2,639
TOTAL EXPENDITURES	<u>75,034</u>	<u>64,285</u>	<u>25,463</u>	<u>10,749</u>	<u>38,822</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>182,920</u>	<u>195,103</u>	<u>233,893</u>	<u>12,183</u>	<u>38,790</u>
OTHER FINANCING USES:					
Transfers to the general fund	(82,813)	(75,402)	(75,402)	7,441	-
Transfers to debt service funds	(140,210)	(148,506)	(148,506)	(8,296)	-
TOTAL OTHER FINANCING USES	<u>(223,053)</u>	<u>(223,908)</u>	<u>(223,908)</u>	<u>(855)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (40,133)</u>	<u>\$ (28,805)</u>	<u>9,985</u>	<u>\$ 11,328</u>	<u>\$ 38,790</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>40,133</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			<u>50,118</u>		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>5,477</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 55,595</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
SPECIAL REVENUE FUND - FOOD SERVICE
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources:					
Interest income and other	\$ 40	\$ 107	\$ 124	\$ 67	\$ 17
Food service sales	15,590	13,233	13,226	(2,357)	(7)
Miscellaneous local sources	176	13	3	(163)	(10)
Total local sources	<u>15,806</u>	<u>13,353</u>	<u>13,353</u>	<u>(2,153)</u>	<u>-</u>
State sources:					
School breakfast/lunch supplement	1,060	995	995	(65)	-
Total state sources	<u>1,060</u>	<u>995</u>	<u>995</u>	<u>(65)</u>	<u>-</u>
Federal sources:					
National school lunch act	73,692	75,187	75,187	1,495	-
Total federal sources	<u>73,692</u>	<u>75,187</u>	<u>75,187</u>	<u>1,495</u>	<u>-</u>
TOTAL REVENUES	<u>90,558</u>	<u>89,535</u>	<u>89,535</u>	<u>(1,023)</u>	<u>-</u>
EXPENDITURES:					
Food service:					
Salaries	24,909	25,839	25,839	(930)	-
Employee benefits	10,579	10,354	10,354	225	-
Purchased services	9,118	10,118	10,215	(1,000)	(97)
Energy services	2,525	2,494	2,494	31	-
Materials and supplies	40,169	37,238	37,460	2,931	(222)
Capital outlay	2,929	3,341	4,826	(412)	(1,485)
Other expenses	328	2,536	2,536	(2,208)	-
TOTAL EXPENDITURES	<u>90,557</u>	<u>91,920</u>	<u>93,724</u>	<u>(1,363)</u>	<u>(1,804)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1</u>	<u>(2,385)</u>	<u>(4,189)</u>	<u>(2,386)</u>	<u>(1,804)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1</u>	<u>\$ (2,385)</u>	<u>(4,189)</u>	<u>\$ (2,386)</u>	<u>\$ (1,804)</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>27,953</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			23,764		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>1,804</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 25,568</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
OTHER SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources	\$ 1,020	\$ 5,473	\$ 3,880	\$ 4,453	\$ (1,593)
State sources	412	4,323	4,265	3,911	(58)
Federal sources	111,132	141,115	118,794	29,983	(22,321)
TOTAL REVENUES	112,564	150,911	126,939	38,347	(23,972)
EXPENDITURES:					
Instruction	51,674	74,028	68,042	(22,354)	5,986
Instructional support services	56,218	68,215	53,781	(11,997)	14,434
Board	5	-	-	5	-
General administration	3,229	3,981	3,314	(752)	667
School administration	15	52	25	(37)	27
Fiscal services	-	184	104	(184)	80
Food service	-	38	-	(38)	38
Central services	967	1,965	139	(998)	1,826
Student transportation services	471	786	790	(315)	(4)
Operation of plant	7	12	340	(5)	(328)
Maintenance of plant	2	-	7	2	(7)
Community services	13	1,652	830	(1,639)	822
TOTAL EXPENDITURES	112,601	150,913	127,372	(38,312)	23,541
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(37)	(2)	(433)	35	(131)
NET CHANGE IN FUND BALANCE	\$ (37)	\$ (2)	(433)	\$ 35	\$ (131)
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			37		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			(396)		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			431		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			\$ 35		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - SBE/COBI BONDS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
	REVENUES				
State sources:					
CO & DS withheld for SBE/COBI bonds	\$ 2,869	\$ 2,869	\$ 2,869	\$ -	\$ -
TOTAL REVENUES	<u>2,869</u>	<u>2,869</u>	<u>2,869</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Retirement of principal	2,317	2,317	2,317	-	-
Interest	552	610	610	(58)	-
Fiscal charges	-	1	1	(1)	-
TOTAL EXPENDITURES	<u>2,869</u>	<u>2,928</u>	<u>2,928</u>	<u>(59)</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>-</u>	<u>(59)</u>	<u>(59)</u>	<u>(59)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (59)</u>	<u>(59)</u>	<u>\$ (59)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>307</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			248		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 248</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - BUSES AND EQUIPMENT
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
REVENUES					
Local sources:					
Interest income, local grants and other	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES:					
Debt service:					
Retirement of Principal	8,361	8,361	8,361	-	-
Interest	360	360	361	-	(1)
TOTAL EXPENDITURES	8,721	8,721	8,722	-	(1)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(8,721)	(8,721)	(8,722)	-	(1)
OTHER FINANCING SOURCES:					
Transfer from Capital Project Fund	9,321	9,321	9,321	-	-
TOTAL OTHER FINANCING SOURCES	9,321	9,321	9,321	-	-
NET CHANGE IN FUND BALANCE	\$ 600	\$ 600	599	\$ -	\$ (1)
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			3,757		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			4,356		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			-		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			\$ 4,356		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - ARRA QSCB
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
REVENUES					
Federal sources:					
Federal grants and entitlements	\$ 3,259	\$ 3,271	\$ 3,271	\$ 12	\$ -
TOTAL REVENUES	<u>3,259</u>	<u>3,271</u>	<u>3,271</u>	<u>12</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Interest	3,654	3,654	3,653	-	1
Fiscal Charges	5	5	5	-	-
TOTAL EXPENDITURES	<u>3,659</u>	<u>3,659</u>	<u>3,658</u>	<u>-</u>	<u>1</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(400)</u>	<u>(388)</u>	<u>(387)</u>	<u>12</u>	<u>1</u>
OTHER FINANCING SOURCES:					
Transfer from Capital Project Fund	400	5	5	(395)	-
TOTAL OTHER FINANCING SOURCES	<u>400</u>	<u>5</u>	<u>5</u>	<u>(395)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (383)</u>	<u>(382)</u>	<u>\$ (383)</u>	<u>\$ 1</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>1,437</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			1,055		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 1,055</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 CAPITAL PROJECTS FUNDS - COBI BONDS
 BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2017
 (amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
REVENUES					
State sources:					
CO & DS withheld for SBE/COBI bonds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES:					
Facilities acquisitions and construction:					
Remodeling and renovations	430	430	430	-	-
TOTAL EXPENDITURES	430	430	430	-	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(430)	(430)	(430)	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (430)</u>	<u>\$ (430)</u>	(430)	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			430		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			-		
Adjustments To Conform With GAAP:					
Elimination of encumbrances					
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ -</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
PUBLIC EDUCATION CAPITAL OUTLAY (PECO)
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
State sources:					
State grants and entitlements	\$ 5,490	\$ 5,490	\$ 5,490	\$ -	\$ -
TOTAL REVENUES	<u>5,490</u>	<u>5,490</u>	<u>5,490</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Furniture, fixtures and equipment	1,472	78	-	1,394	78
Remodeling and renovations	-	1,394	275	(1,394)	1,119
TOTAL EXPENDITURES	<u>1,472</u>	<u>1,472</u>	<u>275</u>	<u>-</u>	<u>1,197</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,018</u>	<u>4,018</u>	<u>5,215</u>	<u>-</u>	<u>1,197</u>
OTHER FINANCING USES:					
Transfer to the general fund	(4,018)	(4,018)	(4,018)	-	-
TOTAL OTHER FINANCING USES	<u>(4,018)</u>	<u>(4,018)</u>	<u>(4,018)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>1,197</u>	<u>\$ -</u>	<u>\$ 1,197</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			1,197		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>234</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 1,431</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - CO & DS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
State sources:					
Capital outlay and debt service	\$ 2,862	\$ 4,809	\$ 4,809	\$ 1,947	\$ -
TOTAL REVENUES	<u>2,862</u>	<u>4,809</u>	<u>4,809</u>	<u>1,947</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Buildings and Fixed Equipment	-	69	-	(69)	69
Debt service:					
Fiscal charges	-	6	6	(6)	-
TOTAL EXPENDITURES	<u>-</u>	<u>75</u>	<u>6</u>	<u>(75)</u>	<u>69</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,862</u>	<u>4,734</u>	<u>4,803</u>	<u>1,872</u>	<u>69</u>
OTHER FINANCING USES:					
Transfer to General Fund	<u>(3,639)</u>	<u>(5,512)</u>	<u>(5,512)</u>	<u>(1,873)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (777)</u>	<u>\$ (778)</u>	<u>(709)</u>	<u>\$ (1)</u>	<u>\$ 69</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>778</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			<u>69</u>		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 69</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - SALES TAX
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources:					
Local Sales Tax	\$ 42,655	\$ 65,783	65,783	\$ 23,128	\$ -
Interest income, local grants and other	-	61	61	61	-
TOTAL REVENUES	<u>42,655</u>	<u>65,844</u>	<u>65,844</u>	<u>23,189</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Furniture, fixtures and equipment	12,458	12,855	1,126	(397)	11,729
Motor Vehicles (Including Buses)	10,298	10,257	4,596	41	5,661
Improvements Other than Buildings	-	2,120	75	(2,120)	2,045
Remodeling and Renovations	-	8,077	281	(8,077)	7,796
TOTAL EXPENDITURES	<u>22,756</u>	<u>33,309</u>	<u>6,078</u>	<u>(10,553)</u>	<u>27,231</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>19,899</u>	<u>32,535</u>	<u>59,766</u>	<u>12,636</u>	<u>27,231</u>
NET CHANGE IN FUND BALANCE	<u>\$ 19,899</u>	<u>\$ 32,535</u>	<u>59,766</u>	<u>\$ 12,636</u>	<u>\$ 27,231</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			59,766		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 59,766</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 CAPITAL PROJECTS FUNDS - BUSES AND EQUIPMENT
 BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2017
 (amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
	REVENUES				
Local sources:					
Interest income and other	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Motor Vehicles (Including Buses)	6,911	6,769	6,768	142	1
Remodeling and Renovations	-	3,785	3,785	(3,785)	-
TOTAL EXPENDITURES	<u>6,911</u>	<u>10,554</u>	<u>10,553</u>	<u>(3,643)</u>	<u>1</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(6,911)</u>	<u>(10,554)</u>	<u>(10,553)</u>	<u>(3,643)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,911)</u>	<u>\$ (10,554)</u>	<u>(10,553)</u>	<u>\$ (3,643)</u>	<u>\$ 1</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>10,854</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			301		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 301</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 CAPITAL PROJECTS FUNDS - COPS
 BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2017
 (amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources:					
Interest income, local grants and other	\$ -	\$ 19	\$ 20	\$ 19	\$ 1
TOTAL REVENUES	<u>-</u>	<u>19</u>	<u>20</u>	<u>19</u>	<u>1</u>
EXPENDITURES:					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers to Debt Service	15,111	-	-	(15,111)	-
TOTAL OTHER FINANCING USES	<u>15,111</u>	<u>-</u>	<u>-</u>	<u>(15,111)</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>15,111</u>	<u>19</u>	<u>20</u>	<u>(15,092)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,111</u>	<u>\$ 19</u>	<u>20</u>	<u>\$ (15,092)</u>	<u>\$ 1</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>15,111</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			15,131		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 15,131</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - OTHER CAPITAL PROJECTS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
REVENUES					
Local source:					
Impact fees	\$ 6,682	\$ 6,948	\$ 6,948	\$ 266	\$ -
Interest income and other	250	369	230	119	(139)
Miscellaneous local sources	27	275	4,001	248	3,726
Total local sources	<u>6,959</u>	<u>7,592</u>	<u>11,179</u>	<u>633</u>	<u>3,587</u>
State sources:					
State grants and entitlements	<u>3,100</u>	<u>5,650</u>	<u>5,650</u>	<u>2,550</u>	<u>-</u>
Total state sources	<u>3,100</u>	<u>5,650</u>	<u>5,650</u>	<u>2,550</u>	<u>-</u>
TOTAL REVENUES	<u>10,059</u>	<u>13,242</u>	<u>16,829</u>	<u>3,183</u>	<u>3,587</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Buildings and fixed equipment	47,225	45,507	882	1,718	44,625
Furniture, fixtures and equipment	12,754	13,982	886	(1,228)	13,096
Motor Vehicles	18,681	18,812	4,875	(131)	13,937
Land	672	747	3,700	(75)	(2,953)
Improvements other than buildings	745	3,357	1,660	(2,612)	1,697
Remodeling and renovations	<u>24,357</u>	<u>13,471</u>	<u>3,107</u>	<u>10,886</u>	<u>10,364</u>
TOTAL EXPENDITURES	<u>104,434</u>	<u>95,876</u>	<u>15,110</u>	<u>8,558</u>	<u>80,766</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(94,375)</u>	<u>(82,634)</u>	<u>1,719</u>	<u>11,741</u>	<u>84,353</u>
OTHER FINANCING SOURCES (USES):					
Transfers from General fund	84	92	92	8	-
Transfers to General fund	(3,100)	(5,329)	-	(2,229)	5,329
Transfers to Debt Service	(15,111)	-	(5,328)	15,111	(5,328)
Sale of capital assets and other	<u>16</u>	<u>224</u>	<u>224</u>	<u>208</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(18,111)</u>	<u>(5,013)</u>	<u>(5,012)</u>	<u>13,098</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ (112,486)</u>	<u>\$ (87,647)</u>	<u>(3,293)</u>	<u>\$ 24,839</u>	<u>\$ 84,354</u>
FUND BALANCE, JULY 1, 2016 (GAAP BASIS)			<u>43,865</u>		
FUND BALANCE, JUNE 30, 2017 (BUDGETARY BASIS)			40,572		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>10,428</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ 51,000</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

<u>SCHOOL INTERNAL FUNDS</u>	<u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>JUNE 30, 2017</u>
<u>ASSETS</u>				
Cash, cash equivalents and investments	\$ 17,963	\$ 80,395	\$ 79,422	\$ 18,936
Accounts receivable	<u>1,213</u>	<u>1,248</u>	<u>1,213</u>	<u>1,248</u>
TOTAL ASSETS	<u>\$ 19,176</u>	<u>\$ 81,643</u>	<u>\$ 80,635</u>	<u>\$ 20,184</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 395	\$ 249	\$ 395	\$ 249
Due to student organizations	<u>18,781</u>	<u>81,395</u>	<u>80,241</u>	<u>19,935</u>
TOTAL LIABILITIES	<u>\$ 19,176</u>	<u>\$ 81,644</u>	<u>\$ 80,636</u>	<u>\$ 20,184</u>



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The graphic is a square with a light blue background. At the top, a dark red circle contains the text 'MORE OF EVERYTHING YOU WANT FOR YOUR CHILD' in white, bold, sans-serif font. Below the circle is the Palm Beach County Schools logo, which consists of a small square icon with a heart and a graduation cap, followed by the text 'PALM BEACH COUNTY SCHOOLS' and 'Your BEST Choice' in a smaller font. At the bottom, a dark blue horizontal bar contains the text 'GROWING. STRONG.' in white, bold, sans-serif font.

SECTION

Other Supplementary Information



OTHER SUPPLEMENTARY INFORMATION



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
BONDS AND LEASE PAYABLE AND OBLIGATIONS UNDER
LEASE PURCHASE AGREEMENTS (UNAUDITED)
JUNE 30, 2017
(amounts expressed in thousands)

YEAR ENDED JUNE 30	STATE BOARD OF EDUCATION CAPITAL OUTLAY BOND ISSUES		OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS CERTIFICATES OF PARTICIPATION	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2018	\$ 1,543	\$ 494	\$ 76,850	\$ 67,311
2019	1,311	417	78,600	64,163
2020	1,177	358	76,188	61,032
2021	1,200	300	78,440	57,822
2022	1,280	240	80,135	54,318
2023-2027	2,645	575	539,390	204,529
2028-2032	2,240	223	497,450	62,481
2033-2034	-	-	39,705	993
Total	\$ 11,396	\$ 2,607	\$ 1,466,758	\$ 572,649

TOTAL		TOTAL PRINCIPAL AND INTEREST	
PRINCIPAL	INTEREST		INTEREST
\$ 78,393	\$ 67,805	\$	146,198
79,911	64,580		144,491
77,365	61,390		138,755
79,640	58,122		137,762
81,415	54,558		135,973
542,035	205,104		747,139
499,690	62,704		562,394
39,705	993		40,698
<u>\$ 1,478,154</u>	<u>\$ 575,256</u>	<u>\$</u>	<u>2,053,410</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF BONDS AND LEASE PAYABLE AND
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS (UNAUDITED)
JUNE 30, 2017
(amounts expressed in thousands)

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT ISSUED</u>	<u>INTEREST RATES FOR DEBT OUTSTANDING</u>	<u>FINAL MATURITY DATE</u>
STATE BOARD OF EDUCATION				
CAPITAL OUTLAY BOND ISSUES (COBI):				
COBI 2009-A	09/10/2009	\$ 1,655	5.0%	01/01/2019
COBI 2010-A	10/14/2010	9,700	3.50% to 5.00%	01/01/2030
COBI 2010-A	10/14/2010	1,790	4.00% to 5.00%	01/01/2022
COBI 2011-A	12/07/2011	5,820	3.00% to 5.00%	01/01/2023
COBI 2014-B	12/02/2014	4,275	2.00% to 5.00%	01/01/2020
TOTAL COBI		<u>\$ 23,240</u>		
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS:				
Certificates of participation Series 2002E	09/01/2002	\$ 93,350		08/01/2016
Certificates of participation Series 2003B	06/26/2003	124,295	1.56%	** 08/01/2029
Certificates of participation Series 2004 qualified zone academy bonds	04/30/2004	2,923	-	04/30/2020
Certificates of participation Series 2005A qualified zone academy bonds	12/15/2005	2,150	-	12/15/2020
Certificates of participation Series 2006A	05/25/2006	222,015		08/01/2016
Certificates of participation Series 2007A	02/28/2007	268,545	4.00% to 5.00%	08/01/2017
Certificates of participation Series 2007C	03/22/2007	192,310	4.00% to 5.00%	08/01/2027
Certificates of participation Series 2007E	10/31/2007	147,390	4.00% to 4.25%	08/01/2017
Certificates of participation Series 2010A QSCB	11/15/2010	67,665	5.40%	*** 08/01/2025
Certificates of participation Series 2011A	07/13/2011	112,425	4.00% to 5.00%	08/01/2032
Certificates of participation Series 2011C	11/15/2011	15,355	1.74%	08/01/2018
Certificates of participation Series 2011D	11/15/2011	25,065	2.64%	08/01/2021
Certificates of participation Series 2012A	05/15/2012	20,085	5.00%	08/01/2028
Certificates of participation Series 2012B	06/29/2012	116,555	1.40%	**** 08/01/2028
Certificates of participation Series 2012C	08/09/2012	67,145	4.00% to 5.00%	08/01/2029
Certificates of participation Series 2014A	01/31/2014	115,560	1.277%	* 08/01/2027
Certificates of participation Series 2014B	06/27/2014	166,010	3.00% to 5.00%	08/01/2025
Certificates of participation Series 2014C	07/29/2014	33,280	5.00%	08/01/2031
Certificates of participation Series 2015A	05/05/2015	106,315	2.52%	08/01/2022
Certificates of participation Series 2015B	01/14/2015	145,535	5.00%	08/01/2031
Certificates of participation Series 2015D	04/30/2015	221,640	5.00%	08/01/2032
Certificates of participation Series 2015C	09/22/2015	62,970	5.00%	08/01/2032
TOTAL OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS		<u>\$ 2,328,583</u>		

* 2014A - Variable rate paid to certificate holders 70% of 1 month Libor +42 basis points. Resets weekly, 1.277% at 6/30/2017

** 2003B - Variable rate paid to certificate holders SIFMA + 65 basis points. Resets weekly, 1.56% at 6/30/2017

*** 2010A QSCB - Average coupon rate before IRS subsidy is 5.4%. Net interest rate with IRS subsidy is 0.5681%

**** 2012B - Variable rate paid to certificate holders SIFMA +49 basis points. Resets weekly, 1.40% at 6/30/2017

DEBT OUTSTANDING JUNE 30, 2016	DEBT MATURED FY 16-17	DEBT OUTSTANDING JUNE 30, 2017
\$ 585	\$ 185	\$ 400
7,140	445	6,695
1,250	170	1,080
3,120	330	2,790
1,618	1,187	431
<u>\$ 13,713</u>	<u>\$ 2,317</u>	<u>\$ 11,396</u>
\$ 2,465	\$ 2,465	\$ -
124,295	-	124,295
	-	
2,923	-	2,923
	-	
2,150	-	2,150
7,185	7,185	-
27,445	13,455	13,990
178,340	1,075	177,265
10,230	5,015	5,215
67,665	-	67,665
44,520	-	44,520
6,170	4,585	1,585
23,855	4,205	19,650
20,085	-	20,085
107,225	105	107,120
67,145	3,500	63,645
115,455	105	115,350
165,070	11,345	153,725
33,280	-	33,280
106,315	22,165	84,150
145,535	-	145,535
221,640	-	221,640
62,970	-	62,970
<u>\$ 1,541,963</u>	<u>\$ 75,205</u>	<u>\$ 1,466,758</u>

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SECTION

Statistical



STATISTICAL SECTION

This part of The School District of Palm Beach County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the district's overall financial position.

CONTENTS

Financial Trends

These schedules contain trend information to assist the reader in understanding how the District's financial position has changed over time.

Revenue Capacity

These schedules contain information to assist the reader in assessing the District's major revenue sources.

Debt Capacity

These schedules present information to assist the reader in assessing the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to assist the reader in understanding how the information in the District's financial report relates to the service the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from comprehensive annual financial reports for the relevant year. The District implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.



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THE INFORMATION CONTAINED IN THIS STATISTICAL SECTION HAS BEEN OBTAINED FROM PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES CONSIDERED TO BE RELIABLE AND, WHILE NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY, MANAGEMENT BELIEVES IT TO BE CORRECT.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	<u>2008</u>	<u>2009</u> *	<u>2010</u>
Net Position components			
Primary Government			
Net Investment in capital assets	\$ 1,771,226	\$ 1,752,405	\$ 1,851,072
Restricted	316,216	362,395	378,402
Unrestricted (deficit)	<u>(73,095)</u>	<u>(89,132)</u>	<u>(125,200)</u>
Total primary government net position	<u>\$ 2,014,347</u>	<u>\$ 2,025,668</u>	<u>\$ 2,104,274</u>

Source: The School District of Palm Beach County - Accounting Services

* Restated - Adoption of GASB 53

** Restated - Adoption of GASB 65

*** Restated - Adoption of GASB 68

TABLE 1

<u>2011</u>	<u>2012</u>	<u>2013**</u>	<u>2014***</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,840,467	\$ 1,825,814	\$ 1,794,798	\$ 1,781,012	\$ 1,816,220	\$ 1,760,930	\$ 1,758,216
390,082	334,924	301,111	257,756	207,159	237,692	318,355
<u>(65,830)</u>	<u>(75,034)</u>	<u>(100,978)</u>	<u>(775,703)</u>	<u>(742,933)</u>	<u>(688,026)</u>	<u>(681,176)</u>
<u>\$ 2,164,719</u>	<u>\$ 2,085,704</u>	<u>\$ 1,994,931</u>	<u>\$ 1,263,065</u>	<u>\$ 1,280,446</u>	<u>\$ 1,310,596</u>	<u>\$ 1,395,395</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**EXPENSES, PROGRAM REVENUES AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	<u>2008</u>	<u>2009 *</u>	<u>2010</u>	<u>2011</u>
Primary Government				
Expenses				
Instruction	\$ 941,728	\$ 954,271	\$ 918,127	\$ 934,817
Instructional support services	169,566	170,854	187,977	180,478
Board	8,238	5,293	5,634	4,776
General administration	10,142	10,161	13,061	10,868
School administration	98,867	98,528	95,817	96,845
Facilities acquisition and construction	91,566	92,500	44,039	27,544
Fiscal services	6,169	6,141	6,285	6,056
Food services	60,023	60,858	62,997	64,757
Central services	15,622	14,520	14,793	14,553
Pupil transportation services	54,455	46,217	44,954	44,092
Operation of plant	131,621	131,285	133,055	133,559
Maintenance of plant	46,726	47,184	62,677	62,422
Administrative technology services	5,520	5,588	10,450	9,607
Community services	31,084	30,125	28,626	30,262
Interest on long-term debt	100,220	99,581	83,404	86,464
Unallocated depreciation expense	101,452	107,044	110,820	113,902
Amortization expense	2,014	1,136	1,552	3,244
Total Expenses	<u>1,875,013</u>	<u>1,881,286</u>	<u>1,824,268</u>	<u>1,824,246</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	1,454	1,724	1,958	2,104
Food	25,285	23,015	20,437	18,482
Pupil transportation	2,382	2,233	2,269	2,381
Community	21,495	21,538	22,705	24,325
Operating grants and contributions	241,848	250,964	266,066	565,764
Capital grants and contributions	71,973	44,383	15,122	26,711
Total Program Revenues	<u>364,437</u>	<u>343,857</u>	<u>328,557</u>	<u>639,767</u>
Net (Expense)/Revenue	<u>\$ (1,510,576)</u>	<u>\$ (1,537,429)</u>	<u>\$ (1,495,711)</u>	<u>\$ (1,184,479)</u>

* Restated

Source: The School District of Palm Beach County - Accounting Services

TABLE 2

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	910,896	\$ 949,936	\$ 1,047,726	\$ 1,030,417	\$ 1,062,354	\$ 1,154,360
	157,679	161,937	174,848	168,660	170,617	173,946
	4,806	5,495	6,149	6,606	6,634	7,468
	9,108	9,887	9,231	9,033	10,089	10,449
	89,247	92,887	96,911	94,125	97,556	107,027
	31,494	29,525	26,343	20,846	14,750	20,761
	4,999	5,726	5,881	5,677	6,805	6,853
	66,675	70,710	74,047	77,063	81,095	89,897
	12,771	13,550	15,715	14,928	15,646	16,052
	48,105	46,955	47,036	45,795	48,223	54,396
	123,043	123,343	124,757	123,559	124,526	126,506
	63,250	63,694	67,135	68,083	69,603	73,741
	8,096	7,260	6,114	7,022	7,916	7,644
	30,861	33,897	36,157	36,537	40,980	43,149
	81,386	84,780	80,122	47,229	90,428	62,739
	109,871	109,590	108,894	108,480	108,978	107,633
	2,716	1,596	562	1,173	156	109
	<u>1,755,003</u>	<u>1,810,768</u>	<u>1,927,628</u>	<u>1,865,233</u>	<u>1,956,356</u>	<u>2,062,730</u>
	2,591	2,783	2,684	2,359	2,335	2,334
	16,814	15,024	14,429	13,506	13,377	13,465
	3,512	2,576	931	885	820	709
	24,349	25,858	29,945	31,156	36,961	37,872
	461,369	471,831	476,357	480,756	491,973	511,816
	12,401	14,568	14,357	15,585	13,430	22,197
	<u>521,036</u>	<u>532,640</u>	<u>538,703</u>	<u>544,247</u>	<u>558,896</u>	<u>588,393</u>
\$	<u>(1,233,967)</u>	<u>(1,278,128)</u>	<u>(1,388,925)</u>	<u>(1,320,986)</u>	<u>(1,397,460)</u>	<u>(1,474,337)</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	<u>2008</u>	<u>2009 *</u>	<u>2010</u>	<u>2011</u>
Primary Government				
Net (Expense)/Revenue	\$ (1,510,576)	\$ (1,537,429)	\$ (1,495,711)	\$ (1,184,479)
General Revenue and other				
Changes in Net Position				
Taxes				
Property taxes, levied for general purposes	\$ 879,809	\$ 887,265	\$ 873,359	\$ 859,190
Property taxes, levied for debt service	67	-	-	-
Property taxes, levied for capital projects	328,401	282,362	263,239	205,657
Local sales taxes	110,475	100,100	99,284	50,632
Grants and entitlements not restricted to specific purposes	312,001	241,445	279,840	77,277
Investment earnings	63,069	9,903	23,066	9,439
Other	40,007	27,675	35,529	42,729
Transfers	-	-	-	-
Total General Revenue and Transfers	<u>\$ 1,733,829</u>	<u>\$ 1,548,750</u>	<u>\$ 1,574,317</u>	<u>\$ 1,244,924</u>
Change in Net Position	<u>\$ 223,253</u>	<u>\$ 11,321</u>	<u>\$ 78,606</u>	<u>\$ 60,445</u>

* Restated

Source: The School District of Palm Beach County - Accounting Services

TABLE 3

2012	2013	2014	2015	2016	2017
<u>\$ (1,233,967)</u>	<u>\$ (1,278,128)</u>	<u>\$ (1,388,925)</u>	<u>\$ (1,320,986)</u>	<u>\$ (1,397,460)</u>	<u>\$ (1,474,337)</u>
\$ 846,738	\$ 802,052	\$ 809,909	\$ 878,769	\$ 960,468	\$ 959,828
-	-	-	-	-	-
200,551	199,078	202,891	216,293	241,089	258,379
-	-	-	-	-	65,783
55,613	144,821	221,228	197,265	180,622	228,152
4,195	1,155	2,348	2,299	3,493	6,047
41,142	53,006	56,186	43,741	41,938	40,947
6,713	-	13,000	-	-	-
<u>\$ 1,154,952</u>	<u>\$ 1,200,112</u>	<u>\$ 1,305,562</u>	<u>\$ 1,338,367</u>	<u>\$ 1,427,610</u>	<u>\$ 1,559,136</u>
<u>\$ (79,015)</u>	<u>\$ (78,016)</u>	<u>\$ (83,363)</u>	<u>\$ 17,381</u>	<u>\$ 30,150</u>	<u>\$ 84,799</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Pre-GASB 54</u>				
General Fund				
Reserved	\$ 17,713	\$ 9,715	\$ 19,096	
Unreserved	103,007	82,697	77,936	
Total general fund	<u>\$ 120,720</u>	<u>\$ 92,412</u>	<u>\$ 97,032</u>	
All Other Governments Funds				
Reserved	\$ 414,658	\$ 300,934	\$ 192,909	
Unreserved, reported in:				
Special revenue funds	15,952	(398)	(297)	
Capital projects funds	254,135	233,858	278,145	
Total all other governmental funds	<u>\$ 684,745</u>	<u>\$ 534,394</u>	<u>\$ 470,757</u>	
<u>Post-GASB 54</u>				
General Fund				
Nonspendable	\$ 10,917	\$ 6,039	\$ 14,814	\$ 12,498
Restricted	13,100	12,050	13,193	17,098
Assigned	57,303	34,923	24,656	102,702
Unassigned	39,400	39,400	44,369	54,640
Total General Fund	<u>\$ 120,720</u>	<u>\$ 92,412</u>	<u>\$ 97,032</u>	<u>\$ 186,938</u>
All Other Governments Funds				
Nonspendable	\$ 817	\$ 1,777	\$ 1,438	\$ 2,883
Restricted	641,209	498,580	440,688	465,534
Committed	-	-	1,750	1,549
Assigned - Capital Projects Funds	42,719	34,037	26,881	43,051
Total all other governmental funds	<u>\$ 684,745</u>	<u>\$ 534,394</u>	<u>\$ 470,757</u>	<u>\$ 513,017</u>

and FY10 under

GASB 54 are unaudited and noted for comparison purposes only.

Source: The School District of Palm Beach County - Accounting Services

TABLE 4

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 5,658	\$ 11,312	\$ 9,619	\$ 9,016	\$ 6,040	\$ 7,969
23,335	27,816	28,170	28,105	18,255	20,378
86,561	49,746	27,524	30,011	52,955	58,199
51,113	44,400	46,500	50,000	50,000	52,000
<u>\$ 166,667</u>	<u>\$ 133,274</u>	<u>\$ 111,813</u>	<u>\$ 117,132</u>	<u>\$ 127,250</u>	<u>\$ 138,546</u>
\$ 2,867	\$ 2,872	\$ 2,684	\$ 3,200	\$ 4,168	\$ 5,232
384,995	287,751	237,578	168,124	230,327	290,001
1,290	1,115	186	85	37	35
48,756	61,178	35,490	38,006	28,923	35,703
<u>\$ 437,908</u>	<u>\$ 352,916</u>	<u>\$ 275,938</u>	<u>\$ 209,415</u>	<u>\$ 263,455</u>	<u>\$ 330,971</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**GOVERNMENTAL FUNDS REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 1,169,627	\$ 1,136,598	\$ 1,064,847	\$ 1,047,289
Sales tax	100,100	99,284	50,632	-
Impact fees	3,254	1,203	6,003	-
Interest income and other	26,612	5,683	10,177	3,712
School age child care fees	21,538	22,705	24,325	24,349
Food service sales	23,015	20,437	18,482	16,814
Local grants and other	41,829	39,181	35,419	41,475
Total local sources	<u>1,385,975</u>	<u>1,325,091</u>	<u>1,209,885</u>	<u>1,133,639</u>
State sources:				
Florida education finance program	61,735	62,127	123,995	99,433
Capital outlay and debt service	6,697	6,696	6,777	6,856
Food service	937	926	928	952
Transportation	27,280	1,964	-	-
Public education capital outlay	16,697	-	5,453	-
Effort index	-	-	-	-
Classrooms first program	-	-	-	-
Class size reduction	199,085	203,072	196,255	202,704
Charter School Capital Outlay	-	-	-	-
State grants and entitlements	59,858	31,710	34,903	33,082
Total state sources	<u>372,289</u>	<u>306,495</u>	<u>368,311</u>	<u>343,027</u>
Federal sources:				
Federal grants and entitlements	126,437	210,706	254,723	135,373
National school lunch act	37,995	43,029	47,552	51,279
Total federal sources	<u>164,432</u>	<u>253,735</u>	<u>302,275</u>	<u>186,652</u>
TOTAL REVENUES	<u>\$ 1,922,696</u>	<u>\$ 1,885,321</u>	<u>\$ 1,880,471</u>	<u>\$ 1,663,318</u>

TABLE 5

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,001,130	\$ 1,012,800	\$ 1,095,062	\$ 1,201,557	\$ 1,218,207
-	-	-	-	65,783
12,808	-	22,568	7,725	6,948
1,146	2,405	2,149	3,205	5,398
25,858	29,945	31,156	36,961	37,872
15,024	14,429	13,506	13,377	13,465
43,334	38,464	43,710	37,425	40,647
<u>1,099,300</u>	<u>1,098,043</u>	<u>1,208,151</u>	<u>1,300,250</u>	<u>1,388,320</u>
187,320	266,681	242,366	232,694	277,399
6,900	6,939	7,165	7,762	7,793
948	1,000	1,015	1,013	995
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
206,594	207,018	209,873	212,396	216,754
-	-	-	3,088	5,329
36,984	39,352	43,149	36,701	44,584
<u>438,746</u>	<u>520,990</u>	<u>503,568</u>	<u>493,654</u>	<u>552,854</u>
128,546	129,305	125,937	122,405	130,052
56,431	61,818	65,453	69,897	75,187
<u>184,977</u>	<u>191,123</u>	<u>191,390</u>	<u>192,302</u>	<u>205,239</u>
<u>\$ 1,723,023</u>	<u>\$ 1,810,156</u>	<u>\$ 1,903,109</u>	<u>\$ 1,986,206</u>	<u>\$ 2,146,413</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenditures				
Current:				
Instruction	\$ 932,482	\$ 936,120	\$ 910,600	\$ 926,516
Instructional support services	167,559	167,864	185,569	179,969
Board	8,130	5,169	5,579	4,694
General administration	10,044	9,930	13,186	11,323
School administration	97,181	96,097	94,163	96,042
Facilities acquisition and construction	526	808	999	1,245
Fiscal services	5,875	5,828	6,234	5,918
Food services	60,087	60,613	63,172	64,540
Central services	15,270	14,311	14,709	14,660
Pupil transportation services	53,478	45,583	44,454	43,940
Operation of plant	134,986	128,868	131,965	133,576
Maintenance of plant	50,423	46,190	60,702	62,787
Administrative technology services	5,513	5,451	9,533	9,697
Community services	30,676	29,713	28,078	30,004
Total Current Expenditures	<u>1,572,230</u>	<u>1,552,545</u>	<u>1,568,943</u>	<u>1,584,911</u>
Capital outlay	574,600	395,329	226,576	90,665
Debt service:				
Retirement of principal	75,785	58,705	61,185	64,035
Interest	97,948	101,587	91,971	88,315
Fiscal charges	3,482	1,359	546	4,139
TOTAL EXPENDITURES	<u>2,324,045</u>	<u>2,109,525</u>	<u>1,949,221</u>	<u>1,832,065</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(230,950)</u>	<u>(186,829)</u>	<u>(63,900)</u>	<u>48,406</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	211,533	216,104	277,655	249,817
Transfers out	(211,533)	(216,104)	(277,655)	(249,817)
Proceeds of long-term and refunded debt	147,390	-	1,655	245,425
Issuance of long-term and refunded debt				
Net premium (discount) from issuance of long-term and refunded debt	7,946	-	166	1,159
Payments to refunded debt escrow agent	(3,175)	-	(1,806)	(172,184)
Proceeds of loss recoveries	10,400	4,869	4,501	3,900
Sale of capital assets and other	344	3,301	367	5,460
TOTAL OTHER FINANCING SOURCES (USES)	<u>162,905</u>	<u>8,170</u>	<u>4,883</u>	<u>83,760</u>
NET CHANGE IN FUND BALANCES	<u>\$ (68,045)</u>	<u>\$ (178,659)</u>	<u>\$ (59,017)</u>	<u>\$ 132,166</u>

TABLE 6

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 924,120	\$ 964,140	\$ 1,047,481	\$ 1,058,183	\$ 1,086,124	\$ 1,148,826
160,739	163,653	174,998	172,288	173,694	173,548
4,784	5,467	6,044	6,828	6,798	7,295
8,750	9,759	9,138	8,998	10,599	10,851
90,618	93,665	96,411	96,772	99,764	105,370
1,062	490	27,181	21,667	15,475	21,159
5,289	5,576	5,817	5,893	6,671	6,766
66,740	70,572	73,944	76,781	81,199	89,931
12,841	13,721	15,408	15,434	16,024	15,923
48,438	47,810	46,976	47,270	49,333	53,899
124,413	124,654	124,939	126,187	126,268	127,098
59,048	64,252	67,402	69,683	70,455	73,064
8,239	7,446	6,238	7,085	8,052	7,540
31,041	34,239	36,179	37,171	41,681	43,128
<u>1,546,122</u>	<u>1,605,444</u>	<u>1,738,156</u>	<u>1,750,240</u>	<u>1,792,137</u>	<u>1,884,398</u>
68,597	93,891	45,102	48,401	25,470	25,778
61,405	60,815	68,350	74,822	63,488	85,883
84,721	84,890	116,489	73,506	69,300	71,542
2,060	699	1,510	1,956	523	231
<u>1,762,905</u>	<u>1,845,739</u>	<u>1,969,607</u>	<u>1,948,925</u>	<u>1,950,918</u>	<u>2,067,832</u>
<u>(99,587)</u>	<u>(122,716)</u>	<u>(159,451)</u>	<u>(45,816)</u>	<u>35,288</u>	<u>78,581</u>
232,831	237,637	250,043	237,858	258,742	238,858
(226,118)	(237,637)	(237,043)	(237,858)	(258,742)	(238,858)
295,305	67,145	14,002	-	-	-
		281,570	511,045	91,308	-
10,539	10,990	25,748	67,974	8,541	-
(311,780)	(77,969)	(278,468)	(599,420)	(71,111)	-
3,429	4,109	5,057	117	119	7
1	56	103	4,896	13	224
<u>4,207</u>	<u>4,331</u>	<u>61,012</u>	<u>(15,388)</u>	<u>28,870</u>	<u>231</u>
<u>\$ (95,380)</u>	<u>\$ (118,385)</u>	<u>\$ (98,439)</u>	<u>\$ (61,204)</u>	<u>\$ 64,158</u>	<u>\$ 78,812</u>



**RATIO OF DEBT SERVICE TO NON-CAPITAL EXPENDITURES
LAST TEN FISCAL YEARS (UNAUDITED)**

FISCAL YEAR	DEBT SERVICE	Total Expenditures	Capitalized Capital Outlay (1)	Non-Capital Expenditures	Ratio
2008	173,733	2,324,045	484,053	1,839,992	9.44%
2009	160,292	2,109,525	303,205	1,806,320	8.87%
2010	153,156	1,949,221	180,133	1,769,088	8.66%
2011	152,350	1,832,065	63,401	1,768,664	8.61%
2012	146,126	1,762,905	38,336	1,724,569	8.47%
2013	145,705	1,845,739	64,706	1,781,033	8.18%
2014	184,839	1,969,607	46,026	1,923,581	9.61%
2015	148,328	1,948,925	49,181	1,899,744	7.81%
2016	132,788	1,950,918	26,488	1,924,430	6.90%
2016	157,425	2,067,832	84,799	1,983,033	7.94%

(1) Capitalized capital outlay from reconciliation of changes in fund balance to the statement of activities

Source: The School District of Palm Beach County - Accounting Services



**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS (UNAUDITED)
(amounts expressed in thousands)**

FISCAL YEAR	REAL PROPERTY			PERSONAL PROPERTY	TOTAL JUST VALUE	ASSESSED VALUE	EXEMPTIONS	NET TAXABLE ASSESSED VALUATION	% ²	DIRECT TAX RATE
	RESIDENTIAL	COMMERCIAL	OTHER ¹							
2008	186,691,396	20,990,540	20,643,332	8,023,846	236,349,114	191,826,739	21,597,603	170,229,136	72.02	7.356
2009	171,730,204	21,856,923	21,597,448	8,243,267	223,427,842	191,249,945	23,012,043	168,237,902	75.30	7.251
2010	138,686,709	20,363,548	22,341,265	8,403,311	189,794,833	171,643,979	23,524,066	148,119,913	78.04	7.983
2011	119,853,487	17,121,091	20,063,200	9,341,651	166,379,429	155,555,378	21,085,703	134,469,675	80.82	8.154
2012	118,927,021	16,264,373	19,508,984	8,584,234	163,284,612	152,332,012	20,283,306	132,048,706	80.87	8.180
2013	118,105,507	16,251,322	19,388,620	9,266,245	163,011,694	152,792,949	20,073,920	132,719,029	81.42	7.778
2014	124,767,998	16,967,663	20,484,908	9,444,021	171,664,590	157,928,325	19,617,996	138,310,329	80.57	7.586
2015	141,889,587	18,937,143	22,187,956	9,604,974	192,619,660	167,702,639	17,968,110	149,734,529	77.74	7.594
2016	159,401,365	21,591,568	25,425,449	11,003,146	217,421,528	181,697,014	16,830,616	164,866,398	75.83	7.512
2017	174,742,681	24,028,804	27,447,364	11,325,656	237,544,505	195,630,355	17,350,946	178,279,409	75.05	7.070

Source: Palm Beach County CAFR
Palm Beach County Tax Collector's Office

¹ Includes Industrial, Railroad and Telegraph, and Other Property

² Assessed Value As A Percent Of Taxable Value



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

FISCAL YEAR	NET TAXABLE ASSESSED VALUATION	BASE MILLAGE	PROPERTY TAXES LEVIED	DISCOUNTS FOR EARLY PAYMENT	CURRENT TAX COLLECTIONS
2008	170,229,136	7.3560	1,252,206	27,124	1,205,983
2009	168,237,902	7.2510	1,219,893	27,513	1,166,218
2010	148,119,913	7.9830	1,182,441	27,584	1,129,014
2011	134,469,675	8.1540	1,096,466	26,124	1,050,949
2012	132,048,706	8.1800	1,080,158	25,998	1,037,782
2013	132,719,029	7.7780	1,032,289	21,689	991,951
2014	138,310,329	7.5860	1,049,222	22,683	1,009,053
2015	149,734,529	7.5940	1,137,084	24,358	1,094,037
2016	164,866,398	7.5120	1,238,476	26,428	1,193,392
2017	178,279,409	7.0700	1,260,435	28,663	1,214,201

Source: The School District of Palm Beach County - Accounting Services
Palm Beach County Tax Collector's Office.

TABLE 9

<u>PRIOR YEAR TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>% OF CURRENT TAX COLLECTED TO PROPERTY TAXES LEVIED</u>	<u>% OF CURRENT TAX COLLECTED PLUS DISCOUNT TO PROPERTY TAXES LEVIED</u>	<u>% OF TOTAL TAX COLLECTED TO PROPERTY TAXES LEVIED</u>	<u>% OF TOTAL TAX COLLECTED PLUS DISCOUNTS TO PROPERTY TAXES LEVIED</u>
2,294	1,208,277	96.31	98.47	96.49	98.66
3,409	1,169,627	95.60	97.86	95.88	98.13
7,584	1,136,598	95.48	97.81	96.12	98.46
13,899	1,064,848	95.85	98.23	97.12	99.50
9,507	1,047,289	96.08	98.48	96.96	99.36
9,179	1,001,130	96.09	98.19	96.98	99.08
3,747	1,012,800	96.17	98.33	96.53	98.69
1,025	1,095,063	96.21	98.36	96.30	98.45
8,165	1,201,557	96.36	98.49	97.02	99.15
4,006	1,218,207	96.33	98.61	96.65	98.92



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PROPERTY TAX RATES PER THOUSAND OF ASSESSED VALUATION
ALL COUNTYWIDE DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX YEARS (UNAUDITED)**

FISCAL YEAR	DIRECT				PALM BEACH COUNTY	
	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL	GENERAL FUND	DEBT SERVICE
2008	5.3560	2.0000	0.0000	7.3560	3.7811	0.2002
2009	5.5010	1.7500	0.0000	7.2510	3.7811	0.1845
2010	6.1350	1.8480	0.0000	7.9830	4.3440	0.2174
2011	6.5840	1.5700	0.0000	8.1540	4.7500	0.2460
2012	6.6200	1.5600	0.0000	8.1800	4.7815	0.2110
2013	6.2320	1.5460	0.0000	7.7780	4.7815	0.2087
2014	6.0650	1.5210	0.0000	7.5860	4.7815	0.2087
2015	6.0120	1.5000	0.0000	7.5120	4.7815	0.1462
2016	5.3200	1.5000	0.0000	6.8200	4.7815	0.1327
2017	5.0160	1.5000	0.0000	6.5160	4.7815	0.1208

(1) Source: The School District of Palm Beach County - Accounting Services
Palm Beach County Tax Collector's Office.

TABLE 10**OVERLAPPING**

FIND	CHILD SERVICES	HEALTH CARE DISTRICT	EVER- GLADES CONST.	TOTAL	SOUTH FLORIDA WATER MGT. DISTRICT	TOTAL COUNTYWIDE
0.0345	0.5823	0.8900	0.0894	5.5775	0.5346	13.4681
0.0345	0.6009	0.9975	0.0894	5.6879	0.5346	13.4735
0.0345	0.6898	1.1451	0.0894	6.5202	0.5346	15.0378
0.0345	0.7513	1.1451	0.0894	7.0163	0.5346	15.7049
0.0345	0.7475	1.1250	0.0624	6.9619	0.3739	15.5158
0.0345	0.7300	1.1220	0.0613	6.9380	0.3676	15.0836
0.0345	0.7300	1.1220	0.0613	6.9380	0.3676	14.8916
0.0320	0.6677	1.0426	0.0506	6.7206	0.3045	14.5371
0.0320	0.6833	0.8993	0.0471	6.5759	0.2836	13.6795
0.0320	0.6590	0.7808	0.0441	6.4182	0.2659	13.2001



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PROPERTY TAX LEVIES
ALL COUNTYWIDE DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

PALM BEACH COUNTY SCHOOL DISTRICT

FISCAL YEAR	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
2008	911,747	340,458	-	1,252,206
2009	925,477	294,416	-	1,219,893
2010	908,716	273,726	-	1,182,441
2011	885,348	211,117	-	1,096,466
2012	874,162	205,996	-	1,080,158
2013	827,105	205,184	-	1,032,289
2014	838,852	210,370	-	1,049,222
2015	900,204	224,602	-	1,124,806
2016	877,089	247,300	-	1,124,389
2017	894,250	267,419	-	1,161,669

(1) Source: Palm Beach County Tax Collector's Office.

PALM BEACH COUNTY (1)							
<u>GENERAL</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u>	<u>F.I.N.D.</u>	<u>CHILD</u> <u>SERVICES</u>	<u>HEALTH</u> <u>CARE</u> <u>DISTRICT</u>	<u>TOTAL</u>	<u>SOUTH FLORIDA</u> <u>WATER MGT.</u> <u>DISTRICT</u>	<u>TOTAL</u> <u>COUNTYWIDE</u>
644,974	34,160	5,899	99,558	152,166	936,757	106,687	2,295,650
608,386	29,670	5,565	96,921	160,891	901,432	100,648	2,221,973
615,785	30,852	4,906	98,094	162,841	912,478	88,737	2,183,657
524,277	27,152	4,192	90,850	138,571	785,041	75,638	1,957,145
821,068	36,232	4,316	93,508	140,731	1,095,854	52,571	2,228,584
599,590	26,171	4,339	91,802	141,098	862,999	53,937	1,949,224
622,195	27,157	4,506	91,756	141,063	886,678	53,683	1,989,583
673,232	20,585	4,825	94,332	151,043	944,018	53,732	2,122,556
731,754	20,308	4,896	102,151	159,506	1,018,615	54,327	2,197,330
789,241	21,904	5,294	113,053	148,790	1,078,282	54,715	2,294,666





**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES					TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (1)	PER CAPITA (1)
	STATE BOARD OF EDUCATION BONDS	LOAN PAYABLE	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION				
2008	45,478	-	-	2,024,667	-	2,070,145	2.74	160
2009	41,937	-	-	1,966,854	-	2,008,791	2.72	156
2010	30,132	-	-	1,899,167	-	1,929,299	2.78	146
2011	38,816	-	-	1,902,052	-	1,940,868	2.74	146
2012	32,532	-	-	1,832,145	-	1,864,677	2.40	140
2013	28,050	-	-	1,772,905	-	1,800,955	2.26	134
2014	23,956	14,002	-	1,769,950	-	1,807,908	1.93	133
2015	19,103	9,785	-	1,703,977	-	1,732,865	1.77	126
2016	15,175	31,846	-	1,635,503	-	1,682,524	N/A	121
2017	12,647	23,485	-	1,547,095	-	1,583,227	N/A	112

Source: The School District of Palm Beach County - Accounting Services
Amounts presented are net of related premiums, discounts and adjustments

Detail regarding the District's outstanding debt can be found in the notes to the basic financial statements.
(1) See Table 18 for personal income and per capita data.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

The Florida State Board of Education Administrative Rule 6A-1.37(2) establishes a parameter on bonded indebtedness for school districts. Limits are computed as a stated percentage of the nonexempt assessed value of taxable property as of the most current year.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$17,022,914	\$16,823,790	\$14,811,991	\$13,446,967
Total bonded debt	45,478	41,937	30,132	38,816
Less amount available in Debt Service Funds	<u>944</u>	<u>842</u>	<u>768</u>	<u>884</u>
Total amount applicable to debt limit	<u>44,534</u>	<u>41,095</u>	<u>29,364</u>	<u>37,932</u>
Legal debt margin on bonded debt	<u>\$16,978,380</u>	<u>\$16,782,695</u>	<u>\$14,782,627</u>	<u>\$13,409,035</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.74%</u>	<u>99.76%</u>	<u>99.80%</u>	<u>99.72%</u>

Source: The School District of Palm Beach County - Accounting Services

TABLE 13

2012	2013	2014	2015	2016	2017
\$13,204,871	\$13,271,903	\$13,831,033	\$14,973,453	\$16,486,640	\$178,279,409
32,532	26,370	23,956	19,103	15,175	12,647
792	676	535	326	307	248
31,740	25,694	23,421	18,777	14,868	12,399
<u>\$13,173,131</u>	<u>\$13,246,209</u>	<u>\$13,807,612</u>	<u>\$14,954,676</u>	<u>\$16,471,772</u>	<u>\$178,267,010</u>
<u>99.76%</u>	<u>99.81%</u>	<u>99.83%</u>	<u>99.87%</u>	<u>99.91%</u>	<u>99.99%</u>



**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands - except per capita)**

FISCAL YEAR	POPULA- TION (1)	NET TAXABLE VALUE (2)	GROSS BONDED DEBT	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO TAXABLE VALUE	NET BONDED DEBT PER CAPITA (IN DOLLARS)
2008	1,294,100	\$ 170,229,136	\$ 45,478	\$ 944	\$ 44,534	0.03%	\$ 34
2009	1,287,344	168,237,902	41,937	842	41,095	0.02%	32
2010	1,320,134	148,119,913	30,132	768	29,364	0.02%	22
2011	1,325,743	134,469,675	38,816	884	37,932	0.03%	29
2012	1,335,415	132,048,706	32,532	792	31,740	0.02%	24
2013	1,345,652	132,719,029	26,370	676	25,694	0.02%	19
2014	1,360,183	138,310,329	23,956	535	23,421	0.02%	17
2015	1,378,417	149,734,529	19,103	326	18,777	0.01%	14
2016	1,391,741	164,866,398	15,175	307	14,868	0.01%	11
2017	1,414,144	178,279,409	12,647	248	12,399	0.01%	9

(1) Source: University of Florida, Bureau of Business and Economic Research (preliminary).

(2) Source: SDPBC Budget FY18 Executive Summary .



CURRENT DEBT RATIOS AND BONDED DEBT PER CAPITA OF PALM BEACH COUNTY - COMPUTATION OF DIRECT AND OVERLAPPING DEBT (UNAUDITED)

FACTORS:

Direct Debt:

School District of Palm Beach County Debt - In Thousands		
Certificate of Participation		\$ 1,547,095
Special Obligation (1)		12,647
Notes/Loans Payable		<u>23,485</u>
TOTAL DIRECT DEBT		1,583,227

Overlapping Debt: (2)

Palm Beach County - In Thousands		
Total Outstanding Debt	\$ 1,306,631	
Estimated Percentage Applicable (3)	<u>10.09%</u>	
TOTAL OVERLAPPING DEBT		<u>131,774</u>

TOTAL DIRECT AND OVERLAPPING DEBT		\$ 1,715,001
--	--	---------------------

Population of Palm Beach County		1,414,144
Assessed property valuation - In Thousands		\$ 237,544,505
Assessed taxable property valuation - In Thousands		\$ 178,279,409

DEBT RATIOS:

	PERCENT OF ASSESSSED PROPERTY VALUATION	PERCENT OF ASSESSSED TAXABLE PROPERTY VALUATION	PER CAPITA (4)
Direct debt	0.67%	0.89%	\$ 1,120
Overlapping debt	0.06%	0.07%	\$ 93
Direct and overlapping debt	0.72%	0.96%	\$ 1,213

- (1) Special obligation debt is payable from motor vehicle license taxes.
- (2) Overlapping governments are those whose geographic area coincides at least in part with the area of the District.
- (3) Percent of County's General Obligation Bonds to County's Total Primary Government Debt as shown in Palm Beach County CAFR
- (4) Represents gross debt per capita. Net bonded debt per capita is reported in Table 14.



RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL FUND EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL FUND EXPENDITURES</u>
2008	78,960	87,602	166,562	1,404,762	11.86%
2009	58,705	96,968	155,673	1,376,323	11.31%
2010	62,930	90,803	153,733	1,299,514	11.83%
2011	64,035	88,131	152,166	1,280,798	11.88%
2012	61,405	84,672	146,077	1,354,015	10.79%
2013	60,815	84,837	145,652	1,413,917	10.30%
2014	68,350	116,440	184,790	1,517,057	12.18%
2015	74,822	73,471	148,293	1,535,440	9.66%
2016	63,488	69,271	132,759	1,576,252	8.42%
2017	85,883	70,876	156,759	1,650,211	9.50%

Note: Debt amounts reported include Certificates of Participation.

Source: The School District of Palm Beach County - Accounting Services



**PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

FISCAL YEAR	STATE BOARD OF EDUCATION BONDS			
	MOTOR VEHICLE LICENSE TAX	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2008	4,508	2,775	1,827	0.98
2009	4,575	2,970	1,705	0.98
2010	4,669	3,190	1,553	0.98
2011	5,444	3,830	1,471	1.03
2012	5,633	4,075	1,647	0.98
2013	5,615	4,280	1,441	0.98
2014	5,619	4,485	1,244	0.98
2015	5,010	4,220	907	0.98
2016	4,511	3,717	813	1.00
2017	2,868	2,317	610	0.98

Note: Details regarding the District's outstanding debt can be found in Note 9 and Note 10 of the notes to the financial statements.





**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)**

<u>YEAR</u>	<u>POPULATION (1)</u>	<u>PERSONAL INCOME (2) (IN THOUSANDS)</u>	<u>PER CAPITA INCOME (2)</u>	<u>TOTAL AVERAGE NUMBER OF ENROLLED STUDENTS (3)</u>	<u>PALM BEACH COUNTY UNEMPLOYMENT PERCENTAGE (4)</u>
2008	1,294,100	74,099,427	58,358	171,085	6.5
2009	1,287,344	73,546,909	57,461	171,570	10.8
2010	1,320,134	69,488,201	52,526	174,341	11.7
2011	1,325,743	71,432,467	53,500	174,818	10.7
2012	1,335,415	75,461,490	41,012	174,594	8.8
2013	1,345,652	79,564,774	57,985	177,797	7.4
2014	1,360,183	93,526,272	66,914	180,172	5.9
2015	1,378,417	97,806,900	68,743	183,447	5.0
2016	1,391,741	N/A	N/A	186,291	4.8
2017	1,414,144	N/A	N/A	189,320	4.4

(1) Source: University of Florida, Bureau of Business and Economic Research (preliminary).

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per capita personal income for Palm Beach County, FL

(3) Source: The School District of Palm Beach County - Data Management Systems Student Information File.

(4) Source: Agency for Workforce Innovation Florida Research & Economic Database

N/A=Not available.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL TAXPAYERS (IN THOUSANDS) AND
TEN LARGEST PRIVATE EMPLOYERS
PALM BEACH COUNTY
JUNE 30, 2017 (UNAUDITED)**

<u>TAXPAYER (1)</u>	<u>TYPE OF BUSINESS</u>	<u>2017</u>		
		<u>2016 TAXES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL AGGREGATE TAX LEVY</u>
Florida Power & Light Company	Utility	\$ 98,645	1	2.72%
Town Center	Retail Mall	8,587	2	0.24%
Gardens Venture LLC	Retail Mall	5,850	3	0.16%
Breakers Hotel - Palm Beach	Resort Hotel	5,467	4	0.15%
U.S. Sugar Corporation	Agriculture	5,423	5	0.15%
TM Wellington Green Mall LP	Retail Mall	5,212	6	0.14%
Comcast of Florida/Georgia LLC	Cable/Internet Provider	4,866	7	0.13%
Palm Beach Outlets I LLC	Retail Mall	4,279	8	0.12%
BellSouth Telecommunications	Telecommunications	4,235	9	0.12%
Panthers BRHC Ltd.	Resort Hotel	3,941	10	0.11%
Lawrence L. Landry	Charitable Foundation	-	-	-
TJ Palm Beach Assoc. Ltd. Ptnrs.	Retail Mall	-	-	-
James H. Batmasian	Real Estate	-	-	-
Okeelanta Corporation	Agriculture	-	-	-
Total principal taxpayers		\$ 146,505		4.04%

<u>Ten Largest Private Employers (Excludes Agricultural) (2)</u>	<u>2017</u>		
	<u>NUMBER OF EMPLOYEES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL COUNTY EMPLOYMENT</u>
Tenet Healthcare Corp	4,595	1	0.63%
NextEra Energy (Florida Power & Light)	4,005	2	0.55%
Hospital Corporation of America (3)	3,476	3	0.48%
Veterans Health Administration	2,700	4	0.37%
Boca Raton Regional Hospital (4)	2,500	5	0.34%
Jupiter Medical Center	2,195	6	0.30%
Bethesda Memorial Hospital	2,150	7	0.30%
Breakers Hotel - Palm Beach	2,000	8	0.28%
Office Depot	2,000	8	0.28%
Wells Fargo	1,367	10	0.19%
Boca Raton Resort & Club	-	-	-
Total	26,988		3.72%

(1) Source: Palm Beach County Tax Collector's Office.

(2) Source: Palm Beach County Business Development Board.

(3) Hospital Corporation of America was operating as Columbia Palm Beach Health Care System in 2004

(4) Boca Raton Regional Hospital was operating as Boca Raton Community Hospital in 2004

TABLE 19

2008		
2007 TAXES	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
\$ 25,732	1	0.90%
5,701	3	0.20%
-		-
4,431	5	0.16%
5,365	4	0.19%
-		-
-		-
-		-
8,641	2	0.30%
4,394	6	0.15%
4,086	7	0.14%
3,379	8	0.12%
3,373	9	0.12%
3,301	10	0.12%
<hr/>		
\$ 68,403		2.40%

2008		
NUMBER OF EMPLOYEES	RANK	PERCENT OF TOTAL COUNTY EMPLOYMENT
4,500	1	0.70%
3,250	3	0.51%
3,411	2	0.53%
1,500	9	0.23%
1,860	6	0.29%
1,400	10	0.22%
1,600	8	0.25%
2,300	4	0.36%
2,180	5	0.34%
-		-
1,650	7	0.26%
<hr/>		
23,651		3.69%



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PROPERTY VALUE OF BUILDING PERMITS ISSUED, CONSTRUCTION
AND BANK DEPOSITS
LAST TEN FISCAL YEARS (UNAUDITED)
(amounts expressed in thousands)**

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)	
	COMMERCIAL AND PUBLIC BUILDING VALUATION	OTHER (4) VALUATION	SINGLE & MULTI-FAMILY UNITS	VALUATION
2008	167,621	376,894	1,196	340,385
2009	185,484	331,606	634	186,886
2010	118,420	266,392	768	215,254
2011	118,137	188,835	1,049	278,202
2012	166,583	140,035	1,580	411,211
2013	186,244	141,270	2,055	553,779
2014	340,214	186,098	1,987	595,492
2015	254,990	187,408	2,136	619,229
2016	343,647	231,040	2,458	671,339
2017	330,508	265,763	2,054	650,494

- (1) Source: Palm Beach County Planning, Zoning & Building
Data represents the unincorporated area of Palm Beach County
- (2) Source: Internet address www2.fdic.gov/sod
as of June 30
- (3) Source: Palm Beach County Property Appraiser's Office.
- (4) Includes hotels, motels, cabins, mobile home parks, and non-residential alterations and additions.

TABLE 20

BANK DEPOSITS (2)		PROPERTY VALUES (3)			TOTAL VALUE
COMMERCIAL	SAVINGS AND LOAN	COMMERCIAL	RESIDENTIAL	GOVERNMENT	
26,760,000	9,501,000	33,559,342	186,691,396	7,971,919	228,222,657
31,813,000	7,217,000	34,630,140	171,730,204	8,694,043	215,054,387
32,093,000	6,499,000	33,102,719	138,064,954	8,722,186	179,889,858
32,136,000	5,773,000	28,909,178	119,853,487	8,180,089	156,942,754
33,720,000	3,296,000	27,681,108	118,197,808	7,979,243	153,858,160
36,761,000	2,362,000	29,256,646	124,839,922	8,198,530	162,295,099
38,274,000	2,295,000	29,142,126	124,767,998	8,198,778	162,108,902
42,750,000	2,285,000	32,139,134	141,889,587	8,854,820	182,883,541
46,356,484	2,284,355	40,903,563	174,742,682	10,427,696	226,073,941
48,374,000	2,255,000	40,855,892	174,606,753	10,427,271	225,889,917



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**COMPARATIVE ENROLLMENT TRENDS
FIFTEEN LARGEST SCHOOL DISTRICTS
LAST TEN YEARS (UNAUDITED)**

RANK	SCHOOL DISTRICT	2006	2007	2008	2009
1	New York City, NY	1,014,058	997,618	989,941	981,690
2	Los Angeles, CA	727,319	707,627	693,680	687,534
3	Chicago, IL	420,982	413,694	407,510	421,430
4	Miami -Dade County, FL	362,070	353,790	348,128	345,525
5	Clark County, NV	294,131	303,448	309,051	312,761
6	Broward County, FL	271,630	262,813	258,893	256,351
7	Houston, TX	210,292	202,936	199,534	200,225
8	Hillsborough County, FL	193,757	193,517	193,180	192,007
9	Orange County, FL	175,609	175,245	174,142	172,257
10	Palm Beach County, FL	174,935	171,431	170,883	170,757
11	State of Hawaii	182,818	180,728	179,897	179,478
12	Fairfax County, VA	163,753	163,952	165,722	169,030
13	Gwinnett County, GA				
14	Dallas, TX	161,244	159,144	157,804	157,352
15	Wake County, NC				

Based on students enrolled in grades kindergarten through twelve during the fall.

Rank is based on most current fiscal year enrollment.

Fiscal year 2016 information is not available at time of publication.

Source: The National Center for Education Statistics.

TABLE 21

2010	2011	2012	2013	2014	2015
1,014,020	995,336	990,145	989,387	988,931	995,192
670,746	667,273	659,639	655,455	653,826	646,683
407,157	405,644	403,004	395,948	396,641	392,558
345,804	347,366	350,239	354,262	356,233	356,964
307,059	314,059	313,398	316,778	320,532	324,093
256,137	256,472	258,478	260,226	262,666	266,265
202,773	204,245	203,066	203,354	211,552	215,225
193,265	194,525	197,041	200,466	203,439	207,469
173,259	176,008	180,000	183,066	187,092	191,648
172,897	174,663	176,901	179,514	182,895	186,605
180,196	179,601	182,706	184,760	186,825	182,384
171,956	174,479	177,606	180,616	183,417	185,541
159,296	160,744	162,370	164,976	169,150	173,246
157,111	157,162	157,575	158,932	159,713	160,253
					155,820





**LABOR FORCE ESTIMATES
LAST TEN YEARS (UNAUDITED)**

**LABOR FORCE ESTIMATES
PALM BEACH COUNTY, FLORIDA AND THE UNITED STATES**

<u>YEAR</u>	<u>PALM BEACH COUNTY CIVILIAN LABOR FORCE</u>	<u>UNEMPLOYMENT RATES (%)</u>		
		<u>PALM BEACH COUNTY</u>	<u>FLORIDA</u>	<u>UNITED STATES</u>
2008	628,273	6.5	6.2	5.8
2009	619,344	10.8	10.5	9.3
2010	618,694	11.7	11.6	9.6
2011	620,081	10.7	10.5	9.0
2012	634,732	8.8	8.6	8.1
2013	648,891	7.4	7.2	7.4
2014	688,244	5.9	6.3	6.2
2015	693,634	5.0	5.4	5.3
2016 ▶	710,512	4.8	4.9	4.9
2017 [1]	726,981	4.4	4.4	4.6

(1) Preliminary. Average through September 2017 (not seasonally adjusted)
▶ Prior year is updated to reflect the 12 month average

Source: Agency for Workforce Innovation
Florida Research & Economic Database



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

EMPLOYMENT DISTRIBUTION BY MAJOR INDUSTRY LAST TEN YEARS (UNAUDITED)

PALM BEACH COUNTY EMPLOYMENT DISTRIBUTION BY MAJOR INDUSTRY

<u>Year</u>	<u>Manufacturing</u>	<u>Contract Construction</u>	<u>Transportation</u>	<u>Trade</u>
2007	19,200	45,500	10,300	97,600
2008	18,300	36,100	10,300	95,100
2009	16,300	27,500	9,600	88,500
2010	15,000	24,000	8,000	87,000
2011	14,700	23,000	8,800	88,900
2012	15,200	24,000	9,000	90,800
2013	15,500	26,400	9,500	93,400
2014	16,300	28,200	10,400	94,200
2015	17,300	30,800	10,900	102,500
2016	19,100	34,300	12,300	103,100

Source: Florida Department of Labor and Employment Security, Division of

**PALM BEACH COUNTY
EMPLOYMENT DISTRIBUTION BY MAJOR INDUSTRY
(CONTINUED)**

<u>Finance</u>	<u>Services</u>	<u>Government</u>	<u>Total</u>
40,700	283,900	66,500	563,700
38,900	277,300	67,200	543,200
34,900	261,300	66,700	504,800
35,000	265,000	66,000	500,000
35,900	270,100	62,500	503,900
36,600	281,600	62,500	519,700
37,800	296,200	61,600	540,400
38,700	313,100	61,700	562,600
39,700	322,700	62,100	586,000
39,800	315,500	62,500	586,600



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**SCHOOL FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
Days meals served:				
Regular school program	180	180	180	180
Total pupil lunches served				
Paid lunches	3,654,980	3,333,901	3,346,432	3,271,823
Reduced lunches	1,214,814	1,190,189	1,137,135	953,139
Free lunches	7,951,941	8,382,530	9,575,363	10,581,277
Total pupil lunches served	<u>12,821,735</u>	<u>12,906,620</u>	<u>14,058,930</u>	<u>14,806,239</u>
Average number of pupil lunches served daily (regular):				
Paid lunches	20,304	18,522	18,591	18,177
Reduced lunches	6,749	6,612	6,317	5,295
Free lunches	44,177	46,570	53,196	58,785
Total average pupil lunches served daily	<u>71,231</u>	<u>71,704</u>	<u>78,105</u>	<u>82,257</u>
Number of pupil breakfasts served (regular):				
Paid breakfasts	597,893	612,418	802,043	921,316
Reduced breakfasts	352,856	391,125	446,122	481,680
Free breakfasts	3,983,650	4,169,667	4,652,907	5,104,743
Total pupil breakfasts served	<u>4,934,399</u>	<u>5,173,210</u>	<u>5,901,072</u>	<u>6,507,739</u>
Average number of pupil breakfasts served daily (regular):				
Paid breakfasts	3,322	3,402	4,456	5,118
Reduced breakfasts	1,960	2,173	2,478	2,676
Free breakfasts	22,131	23,165	25,849	28,360
Total average pupil breakfasts served daily	<u>27,413</u>	<u>28,740</u>	<u>32,784</u>	<u>36,154</u>
Number of adult lunches served (regular)				
	<u>431,762</u>	<u>500,777</u>	<u>461,276</u>	<u>422,422</u>
Average number of adult lunches served daily (regular)				
	<u>2,399</u>	<u>2,782</u>	<u>2,563</u>	<u>2,347</u>
REVENUES (IN THOUSANDS):				
Federal sources:				
Federal assistance	\$ 31,064	\$ 34,996	\$ 40,237	\$ 44,029
USDA donated food	2,680	2,999	2,753	3,513
State sources - State supplement	911	937	926	928
Local sources:				
Local food service sales:				
Students	21,814	19,962	17,694	16,219
Adults	1,306	1,154	999	897
Other	2,090	2,625	1,796	1,162
Interest on investments	745	298	124	73
TOTAL REVENUES	<u>\$ 60,610</u>	<u>\$ 62,971</u>	<u>\$ 64,529</u>	<u>\$ 66,821</u>
TOTAL COST AND OTHER FINANCING USES - Net	<u>\$ 60,925</u>	<u>\$ 60,738</u>	<u>\$ 63,397</u>	<u>\$ 65,477</u>

Source - The School District of Palm Beach County School Food Service Department

TABLE 24

<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>
3,221,528	3,033,273	2,999,416	3,105,281	3,043,245	3,146,385
1,096,907	901,181	745,399	796,359	683,383	858,546
<u>11,301,427</u>	<u>11,953,474</u>	<u>12,853,471</u>	<u>13,021,892</u>	<u>13,552,030</u>	<u>13,639,973</u>
<u>15,619,862</u>	<u>15,887,928</u>	<u>16,598,286</u>	<u>16,923,532</u>	<u>17,278,658</u>	<u>17,644,904</u>
17,897	16,852	16,663	17,252	16,907	17,480
6,094	5,007	4,141	4,424	3,797	4,770
<u>62,786</u>	<u>66,408</u>	<u>71,408</u>	<u>72,344</u>	<u>75,289</u>	<u>75,778</u>
<u>86,777</u>	<u>88,266</u>	<u>92,212</u>	<u>94,020</u>	<u>95,993</u>	<u>98,028</u>
1,032,181	1,395,381	1,388,567	1,492,436	1,451,588	1,513,010
480,603	481,008	416,806	430,115	293,647	384,462
<u>5,420,994</u>	<u>5,754,749</u>	<u>6,122,378</u>	<u>6,052,523</u>	<u>6,405,117</u>	<u>6,598,614</u>
<u>6,933,778</u>	<u>7,631,138</u>	<u>7,927,751</u>	<u>7,975,074</u>	<u>8,150,352</u>	<u>8,496,086</u>
5,734	7,752	7,714	8,291	8,064	8,406
2,670	2,672	2,316	2,390	1,631	2,136
<u>30,117</u>	<u>31,971</u>	<u>34,013</u>	<u>33,625</u>	<u>35,584</u>	<u>36,659</u>
<u>38,521</u>	<u>42,395</u>	<u>44,043</u>	<u>44,306</u>	<u>45,279</u>	<u>47,201</u>
<u>407,943</u>	<u>379,496</u>	<u>255,664</u>	<u>230,221</u>	<u>204,635</u>	<u>181,779</u>
<u>2,266</u>	<u>2,108</u>	<u>1,420</u>	<u>1,279</u>	<u>1,137</u>	<u>1,010</u>
\$ 47,956	\$ 52,677	\$ 57,459	\$ 60,356	\$ 64,971	\$ 69,596
3,323	3,754	4,359	5,097	4,926	5,592
952	948	1,000	1,015	1,013	994
14,897	13,290	12,721	12,075	12,085	12,376
873	789	767	691	614	545
838	726	670	527	447	295
<u>38</u>	<u>28</u>	<u>56</u>	<u>57</u>	<u>179</u>	<u>152</u>
<u>\$ 68,877</u>	<u>\$ 72,213</u>	<u>\$ 77,032</u>	<u>\$ 79,818</u>	<u>\$ 84,235</u>	<u>\$ 89,550</u>
<u>\$ 68,098</u>	<u>\$ 71,736</u>	<u>\$ 75,083</u>	<u>\$ 78,073</u>	<u>\$ 83,762</u>	<u>\$ 91,920</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 2015 (UNAUDITED)**

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Petroleum Contamination Liability FPL 1953656#8	Commerce and Industry Insurance Company	Leakage of underground motor vehicle petroleum storage tanks
All Risk Property 019946411	Lexington Insurance	School Board buildings including personal property & extra expense \$5.3 billion of property values
National Flood Ins. Program 118 individual policies	American Bankers Insurance Co.	Flood protection for 30 locations and 118 buildings in flood zones A & V
Boiler & Machinery FBP 9450705	CNA Insurance Group Pol # R 5091214492	Accidental breakdown of boilers, pressure vessels and steam generators
Crime 105654293	Travelers Insurance Company	1) Loss to the District due to the dishonesty of any School Board employee 2) Destruction, disappearance or theft of District money or securities while in a District building, in a banking institution, or while being transported by an authorized employee or armored vehicle company 3) Forgery losses on checking and savings accounts
Superintendent & School Members' Public Official Bonds	Travelers Insurance Company	State required Public Officials' bonds
High School Graduations	Provided by South Florida Fair Grounds	

Source: The School District of Palm Beach County - Department of Risk Management.

TABLE 25 (Continued)

POLICY PERIOD	DEDUCTIBLE OR SELF-INSURED RETENTION	POLICY LIMITS	ESTIMATED ANNUAL PREMIUM
07/13/16 - 07/12/17	\$10,000	\$1 million per incident, \$4 million annual aggregate	\$ 12,587
12/31/16 - 12/31/17	\$10 million first layer deduct for all perils other than wind storm. In addition also have a 5% of values deductible with a \$500K min per location	\$100 million catastrophic limits \$25 million flood \$1 million extra expense	\$ 6,428,057
04/30/17 - 04/30/18	\$50,000 per building \$50,000 for contents	\$1 million per building \$500,000 Building \$500,000 Contents	\$ 271,290
12/31/16 - 12/31/17	\$10,000	\$100 million per accident	\$ 56,253
09/07/16 - 09/07/17	1) \$100,000 per loss 2) \$1,000 3) \$10,000	1) \$5 million per loss 2) \$100,000 per loss 3) \$10,000	\$ 41,514

Under Crime Insurance

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2015 (UNAUDITED)

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Employee Dental Option 1 - S500PB with Orthodontia	United Health Care	Employee Dental
Option 2 - S700 with Orthodontia		
Option 3 - PPO P5215 With Orthodontia		
Option 4 - PPO P5105 (No Orthodontia)		
Employee Vision VC 19	Eye Med	Employee vision
Employee Assistance Plan	Health Advocate Inc	Unlimited treatments
Term Life Insurance	Met Life	Employee death benefits

Source: The School District of Palm Beach County - Department of Risk Management.

TABLE 25 (Continued)

POLICY PERIOD	DEDUCTIBLE OR SELF-INSURED RETENTION	POLICY LIMITS	ESTIMATED ANNUAL PREMIUM
01/01/14 - 12/31/17	Individual monthly premiums: \$15.72 Emp; \$33.36 Emp & Children, \$27.48 Emp & Spouse, \$43.18 Emp & Family	No annual limits	Paid by employee
	\$12.16 Emp; \$26.00 Emp & Children, \$21.14 Emp & Spouse, \$33.30 Emp & Family	No annual limits	
	\$35.52 Emp; \$97.66 Emp & Children, \$87.02 Emp & Spouse, \$131.42 Emp & Family	\$1,000 limit per year	
	\$28.00 Emp; \$77.00 Emp & Children, \$68.60 Emp & Spouse, \$103.62 Emp & Family	occurrence;	
01/01/16- 12/31/19	Individual premiums \$5.45 single \$14.00 family	Limited schedule of benefits	Paid by employee
01/01/14 - 12/31/17	Board paid \$1.26 per employee per month	Financial and legal services excluded	\$ 249,576 (Actual amount)
01/01/14- 12/31/17	\$1.59 individual monthly premium for part-time employees Board paid \$3.18 individual monthly premium for full-time employees Board paid	\$10,000 part-time employee \$20,000 full-time employee	\$ 791,469 (Actual amount)

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2015 (UNAUDITED)

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
High School Interscholastic Athletic FL 05	Monumental Life Ins. Co.	Medical expenses for students injured while participating in high school interscholastic athletics
Student Catastrophe FL 04	Monumental Life Ins. Co.	1) Medical benefits for up to 5 years for students injured while participating in school supervised activities 2) Disability benefits for up to 10 years for interscholastic athletic injuries
Student Malpractice 127268148	CAN Financial Corp.	Professional liabilities for health occupation students
Vendors Liability CPS1019083	Scottsdale Insurance Group	General liability for permittees and licensees of the District
Summer Camp Liability CPS1197342	Scottsdale Insurance Group	General liability claims arising out of summer camp activities

Source: The School District of Palm Beach County - Department of Risk Management.

TABLE 25 (Concluded)

POLICY PERIOD	DEDUCTIBLE OR SELF-INSURED RETENTION	POLICY LIMITS	ESTIMATED ANNUAL PREMIUM
08/01/16 - 08/01/17	None	\$25,000 per person	\$ 1,079,440
08/01/16 - 08/01/17	1) \$25,000 per student, per accident	1) \$5 million	\$ 210,993
	2) None	2) \$600,000 per student	
12/31/16- 12/31/17	None	\$1 million per claim (\$5 million annual aggregate)	\$ 12,669
07/01/15 - 07/01/16	\$500 per claimant	\$1 million each occurrence \$2 million aggregate	(paid by vendor)
06/07/16 - 08/11/16	None	\$1 million per claim \$2 million aggregate	\$ 24,221 (paid by campers)

(Concluded)





**TEACHERS' SALARIES -
LAST TEN FISCAL YEARS (UNAUDITED)**

<u>FISCAL YEAR</u>	<u>MINIMUM SALARY</u>	<u>MAXIMUM SALARY</u>	<u>MEAN SALARY</u>
2008	36,100	75,848	55,974
2009	36,822	77,245	57,034
2010	36,822	77,245	57,034
2011	36,822	77,245	57,034
2012	37,322	77,745	57,534
2013	38,000	79,245	58,623
2014	39,000	79,245	59,123
2015	39,500	81,230	60,365
2016	40,775	82,929	61,852
2017	41,000	84,644	62,822

Source: The School District of Palm Beach County - Division of Personnel Relations.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**FULL TIME STAFF BY ASSIGNMENT
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assignment				
Administrators	204	194	179	142
Supervisors of instruction	45	38	82	12
Principals	198	192	209	208
Assistant principals	340	350	354	358
Classroom teachers - Elementary	4,404	4,714	4,624	4,668
Classroom teachers - Secondary	4,826	4,552	4,624	4,599
ESE teachers	1,706	1,630	1,658	1,745
Other teachers	432	388	380	103
Guidance counselors	378	352	361	365
Social workers	22	24	27	63
Psychologists	78	77	78	83
Media center	117	121	135	134
Professional - (instructional)	431	593	704	976
Professional - (non-instructional)	805	819	789	750
Aides	1,735	1,580	1,384	1,713
Technicians	281	286	278	279
Secretarial/clerical	1,431	1,402	1,501	1,498
Service workers	2,927	2,951	3,168	2,851
Skilled crafts	315	312	291	279
Unskilled labors	44	35	44	58
Total Full Time Employees	<u>20,719</u>	<u>20,610</u>	<u>20,870</u>	<u>20,884</u>

Source: Florida Department of Education Statistical Brief " Staff in Florida's Public Schools".
Data includes only full time staff on the survey date.

TABLE 27

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
135	140	155	164	159	157
13	10	11	16	13	16
212	213	224	224	225	223
364	372	382	381	382	379
4,945	5,042	5,172	5,175	5,045	5,056
4,656	4,729	4,881	4,888	4,868	4,945
1,833	1,923	2,030	2,030	2,073	2,129
114	103	108	155	185	213
363	367	378	383	377	389
63	66	68	75	83	92
81	83	83	92	94	93
134	131	132	133	160	160
834	883	930	913	897	838
693	703	759	777	804	826
1,784	1,547	1,699	1,785	1,851	1,884
275	269	265	267	267	264
1,427	1,417	1,463	1,503	1,479	1,488
2,535	2,795	2,863	2,904	3,013	3,159
247	240	231	214	210	187
47	43	39	36	32	33
<u>20,755</u>	<u>21,076</u>	<u>21,873</u>	<u>22,115</u>	<u>22,217</u>	<u>22,531</u>



**OPERATING STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)**

FISCAL YEAR	TOTAL UNWEIGHTED FULL TIME ENROLLMENT (FTE) (1)	CURRENT EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/ TEACHER RATIO
2008	169,280	1,572,230	9,288	4.53%	11,368	14.9
2009	169,554	1,552,545	9,157	-1.41%	11,284	15.0
2010	171,722	1,568,943	9,137	-0.22%	11,286	15.2
2011	172,829	1,584,911	9,170	0.37%	11,115	15.5
2012	175,083	1,546,122	8,831	-3.70%	11,548	15.2
2013	177,797	1,605,444	9,030	2.25%	11,797	15.1
2014	180,285	1,738,156	9,641	6.77%	12,191	14.8
2015	183,489	1,750,240	9,539	-1.06%	12,248	15.0
2016	186,291	1,792,137	9,620	0.85%	12,171	15.3
2017	189,320	1,884,398	9,953	3.47%	12,343	15.3

Source: The School District of Palm Beach County - Accounting Services

(1) Source: Florida Department of Education.



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Acreage Pines Elementary (1985)										
Square feet	85,958	85,958	85,956	85,956	85,958	85,958	91,272	94,392	95,182	95,182
Capacity	553	553	553	553	553	553	543	543	543	543
Enrollment	454	405	450	412	425	434	458	456	500	535
Addison Mizner Elementary (1966)										
Square feet	98,547	98,547	98,547	98,547	98,547	99,411	95,571	95,571	95,571	95,571
Capacity	996	996	996	996	996	924	924	924	924	888
Enrollment	805	837	839	878	872	955	923	901	849	857
Allamanda Elementary (1964) (Modernization 2008) *										
Square feet	129,697	129,697	129,697	130,872	130,872	130,872	130,872	130,872	130,872	101,824
Capacity	740	740	740	720	720	720	834	834	834	694
Enrollment	654	630	629	621	661	647	631	582	548	510
Atlantic High (1949) (Modernization 2004)										
Square feet	410,680	410,680	410,680	410,680	410,680	410,680	410,680	410,680	408,139	408,195
Capacity	2,444	2,444	2,444	2,444	2,444	2,444	2,436	2,437	2,365	2,450
Enrollment	2,376	2,274	2,220	2,125	2,085	2,156	2,258	2,374	2,423	2,530
Bak Middle School of the Arts (1965) (Modernization 2004) *										
Square feet	217,585	217,585	217,585	223,324	223,324	223,324	223,324	223,324	222,884	222,884
Capacity	1,406	1,406	1,406	1,335	1,335	1,335	1,335	1,335	1,335	1,335
Enrollment	1,358	1,347	1,341	1,342	1,355	1,360	1,359	1,358	1,360	1,368
Banyan Creek Elementary (1960) (Modernization 2013)										
Square feet	141,298	141,298	141,298	143,788	141,298	140,673	140,673	143,031	138,917	138,134
Capacity	1,136	1,136	1,136	1,136	1,136	1,200	1,136	1,122	1,104	1,122
Enrollment	936	923	944	945	917	967	976	1,031	919	886
Barton Elementary (1985) (Modernization 2007)										
Square feet	154,476	154,476	154,476	154,476	154,476	154,476	154,476	154,476	154,476	153,826
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,426	1,426	1,426	1,369
Enrollment	911	914	896	818	759	900	846	869	588	595
Beacon Cove Elementary(3-5) (2000)										
Square feet	121,247	121,247	121,247	120,487	120,487	120,487	120,487	120,487	118,951	119,104
Capacity	1,001	1,001	1,001	1,001	1,001	1,001	1,001	979	915	933
Enrollment	794	797	843	922	1,001	940	917	875	881	1,010
Bear Lakes Middle (1986)										
Square feet	180,507	180,507	180,507	180,507	180,507	179,525	179,525	179,525	180,045	180,045
Capacity	1,432	1,432	1,432	1,432	1,432	1,491	1,599	1,599	1,599	1,599
Enrollment	697	729	744	779	777	743	780	774	920	842
Belle Glade Elementary (1985)										
Square feet	120,366	120,366	120,366	120,366	120,366	125,934	125,934	126,798	108,243	111,607
Capacity	978	978	978	978	978	978	978	782	782	782
Enrollment	665	592	565	523	481	476	549	594	522	549
Belvedere Elementary (1996)										
Square feet	96,315	96,315	96,315	94,677	94,677	94,428	94,428	94,428	94,428	94,869
Capacity	658	658	658	658	658	658	658	648	648	648
Enrollment	542	542	528	547	517	562	553	547	593	570
Benoist Farms Elementary (2003)										
Square feet	117,508	117,508	117,508	117,508	117,508	117,508	117,508	117,508	117,508	104,028
Capacity	856	856	856	856	856	856	882	882	882	774
Enrollment	485	500	514	646	633	624	677	740	684	610
Berkshire Elementary (1958) (Modernization 2007)										
Square feet	138,137	138,137	138,137	138,137	138,137	138,137	138,137	138,137	135,490	138,701
Capacity	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,211	1,247	1,208
Enrollment	1,096	1,102	1,088	1,126	1,108	1,073	978	1,027	953	847
Binks Forest Elementary (1999)										
Square feet	134,606	134,606	135,380	135,380	125,952	125,952	125,952	125,952	125,696	125,696
Capacity	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206
Enrollment	1,048	1,029	1,018	1,065	1,042	1,060	1,115	1,121	1,095	1,167
Boca Raton Elementary (2001)										
Square feet	67,630	67,630	67,630	67,630	67,630	67,630	67,630	67,630	67,630	66,010
Capacity	401	401	401	401	401	401	401	401	401	401
Enrollment	297	302	305	344	343	354	380	345	394	386
Boca Raton High (1963) (Modernization 2006)										
Square feet	354,289	354,289	353,579	353,579	353,579	352,859	352,859	349,216	349,216	345,080
Capacity	2,928	2,928	2,928	2,928	2,928	2,798	2,786	2,784	2,807	2,772
Enrollment	3,402	3,310	3,133	3,068	3,022	2,993	2,926	2,823	2,567	2,325
Boca Raton Middle (1968) (Modernization 2007)										
Square feet	195,394	195,394	195,394	195,394	195,394	195,394	195,394	195,394	195,394	194,312
Capacity	1,417	1,416	1,416	1,416	1,417	1,417	1,417	1,416	1,416	1,416
Enrollment	1,530	1,558	1,489	1,413	1,382	1,308	1,338	1,378	1,352	1,203
Boynton Beach High (1999)										
Square feet	350,295	349,344	349,344	348,393	348,393	360,489	360,489	362,217	362,217	368,470
Capacity	2,197	2,197	2,197	2,197	2,197	1,484	2,197	2,195	2,195	2,280
Enrollment	1,746	1,844	1,804	1,673	1,723	2,197	1,465	1,394	1,387	1,435

Source - School District of Palm Beach County Planning Department. Includes only K-12 schools.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2017-2008) and rows for various schools (e.g., C.O. Taylor/Kirklane Elementary, Calusa Elementary, Carver Middle, etc.) listing metrics like Square feet, Capacity, and Enrollment.



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Discovery Key Elementary (2000)										
Square feet	138,253	138,253	138,253	138,253	133,097	133,097	133,097	140,777	140,777	140,357
Capacity	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,372	1,372	1,372
Enrollment	838	803	809	863	868	914	960	955	915	1,155
Don Estridge High Tech Middle (2005)										
Square feet	185,874	185,874	185,874	185,874	185,874	185,874	185,874	185,874	185,874	185,732
Capacity	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,252	121	1,212
Enrollment	1,261	1,239	1,239	1,239	1,254	1,233	1,242	1,230	1,213	1,221
Dr. Mary McLeod Bethune Elementary (2000)										
Square feet	117,962	117,962	117,962	117,962	117,962	117,962	117,962	117,962	116,629	116,629
Capacity	806	806	806	806	806	806	806	806	794	794
Enrollment	570	530	479	423	433	508	488	487	534	568
Dreyfoos High School of the Arts										
Square feet	249,212	249,212	249,212	249,212	249,212	249,212	249,212	249,212	248,117	248,117
Capacity	1,218	1,218	1,218	1,218	1,218	1,218	1,285	1,216	1,175	1,229
Enrollment	1,414	1,388	1,371	1,320	1,363	1,297	1,310	1,302	1,322	1,351
Eagles Landing Middle (1993)										
Square feet	151,644	151,644	151,644	151,644	151,644	171,036	171,036	171,036	161,436	161,310
Capacity	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,283	1,105	1,105
Enrollment	1,443	1,340	1,300	1,317	1,303	1,304	1,340	1,332	1,338	1,222
Egret Lake Elementary (1970)										
Square feet	105,935	105,935	105,935	101,465	101,465	101,464	101,464	101,464	102,516	110,196
Capacity	727	727	727	727	727	727	727	727	724	724
Enrollment	642	685	670	672	582	623	544	592	631	556
Elbridge Gale Elementary (2006)										
Square feet	125,858	125,858	125,858	125,858	125,858	125,858	125,858	125,858	125,858	125,813
Capacity	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,056	1,056
Enrollment	998	983	963	966	993	1,003	1,005	1,035	997	888
Emerald Cove Middle 02-JJ (2007)										
Square feet	201,305	201,305	201,305	201,305	201,305	201,305	201,305	201,305	201,305	200,805
Capacity	1,409	1,409	1,409	1,409	1,409	1,409	1,409	1,409	1,490	1,431
Enrollment	1,216	1,207	1,224	1,227	1,237	1,164	1,113	1,128	1,136	1,063
Everglades Elementary (2010) (03-W)										
Square feet	119,246	119,246	119,246	119,246	119,246	119,246	119,246	0	0	0
Capacity	942	942	942	942	942	942	960	0	0	0
Enrollment	972	956	879	860	833	731	630	0	0	0
Equestrian Trails Elementary (2004)										
Square feet	127,383	127,383	127,383	127,383	127,383	127,383	127,383	136,983	136,983	136,983
Capacity	910	910	910	910	910	910	910	1,090	1,090	920
Enrollment	790	794	803	820	770	795	799	1,122	1,129	1,092
Forest Hill Elementary (1965)										
Square feet	113,446	113,446	113,446	113,446	113,446	124,966	124,966	134,224	135,032	135,032
Capacity	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,150	1,150	1,150
Enrollment	841	787	810	796	804	782	734	768	827	1,167
Forest Hill High (1971)										
Square feet	313,415	313,415	313,415	312,415	312,415	312,415	312,415	311,620	303,857	303,857
Capacity	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,814	1,814	1,899
Enrollment	2,469	2,315	2,197	2,013	1,905	1,838	1,858	1,876	1,882	1,972
Forest Park Elementary (1955) (Modernization 2008)										
Square feet	122,127	122,127	122,127	122,127	122,127	122,127	122,127	122,127	122,127	121,261
Capacity	780	780	780	780	780	780	793	793	918	632
Enrollment	504	534	564	551	574	594	570	521	479	431
Freedom Shores Elementary (2003)										
Square feet	135,829	135,829	135,829	135,829	135,829	135,829	145,564	146,388	142,851	142,851
Capacity	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,076
Enrollment	897	951	922	895	870	924	886	914	978	1,046
Frontier Elementary (2000)										
Square feet	116,501	118,421	118,421	118,421	116,741	116,741	116,741	116,741	116,341	116,341
Capacity	846	882	882	882	900	900	900	900	900	918
Enrollment	625	588	570	613	586	669	691	773	820	898
Galaxy Elementary (1958) (Modernization 2014)										
Square feet	110,476	110,476	110,476	143,992	33,516	33,516	90,255	90,255	90,255	89,943
Capacity	752	752	752	752	158	581	657	657	635	635
Enrollment	671	625	596	585	520	372	423	463	467	472
Glade View Elementary (1960) - Modernization 2015										
Square feet	89,651	89,651	77,467	6,869	72,447	73,927	76,007	82,159	81,951	81,951
Capacity	402	403	403	72	580	580	580	580	580	580
Enrollment	318	321	301	314	398	348	335	399	398	416
Glades Central High (1975)										
Square feet	245,163	245,163	245,163	245,163	245,163	248,043	248,043	260,603	262,443	270,211
Capacity	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,571	1,571	1,499
Enrollment	993	927	982	998	1,045	1,062	1,111	1,108	1,116	1,215



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Gold Coast Community School (1958)										
Square feet	77,878	77,878	77,878	77,878	77,878	95,447	95,447	95,447	78,164	79,501
Capacity	585	585	585	585	585	587	587	587	566	671
Enrollment	94	127	114	144	169	120	87	116	145	129
Golden Grove Elementary (1985)										
Square feet	106,750	106,750	106,750	106,750	106,750	106,750	117,036	117,036	117,026	117,026
Capacity	749	749	749	749	749	738	738	738	738	756
Enrollment	586	555	538	552	532	566	597	674	728	756
Gove Elementary (1964) (Modernization 2014)										
Square feet	230,356	230,356	230,356	230,356	129,716	129,716	132,780	132,735	134,152	134,152
Capacity	924	924	924	924	780	780	780	924	924	924
Enrollment	736	804	876	906	953	886	890	924	919	884
Grassy Waters Elementary (2005)										
Square feet	130,567	130,567	130,567	124,550	124,550	124,550	124,550	124,550	124,487	124,487
Capacity	983	983	983	983	983	983	983	983	939	924
Enrollment	774	710	617	668	650	697	724	697	1,002	911
Greenacres Elementary (1986) (Modernization 2003)										
Square feet	107,563	107,563	107,563	107,563	102,183	102,183	102,183	102,183	102,183	99,303
Capacity	822	822	822	822	822	822	822	822	822	768
Enrollment	735	708	718	711	684	647	668	657	651	629
Grove Park Elementary (1966)										
Square feet	105,033	105,033	105,033	94,284	94,284	102,732	102,732	102,732	101,870	101,870
Capacity	954	954	954	954	954	954	954	954	875	875
Enrollment	534	661	670	659	632	684	670	733	694	707
H.L. Johnson Elementary (1984)										
Square feet	138,266	138,266	138,266	138,266	138,266	138,266	138,266	138,266	108,815	108,815
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,055	1,055	595	595
Enrollment	737	768	796	874	892	894	882	930	925	925
H.L. Watkins Middle (1962) (Modernization 2005)										
Square feet	198,663	198,663	198,663	193,024	193,024	193,024	193,024	197,824	197,824	198,148
Capacity	1,252	1,252	1,252	1,252	1,252	1,000	1,351	1,350	1,350	595
Enrollment	957	931	863	776	828	904	600	689	803	925
Hagen Road Elementary (1967) (Modernization 2008)										
Square feet	123,115	123,115	123,115	123,115	123,115	123,115	123,735	122,100	121,828	120,656
Capacity	849	849	849	849	849	849	930	922	862	598
Enrollment	743	693	669	702	748	835	778	806	696	724
Hammock Pointe Elementary (1990) (Addition 2005)										
Square feet	141,603	141,603	141,603	141,603	141,603	141,603	141,603	141,603	141,603	141,711
Capacity	980	980	980	980	980	980	980	980	980	980
Enrollment	923	924	886	899	968	837	785	784	794	800
Heritage Elementary (1994)										
Square feet	131,309	131,309	131,309	131,309	121,688	133,880	133,880	133,880	133,880	133,880
Capacity	846	846	846	846	846	1,080	846	846	846	846
Enrollment	840	904	935	946	1,000	926	893	930	900	833
Hidden Oaks Elementary (2006)										
Square feet	136,761	136,761	136,761	136,761	136,761	136,761	136,761	136,761	136,764	136,764
Capacity	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Enrollment	691	731	715	811	912	883	826	858	829	984
Highland Elementary (1964)										
Square feet	138,103	138,103	138,103	138,103	138,103	138,103	138,647	138,647	138,647	138,572
Capacity	1,072	1,053	1,072	1,072	1,072	1,094	1,120	1,120	1,120	1,120
Enrollment	1,122	1,053	979	920	960	831	764	795	723	686
Hope Centennial Elementary (2009) (06-D)										
Square feet	123,111	123,111	123,111	123,111	121,311	123,111	123,111	123,111	0	0
Capacity	952	952	952	952	952	952	1,044	1,092	0	0
Enrollment	604	631	654	635	716	641	603	606	0	0
Independence Middle (2003)										
Square feet	192,873	192,873	192,873	184,458	184,458	184,458	184,458	184,458	182,538	182,538
Capacity	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,463	1,195
Enrollment	1,445	1,342	1,324	1,325	1,309	1,308	1,286	1,290	1,282	1,213
Indian Pines Elementary (1970)										
Square feet	138,771	138,771	138,771	136,265	136,265	136,265	140,666	140,656	140,724	140,724
Capacity	1,158	1,158	1,158	1,158	1,158	1,158	1,184	1,184	1,166	1,130
Enrollment	601	660	670	746	758	750	788	856	850	885
Indian Ridge School (2007)										
Square feet	76,691	76,691	76,691	76,691	76,691	76,691	76,691	76,691	76,955	76,775
Capacity	269	269	269	269	269	253	253	253	253	253
Enrollment	106	125	112	106	104	95	95	104	104	99
J.C. Mitchell Elementary (1958) (Modernization 2004)										
Square feet	137,995	137,995	137,995	137,995	137,995	137,995	137,995	137,995	137,995	127,887
Capacity	1,032	1,032	1,032	1,032	1,032	1,032	1,122	1,122	1,122	1,122
Enrollment	870	781	813	785	739	716	654	737	709	671



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
John F. Kennedy Middle (1960)										
Square feet	189,426	189,426	189,426	188,925	188,925	188,925	188,925	188,925	189,987	189,987
Capacity	1,504	1,504	1,504	1,504	1,504	1,504	1,504	1,503	1,503	1,503
Enrollment	799	731	675	867	901	633	688	676	799	961
Jeaga Middle (2004)										
Square feet	184,984	184,984	184,984	180,076	180,076	180,076	180,076	180,076	179,776	179,776
Capacity	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,254	1,254
Enrollment	1,011	1,034	1,146	1,165	1,180	1,189	1,304	1,189	1,145	1,136
Jerry Thomas Elementary (1980)										
Square feet	130,805	130,805	130,805	130,805	130,805	130,805	130,805	130,805	132,027	132,027
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	779	831	844	911	912	857	865	861	834	817
John I. Leonard High (1999) (Modernization 2006)										
Square feet	388,085	382,733	382,733	382,733	382,733	382,733	382,733	382,733	382,733	379,223
Capacity	2,970	2,903	2,903	2,903	2,903	2,903	2,903	2,902	2,902	2,987
Enrollment	3,594	3,405	3,192	2,937	2,968	2,511	2,498	2,277	2,156	2,153
Jupiter Elementary (1989) DOE FISH validation										
Square feet	133,867	131,191	131,191	119,071	119,071	119,071	119,083	119,083	119,083	119,083
Capacity	875	824	824	820	820	820	838	838	820	823
Enrollment	895	907	860	831	734	688	691	657	640	634
Jupiter Middle (1970) FISH Validation										
Square feet	182,282	182,282	182,282	199,063	199,063	199,063	199,083	183,961	172,616	160,571
Capacity	1,728	1,728	1,728	1,724	1,724	1,724	1,766	1,779	1,399	1,399
Enrollment	1,336	1,237	1,241	1,167	1,264	1,320	1,382	1,319	1,357	1,217
Jupiter High (2001)										
Square feet	354,416	354,416	354,416	352,572	352,572	352,572	352,572	352,572	352,572	352,272
Capacity	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,764	2,643	2,728
Enrollment	3,008	2,870	2,815	2,672	2,800	2,828	2,871	2,974	2,939	2,996
Jupiter Farms Elementary (1990)										
Square feet	94,145	94,145	94,145	91,958	91,958	93,878	93,878	86,569	88,055	87,777
Capacity	677	677	677	677	677	677	677	677	677	677
Enrollment	576	546	524	540	539	601	619	639	643	669
K.E. Cunningham/Canal Point Elem (1987)										
Square feet	80,868	80,868	80,868	80,868	80,168	80,168	82,072	82,072	82,072	81,651
Capacity	707	707	707	707	707	707	707	707	707	707
Enrollment	333	325	279	263	317	314	366	489	505	496
L.C. Swain Middle (2006)										
Square feet	192,805	192,805	192,805	192,805	192,805	192,805	192,805	192,805	192,805	192,661
Capacity	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,453	1,453	1,453
Enrollment	1,250	1,175	1,208	1,193	1,172	1,073	986	986	949	1,079
Lake Park Elementary (1923) (Modernization 2003)										
Square feet	71,139	71,139	71,139	74,772	74,620	75,580	75,580	75,580	75,365	76,993
Capacity	418	418	418	411	411	411	411	411	401	401
Enrollment	364	338	343	326	301	341	353	365	379	387
Lake Shore Middle (1999)										
Square feet	207,378	207,378	207,378	207,378	207,378	207,378	207,378	207,378	207,378	47,855
Capacity	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,416	1,416
Enrollment	679	666	673	743	750	679	714	753	816	820
Lake Worth Middle (1960)										
Square feet	176,547	176,547	176,547	172,515	172,515	172,515	172,515	172,515	172,515	189,187
Capacity	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422
Enrollment	1,091	993	1,011	1,022	1,057	935	929	837	794	773
Lake Worth High (1922) (Modernization 2003)										
Square feet	331,422	331,422	331,422	331,422	331,422	331,422	331,422	331,422	331,778	324,462
Capacity	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,836	2,845	2,931
Enrollment	2,706	2,606	2,478	2,245	2,190	2,108	1,969	1,992	2,060	2,214
Lantana Elementary (1968) (Modernization 2004)										
Square feet	96,394	96,394	96,394	95,745	95,745	95,745	95,745	95,745	95,220	95,220
Capacity	599	599	599	599	599	599	647	647	647	647
Enrollment	479	487	490	489	516	437	458	451	457	505
Lantana Middle (1992)										
Square feet	161,776	161,776	161,776	160,218	160,218	160,218	160,250	160,250	160,250	154,851
Capacity	1,009	1,009	1,009	1,009	1,009	1,009	1,001	1,001	1,001	1,001
Enrollment	841	774	867	851	874	776	788	804	829	808
Liberty Park Elementary (1965)										
Square feet	138,068	138,068	138,068	135,187	135,187	135,187	135,187	135,187	135,162	135,162
Capacity	1035	1035	1035	981	981	976	976	966	966	966
Enrollment	995	1025	1024	993	1,008	901	859	889	854	821
Lighthouse Elementary (1985) FISH Validation										
Square feet	93,644	93,644	93,644	86,535	86,535	92,654	92,715	92,759	92,759	90,905
Capacity	841	841	841	841	841	841	841	841	775	775
Enrollment	654	672	699	728	723	827	817	816	792	875



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Limestone Creek Elementary (1965)										
Square feet	137,750	137,750	137,750	130,346	130,346	134,762	134,762	134,762	134,762	135,643
Capacity	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,018	1,018
Enrollment	967	909	913	943	920	832	787	763	739	836
Lincoln Elementary (1988)										
Square feet	163,261	163,261	163,261	163,261	163,261	165,165	165,165	165,165	165,165	165,165
Capacity	968	968	968	968	968	968	968	968	1,182	1,227
Enrollment	475	572	556	511	511	472	444	445	420	406
Loggers Run Middle (1981)										
Square feet	124,233	124,233	124,233	124,233	124,233	135,537	135,537	135,315	135,315	134,002
Capacity	1,045	1,045	1,045	1,045	1,045	1,045	1,045	964	964	964
Enrollment	1,120	1,101	1,082	1,049	992	1,057	1,109	1,162	1,082	1,065
Loxahatchee Groves Elementary (1985)										
Square feet	110,048	110,048	110,048	110,048	110,048	110,048	110,048	110,048	110,048	107,008
Capacity	860	860	860	860	860	860	860	860	716	716
Enrollment	498	481	465	474	475	518	519	639	660	665
Manatee Elementary (1985) Addition in 2011										
Square feet	167,460	168,420	172,260	178,980	178,980	178,980	185,732	131,704	127,514	127,514
Capacity	1,441	1,459	1,531	1,585	1,747	1,747	1,747	1,080	1,080	1,180
Enrollment	1,201	1,165	1,094	1,030	1,062	1,044	1,036	1,118	1,141	1,169
Marsh Pointe Elementary (2007) 03-X										
Square feet	115,984	115,984	115,984	115,984	115,984	115,984	115,984	115,984	110,895	110,895
Capacity	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	960	970
Enrollment	925	917	938	915	845	808	714	589	483	450
Meadow Park Elementary (1955) (Modernization 2004)										
Square feet	115,435	115,435	115,435	115,435	113,725	113,725	113,728	113,728	114,231	114,231
Capacity	672	672	672	672	672	672	878	878	878	1,080
Enrollment	635	605	584	596	544	571	571	690	682	565
Melaleuca Elementary (1966)										
Square feet	92,608	92,608	92,608	92,608	87,539	87,539	90,059	90,059	90,059	87,625
Capacity	964	964	964	964	964	964	964	964	964	964
Enrollment	819	801	799	783	750	828	812	827	822	793
Morikami Park Elementary (1997)										
Square feet	109,837	109,837	109,837	109,837	109,837	109,837	109,837	109,837	109,837	108,262
Capacity	844	844	844	844	844	794	844	844	844	844
Enrollment	800	799	790	802	795	812	829	845	876	923
New Horizons Elementary (1985)										
Square feet	89,542	89,542	89,542	91,230	91,230	93,302	93,302	95,382	95,382	95,401
Capacity	749	749	749	749	749	749	749	749	749	749
Enrollment	631	609	593	591	648	572	592	628	656	691
North Grade Elementary (1999)										
Square feet	118,820	118,820	118,820	113,426	119,186	119,186	115,346	115,346	115,346	115,346
Capacity	784	784	784	784	784	730	741	741	741	741
Enrollment	742	755	772	779	751	770	763	745	788	753
The Conservatory at North Palm Beach Elementary (1958)										
Square feet	116,739	116,739	116,739	32,248	32,248	80,263	80,263	80,263	80,119	80,119
Capacity	774	774	745	239	180	676	676	676	676	676
Enrollment	725	660	538	415	383	396	434	461	475	536
Northboro Elementary (1921) (Modernization 2010)										
Square feet	123,968	123,968	123,968	125,775	125,775	125,775	125,775	125,775	38,962	0
Capacity	970	970	970	970	970	970	988	720	720	720
Enrollment	660	650	657	643	628	627	634	632	727	663
Northmore Elementary (1991)										
Square feet	95,673	95,673	95,673	95,673	95,673	104,313	104,313	104,313	104,193	103,566
Capacity	637	637	637	637	637	637	637	637	637	637
Enrollment	460	439	452	485	435	487	480	501	493	516
Odyssey Middle (2000)										
Square feet	197,505	197,505	197,505	197,505	187,533	187,533	187,533	187,533	186,345	186,305
Capacity	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,489	1,489	1,489
Enrollment	749	725	828	911	1,045	1,003	1,045	1,078	1,139	1,061
Okeehelie Middle (1965)										
Square feet	178,042	178,042	178,042	178,042	178,042	183,952	184,744	184,760	184,760	207,256
Capacity	1,614	1,614	1,614	1,614	1,614	1,614	1,574	1,571	1,571	1,710
Enrollment	1,463	1,447	1,402	1,441	1,454	1,413	1,344	1,309	1,245	1,145
Olympic Heights High (1990)										
Square feet	366,496	366,496	366,496	366,496	366,496	366,496	366,496	366,496	362,034	361,823
Capacity	2,271	2,271	2,271	2,271	2,271	2,271	2,271	2,268	2,289	2,393
Enrollment	2,018	2,009	1,996	1,943	1,922	2,076	1,901	1,917	1,680	1,513
Omni Middle (1989)										
Square feet	168,085	168,085	168,085	168,085	168,085	168,085	168,085	168,085	168,085	166,880
Capacity	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396
Enrollment	1,372	1,404	1,444	1,406	1,442	1,567	1,581	1,400	1,431	1,254



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Orchard View Elementary (1994)										
Square feet	115,617	115,617	115,617	115,617	115,713	115,713	115,713	115,713	113,953	112,033
Capacity	800	800	800	800	800	800	800	800	764	764
Enrollment	574	570	594	618	559	576	642	627	614	617
Osceola Creek Middle (2006)										
Square feet	171,771	171,771	171,771	171,771	170,721	170,721	170,721	170,721	169,322	169,322
Capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,067	1,067	1,067
Enrollment	708	667	634	607	607	840	865	917	846	879
Pahokee Elementary (K-6) (1985)										
Square feet	81,140	81,140	81,140	81,140	81,140	84,020	84,020	84,020	84,020	90,166
Capacity	671	671	671	671	671	671	671	725	671	671
Enrollment	360	379	359	376	333	357	347	456	496	507
Pahokee Mid/Sr. (1970) (Modernization 2010)										
Square feet	320,135	320,147	319,787	319,787	306,692	306,765	319,822	310,609	198,413	200,723
Capacity	1,945	1,950	1,950	1,950	1,953	1,971	1,971	1,151	1,151	1,214
Enrollment	849	790	811	823	853	950	1,035	877	915	950
Palm Beach Central High (2004)										
Square feet	395,877	395,877	395,877	395,877	388,257	388,257	388,257	388,163	388,163	389,022
Capacity	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,753	2,777	2,862
Enrollment	2,921	3,004	2,894	2,856	2,921	2,867	2,880	2,933	2,890	2,687
Palm Beach Gardens ES (1962) (Modernization 2008)										
Square feet	111,459	111,459	111,459	111,459	111,459	111,459	111,459	111,459	109,426	109,509
Capacity	739	739	739	739	739	739	739	770	770	552
Enrollment	694	714	709	732	689	661	600	571	533	496
Palm Beach Gardens High (1965) (Modernization 2010)										
Square feet	379,095	379,095	379,095	379,095	379,095	379,095	379,095	378,775	340,849	340,849
Capacity	2,852	2,852	2,852	2,852	2,852	2,852	2,843	2,979	2,635	2,909
Enrollment	2,712	2,664	2,604	2,505	2,539	2,537	2,562	2,578	2,416	2,602
Palm Beach Lakes High (1986)										
Square feet	411,424	411,424	411,424	405,655	405,655	407,383	407,383	410,839	410,495	375,414
Capacity	2,750	2,750	2,750	2,750	2,750	2,750	2,921	2,921	2,213	2,287
Enrollment	2,314	2,165	2,019	1,886	2,071	1,694	1,923	1,999	1,839	2,166
Palm Beach Public School (1921) (Modernization 2006)										
Square feet	68,595	68,595	68,595	68,595	68,595	68,595	68,574	68,574	68,574	68,565
Capacity	393	393	393	393	393	393	393	383	383	383
Enrollment	399	406	406	413	402	378	415	478	451	468
Palm Springs Elementary (1988)										
Square feet	140,281	140,281	140,281	140,281	140,281	140,281	134,648	134,648	134,648	134,648
Capacity	1,012	1,012	1,012	1,012	1,012	1,023	1,023	1,023	1,013	1,031
Enrollment	848	836	850	888	896	881	896	856	883	824
Palm Springs Middle (2006) (formerly named Jeff Davis 1968)										
Square feet	212,472	212,472	212,472	212,472	212,472	212,472	212,472	212,472	212,472	212,472
Capacity	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,699	1,695	1,695
Enrollment	1,585	1,488	1,535	1,635	1,650	1,514	1,530	1,569	1,664	1,560
Palmetto Elementary (1989)										
Square feet	125,940	125,940	125,940	125,940	125,544	124,584	125,544	125,544	125,486	125,486
Capacity	882	882	882	882	882	882	882	864	864	936
Enrollment	549	535	580	583	555	613	624	590	579	602
Panther Run Elementary (1965)										
Square feet	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092	126,654
Capacity	978	978	978	978	978	978	978	978	978	978
Enrollment	736	734	638	660	704	759	720	783	814	766
Park Vista High (2005)										
Square feet	428,411	428,411	428,411	428,411	428,411	428,411	428,411	433,211	424,224	424,224
Capacity	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,269	3,269	2,879
Enrollment	3,022	3,026	2,967	2,892	2,904	2,888	2,938	2,913	3,157	3,320
Pierce Hammock Elementary (2005)										
Square feet	122,505	122,505	122,505	122,505	121,773	121,773	121,773	121,773	121,773	120,813
Capacity	808	808	808	808	808	808	808	808	808	790
Enrollment	476	505	523	563	577	620	679	695	701	712
Pine Grove Elementary (1966)										
Square feet	86,483	86,483	86,483	86,483	83,331	94,771	98,755	98,755	98,015	98,015
Capacity	654	654	654	654	654	654	654	654	654	674
Enrollment	418	386	393	413	467	462	452	447	448	457
Pine Jog Elementary (2008) 03-Y										
Square feet	125,990	125,990	125,990	125,990	125,990	125,991	125,991	125,991	125,991	125,855
Capacity	974	974	974	974	974	982	988	988	1,034	960
Enrollment	936	945	953	910	948	850	810	757	630	433
Pioneer Park Elementary (1995)										
Square feet	102,411	102,411	102,411	102,411	102,411	102,411	102,411	102,411	102,411	102,411
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	273	253	291	375	326	374	373	364	405	451

Source - School District of Palm Beach County Planning Department



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Pleasant City Elementary (2003)										
Square feet	69,462	69,462	69,462	69,462	69,462	69,462	69,462	69,462	69,718	69,718
Capacity	386	386	386	386	386	386	386	386	386	386
Enrollment	316	315	368	307	260	231	281	315	342	265
Plumosa Elementary (1954) (new site only 2013)										
Square feet	169,344	169,344	169,344	169,344	169,344	241,618	242,658	73,133	73,813	73,813
Capacity	711	711	711	711	711	733	733	621	581	581
Enrollment	645	630	617	601	593	559	498	468	478	387
Poinciana Elementary (1956)										
Square feet	96,907	96,907	96,907	96,907	96,907	96,907	96,907	96,907	96,807	96,807
Capacity	685	685	685	685	685	685	685	685	685	685
Enrollment	559	557	536	521	528	529	528	539	557	561
Polo Park Middle (1993)										
Square feet	189,989	191,769	191,769	191,769	191,769	187,601	187,601	187,601	197,679	196,387
Capacity	1,411	1,451	1,451	1,451	1,451	1,451	1,451	1,599	1,619	1,639
Enrollment	828	870	850	836	864	1,088	1,148	1,127	1,086	1,048
Riviera Beach Preparatory (1967) (RFS moved to site in 2011 & Inlet Grove moved to Old Suncoast)										
Square feet	113,291	113,291	113,291	113,291	113,291	122,878	122,878	123,962	123,962	137,927
Capacity	484	484	484	484	484	706	706	792	803	851
Enrollment	99	175	151	153	133	135	114			
Rolling Green Elementary (1995)										
Square feet	146,744	146,744	146,744	146,744	146,744	146,744	146,744	146,744	146,915	146,915
Capacity	1,109	1,109	1,109	1,109	1,109	1,109	1,122	1,122	1,122	1,174
Enrollment	831	833	798	769	702	790	699	727	670	721
Roosevelt Elementary (1996)										
Square feet	117,695	117,695	117,695	117,695	117,695	117,695	117,695	119,615	119,615	119,615
Capacity	801	801	801	801	801	801	801	786	786	786
Enrollment	402	435	456	457	406	461	461	429	438	475
Roosevelt Middle (1993)										
Square feet	212,626	212,650	212,650	212,814	212,814	212,814	212,814	212,814	189,380	189,380
Capacity	1,529	1,552	1,552	1,547	1,547	1,547	1,547	1,551	1,168	1,209
Enrollment	976	953	1,068	1,114	1,097	1,231	1,198	1,213	1,222	1,246
Rosenwald Elementary (1951) Modernization 2015										
Square feet	70,596	70,596	65,004	10,194	80,219	81,083	83,675	78,770	78,725	78,725
Capacity	314	328	328	0	543	543	543	543	543	543
Enrollment	292	260	258	243	206	222	223	234	268	287
Royal Palm Beach Elementary (2001)										
Square feet	108,517	108,517	104,677	104,677	104,677	108,517	108,517	108,517	341,192	108,517
Capacity	846	846	774	774	774	774	846	846	846	846
Enrollment	650	616	630	636	657	715	735	738	781	828
Royal Palm Beach High (1996)										
Square feet	323,912	323,912	323,912	323,912	323,912	341,192	341,192	341,192	108,517	339,131
Capacity	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,192	2,192	2,259
Enrollment	2,162	2,190	2,186	2,209	2,206	2,079	2,062	2,177	2,207	2,301
Royal Palm School (1959) Modernization 2009)										
Square feet	147,481	147,481	147,481	147,481	147,481	147,481	147,481	147,481	164,761	160,279
Capacity	623	623	623	623	623	623	623	623	814	626
Enrollment	243	439	494	213	201	190	198	180	173	191
S.D. Spady Elementary (1990) (Modernization 2005)										
Square feet	91371	91371	91371	91,371	91,371	91,371	91,371	91,371	89,243	89,243
Capacity	697	697	697	697	697	697	697	697	697	697
Enrollment	542	536	532	527	555	546	562	672	651	555
Sandpiper Shores Elementary (1970)										
Square feet	116,612	116,612	116,612	116,612	116,612	116,612	116,612	116,612	116,612	115,865
Capacity	1,064	1,064	1,064	1,064	1,064	1,064	1,116	1,116	1,096	1,168
Enrollment	872	907	887	799	755	772	774	737	684	709
Santaluces High (1965) (Addition 2005)										
Square feet	360,117	360,117	360,117	352,652	356,649	356,649	360,137	360,137	360,137	356,828
Capacity	2,322	2,322	2,322	2,322	2,221	2,221	2,221	2,221	2,221	2,281
Enrollment	2,332	2,326	2,415	2,350	2,367	2,305	2,233	2,323	2,343	2,341
Seminole Ridge High (2006)										
Square feet	382,147	382,147	382,147	382,147	380,092	380,092	380,092	380,092	378,172	377,412
Capacity	2,463	2,463	2,463	2,463	2,463	2,463	2,452	2,409	2,409	2,494
Enrollment	2,296	2,304	2,351	2,415	2,359	2,558	2,504	2,425	2,483	2,398
Seminole Trails Elementary (1965)										
Square feet	137,032	137,032	137,032	137,032	137,032	137,032	137,032	163,368	115,462	117,542
Capacity	1,066	1,066	1,066	1,066	1,066	1,066	1,158	626	626	626
Enrollment	754	764	803	724	730	946	923	806	843	785
South Grade Elementary (1926) (Modernization 1999)										
Square feet	99,413	99,413	99,413	99,413	99,413	102,869	102,869	102,869	102,999	102,999
Capacity	715	715	715	715	715	715	715	715	719	719
Enrollment	810	739	705	655	646	542	523	504	723	760



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
South Intensive Transition (1965)										
Square feet	14,085	14,085	13,635	13,635	13,635	33,051	33,051	32,118	32,118	32,118
Capacity	20	20	20	20	20	318	318	372	372	372
Enrollment	56	68	69	65	84	81	83	115	71	90
South Olive Elementary (1988)										
Square feet	99372	99372	99372	97,302	97,302	101,142	99,222	99,222	99,222	98,822
Capacity	637	637	637	637	637	601	618	608	626	626
Enrollment	607	653	697	706	693	671	636	603	631	634
Spanish River High (1965)										
Square feet	335,096	335,096	335,096	335,096	335,096	338,957	345,341	345,341	345,341	345,500
Capacity	2,259	2,259	2,259	2,259	2,259	2,242	2,240	2,239	2,239	2,248
Enrollment	2,334	2,306	2,356	2,336	2,376	2,381	2,288	2,227	2,149	2,135
Starlight Cove Elementary (1988)										
Square feet	129,663	129,663	129,663	128,790	128,790	128,790	128,790	128,790	128,431	128,431
Capacity	1,086	1,086	1,086	1,086	1,086	1,086	1,112	1,112	1,112	1,112
Enrollment	801	820	847	911	961	741	733	738	770	790
Suncoast High (1955) (Modernization 2011)										
Square feet	294,344	294,344	294,344	294,344	294,344	294,344	294,344	177,870	178,365	178,365
Capacity	1,714	1,733	1,733	1,733	1,733	1,733	1,811	1,269	1,269	1,350
Enrollment	1,551	1,498	1,505	1,486	1,500	1,510	1,445	1,391	1,327	1,328
Sunrise Park Elementary (2000)										
Square feet	121,509	121,509	121,509	121,509	121,509	134,949	134,949	134,949	134,949	134,994
Capacity	972	972	972	972	972	972	972	972	972	900
Enrollment	807	815	854	867	880	894	985	1,004	1,057	1,056
Sunset Palm Elementary(2008)										
Square feet	130,946	130,946	127,106	127,106	127,106	127,106	127,106	127,106	127,106	127,035
Capacity	1,024	1,024	978	978	978	978	978	978	990	960
Enrollment	1,067	1,096	1,034	986	995	953	996	913	766	768
Timber Trace Elementary (1990)										
Square feet	114,808	114,808	114,808	114,841	114,841	114,841	114,841	114,841	114,841	114,841
Capacity	1,013	1,013	1,013	1,001	1,001	1,001	1,001	1,001	1,001	1,001
Enrollment	877	852	860	935	847	866	859	838	833	972
Tradewinds Middle (2005)										
Square feet	192,126	192,126	192,126	192,066	192,066	192,066	192,066	192,066	191,938	191,938
Capacity	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,220	1,220	1,220
Enrollment	1,045	1,054	1,152	1,189	1,235	1,214	1,232	1,182	1,179	1,218
Turning Points Academy (2007)										
Square feet	71,047	71,047	71,047	71,047	71,047	71,047	71,047	71,047	71,047	69,402
Capacity	820	820	820	820	820	818	818	818	818	818
Enrollment	80	125	125	102	126	127	185	250	250	250
U.B. Kinsey/Palmview Elementary (1932) (Modernization 2004)										
Square feet	104,577	104,577	104,577	104,577	104,577	104,577	104,577	104,577	104,462	104,462
Capacity	700	700	700	700	700	700	700	695	695	695
Enrollment	612	564	549	559	516	515	507	514	557	550
Verde Elementary (1980)										
Square feet	109,513	109,513	109,513	109,513	104,581	105,349	105,589	105,589	105,250	105,250
Capacity	926	926	926	926	838	806	806	806	806	770
Enrollment	1035	982	901	847	823	855	825	791	759	762
Village Academy (1999)										
Square feet	176,884	176,884	176,884	176,884	176,884	181,264	181,264	181,290	183,024	183,024
Capacity	1,083	1,083	1,083	1,083	1,083	1,303	599	541	1,302	1,721
Enrollment	657	685	731	746	788	763	788	420	693	440
Washington Elementary (1964)										
Square feet	70,005	70,005	70,005	70,005	70,005	74,229	77,861	77,861	77,514	77,514
Capacity	484	484	484	484	484	484	484	484	484	484
Enrollment	330	360	370	380	309	334	334	342	397	397
Waters Edge Elementary (1985)										
Square feet	110,031	110,031	110,031	110,031	109,995	115,695	116,559	115,671	115,671	115,741
Capacity	818	818	818	818	818	818	818	746	746	764
Enrollment	865	856	782	811	791	841	836	855	833	879
Watson B. Duncan Middle (1960)										
Square feet	164,235	164,235	164,235	156,217	156,217	160,731	160,731	160,731	160,731	161,904
Capacity	1,369	1,369	1,369	1,358	1,358	1,378	1,378	1,377	1,065	1,065
Enrollment	1,264	1,310	1,275	1,311	1,301	1,381	1,258	1,178	1,163	1,170
Wellington High (1965)										
Square feet	342,878	342,878	342,878	348,110	342,878	357,064	360,312	360,312	360,312	360,194
Capacity	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,193	2,278
Enrollment	2,524	2,465	2,380	2,346	2,417	2,428	2,306	2,188	2,149	2,226
Wellington Elementary (1970)										
Square feet	118,684	118,684	118,684	118,684	118,684	118,684	118,684	123,484	119,007	119,007
Capacity	1,022	1,022	1,022	1,022	1,022	1,022	1,061	1,439	1,032	1,076
Enrollment	758	689	664	710	732	813	758	835	834	874



**BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Wellington Landings Middle (1970)										
Square feet	185,622	187,542	187,542	187,542	178,806	181,290	181,339	190,130	174,179	179,475
Capacity	1,570	1,610	1,610	1,610	1,610	1,610	1,610	1,391	1,391	1,391
Enrollment	1,202	1,044	1,032	1,117	1,110	1,292	1,264	1,221	1,138	1,098
West Boca Community High (2005)										
Square feet	373,319	373,319	373,319	373,319	373,319	373,007	373,007	373,007	373,049	373,049
Capacity	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,420
Enrollment	2,031	1,958	1,968	2,054	2,065	2,216	2,101	2,107	2,165	2,250
West Gate Elementary (2001)										
Square feet	114,859	114,859	114,859	118,783	125,479	125,479	125,479	134,119	134,119	134,355
Capacity	734	734	734	734	734	734	734	896	896	896
Enrollment	778	747	711	721	719	764	781	792	1,078	1,026
West Riviera Elementary (1966)										
Square feet	82,391	82,391	82,391	82,391	82,391	82,391	89,607	89,607	89,607	89,607
Capacity	729	729	729	729	729	734	734	734	752	752
Enrollment	695	673	656	671	571	500	550	621	602	611
Western Pines Middle (1970)										
Square feet	143,361	143,361	143,361	143,361	143,361	152,432	158,368	152,637	151,020	151,020
Capacity	1,054	1,054	1,054	1,054	1,054	1,054	1,094	1,091	1,091	1,091
Enrollment	1,117	1,077	1,052	1,100	1,150	1,190	1,193	1,148	1,192	1,230
Westward ES (1961) (Modernization 2008)										
Square feet	119,796	119,796	119,796	119,796	119,796	119,796	119,914	119,914	119,914	113,709
Capacity	890	890	890	890	890	1,014	1,040	1,040	1,040	661
Enrollment	596	535	578	664	699	654	676	638	617	563
Whispering Pines Elementary (1984)										
Square feet	135,474	135,474	135,474	135,474	135,474	139,314	111,605	111,605	111,130	101,519
Capacity	932	932	932	932	932	642	666	609	609	609
Enrollment	887	881	852	823	787	594	570	544	568	577
William T. Dwyer High (1960)										
Square feet	368,559	368,559	368,559	358,719	358,719	360,447	360,447	360,447	355,126	355,126
Capacity	2,481	2,456	2,456	2,456	2,456	2,456	2,475	2,476	2,481	2,567
Enrollment	2,212	2,006	2,000	2,031	1,974	2,348	2,283	2,198	1,893	1,788
Woodlands Community Middle (1998)										
Square feet	200,139	200,699	200,699	200,699	187,385	196,985	197,849	217,335	198,311	196,969
Capacity	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,211	1,211	1,211
Enrollment	1,104	1,097	1,145	1,199	1,264	1,219	1,246	1,317	1,281	1,257
Wynnebrook Elementary (1966)										
Square feet	88,103	88,103	88,103	88,103	88,103	92,231	98,471	98,471	98,311	98,311
Capacity	861	861	861	861	861	861	861	861	861	861
Enrollment	880	853	835	849	835	835	823	801	830	844



MISCELLANEOUS STATISTICAL DATA (UNAUDITED)

PALM BEACH COUNTY (INCORPORATED - 1909)

County Seat West Palm Beach
Geographic area 2,578 square miles

Climate

Average temperature 75.4 degrees F
Average high 82.9 degrees F
Average low 67.8 degrees F
Average rainfall (per month) 5.9 inches

Number of Public Schools

Elementary 108
Junior High and Middle Schools 34
High Schools 23
Special Schools 18 *
Total 183

Communications

Major newspapers: Palm Beach Post
Sun Sentinel

Major television stations: PBCTV (Cable Channel 20)
WPTV - 5 (NBC)
WPEC - 12 (CBS)
WPBF - 25 (ABC)
WFLX - 29 (FOX)
AT&T

Telephone service:

Colleges/Universities

Colleges
Universities Palm Beach State College
Florida Atlantic University
Barry University (Private)
Palm Beach Atlantic University (Private Christian)
Keiser University (Private)
Lynn University (Private)

Transportation

Airports Palm Beach International Airport
Palm Beach County Park Airport (Lantana)
North County General Aviation Airport
Boca Raton Airport

Seaport Glades Airport
Railroad - Passenger Port of Palm Beach
Amtrak
Railroad - Freight Tri-Rail
Florida East Coast Railway
Bus - Interstate/Intrastate CSX Corporation
Bus - Local Greyhound/Trailways Bus Lines
Palm Tran

Source: Palm Beach County Development Board
Palm Beach County, Department of Public Affairs

www.usclimatedata.com

* Includes 12 Alternative, one virtual, one K-12, two adult education, and two ESE Schools. Five Alt. Schools are located in District Buildings



MORE OF
EVERYTHING YOU
WANT FOR
YOUR CHILD

 PALM BEACH COUNTY SCHOOLS
Your *BEST* Choice

GROWING. STRONG.

The graphic is a square with a light blue background. At the top, a dark red circle contains the text 'MORE OF EVERYTHING YOU WANT FOR YOUR CHILD' in white, bold, sans-serif font. Below the circle is the Palm Beach County Schools logo, which consists of a small square icon with a heart and a graduation cap, followed by the text 'PALM BEACH COUNTY SCHOOLS' and 'Your BEST Choice' in a smaller font. At the bottom, a dark blue horizontal bar contains the text 'GROWING. STRONG.' in white, bold, sans-serif font.

2016-2021

Strategic Plan



LONG-TERM OUTCOMES

 <p>Increase reading on grade level by 3rd grade</p> <p>GOAL: 75%</p>	 <p>Ensure high school readiness</p> <p>Including: Academic achievement, behavior & engagement</p> <p>GOAL: 75%</p>	 <p>Increase the high school graduation rate</p> <p>GOAL: 90%</p>	 <p>Foster post-graduate success</p> <p>Including: High school scholars, dual-enrollment degrees, industry certifications, college enrollment and persistence, military enlistment</p> <p>GOAL: 75%</p>
--	--	--	--

STRATEGIC THEME Effective and Relevant Instruction to Meet the Needs of All Students 	OBJECTIVES Ensure a shared commitment and collective responsibility for the academic success of every student Establish personalized learning opportunities for all students Ensure academic proficiency of all students from pre-kindergarten through grade 2	INITIATIVES Define pillars of effective instruction to increase the academic achievement of all students Embed cultural competence, equity and access within instructional practices	Develop the capacity to deliver effective instruction from pre-kindergarten through grade 2 Provide instructional programming customized to the individual strengths, needs, interests and aspirations of each learner	Expand & enhance pre-kindergarten programs and services in collaboration with our community and agency partners Provide digital and blended learning opportunities utilizing current technology
STRATEGIC THEME Positive and Supportive School Climate 	OBJECTIVES Ensure a safe and supportive school climate that promotes the social/emotional and academic development of all students Secure parent and community partnerships to support the academic and social/emotional development of all students	INITIATIVES Ensure a comprehensive "Single School Culture" in every school	Addressing bullying prevention through Social Emotional Learning (SEL) Align behavioral and social/emotional services while increasing accessibility	Align new and existing community and parent partnerships
STRATEGIC THEME Talent Development 	OBJECTIVES Promote a culture of learning and development for all employees by providing opportunities and pathways for growth and advancement Recruit, select and hire high-quality employees	INITIATIVES Develop and implement a recruitment system that attracts high-quality and diversity in candidates by job group/category	Develop and implement rigor in the selection and hiring processes that effectively identify and screen for high-quality, skilled applicants	Develop leadership advancement pathways for all employees
STRATEGIC THEME High-Performance Culture 	OBJECTIVES Ensure continuous improvement throughout the district Improve employee engagement, retention and performance Instill resource optimization to yield maximum return on investment Increase customer service and support	INITIATIVES Implement a comprehensive performance management system Implement rigorous project management structures, protocols and processes	Build a district-wide culture of pride, trust & respect Develop resource allocation processes aligned with student needs Enact systemic customer service	Establish and implement recognition and differentiated compensation systems

VISION STATEMENT


The School District of Palm Beach County envisions a dynamic collaborative multicultural community where education and lifelong learning are valued and supported, and all learners reach their highest potential and succeed in the global economy.



MISSION STATEMENT

The School District of Palm Beach County is committed to providing a world-class education with excellence and equity to empower each student to reach his or her highest potential with the most effective staff to foster the knowledge, skills, and ethics required for responsible citizenship and productive careers.

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 School District of Palm Beach County

The School District of Palm Beach County, Florida

Single Audit Reports in
Accordance with the Uniform Guidance
Year Ended June 30, 2017

The School District of Palm Beach County, Florida

Management Letter in Accordance
With Chapter 10.800, *Rules of the Auditor
General* of the State of Florida

For the Year Ended June 30, 2017

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RSM US LLP

**Management Letter in Accordance with
Chapter 10.800 of the Rules of the
Auditor General of the State of Florida**

To the Chairperson and Board Members of
The School District of Palm Beach County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The School District of Palm Beach County, Florida (the District), as of and for the fiscal year ended June 30, 2017 and have issued our report thereon dated November 29, 2017.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Grant Guidance, and Schedule of Findings and Questioned Costs and our Independent Accountant's Report on an examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, regarding compliance requirements in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in those reports, which are dated November 29, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as reported in *Appendix A – Status of Prior Year's Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls*.

Financial Condition and Management

Section 10.804(1)(f)2., Rules of the Auditor General, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

THE POWER OF BEING UNDERSTOOD
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Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Section 10.804(l)(f)6., Rules of the Auditor General, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. (Section 1011.035, Florida Statutes, provides that district school boards include a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public). In connection with our audit, we determined that the District maintained on its website the information specified in Section 1011.035, Florida Statutes.

Additional Matters

Section 10.804(1)(f)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Chairperson and Board Members of District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

West Palm Beach, Florida
November 29, 2017

The School District of Palm Beach County, Florida

**Appendix A – Status of Prior Year’s Recommendations to Improve Financial Management,
Accounting Procedures and Internal Control**

No.	Prior Year’s Observations	Observation No Longer Relevant	Observation is Still Relevant
2016-01	Debt Refunding Gain/Loss Calculation	X	

Independent Accountant's Report

To the Chairperson and Members of
The School District of Palm Beach County, Florida

We have examined The School District of Palm Beach County, Florida's (the School District) compliance with Section 218.415, *Florida Statutes, Local Government Investment Policies* during the year ended June 30, 2017. Management is responsible for the School District's compliance with the specified requirements. Our responsibility is to express an opinion on the School District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the School District's compliance with specified requirements.

In our opinion, the School District complied, in all material respects, with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period July 1, 2016 to June 30, 2017.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Superintendent, Board Members of the School District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

West Palm Beach, Florida
November 29, 2017

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RSM US LLP

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

To the Chairperson and Members
The School District of Palm Beach County, Florida
West Palm Beach County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The School District of Palm Beach County, Florida (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

West Palm Beach, Florida
November 29, 2017

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the
Schedule of Expenditures of Federal Awards as Required by the Uniform Guidance**

Independent Auditor's Report

To the Chairperson and Members
The School District of Palm Beach County, Florida
Palm Beach County, Florida

Report on Compliance for Each Major Federal Program

We have audited The School District of Palm Beach County, Florida's (the District) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 29, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

West Palm Beach, Florida
November 29, 2017

**The School District of Palm Beach County, Florida
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017**

	CFDA Number	Pass-through Grantor Number	Federal Expenditures	Amount Provided to Sub-Recipients
<u>United States Department of Agriculture</u>				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	16002	\$ 14,544,893	\$ -
National School Lunch Program	10.555	16001, 16003	55,308,707	-
Summer Food Service Program	10.559	16006, 16007	2,182,062	-
Total Child Nutrition Cluster			72,035,662	-
Florida Department of Health:				
Child and Adult Care Food Program	10.558	16004	2,592,369	-
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	None	559,501	-
Total United States Department of Agriculture			75,187,532	-
<u>United States Department of Commerce</u>				
Direct:				
Science, Technology, Business and/or Education Outreach	11.620	None	15,249	-
Total United State of Department of Commerce			15,249	-
<u>United States Department of Justice</u>				
Direct:				
National Institute of Justice Research, Evaluation and Development Project Grant	16.560	None	983,537	-
Equitable Sharing Program	16.922	None	2,085	-
Total United States Department of Justice			985,622	-
<u>United States General Services Administration</u>				
Indirect:				
Florida Department of Management Services:				
Donation of Federal Surplus Personal Property	39.003	None	31,284	-
Total United States General Services Administration			31,284	-
<u>United States Department of Education</u>				
Direct:				
Impact Aid	84.041	None	6,772	-
Magnet Schools Assistance	84.165	None	1,689,086	-
Fund for Improvement of Education	84.215	None	360,608	-
Transition to Teaching	84.350	None	318,041	2,328
Arts in Education	84.351	None	434,482	-
High School Graduation Initiative	84.360	None	6,466	-
Total Direct			2,815,455	2,328

(Continued)

**The School District of Palm Beach County, Florida
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017**

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass-through Grantor Number	Expenditures	Amount Provided to Sub-Recipients
Special Education Cluster:				
Indirect:				
Special Education – Grants to States:				
Florida Department of Education	84.027	262,263	\$ 39,435,272	\$ 2,782,833
Putman County District School Board	84.027	None	13,640	-
University of South Florida	84.027	None	86	-
Special Education – Preschool Grants	84.173	266,267	1,186,340	83,015
Total Special Education Cluster			40,635,338	2,865,848
Florida Department of Education:				
Adult Education-State Grant Program	84.002	191,193	2,373,506	-
Title I Grants to Local Educational Agencies	84.010	212,222,223,226,228	48,615,271	2,042,088
Migrant Education-State Grant Program	84.011	217	1,677,602	-
Career & Technical Education-Basic Grant to States	84.048	161	1,784,330	18,963
Education for Homeless Children & Youth	84.196	127	99,952	-
Charter Schools	84.282	298	780,495	780,262
Twenty-First Century Community Learning Centers	84.287	244	4,202,380	448,978
English Language Acquisition Grants	84.365	102	3,893,405	-
School Improvements Grants	84.377	126	877,156	-
Improving Teacher Quality State Grants:				
Florida Department of Education	84.367	224	5,299,013	14,657
Florida Atlantic University	84.367	None	95,779	-
University of Florida:				
Investing in Innovation Fund	84.411	None	132,731	-
Total Indirect			110,466,958	6,170,796
Total United States Department of Education			113,282,413	6,173,124
<u>United States Department of Health & Human Services</u>				
Direct:				
Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance				
	93.079	None	394,208	-
Substance Abuse & Mental Health Services Projects of Regional and National Significance				
	93.243	None	99,112	-
Total Direct			493,320	-
Indirect:				
Pass-through from the Florida Department of Children & Families:				
Refugee and Entrant Assistance-State Administered Programs	93.566	XK041	519,822	-
Refugee & Entrant Assistance-Discretionary Grant	93.576	XK041	192,263	-
Pass-through Department of Community Services				
Division of Head Start & Children Services				
Head Start	93.600 (5)	04CH4702/04	3,357,817	-
Total Indirect			4,069,902	-
Total United States Department of Health & Human Services			4,563,222	-
<u>United States Department of Defense:</u>				
Direct:				
Reserve Officers Training Corps (ROTC)	12.Unknown	None	1,039,379	-
Total United States Department of Defense			1,039,379	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 195,104,701	\$ 6,173,124

The School District of Palm Beach County, Florida

Notes to Schedule of Expenditures of Federal Awards

Note 1. General and Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) presents the expenditure activity of all federal awards of The School District of Palm Beach County, Florida (the District), for the year ended June 30, 2017. The District's reporting entity is defined in Note 1 of the District's basic financial statements. All federal awards received directly from federal and indirectly through state agencies, as well as amounts passed through other government agencies are included in the accompanying schedule of expenditures of federal awards. Because the schedule presents only a selected portion of the expenditures of the District, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the District. Some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Basis of Accounting

The accompanying schedule is presented using the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 3. Indirect Cost Recovery

The District did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

Note 4. Noncash Awards

The National School Lunch Program for CFDA Number 10.555 includes \$5,545,429 of donated food used during the fiscal year. Donated foods are recorded at fair value as determined at the time of the donation.

The School District of Palm Beach County, Florida

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

I. Summary of Independent Auditor's Results

Financial Statements

- A. Type of auditor's report issued: Unmodified Opinion
- B. Internal Controls over financial reporting:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- C. Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

- D. Type of auditor's report issued on compliance for major federal programs: Unmodified Opinion
- E. Internal control over major federal programs:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- F. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No
- G. Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
10.553, 10.555, 10.559	United States Department of Agriculture: Child Nutrition Cluster
84.165	United States Department of Education: Magnet Schools Assistance
84.287	Twenty-First Century Community Learning Centers

- H. Dollar threshold used to distinguish between type A and type B program: \$3,000,000
- I. Auditee qualified as a low-risk auditee? X Yes No

(Continued)

The School District of Palm Beach County, Florida

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2017**

Section II. Financial Statements Findings

No matters to report

Section III. Federal Award Findings and Questioned Costs

No matters to report

The School District of Palm Beach County, Florida

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017**

I – Financial Statement Findings

Finding Number 2016-001

Condition – Pursuant to guidance from the FDOE, the District was responsible for reporting 47, 53 and 50 charter schools as DPCUs on the District’s financial statements for the 2013-14, 2014-15, and 2015-16 fiscal years, respectively. However, for those fiscal years, the District did not report the charter schools as DPCUs on the District’s Comprehensive Annual Financial Report (CAFR).

Additionally, financial information for 35 of the District’s 50 charter schools was available at the time of the District’s AFR publication and the District reported the financial information for the 35 charter schools in a column titled “Charter Schools” on the 2015-16 fiscal year AFR presented for audit. However, the AFR notes to financial statements indicated that charter schools no longer qualify as part of the District’s Reporting Entity and should not be reported as DPCUs.

Corrective Action Plan – Management disagrees with the comment. The District assessed and concluded in fiscal year 2013, that charter schools do not meet the criterion to be considered component units. No facts or circumstances have changed to alter the District’s position. The District’s assessment was based upon extensive review of the standards in collaboration with the District’s independent external auditor and multiple discussions with Governmental Accounting Standards Board (GASB) staff in fiscal years ended June 30, 2012, 2013 and October, 2015. The District has received and continues to receive unmodified opinions from the independent auditors since the first year of implementation fiscal year ended June 30, 2013 up to and including June 30, 2017. The District’s independent external auditor opined that District financial statements present fairly, in all material respects, the respective financial position in accordance with accounting principles generally accepted in the United States of America (GAAP). A change to the presentation of charter schools would potentially put the District at risk for a modification of opinion and noncompliance with GAAP.

II – Federal Awards Findings and Questioned Costs

No material weaknesses or significant deficiencies reported.