



THE SCHOOL DISTRICT
OF PALM BEACH COUNTY

2018

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2018

The School District of Palm Beach County



Donald E. Fennoy II, Ed. D.

Superintendent



School Board Members



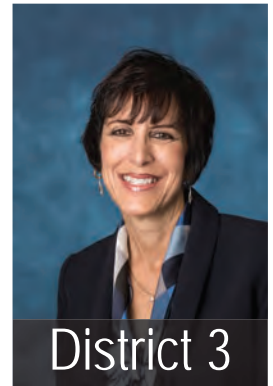
District 1

Barbara McQuinn



District 2

Chuck Shaw
Chairman



District 3

Karen M. Brill

Fiscal Year
2018



District 4

Erica Whitfield



District 5

Frank A. Barbieri, Jr., Esq.



District 6

Marcia Andrews



District 7

Debra L. Robinson, M.D.
Vice Chairwoman

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The School District of Palm Beach County, Florida

for the

Fiscal Year Ended June 30, 2018



Issued by:

**Donald E. Fennoy II, 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**



**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
ASBO Certificate of Excellence	vii
Organizational Chart - School Year 2017 / 2018	ix
Principal Officials - Non-Partisan Elected	x
Principal Officials - June 30, 2018	xi

FINANCIAL SECTION

A. Independent Auditors' Report	1
B. Management's Discussion and Analysis (Unaudited)	3

C. Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	15
Statement of Activities	16

Fund Financial Statements

Governmental Funds Financial Statements

Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General Fund	27

Proprietary Fund Financial Statements

Statement of Net Position	29
Statement of Revenues, Expenses, and Changes in Net Position	30
Statement of Cash Flows	31

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33

Notes to the Financial Statements:

1. Summary of Significant Accounting Policies	35
2. Ad Valorem Taxes	44
3. Cash, Cash Equivalents and Investments	45
4. Investment Derivative Instruments	48
5. Due From Other Governments or Agencies	48
6. Interfund Activities	49
7. Capital Assets	50
8. Risk Management	50
9. Short Term Debt	51
10. Long-Term Liabilities	52

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

FINANCIAL SECTION (continued)

	<u>Page</u>
11. Derivative Instruments	60
12. Retirement Plans	61
13. Post Employment Benefits Other Than Pensions	69
14. Net Position and Fund Balance Reporting	73
15. Commitments and Contingencies	75
16. Subsequent Events	75
D. Required Supplementary Information	
Schedule of District's Proportionate Share of the Net Position Liability - FRS	77
Schedule of District's Contributions - FRS	77
Schedule of District's Proportionate Share of the Net Position Liability - HIS	77
Schedule of District's Contributions -HIS	78
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	78
E. Combining and Individual Fund Statements and Schedules	
Non-Major Governmental Funds	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	84
Combining Statement of Net Position - Internal Service Funds	88
Combining Statement of Revenues, Expenditures and Changes in Net Position - Internal Service Funds	89
Combining Statement of Cash Flows - Internal Service Funds	90
Budgetary Comparison Schedules (Budgetary Basis) - Other Major and Non-Major Governmental Funds	
Major Funds	
COPS Debt Service	91
Capital Improvement	92
Sales Tax	93
Non-Major Funds	
Food Service	94
Other Special Revenue Fund	95
SBE/COBI Bonds	96
Debt Service - Buses and Equipment	97
ARRA QSCB	98
Public Education Capital Outlay	99
CO & DS	100
Capital - Buses and Equipment	101
COPS	102
Other Capital Projects	103
Agency Fund	
Statement of Changes in Assets and Liabilities	104
F. Other Supplementary Information	
Long Term Liabilities	
Schedule of Debt Service Requirements to Maturity - Bonds and Lease Payable and Obligations Under Lease Purchase Agreements	106
Schedule of Bonds and Lease Payable and Obligations Under Lease Purchase Agreements	108

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

STATISTICAL SECTION (Unaudited)

	<u>Table</u>	<u>Page</u>
Financial Trends:		
Net Position by Component	1	114
Expenses, Program Revenues and Net (Expense)/Revenue	2	116
General Revenues and Total Changes in Net Position	3	118
Fund Balances - Governmental Funds	4	120
Governmental Funds Revenue	5	122
Changes in Fund Balances - Governmental Funds	6	124
Ratio of Debt Service to Non-Capital Expenditures	7	126
Revenue Capacity:		
Assessed and Estimated Actual Value of Taxable Property	8	127
Property Tax Levies and Collections	9	128
Property Tax Rates Per Thousand of Assessed Valuation		
All Countywide Direct and Overlapping Governments	10	130
Property Tax Levies - All Countywide Direct and Overlapping Governments	11	132
Debt Capacity:		
Ratio of Outstanding Debt by Type	12	135
Computation of Legal Debt Margin	13	136
Ratio of Net General Bonded Debt to Assessed Value and	14	138
Net Bonded Debt Per Capita		
Current Debt Ratios and Bonded Debt Per Capita of Palm Beach County		
Computation of Direct and Overlapping Debt	15	139
Ratio of Annual Debt Service Expenditures for General Bonded Debt		
to Total General Fund Expenditures	16	140
Pledged Revenue Coverage	17	141
Demographic and Economic Information:		
Demographic Statistics	18	143
Principal Taxpayers and Ten Largest Private Employers	19	144
Property Value of Building Permits Issued, Construction and Bank Deposits	20	146
Comparative Enrollment Trends - Fifteen Largest School Districts	21	148
Labor Force Estimates	22	151
Employment Distribution by Major Industry	23	152
Operating Information:		
School Food Service Operating Data	24	154
Schedule of Insurance in Force	25	156
Teachers' Salaries	26	163
Full Time Staff by Assignment	27	164
Operating Statistics	28	166
Building Information	29	167
Miscellaneous Statistical Data	30	177





2018

INTRODUCTORY
SECTION



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

**DONALD E. FENNOY II, 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 16, 2018

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, 2018. 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 2018.

The District received an unmodified ("clean") opinion on the financial statements for the fiscal year ended June 30, 2018. 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 million, 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 48 charter schools. Approximately 191,300 students were enrolled in Palm Beach County Public Schools during fiscal year 2018. Of the total students enrolled, approximately 171,200 are in District schools and 20,100 are in charter schools, representing an increase of 1,900 students in District schools and a decrease of 800 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 140 languages with 150 different countries or territories of birth. The Dual Language Program has over 7,000 participants across 24 schools. The population of the county is approximately 75.0% White, 22.3% Hispanic, 19.6% Black, 2.9% Asian, and 0.6% American Indian and Alaska Native. There are over 42,000 students with Individualized Education Plans or Educational Plans (for gifted students). Of the total, approximately 31,800 are eligible for services under the Individuals with Disabilities Education Act. Approximately 67% 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 3.6% in September 2018 from 4.1% in December 2017; 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

Education in Florida has been underfunded by the state for over a decade. According to the National Center of Education Statistics, per-student funding levels in Florida fell from 36th in the nation in fiscal year 2007 to 44th in the nation in fiscal year 2016. If the Florida Legislature's continual rollback of school property taxes is any indication, this decline in state funding is only expected to continue for the foreseeable future.

Per student funding is still well below pre-recession levels when adjusted for inflation, and, in order to offset inflation (CPI), funding would need to be increased by 16%, an additional \$1,201 per student. This increase, when applied to the

approximately 170,000 students attending district-operated schools in Palm Beach County, would equate to a \$204 million increase annual operating cost. Enrollment in public schools in Palm Beach County is projected to increase by approximately 2,200 students in fiscal year 2019, District enrollment is projected to increase by 1,800 students, while the enrollment in charter schools is expected to increase by 400. The trend of charter school enrollment growth has slowed. By fiscal year 2023, charter school enrollment is projected to grow to 22,200 students, up from 20,100 in fiscal year 2018.

The final budget approved by the Florida Legislature on March 11 and signed into law by Governor Scott on March 17 provides only an increase of \$101.50 or 1.39% in per student funding, far short of the 16% figure required to meet pre-recession funding levels. Additionally, nearly all of this increase has been earmarked specifically for Safe Schools, the new Mental Health categorical, and increase in the Florida Retirement System rates.

In response to inadequate state funding, Palm Beach County voters approved two referendums: the first in November 2016 increasing the local sales tax by one penny (shared with the County and municipalities), and the second in November 2018 increasing the current levy of 0.25 mills (expiring at the end of fiscal year 2019) to a full 1.00 mill. The sales tax is projected to generate \$1.345 billion over a ten-year period with the primary purpose to reduce the backlog of critical capital needs as a result of the changes adopted by the Florida Legislature. The 1.00 mill levy equates to approximately \$200 million per year over the next four years, beginning July 1, 2019, enabling non-charter District schools to continue to fund over 650 positions in art, music, physical education, career teachers, school safety & mental health, and teacher recruitment and retention.

ACADEMIC BASED AWARDS AND ACKNOWLEDGEMENTS

- The District earned an “A” rating for fiscal year 2018 and when compared with other large districts in Florida, demonstrated higher performance overall and in four of the 11 components (Math, Science, Math learning gains for all students, and high school graduation rate)
- For fiscal year 2018, the District was ranked 13th in the state of Florida comprised of 67 districts
- More than 3,600 high school graduates attended the Top 100 Ranked schools in fiscal years 2012-2016
- Has 61 semifinalists for the 2019 National Merit Scholarship Program, allowing them to continue in the competition for approximately 7,500 National Merit Scholarships worth about \$31 million
- More than 14,000 Class of 2018 graduates earned over \$115 million in scholarships to attend top colleges and universities
- Three schools in top 100 by US News Magazine’s Best High Schools in America 2018 (One in Top Ten for Florida)
- Approximately 75 percent, or 19, of District-operated high schools earned a graduation rate of 90 percent or higher – including two schools where 100% of seniors graduated
- 75 schools recognized as Five Start Schools measuring significant family and community involvement
- Approximately 40,000 volunteers were in our schools with donated hours equivalent to approximately \$25 million worth of services to our schools by the community
- The District is fully accredited by AdvancED, the world’s largest education community using International Standards and is the 3rd largest school district in the world to receive this distinction

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, 2017. This was the 28th 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, 2017. 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 21 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.

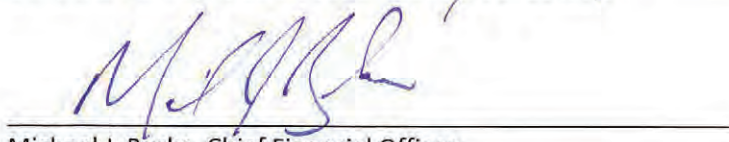
The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Accounting Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

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

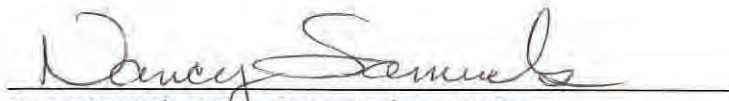
Respectfully submitted,



Donald E. Fennoy II, Ed.D., Superintendent of Schools



Michael J. Burke, Chief Financial Officer



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

DEF/MJB/NS



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, 2017

Christopher P. Morill

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, 2017.

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

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

John D. Musso, CAE
Executive Director

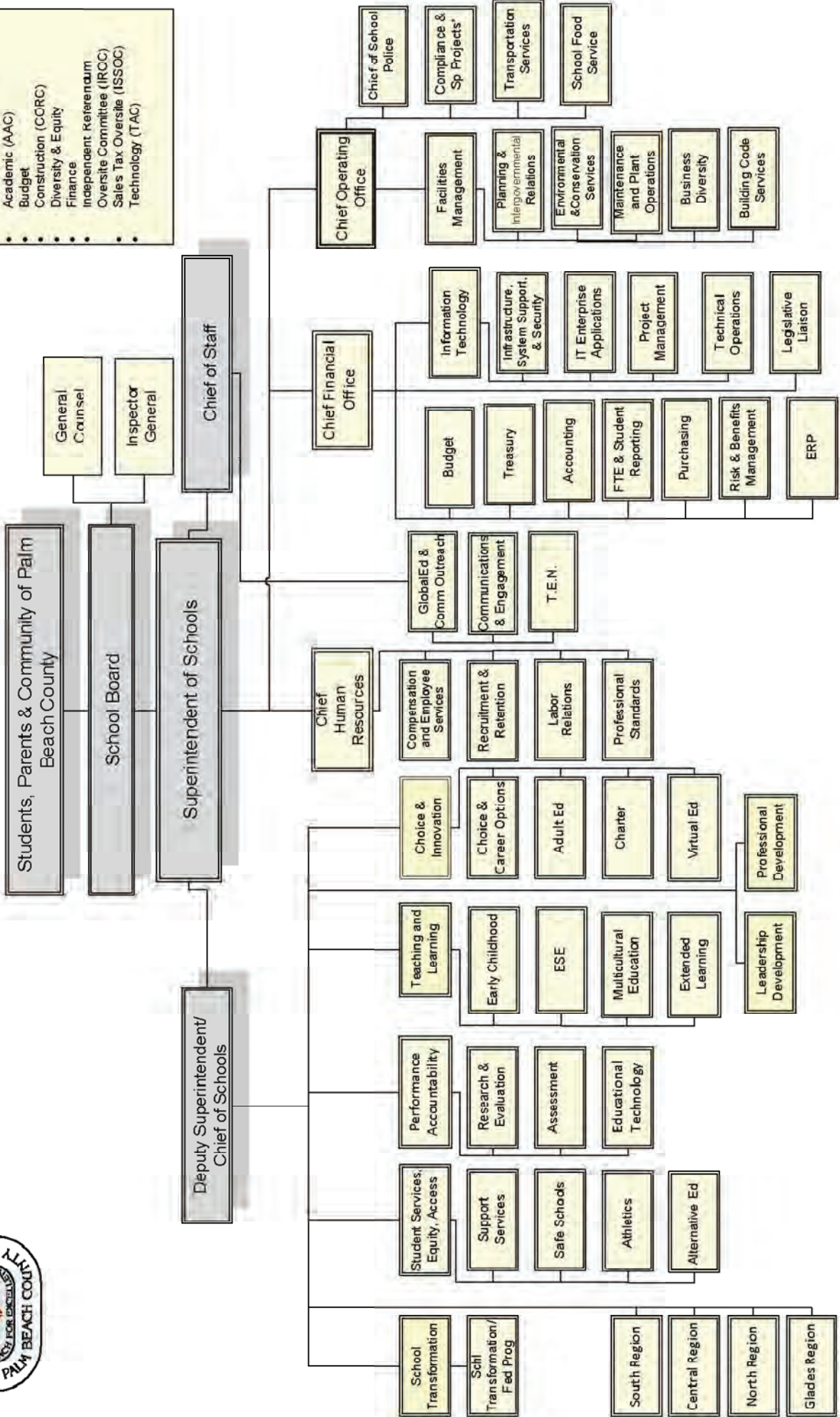




School District of Palm Beach County

June 30, 2018

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





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, 2018**

Donald E. Fennoy II, Ed.D.

Superintendent

JulieAnn Rico, Esq.

Chief Counsel to the School Board

Lung Chiu

Inspector General

Keith Oswald

Deputy Superintendent/Chief of Schools

Amity Chandler

Chief of Staff

Gonzalo S. La Cava, Ed.D.

Chief of Human Resources

Michael J. Burke

Chief Financial Officer

Wanda Paul

Chief Operating Officer





2018

FINANCIAL
SECTION

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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. The net position of the governmental activities of the District as of July 1, 2017, has been restated. Our opinion was not modified with respect to this matter.

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 Changes in the District's Total Other Post-Employment Benefits Liability and Related Ratios, 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 16, 2018, 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 16, 2018

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018, 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 District implemented Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which reduced beginning net position by \$40.1 million as explained further in Note 1 (P).
- The net position of the District increased \$0.132 billion, or 9.8%, from \$1.355 billion to \$1.487 billion. Funding per student has slowly increased since the low point in school year 2011-12, and has finally exceeded the school year 2007-08 levels, without consideration for inflation. Enrollment at district schools increased 0.8%, approximately 1,300 students, while charter schools experienced a decrease in enrollment of approximately 630 students which resulted in the District retaining more FEFP revenue. In addition, net position increased 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 \$111.9 million or 6.8% primarily due to debt repayments of \$86.9 million in addition to the District's restructure of variable rate debt to fixed rate debt which eliminated hedging derivative instruments causing a net decrease to long-term debt of \$25.0 million (discussed in Notes 10 and 11).
- Total revenues increased by \$163.2 million or 7.6%, from \$2.148 billion to \$2.311 billion when compared to the prior year.
 - General revenue accounted for \$1.691 billion, or 73.2%, of all revenues and increased \$131.5 million or 8.4%. This increase is primarily attributed to full year sales tax revenue resulting in an increase of \$72.3 million, property tax increase of \$19.1 million (mainly due to 6.5% increase in property values partially offset by 4.2% lower millage rate), increase in the Florida Education Finance Program (FEFP) revenue of \$37.6 million and \$6.9 million increase in investment earnings.
 - Program specific revenue in the form of charges for services, grants and contributions accounted for \$620.2 million, or 26.8% of all revenues and increased \$31.8 million or 5.4%. The increase is primarily attributed to an increase in reimbursements for school lunch and breakfast programs, increase in Class Size Reduction revenue, and increase in other State revenue.
- Total expenses increased \$115.7 million from \$2.063 billion to \$2.178 billion. The increase in expenses is primarily due to \$52 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, capital outlay spending of penny sales tax referendum funds, and raises given to employees in 2018.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

- The District's governmental funds reported combined fund balances of \$606.2 million.
 - The General Fund (the primary operating fund), reflected on a current financial resources basis, ended the year with a fund balance of \$158.2 million. Of this amount, \$55.0 million is classified as unassigned that is available to cover unanticipated financial needs and includes the Board approved contingency, \$69.5 million is classified as assigned, \$25.5 million is classified as restricted and \$8.2 million is classified as nonspendable. During the current year, General Fund revenues (including other financing sources) exceeded expenditures (including other financing uses) by \$19.7 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 \$128.3 million and is restricted to cover debt service payments. COPS Debt Service funds, a major fund, has a restricted fund balance of \$123.1 million, and the remaining debt service funds which are included with the other non-major governmental funds have a restricted fund balance of \$5.3 million.
 - Capital Project funds ended the year with a fund balance of \$296.8 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 \$79.5 million. The Sales Tax Fund, another major fund, has a total fund balance of \$159.9 million for Sales Tax Referendum projects. Capital project funds included with the other non-major governmental funds have a restricted fund balance of \$16.0 million which is primarily for Adult Education capital projects and an assigned fund balance of \$41.4 for other locally sourced capital projects.
 - Special Revenue funds ended the year with a fund balance of \$22.8 million, of which \$16.1 million is restricted to child nutrition costs, and \$6.7 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, 2018**

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, 2018

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, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Government-Wide

The District's net position was \$1.488 billion at June 30, 2018. The largest portion of the District's net position, \$1.778 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 (\$450.0 million) represents resources that are subject to external restrictions on how they may be used. The increase of \$130.0 million in restricted net position is mainly related to capital project funds (including restrictions for Sales Tax referendum) as well as restrictions for debt service funds.

Table 1

Summary of Net Position Governmental Activities (in thousands)				
	June 30, 2018	* Restated June 30, 2017	Increase (Decrease)	Percentage Change
Current and other assets	\$ 1,061,314	\$ 890,157	\$ 171,157	19.2%
Capital assets (net)	3,216,281	3,288,764	(72,483)	(2.2%)
Total assets	<u>4,277,595</u>	<u>4,178,921</u>	<u>98,674</u>	2.4%
Accum Decr Fair Value of Hedging Derivatives	-	61,946	(61,946)	(100.0%)
Deferred Loss on Debt Refunding	106,386	61,781	44,605	72.2%
Pension Related	433,602	378,156	55,446	14.7%
Total Deferred Outflows of Resources	<u>539,988</u>	<u>501,883</u>	<u>38,105</u>	7.6%
Current and other liabilities	399,614	405,047	(5,433)	(1.3%)
Long-term liabilities	2,835,374	2,870,936	(35,562)	(1.2%)
Total liabilities	<u>3,234,988</u>	<u>3,275,983</u>	<u>(40,995)</u>	(1.3%)
Pension Related	76,524	36,952	39,572	107.1%
Other Post Employment Benefits	18,466	12,552	5,914	47.1%
Total Deferred Inflows of Resources	<u>94,990</u>	<u>49,504</u>	<u>45,486</u>	0.0%
Net position:				
Net investment in Capital Assets	1,777,638	1,756,568	21,070	1.2%
Restricted	449,958	320,003	129,955	40.6%
Unrestricted (deficit)	(739,991)	(721,254)	(18,737)	(2.6%)
Total net position	<u>\$ 1,487,605</u>	<u>\$ 1,355,317</u>	<u>\$ 132,288</u>	9.8%

* Restated for GASB #75-increased Long-term Liabilities (\$27.5M) and Deferred Inflows (\$12.6M), and decreased Net Position \$40.1M)

Capital assets (net) decreased \$72.5 million or 2.2% 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 \$171.2 million or 19.2%, primarily as a result of cash and taxes receivable generated by the capital projects funds.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

	June 30, 2018	* Restated June 30, 2017	Increase (Decrease)	Percentage Change
Revenues:				
Program revenue:				
Charges for services	\$ 53,379	\$ 54,380	\$ (1,001)	(1.8%)
Operating grants and contributions	547,857	511,816	36,041	7.0%
Capital grants and contributions	18,932	22,197	(3,265)	(14.7%)
General revenue:				
Property taxes	1,237,277	1,218,207	19,070	1.6%
Local sales taxes	138,127	65,783	72,344	110.0%
Grants and contributions not restricted	260,096	228,152	31,944	14.0%
Investment earnings	12,991	6,047	6,944	114.8%
Other general revenue	42,106	40,947	1,159	2.8%
Total revenues	<u>2,310,765</u>	<u>2,147,529</u>	<u>163,236</u>	<u>7.6%</u>
Functions/Programs Expenses				
Instruction	1,197,458	1,154,360	43,098	3.7%
Instructional support services	185,883	173,946	11,937	6.9%
Board	7,643	7,468	175	2.3%
General administration	13,609	10,449	3,160	30.2%
School administration	109,988	107,027	2,961	2.8%
Facilities acquisition and construction	54,526	20,761	33,765	162.6%
Fiscal services	7,205	6,853	352	5.1%
Food services	95,977	89,897	6,080	6.8%
Central services	16,647	16,052	595	3.7%
Student transportation services	59,170	54,396	4,774	8.8%
Operation and maintenance of plant	216,347	200,247	16,100	8.0%
Administrative technology services	7,041	7,644	(603)	(7.9%)
Community services	46,737	43,149	3,588	8.3%
Interest on long-term debt	53,137	62,739	(9,602)	(15.3%)
Unallocated depreciation/amortization	107,109	107,742	(633)	(0.6%)
Total expenses	<u>2,178,477</u>	<u>2,062,730</u>	<u>115,747</u>	<u>5.6%</u>
Change in net position	132,288	84,799	47,489	56.0%
Net Position - beginning	1,355,317	1,310,596	44,721	3.4%
* Cumulative effect of implementing GASB #75	-	(40,078)	40,078	(100.0%)
Net Position - ending	<u>\$ 1,487,605</u>	<u>\$ 1,355,317</u>	<u>\$ 132,288</u>	<u>9.8%</u>

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 2017.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

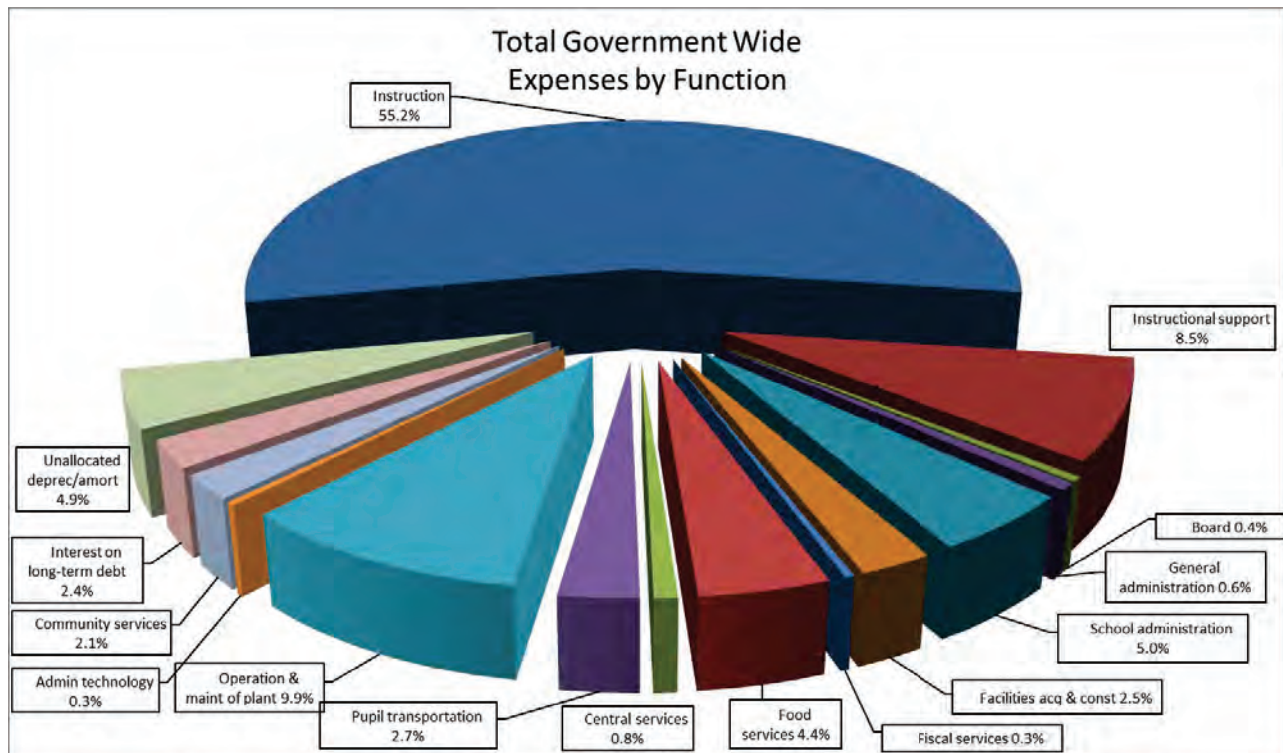
As reported in the Statement of Activities, the cost of all of the governmental activities this year was \$2.178 billion. Some costs were paid by those who benefited from the programs (\$53.4 million), or by other governments and organizations who subsidized certain programs with grants and contributions (\$566.8 million). The District paid for the remaining "public benefit" portion of the governmental activities with \$1.237 billion in property taxes, \$138.1 million in Sales Tax, \$260.1 million in grants and contributions not restricted to specific programs, \$13.0 million in investment earnings, and \$42.1 million in other general revenue.

Property taxes increased \$19.1 million or 1.6%, which is primarily attributed to an 6.5% increase in property values partially offset by a 4.2% reduction in millage rate. Sales Tax Revenue increased \$72.3 million or 110% which represents a full year of collections for the current year (compared with only 6 months in the prior year) for the Palm Beach County penny sales tax referendum, of which the District receives ½ cent.

Grants and contributions not restricted increased \$31.9 million or 14.0%, which is primarily related to an increase in FEFP revenue as a result of increase in enrollment as well as an increase in the rate per student.

Investment Earning increased \$6.9 million or 114.8% as a result of 76% higher interest rates and 17% higher average invested cash balances.

The pie chart below represents total expenses classified by function.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As of June 30, 2018 the District's governmental funds reported a combined fund balance of \$606.2 million, which is an increase of \$136.7 million or 29.1% over the prior year.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The General Fund, which is the chief operating fund of the District and is always considered a major fund, had a fund balance of \$158.2 million which is an increase of \$19.7 million or 14.2%. The increase is 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 \$55.0 million.

The COPS Debt Service Fund, another major fund, reported an ending fund balance of \$123.1 million, which is an increase of \$6.7 million or 5.7% when compared with prior year. The increase is related to the amount of debt service payments the District will need to make in fiscal year 2019.

The Capital Improvement Fund, another major fund, reported an ending fund balance of \$79.5 million which is an increase of \$23.9 million or 43.0% due to the timing of revenue and capital outlay spending.

The Sales Tax Fund, another major fund, reported an ending fund balance of \$159.9 million which is an increase of \$100.2 million or 167.6% primarily due to full year of sales tax collections exceeding the capital outlay spending of the Sales Tax Referendum projects.

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 \$85.5 million, a decrease of \$13.7 million or 13.8%. This decrease is primarily due to Capital Projects Fund capital spending and transfers out exceeding revenues by \$10.5 million and Special Revenue Fund – Food Service expenditures exceeding revenue by \$2.7 million for the current year.

Proprietary Funds

The District's internal service funds reported a combined net position of \$130.1 million. The Health Internal Service Fund ended the year with a net position of \$112.5 million, which is an increase of \$16.0 million or 16.6% 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 \$17.6 million, which is an increase of \$14.1 million. Proprietary funds use accrual basis accounting, thus this Fund records actuarially determined long term claims liabilities.

General Fund Budgetary Highlights

During the year, appropriations decreased \$21.0 million from original budget to final budget. The decrease in appropriations is primarily attributed to a decrease in transfers in from Capital Projects Funds for projects that were not completed during the year and charter school capital outlay spending recorded in Capital Funds versus General Fund. Revenue increased \$0.8 million from original to final budget with higher local revenue with offsetting lower state funding. Appropriations were amended to align with total revenue.

The General Fund actual expenditures were less than the budgeted appropriations by approximately \$102.3 million. This is primarily due to staff vacancies as well as enhanced cost containment measures put in place, such as a hiring freeze on non-instructional positions, 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, 2018, the District had \$3.216 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

and depreciation) of \$72.5 million from last year. The decrease is primarily due to depreciation expense of \$107.1 million exceeding capital spending of \$35.1 million. Capital spending in the current year includes the acquisition of 118 buses for \$13.6 million, other vehicles of \$2.1 million, computer technology of \$2.9 million, student information system (SIS) of \$2.3 million, capital construction in progress of \$2.3 million, and IT infrastructure upgrades and new servers of \$2.1 million.

In November 2016, the taxpayers of Palm Beach County approved a one penny sales surtax of which fifty percent will be for the District. These new capital dollars will allow the District to continue its effort to provide state-of-the-art facilities which include modernizations, facility renewal projects, remodeling projects, new school construction, buses and support vehicles, security systems and technology infrastructure for all of its students.

Table 3

	Capital Assets at Year End Governmental Activities (in thousands)		
	June 30, 2018	June 30, 2017	Increase (Decrease)
Land	\$ 342,755	\$ 342,380	\$ 375
Construction in progress	8,788	3,656	5,132
Improvements other than buildings	59,138	58,834	304
Buildings and fixed equipment	4,171,560	4,172,921	(1,361)
Furniture, fixtures and equipment	124,412	129,525	(5,113)
Motor vehicles	120,897	118,641	2,256
AV materials and computer software	44,846	40,278	4,568
Less: accumulated depreciation	(1,656,115)	(1,577,471)	(78,644)
Total capital assets, net	<u>\$ 3,216,281</u>	<u>\$ 3,288,764</u>	<u>\$ (72,483)</u>

Long-term Debt

As shown in Table 4, at the end of this year, the District had \$1.536 billion in debt outstanding, which is \$111.9 million lower than last year. The decrease in outstanding debt is mainly due to debt principal repayments of \$86.8 million in addition to the District's restructuring of variable rate debt to fixed rate debt which eliminated hedging derivative instruments and caused a net decrease to long-term debt of \$25.0 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, 2018	June 30, 2017	Increase (Decrease)
Notes / Loans Payable	\$ 15,031	\$ 23,485	\$ (8,454)
Capital Outlay Bond Issues	9,853	11,396	(1,543)
Certificates of Participation	1,355,973	1,466,758	(110,785)
Borrowing-Swap Upfront Payment	-	2,430	(2,430)
Derivative Instruments - Hedging	-	61,946	(61,946)
Plus: Issuance Premium	154,873	81,587	73,286
Total	<u>\$ 1,535,730</u>	<u>\$ 1,647,602</u>	<u>\$ (111,872)</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018, 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 mill 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 (not included above) include liabilities for compensated absences, estimated long-term claims, other post-employment benefits, and net pensions.

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 2019 proposal by the House, prior to the tragedy in Parkland, was \$100 or 1.37% increase in per student funding with no additional categorical funds for school safety. The final budget approved by the Florida Legislature on March 11 and signed into law by Governor Scott on March 17 provides an increase of \$101.50 or 1.39% in per student funding, but earmarks nearly all of the increase for Safe Schools, the new Mental Health categorical, and an increase in the Florida Retirement System rates.

With limited new funds allocated by the state, the primary goal of this, and future budget cycles, is to optimize existing resources. District enrollment is expected to increase by approximately 2,600 students to 192,600 representing an increase in Florida Education Finance Program (FEFP) revenue of \$36.8 million. District schools are expected to increase approximately 1,600 and charter schools by approximately 1,000 students. The growth in charter school enrollment, if realized, results in an increase in the pass-through to charter schools of \$9.9 million to \$164.5 million. Charter school enrollment continues to hover around 11% of the total student population. Fixed operational costs continue to grow and include new and expanded state mandates (adding a school resource officer at every school, and new mental health allocation), legislative approved increase in the Florida Retirement System rate, additional staff due to projected student growth, increase in board contingency to comply with modest board policy of 3% and annualized impact of fiscal year 2018 salary commitments effective January 1, 2018.

It is important to remember that Districts throughout Florida have been hard hit by the reduction in local capital outlay taxing authority by the Florida Legislature. 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.

Palm Beach County voters approved an increase in the local sales tax by one penny in November 2016 to help reduce the backlog of critical capital needs as a result of the changes adopted by the Florida Legislature. The District is anticipated to receive \$1.345 billion over the 10-year period. The Florida Legislature then passed HB7069 in 2017 requiring districts to share the already inadequate 1.5 mills with charter schools. In 2018, the Florida Legislature passed HB7055 softening the requirement to share the 1.5 mills, although does not eliminate the risk. If the state does not fund charter school capital outlay at

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

the fiscal year 2019 level, Districts will again be required to share the 1.5 mills with charter schools. Without additional funds to compensate for the loss in revenue, the district may face another backlog of critical capital needs.

Property values continue to improve from the fiscal year 2012 low of \$132.2 billion, growing by 5.4% in Palm Beach County, to \$200.5 billion for fiscal year 2019. Total fiscal year 2019 projected millage revenue for both operating and capital use is \$1.3 billion. The certified tax roll is lower than the State forecast for the second year in a row, resulting in \$4.4 million less in revenue generated from the 2.498 mills controlled by the School Board in fiscal year 2019 as was projected by the State.

On July 18, 2018, the Board unanimously adopted a resolution to hold a referendum to seek voter approval to levy 1.00 mills. The request to levy 1.00 mill was passed by a margin of 72 percent in the November 6, 2018 general election. This levy replaces the current levy of 0.25 mills and will generate approximately \$200.0 million in revenue for the fiscal year 2020 general fund operating budget. The additional funds are needed to compensate for the underfunding of education by the state and increase in security demands in the wake of the tragedy in Parkland. The levy will be used for operational purposes in non-charter District schools for four years beginning July 1, 2019 to address critical school operating needs that include: the continuation and expansion of art, music, physical education, and career education teachers; school safety enhancements including increasing the number of school police officers and mental health professionals and purchasing all related safety equipment; and increasing teacher salaries to help retain experienced teachers.

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:

<https://www.palmbeachschools.org/accounting/annual-reports/>

BASIC FINANCIAL STATEMENTS



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2018
(amounts expressed in thousands)

	Primary Government Governmental Activities
ASSETS	
Cash, cash equivalents and investments	\$ 959,204
Ad Valorem and Sales Taxes receivable	45,567
Accounts, deposits and interest receivable	2,255
Due from other governments or agencies	31,169
Inventories	14,918
Restricted assets (cash with fiscal agent)	2,987
Other assets	5,214
Capital assets:	
Land	342,755
Construction in progress	8,788
Improvements other than buildings	59,138
Buildings and improvements	4,171,560
Furniture, fixtures and equipment	124,412
Motor vehicles	120,897
Audio/video materials and software	44,846
Less accumulated depreciation	(1,656,115)
Total capital assets, net of depreciation	3,216,281
TOTAL ASSETS	4,277,595
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	106,386
Pension	433,602
TOTAL DEFERRED OUTFLOWS OF RESOURCE	539,988
LIABILITIES	
Accounts and contracts payable	36,642
Accrued payroll and payroll deductions	90,427
Current notes payable	115,000
Retainage payable on contracts	441
Deposits payable	428
Interest payable	29,192
Unearned revenue	2,446
Noncurrent liabilities:	
Portion due or payable within one year:	
Loans/note payable	7,115
Bonds payable	1,311
Liability for compensated absences	15,401
Certificates of participation payable	77,630
Estimated claims	23,581
Portion due or payable after one year:	
Loans/note payable	7,916
Bonds payable	9,581
Liability for compensated absences	178,425
Certificates of participation payable	1,432,177
Estimated claims	35,547
Other post-employment benefits	138,163
Net Pension Liability	1,033,565
TOTAL LIABILITIES	3,234,988
DEFERRED INFLOWS OF RESOURCES	
Pension	76,525
Other post-employment benefits	18,465
TOTAL DEFERRED INFLOWS OF RESOURCES	94,990
NET POSITION	
Net Investment in capital assets	1,777,638
Restricted for:	
Categorical carryover programs	3,792
Debt service	101,630
Capital projects	297,021
School food service	22,822
Other purposes (See Footnote 14)	24,693
Unrestricted (deficit)	(739,991)
TOTAL NET POSITION	\$ 1,487,605

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, 2018
(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	\$ 1,197,458	\$ 2,213	\$ 355,280	\$ 3,372
Instructional support services	185,883	-	58,993	-
Board	7,643	-	-	-
General administration	13,609	-	3,372	-
School administration	109,988	-	6,356	-
Facilities acquisition and construction	54,526	-	-	10,843
Fiscal services	7,205	-	166	-
Food services	95,977	11,815	81,307	-
Central services	16,647	-	957	-
Student transportation services	59,170	1,447	27,307	-
Operation of plant	135,988	-	5,053	-
Maintenance of plant	80,359	-	2	-
Administrative technology services	7,041	-	864	2,707
Community services	46,737	37,904	8,200	-
Interest on long-term debt	53,137	-	-	2,010
Unallocated depreciation expense	107,047	-	-	-
Amortization expense	62	-	-	-
Total primary government governmental activities	\$ 2,178,477	\$ 53,379	\$ 547,857	\$ 18,932

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
Adjustments to Net Position - See Footnote 1(P)
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**

\$	(836,593)
	(126,890)
	(7,643)
	(10,237)
	(103,632)
	(43,683)
	(7,039)
	(2,855)
	(15,690)
	(30,416)
	(130,935)
	(80,357)
	(3,470)
	(633)
	(51,127)
	(107,047)
	(62)
	<hr/>
	(1,558,309)
	<hr/>

	963,059
	274,218
	138,127
	260,096
	12,991
	42,106
	<hr/>
	1,690,597
	<hr/>
	132,288
	1,395,395
	(40,078)
	<hr/>
\$	1,487,605
	<hr/>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>
ASSETS		
Cash, cash equivalents and investments	\$ 354,695	\$ 123,178
Ad Valorem and Sales taxes receivable	17,955	-
Accounts and interest receivable	2,255	-
Due from other governments or agencies	7,067	-
Due from other funds	2,000	-
Inventories	8,220	-
Other assets	2	-
TOTAL ASSETS	<u>392,194</u>	<u>123,178</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts and contracts payable	19,880	89
Accrued payroll and payroll deductions	91,826	-
Tax anticipation notes payable	115,000	-
Accrued interest payable	2,482	-
Due to other funds	-	-
Retainage payable on contracts	-	-
Deposits payable	428	-
Unearned revenue	751	-
TOTAL LIABILITIES	<u>230,367</u>	<u>89</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	3,600	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,600</u>	<u>-</u>
 FUND BALANCES		
Nonspendable	8,220	-
Restricted	25,476	123,089
Committed	-	-
Assigned	69,531	-
Unassigned	55,000	-
TOTAL FUND BALANCES	<u>158,227</u>	<u>123,089</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 392,194</u>	 <u>\$ 123,178</u>

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

CAPITAL IMPROVEMENT	SALES TAX	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 76,394	\$ 144,491	\$ 74,324	\$ 773,082
5,112	22,500	-	45,567
-	-	-	2,255
-	-	21,067	28,134
-	-	464	2,464
-	-	6,698	14,918
-	-	79	81
<u>81,506</u>	<u>166,991</u>	<u>102,632</u>	<u>866,501</u>
1,953	6,400	6,589	34,911
-	-	6,195	98,021
-	-	-	115,000
-	-	-	2,482
-	464	2,000	2,464
77	204	160	441
-	-	-	428
-	-	2,059	2,810
<u>2,030</u>	<u>7,068</u>	<u>17,003</u>	<u>256,557</u>
-	-	132	3,732
-	-	132	3,732
-	-	6,698	14,918
79,476	159,923	37,396	425,360
-	-	22	22
-	-	41,381	110,912
-	-	-	55,000
<u>79,476</u>	<u>159,923</u>	<u>85,497</u>	<u>606,212</u>
<u>\$ 81,506</u>	<u>\$ 166,991</u>	<u>\$ 102,632</u>	<u>\$ 866,501</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds \$ 606,212

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	\$ 4,872,396	
Accumulated depreciation	(1,656,115)	
Total capital assets, net of depreciation		3,216,281

Deferred outflows/inflows of resources are reported in the statement of net position but not recognized in the governmental funds since they do not represent current resources:

Deferred Outflow - Net unamortized amount for refunding transactions	106,386	
Deferred Outflow - Pensions	433,098	
Deferred Inflow - Pensions	(76,435)	
Deferred Inflow - OPEB	(18,465)	
		444,584

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

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. 5,133

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	192,648	
Liabilities and Deferred Inflows of Resources	62,557	
Net position		130,091

Revenues that have been deferred or unearned in the governmental funds but are recognized as revenue in the governmental-wide financial statements. 4,096

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	15,031	
Bonds payable	10,892	
Certificates of participation payable	1,509,807	
Compensated absences	185,926	
Other post employment benefits (OPEB)	138,057	
Net Pension Liability	1,032,369	
Accrued interest on long-term debt	26,710	
		(2,918,792)

Total Net Position - Governmental Activities **\$ 1,487,605**

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, 2018
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>
REVENUES:		
Local sources:		
Ad valorem taxes	\$ 963,059	\$ -
Local sales taxes	-	-
Interest income and other	6,454	451
School age child care fees	37,904	-
Food service sales	228	-
Impact fees	-	-
Local grants and other	33,041	45
Total local sources	<u>1,040,686</u>	<u>496</u>
State sources:		
Florida education finance program	315,036	-
Capital outlay and debt service	115	-
Food service	-	-
Class size reduction	218,990	-
Charter school capital outlay	-	-
State grants and entitlements	32,576	-
Total state sources	<u>566,717</u>	<u>-</u>
Federal sources:		
Federal grants and entitlements	6,259	-
National school lunch act	-	-
Total federal sources	<u>6,259</u>	<u>-</u>
TOTAL REVENUES	<u>1,613,662</u>	<u>496</u>
EXPENDITURES:		
Current:		
Instruction	1,088,178	-
Instructional support services	124,141	-
Board	7,517	-
General administration	9,287	-
School administration	106,026	-
Facilities acquisition and construction	635	-
Fiscal services	6,793	-
Food services	152	-
Central services	15,322	-
Student transportation services	57,456	-
Operation of plant	135,252	-
Maintenance of plant	79,342	-
Administrative technology services	6,832	-
Community services	43,787	-
Total Current Expenditures	<u>1,680,720</u>	<u>-</u>

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

CAPITAL IMPROVEMENT	SALES TAX	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 274,218	\$ -	\$ -	\$ 1,237,277
-	138,127	-	138,127
2,143	1,535	862	11,445
-	-	-	37,904
-	-	11,587	11,815
-	-	6,031	6,031
211	5,191	5,958	44,446
<u>276,572</u>	<u>144,853</u>	<u>24,438</u>	<u>1,487,045</u>
-	-	-	315,036
-	-	7,662	7,777
-	-	1,005	1,005
-	-	-	218,990
-	-	-	-
-	-	26,303	58,879
<u>-</u>	<u>-</u>	<u>34,970</u>	<u>601,687</u>
-	-	132,274	138,533
<u>-</u>	<u>-</u>	<u>80,280</u>	<u>80,280</u>
<u>-</u>	<u>-</u>	<u>212,554</u>	<u>218,813</u>
<u>276,572</u>	<u>144,853</u>	<u>271,962</u>	<u>2,307,545</u>
-	-	90,030	1,178,208
-	-	55,939	180,080
-	-	-	7,517
-	-	3,372	12,659
-	-	201	106,227
27,078	-	4,141	31,854
-	-	166	6,959
-	-	94,281	94,433
-	-	957	16,279
-	-	476	57,932
-	-	4	135,256
-	-	-	79,342
-	-	2	6,834
-	-	2,650	46,437
<u>27,078</u>	<u>-</u>	<u>252,219</u>	<u>1,960,017</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, 2018
(amounts expressed in thousands)**

	<u>GENERAL FUND</u>	<u>COPS DEBT SERVICE</u>
Capital outlay	\$ 1,214	\$ -
Debt service:		
Retirement of principal	-	76,850
Interest	981	110,518
Fiscal charges	-	3,235
TOTAL EXPENDITURES	<u>1,682,915</u>	<u>190,603</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(69,253)</u>	<u>(190,107)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	89,130	144,995
Transfers out	(207)	-
Refunded debt	-	529,310
Net premium from refunded debt	-	94,098
Payments to refunded debt escrow agent	-	(571,623)
Proceeds from loss recoveries	11	-
Sale of capital assets and other	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>88,934</u>	<u>196,780</u>
NET CHANGE IN FUND BALANCES	19,681	6,673
FUND BALANCES, JULY 1, 2017	<u>138,546</u>	<u>116,416</u>
FUND BALANCES, JUNE 30, 2018	<u>\$ 158,227</u>	<u>\$ 123,089</u>

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

CAPITAL IMPROVEMENT	SALES TAX	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 6,663	\$ 44,696	\$ 4,462	\$ 57,035
-	-	9,997	86,847
-	-	4,416	115,915
-	-	12	3,247
<u>33,741</u>	<u>44,696</u>	<u>271,106</u>	<u>2,223,061</u>
<u>242,831</u>	<u>100,157</u>	<u>856</u>	<u>84,484</u>
-	-	8,934	243,059
(218,950)	-	(23,902)	(243,059)
-	-	-	529,310
-	-	-	94,098
-	-	-	(571,623)
-	-	-	11
-	-	415	415
<u>(218,950)</u>	<u>-</u>	<u>(14,553)</u>	<u>52,211</u>
23,881	100,157	(13,697)	136,695
<u>55,595</u>	<u>59,766</u>	<u>99,194</u>	<u>469,517</u>
<u>\$ 79,476</u>	<u>\$ 159,923</u>	<u>\$ 85,497</u>	<u>\$ 606,212</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, 2018
(amounts expressed in thousands)

Total net change in fund balances - governmental funds \$ 136,695

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 (\$107,047) in excess of capitalized capital outlay (\$35,130) in the current period. (71,917)

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	\$ (62)	
Debt Refunding Amortization	(12,724)	
Current Year Deferred Loss on Debt Refunding	50,398	
Premium/Discount Amortization	18,702	
Premium on Current Year Issuance	<u>(94,098)</u>	(37,784)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 4,096

Revenues reported in the governmental funds that were reported as revenue in the statement of activities in the prior year under full accrual. (2,803)

Repayment of notes / loans is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 8,454

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 78,393

COPs refunding proceeds provided current financial resources to governmental funds. COPS refunding payments are other financing uses in the governmental funds. The amount by which the refunding payment (\$571,623) exceeded refunding proceeds (\$529,310) in the current period. 42,313

The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. (566)

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	(41)	
Compensated Absences	(7,491)	
Other Post Employment Benefits	(4,631)	
Pension Expense	(52,178)	
Borrowing	2,430	
Accrued Interest on Long-Term Debt	<u>7,220</u>	(54,691)

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. 30,098

Change in net position of governmental activities \$ 132,288

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, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources	\$ 1,027,859	\$ 1,040,686	\$ 1,040,686	\$ 12,827	\$ -
State sources	579,181	566,717	566,717	(12,464)	-
Federal sources	5,807	6,259	6,259	452	-
TOTAL REVENUES	<u>1,612,847</u>	<u>1,613,662</u>	<u>1,613,662</u>	<u>815</u>	<u>-</u>
EXPENDITURES:					
Instruction	1,198,587	1,159,865	1,089,406	38,722	70,459
Instructional support services	123,054	126,954	124,152	(3,900)	2,802
Board	8,491	8,986	7,517	(495)	1,469
General administration	8,994	9,615	9,317	(621)	298
School administration	104,593	106,046	106,027	(1,453)	19
Facilities acquisition and construction	751	833	635	(82)	198
Fiscal services	6,842	7,195	6,793	(353)	402
Food Services	13	160	152	(147)	8
Central services	15,093	15,649	15,325	(556)	324
Student transportation services	53,100	57,460	57,456	(4,360)	4
Operation of plant	138,882	149,645	135,483	(10,763)	14,162
Maintenance of plant	83,471	79,480	79,836	3,991	(356)
Administrative Technology Services	8,837	7,513	6,832	1,324	681
Community services	50,850	55,759	43,915	(4,909)	11,844
Debt service	816	982	981	(166)	1
TOTAL EXPENDITURES	<u>1,802,374</u>	<u>1,786,142</u>	<u>1,683,827</u>	<u>16,232</u>	<u>102,315</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(189,527)</u>	<u>(172,480)</u>	<u>(70,165)</u>	<u>17,047</u>	<u>102,315</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	110,946	89,130	89,130	(21,816)	-
Transfers out	(163)	(207)	(207)	(44)	-
Proceeds from loss recoveries	-	11	11	11	-
TOTAL OTHER FINANCING SOURCES	<u>110,783</u>	<u>88,934</u>	<u>88,934</u>	<u>(21,849)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (78,744)</u>	<u>\$ (83,546)</u>	<u>18,769</u>	<u>\$ (4,802)</u>	<u>\$ 102,315</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>138,546</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			157,315		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>912</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 158,227</u>		

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



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
ASSETS	
Current Assets:	
Cash, cash equivalents and investments	\$ 186,122
Due from other agencies	3,035
Total Current Assets	<u>189,157</u>
Noncurrent Assets:	
Restricted cash	2,987
Total Noncurrent Assets	<u>2,987</u>
Total assets	<u>192,144</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	504
Total Deferred Outflows of Resources	<u>504</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,731
Accrued payroll and payroll deductions	46
Portion due or payable within one year:	
Estimated unpaid claims	23,581
Total Current Liabilities	<u>25,358</u>
Noncurrent liabilities:	
Portion due or payable after one year:	
Liability for compensated absences	260
Estimated unpaid claims	35,547
Other post-employment benefits	106
Pension	1,196
Total Noncurrent Liabilities	<u>37,109</u>
Total liabilities	<u>62,467</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	90
Total Deferred Inflows of Resources	<u>90</u>
NET POSITION	
Unrestricted	<u>\$ 130,091</u>

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

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, 2018
(amounts expressed in thousands)

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES:	
Premium revenue	\$ 230,471
Pharmacy Rebates	13,482
Other operating revenue	<u>1,072</u>
TOTAL OPERATING REVENUES	<u>245,025</u>
OPERATING EXPENSES:	
Salaries	1,451
Benefits	455
Purchased services	519
Claims and other expenses	<u>214,048</u>
TOTAL OPERATING EXPENSES	<u>216,473</u>
OPERATING INCOME	28,552
NONOPERATING REVENUES:	
Interest and other income	<u>1,546</u>
TOTAL NONOPERATING REVENUES	<u>1,546</u>
CHANGE IN NET POSITION	30,098
NET POSITION - Beginning of year	<u>99,993</u>
NET POSITION - End of year	<u>\$ 130,091</u>

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, 2018
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from interfund premiums	\$ 230,471
Cash payments for claims and administration	(214,919)
Cash receipts for pharmacy rebates	13,482
Cash payments for salaries and benefits	(1,803)
Other receipts	(2,674)
Net cash provided by operating activities	<u>24,557</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and other income	<u>1,546</u>
Net cash provided by investing activities	<u>1,546</u>
Net increase in cash and cash equivalents	26,103
Cash and cash equivalents, beginning of year*	<u>163,006</u>
Cash and cash equivalents, end of year*	<u><u>\$ 189,109</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	<u>\$ 28,552</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in due from other agencies	(846)
Increase (decrease) in payroll and payroll deductions	40
Increase (decrease) in accounts payable	(352)
Increase (decrease) in pension	63
Increase (decrease) in estimated unpaid claims	<u>(2,900)</u>
Total adjustments	<u>(3,995)</u>
Net cash provided by operating activities	<u><u>\$ 24,557</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, 2018
(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	\$ 336	\$ 19,890
Accounts receivable	-	1,427
TOTAL ASSETS	<u>\$ 336</u>	<u>\$ 21,317</u>
LIABILITIES		
Accounts payable	\$ -	\$ 178
Due to student organizations	-	21,139
TOTAL LIABILITIES	<u>-</u>	<u>\$ 21,317</u>
NET POSITION		
Held in trust for scholarships	<u>336</u>	
TOTAL NET POSITION	<u>\$ 336</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, 2018
(amounts expressed in thousands)

	<u>PRIVATE- PURPOSE TRUST FUND</u> <u>FLORIDA FUTURE EDUCATORS OF AMERICA</u>
ADDITIONS	
Donations	\$ 29
Interest	1
TOTAL ADDITIONS	<u>30</u>
DEDUCTIONS	
Scholarships	<u>29</u>
TOTAL DEDUCTIONS	<u>29</u>
CHANGE IN NET POSITION	1
NET POSITION - Beginning of year	<u>335</u>
NET POSITION - End of year	<u>\$ 336</u>

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

NOTES TO THE FINANCIAL STATEMENTS



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 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 meet the component unit requirements and are not reported within the financial statements of the District.

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, 2018

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 in 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. 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 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 Certificates of Participation ("COPS") Debt Service Fund accounts for the repayment of the District's certificates of participation.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Capital Improvement Fund

The Capital Improvement Fund accounts for locally received funds, primarily ad valorem tax revenue, and funds are used to fund COPS Debt Service, capital maintenance and other capital projects.

Sales Tax Fund

Sales Tax Fund accounts for locally received funds, primarily sales tax revenue, for the acquisition, construction or renovation of capital facilities, and acquisition of new computer technology, equipment and vehicles.

Other Non-Major Governmental Funds

The Other Non-Major Governmental Funds are a summary of all the other non-major governmental 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

The District has two Internal Service Funds, one for group health and one for worker's compensation, general and auto liability claims. 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 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. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized as expenditures when due/paid; and (2) expenditures related to liabilities reported as general long-term obligations are recognized when due, such as compensated absences, Other Post-Employment Benefits (OPEB), pensions, claims payables, bonds, loans and leases.

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal and 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 and General 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 in the year of entitlement. 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 in which they are received.

Sales Tax – Sales tax revenue anticipated to be collected within sixty days of year-end is recognized in the fiscal year collected by the county.

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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018 for funds under budgetary control have been re-appropriated for the fiscal year 2019 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.

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 reported as cash, cash equivalents and investments in 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, each fund's portion of the pool is considered cash equivalents, which are 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,

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

\$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.

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. The District terminate all SWAPs during fiscal year 2018, and therefore the ending balance for hedging derivatives is zero. 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. A fourth item, in accordance with GASB 75, the District restated the beginning balances and reports OPEB related deferred inflows of resources on its financial statements (See Footnote 1 (P)).

On the Government-Wide financial statements Deferred Outflows of Resources activity for fiscal year ended June 30, 2018 is as follows (in thousands):

	Ending Balance June 30, 2017	Increase	Decrease	Ending Balance June 30, 2018
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives (see footnote 11)	\$ 61,946	\$ -	\$ 61,946	\$ -
Deferred Loss on Debt Refunding	61,781	57,329	12,724	106,386
Pension Related - FRS (see footnote 12)	294,641	133,369	66,459	361,551
Pension Related - HIS (see footnote 12)	83,515	6,149	17,613	72,051
Total Outflows of Resources	\$ 501,883	\$ 196,847	\$ 158,742	\$ 539,988

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 \$3.7 million Unavailable Deferred Revenue (\$3.6 million is related to Medicaid administration claims and \$132 thousand related to fuel tax credit) that qualifies as a deferred inflow of

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

resources and it is shown in the governmental funds Balance Sheet under the modified accrual basis of accounting.

On the Government-Wide financial statements, Deferred Inflows of Resources total \$95.0 million as shown below (in thousands):

	Restated			
	Ending Balance			Ending Balance
	June 30, 2017	Increase	Decrease	June 30, 2018
Deferred Inflows of Resources				
Pension Related - FRS (see footnote 12)	\$ 29,177	\$ 40,165	\$ 29,141	\$ 40,201
Pension Related - HIS (see footnote 12)	7,775	36,315	7,766	36,324
OPEB Related (see footnote 13)	12,552	5,913	-	18,465
Total Inflows of Resources	\$ 49,504	\$ 82,393	\$ 36,907	\$ 94,990

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 previously entered into interest rate swap agreements to modify interest rates on outstanding debt. As of June 30, 2018, Series 2002B/2014A, 2003B and 2002D/2012B Pay Fixed Interest Rate Swap Agreements were terminated (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. 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations (See Note 10).

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. Post-Employment Benefits Other Than Pensions (OPEB)

The District applies GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the measurement, recognition, and display of OPEB expenditures or expenses, liabilities and assets as discussed in a subsequent note.

P. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is 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 effect of the accounting change on net position as previously reported for fiscal year 2017 and prior years is a reduction of \$40.1 million and is adjusted as of June 30, 2017 as follows (amounts in thousands):

	Governmental Activities
Net Position, previously reported	\$ 1,395,395
Prior period restatement - Implementation GASB 75:	
Net OPEB Oligation, June 30, 2017 (as reported)	\$ 111,919
Deferred Inflows of Resources	(12,552)
Net OPEB Liability, July 1, 2017	(139,445)
Total OPEB related adjustment	(40,078)
Net Position, restated	\$ 1,355,317

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

In March 2017, GASB Statement No. 85, *Omnibus 2017*, is 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]). The District implemented this statement for fiscal year 2018. The adoption of GASB 85 did not impact the District's financial position or results of operations.

In May 2017, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, is 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. The District implemented this statement for fiscal year 2018. The adoption of GASB 85 did not impact the District's financial position or results of operations.

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 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.

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 6.769 mills (including .25 mills approved by voters in November 2014) and the total assessed value on which the 2017-18 levy was based was \$190.2 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 2018, the maintenance transfer amounted to approximately \$80.7 million. Additionally, approximately \$8.4 million was transferred for property insurance; bringing the total transfer from capital funds to approximately \$89.1 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% 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 depositories 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, 2018, the carrying amount of the District's cash deposits was approximately \$638.2 million and the bank balance was approximately \$644.0 million. The carrying amount of the Agency Fund - School Internal Funds cash deposits was approximately \$19.9 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 that a security may have.

In accordance with GASB *Statement No. 72, Fair Value Measurement and Application*, the District categorizes 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.

As of June 30, 2018, the District had the following unrestricted cash and investments with stated maturities that were categorized as Level 1 and Level 2 (amounts in thousands):

	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)	
Investments by Level				
Commercial Paper	\$ 2,497	\$ -	\$ 2,497	0.33
Core Fund Investments				
US Treasury - Notes	18,084	18,084	-	0.91
Federal Agency - Bond/Notes	20,925	-	20,925	2.30
Corporate Notes	6,969	-	6,969	2.40
Total Investments by Fair Value Level	48,475	\$ 18,084	\$ 30,391	
Investments Reported at Amortized Cost				
Florida Education Investment Trust Fund (FEITF)	224,199			N/A
Money Market Funds	48,296			N/A
Florida Prime	33			0.04
Total Investments Reported at Amortized Cost	272,528			
Total Investments	321,003			
Cash Deposits	638,201			
Total Cash and Investments	\$ 959,204			

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)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

matures between July 2017 and January 2021. As of June 30, 2018, the District held approximately \$1.6 million in fair value of callable Corporate Notes, which permit the issuer to redeem the securities prior to their original maturity date.

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 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	CARRYING AMOUNT (in thousands)	PERCENTAGE OF INVESTMENT BALANCE	RATING S&P / MOODY'S
Money Market Funds			
Dreyfus Treasury and Agency	\$ 23,018	2.40%	AAAm/Aaa-mf
Federated Government Obligation	7,744	0.81%	AAAm/Aaa-mf
Fidelity Institutional Government Fund	17,534	1.83%	AAAm/Aaa-mf
Florida Education Investment Trust Fund (FEITF)	224,199	23.37%	AAAm
Florida Prime	33	0.00%	AAAm
Commercial Paper			
Fortis	2,497	0.26%	A-1
Investments in Fixed Income Securities			
US Treasury - Notes/Bill	18,084	1.89%	AA+/Aaa
Corporate Notes	6,969	0.73%	(1)
Federally Backed Securities (Fannie Mae, Farmer Mac & Freddie Mac) - Long Term	20,925	2.18%	AA+/Aaa
Total Investments	321,003	33.47%	
Plus Cash Deposits	638,201	66.53%	
Total Cash and Investments	\$ 959,204	100.00%	

(1) Twenty Corporate securities rating range - S&P (AA+ / BBB+) and Moody's (Aaa / A3)

As of June 30, 2018, 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, 2018, the District held \$7.0 million of corporate notes of which had an S&P rating between AA+ and BBB+. 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

other rated investments were rated between BBB+ and AAAM by S&P. As of June 30, 2018, the Local Government Investment Pools were rated AAAM by S&P.

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, 2018, 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 was exercisable anytime until August 2018. On February 28, 2018, the District terminated Series 2003B Pay Fixed Interest Rate Swap Agreement (See Note 11).

5. DUE FROM OTHER GOVERNMENTS OR AGENCIES

At June 30, 2018, the District had a total of approximately \$31.2 million in Due From Other Governments or Agencies which consisted of the following balances (amount in thousands):

	General Fund	Other Non-major Governmental Funds	Internal Service Fund	Total
Federal and State Sources				
Medicaid*	\$ 4,993	\$ -	\$ -	\$ 4,993
Grants and Entitlements	-	12,992	-	12,992
FEMA and Other Emergency Claims	359	6	-	365
Fuel Tax*	-	170	-	170
PECO	-	1,193	-	1,193
Local Sources				
Early Learning Coalition	857	-	-	857
Erate	500	-	-	500
Impact Fee	-	6,031	-	6,031
Pharmacy Rebates	-	-	3,035	3,035
Other	358	675	-	1,033
Total Due From Other Governments or Agencies	\$ 7,067	\$ 21,067	\$ 3,035	\$ 31,169

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

6. INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances at June 30, 2018 (amounts in thousands):

	Interfund Receivables	Interfund Payables
General Fund	\$ 2,000	\$ -
Sales Tax	-	464
Other Non-Major Governmental Funds	464	2,000
Total Interfund	<u>\$ 2,464</u>	<u>\$ 2,464</u>

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. The amount payable by the Sales Tax Fund to Other Non-Major Governmental is related to eligible costs incurred.

Interfund transfers for the year ended June 30, 2018 were as follows (amounts in thousands):

Transfer from:	Transfer to:			Total
	General Fund	COPS Debt Service	Other Non-Major Governmental Funds	
Capital Improvement	\$ 80,708	\$ 138,242	\$ -	\$ 218,950
General Fund	-	-	207	207
Other Non-Major Governmental Funds	8,422	6,753	8,727	23,902
Total	<u>\$ 89,130</u>	<u>\$ 144,995</u>	<u>\$ 8,934</u>	<u>\$ 243,059</u>

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. 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 is as follows (amounts in thousands):

	Beginning Balance July 1, 2017	Additions and Transfer In	Retirements and Transfers Out	Ending Balance June 30, 2018
<u>Non-Depreciable Assets:</u>				
Land	\$ 342,380	\$ 375	\$ -	\$ 342,755
Construction in Progress	3,656	11,068	5,936	8,788
Total Non-Depreciable Assets	346,036	11,443	5,936	351,543
<u>Depreciable Assets:</u>				
Improvements Other Than Buildings	58,834	605	301	59,138
Buildings and Improvements	4,172,921	193	1,554	4,171,560
Furniture, Fixtures & Equipment	129,525	7,016	12,129	124,412
Motor Vehicles	118,641	15,724	13,468	120,897
Audio/Video Materials & Software	40,278	6,085	1,517	44,846
Total Depreciable Assets	4,520,199	29,623	28,969	4,520,853
<u>Less Depreciation For:</u>				
Improvements Other Than Buildings	(35,628)	(3,702)	(144)	(39,186)
Buildings and Improvements	(1,316,951)	(87,029)	(1,554)	(1,402,426)
Furniture, Fixtures & Equipment	(105,360)	(7,452)	(11,857)	(100,955)
Motor Vehicles	(79,691)	(8,054)	(13,396)	(74,349)
Audio/Video Materials & Software	(39,841)	(810)	(1,452)	(39,199)
Total Accumulated Depreciation	(1,577,471)	(107,047)	(28,403)	(1,656,115)
Capital Assets, Net	\$ 3,288,764	\$ (65,981)	\$ 6,502	\$ 3,216,281

Depreciation expense for the year ended June 30, 2018 of approximately \$107.0 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018 using a discounted rate factor of 2.0%. The liability consists of claims reported and payable, as well as an estimate for claims incurred but not reported. At June 30, 2018, the liability for claims consisted of approximately \$14.0 million, \$9.8 million and \$35.3 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):

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2018
Beginning Balance	\$ 57,812	\$ 62,028
Additions:		
Current year claims and changes in estimates	207,061	201,007
Reductions:		
Claim payments	(202,845)	(203,907)
Ending Balance	<u>\$ 62,028</u>	<u>\$ 59,128</u>

9. SHORT-TERM DEBT

Tax Anticipation Notes

On September 26, 2017, the District issued Tax Anticipation Notes ("TANS") Series 2017. The \$115.0 million issue has a coupon rate of 3.0% with an effective yield of 0.98%. The notes are dated October 10, 2017 and are due August 30, 2018.

Short-term debt activity for the year ended June 30, 2018 was as follows (amount in thousands):

	Beginning Balance July 1, 2017	Issued	Redeemed	Ending Balance June 30, 2018
Tax anticipation notes	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Total short-term debt	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 115,000</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

10. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2018, is as follows (amounts in thousands):

	(Restated) Beginning Balance July 1, 2017	Additions	Reductions	Ending Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities:					
Bonds, Notes and Other Payable:					
Notes/Loans Payable	\$ 23,485	\$ -	\$ (8,454)	\$ 15,031	\$ 7,115
Capital Outlay Bond Issue	11,396	-	(1,543)	9,853	1,311
Certificates of Participation	1,466,758	529,310	(640,095)	1,355,973	77,630
Borrowing-Swap Upfront Payment	2,430	-	(2,430)	-	-
Derivative Instruments-Hedging	61,946	-	(61,946)	-	-
	<u>1,566,015</u>	<u>529,310</u>	<u>(714,468)</u>	<u>1,380,857</u>	<u>86,056</u>
Plus Issuance Premium	81,587	94,098	(20,812)	154,873	-
Total Bonds, Notes and Other Payable	<u>1,647,602</u>	<u>623,408</u>	<u>(735,280)</u>	<u>1,535,730</u>	<u>86,056</u>
Other Liabilities:					
Compensated Absences	185,700	23,703	(15,577)	193,826	15,401
Self-Insurance					
Claims and Judgments	62,028	201,007	(203,907)	59,128	23,581
Net OPEB Liability *	139,445	-	(1,282)	138,163	-
Net Pension Liability	965,450	68,115	-	1,033,565	-
Total Other Liabilities	<u>1,352,623</u>	<u>292,825</u>	<u>(220,766)</u>	<u>1,424,682</u>	<u>38,982</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 3,000,225</u>	<u>\$ 916,233</u>	<u>\$ (956,046)</u>	<u>\$ 2,960,412</u>	<u>\$ 125,038</u>

* Beginning balance restated in accordance with GASB Statement No. 75 (see footnote 13).

The compensated absences and post-employment benefits are generally liquidated by the General Fund. Long-term claims and judgments are liquidated by the Internal Service Funds. Pension contributions are paid by the governmental fund consistent with employee compensation.

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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

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, 2017	Debt Reedemed	Debt Outstanding June 30, 2018
2014	02/20/14	\$ 14,002	1.235%	08/01/18	\$ 4,264	\$ 2,836	\$ 1,428
2015	07/02/15	14,235	1.242%	02/01/20	8,602	2,832	5,770
2015 A	10/01/15	7,152	1.274%	08/01/20	5,034	1,416	3,618
2016	03/18/16	6,950	1.255%	02/01/21	5,585	1,370	4,215
		<u>\$ 42,339</u>			<u>\$ 23,485</u>	<u>\$ 8,454</u>	<u>\$ 15,031</u>

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

Year Ended June 30	Principal	Interest	Total Principal and Interest
2019	\$ 7,115	\$ 162	\$ 7,277
2020	5,760	81	5,841
2021	2,156	18	2,174
Total	<u>\$ 15,031</u>	<u>\$ 261</u>	<u>\$ 15,292</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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

A summary of bond terms is 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, 2017	Debt Matured	Debt Outstanding June 30, 2018
COBI 2009-A	9/10/2009	\$ 1,655	5.0%	1/1/2019	\$ 400	\$ 195	\$ 205
COBI 2010-A	10/14/2010	9,700	3.5% to 5.0%	1/1/2030	6,695	455	6,240
COBI 2010-A	10/14/2010	1,790	4.0% to 5.0%	1/1/2022	1,080	180	900
COBI 2011-A	12/7/2011	5,820	3.0% to 5.0%	1/1/2023	2,790	365	2,425
COBI 2014-B	12/2/2014	4,275	2.0% to 5.0%	1/1/2020	431	348	83
		<u>\$ 23,240</u>			<u>\$ 11,396</u>	<u>\$ 1,543</u>	<u>\$ 9,853</u>

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
2019	\$ 1,311	\$ 417	\$ 1,728
2020	1,177	358	1,535
2021	1,200	300	1,500
2022	1,280	241	1,521
2023	1,070	187	1,257
2024-2028	2,120	474	2,594
2029-2033	1,695	137	1,832
Total	<u>\$ 9,853</u>	<u>\$ 2,114</u>	<u>\$ 11,967</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, 2018, the statutory limit for the District was approximately \$19.8 billion, providing additional debt capacity of approximately \$19.8 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

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.

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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		Debt Maturated	Debt Refunded/ Defeased	Outstanding June 30, 2018	Ground Lease Term
					Outstanding June 30, 2017	Issued				
2003B (1)	06/26/2003	\$ 124,295	-	N/A	\$ 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
2007A	02/28/2007	268,545	-	N/A	13,990	-	13,990	-	-	08/01/2031
2007C (2)	03/22/2007	192,310	-	N/A	177,265	-	605	176,660	-	07/31/2027
2007E	10/31/2007	147,390	-	N/A	5,215	-	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 (3)	07/13/2011	112,425	4.00% to 5.00%	08/01/2021	44,520	-	-	26,660	17,860	08/01/2032
2011C (4)	11/15/2011	15,355	1.74%	08/01/2018	1,585	-	230	-	1,355	08/01/2018
2011D (5)	11/15/2011	25,065	2.64%	08/01/2021	19,650	-	4,325	-	15,325	08/01/2021
2012A (6)	05/15/2012	20,085	5.00%	08/01/2022	20,085	-	-	18,290	1,795	08/01/2028
2012B (7)	06/29/2012	116,555	-	N/A	107,120	-	5,130	101,990	-	08/01/2028
2012C (8)	08/09/2012	67,145	4.00% to 5.00%	08/01/2029	63,645	-	3,680	-	59,965	08/01/2029
2014A (9)	01/31/2014	115,560	-	N/A	115,350	-	-	115,350	-	08/01/2027
2014B (10)	06/27/2014	166,010	3.00% to 5.00%	08/01/2025	153,725	-	14,335	-	139,390	08/01/2025
2014C (11)	07/29/2014	33,280	5.00%	08/01/2031	33,280	-	-	-	33,280	08/01/2031
2015A (12)	05/05/2015	106,315	2.52%	08/01/2022	84,150	-	22,595	-	61,555	08/01/2022
2015B (13)	01/14/2015	145,535	5.00%	08/01/2031	145,535	-	6,745	-	138,790	08/01/2031
2015D (14)	04/30/2015	221,640	5.00%	08/01/2032	221,640	-	-	-	221,640	08/01/2032
2015C (15)	10/28/2015	62,970	5.00%	08/01/2032	62,970	-	-	-	62,970	08/01/2032
2017A (16)	10/11/2017	147,850	5.00%	08/01/2027	-	147,850	-	-	147,850	08/01/2027
2017B (17)	12/26/2017	41,945	5.00%	08/01/2028	-	41,945	-	-	41,945	08/01/2028
2018A (18)	02/13/2018	114,770	5.00%	08/01/2027	-	114,770	-	-	114,770	08/01/2027
2018B (19)	02/28/2018	103,955	4.00% to 5.00%	08/01/2028	-	103,955	-	-	103,955	08/01/2028
2018C (20)	02/28/2018	120,790	5.00%	08/01/2029	-	120,790	-	-	120,790	08/01/2029
		<u>\$ 2,542,528</u>			<u>\$ 1,466,758</u>	<u>\$ 529,310</u>	<u>\$ 76,850</u>	<u>\$ 563,245</u>	<u>\$ 1,355,973</u>	

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Notes to Certificates of Participation Series leases on previous pages:

- (1) On March 20, 2008, the District converted and remarketed the Series 2003B (with no change to principal).
- (2) Issued to advance refund and defease a portion the Series 2001A, and Series 2002C Certificates of Participation. **
- (3) Issued to advance refund and defease Series 2007B Certificates of Participation, refunded and partially defeased by 2015C Certificates of Participation. **
- (4) Issued to advance refund and defease a portion of Series 2002A Certificates of Participation. **
- (5) Issued to advance refund and defease a portion of Series 2003A Certificates of Participation. **
- (6) Issued to advance refund and defease a portion of Series 2002D Certificates of Participation. **
- (7) Issued to advance refund and defease remaining Series 2002D Certificates of Participation. **
- (8) Issued to advance refund and defease a portion of Series 2004A Certificates of Participation. **
- (9) Issued to advance refund and defease remaining Series 2002B Certificates of Participation. **
- (10) Issued to advance refund and defease a portion of Series 2011B Certificates of Participation (which previously refunded Series 2001B Certificates of Participation). **
- (11) Issued to advance refund and defease Series a portion of 2007A Certificates of Participation. **
- (12) 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). **
- (13) Issued to advance refund and defease a portion of Series 2006A Certificates of Participation. **
- (14) Issued to advance refund and defease portions of Series 2007A and 2007E Cert. of Participation. **
- (15) Issued to advance refund and defease a portion of Series 2011A Cert. of Participation. **
- (16) Issued to advance refund and defease a portion of Series 2007C Cert. of Participation. **
- (17) Issued to advance refund and defease a portion of Series 2011A and 2012A Cert. of Participation. **
- (18) Issued to advance refund and defease Series 2002B Cert. of Participation. **
- (19) Issued to advance refund and defease Series 2012B Cert. of Participation. **
- (20) Issued to advance refund and defease Series 2003B 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, 2018, no amount was expended for capital outlay in the Certificates of Participation Capital Projects Funds.

All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2018, the arbitrage liability was zero.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 2011A	Series 2011C	Series 2011D	Series 2012A	Series 2012C	Series 2014B	Series 2014C	Series 2015A
2019	\$ 5,630	\$ 1,355	\$ 4,435	\$ -	\$ 3,825	\$ 14,945	\$ -	\$ 18,820
2020	5,895	-	4,555	-	4,015	15,615	-	18,345
2021	6,335	-	4,670	-	4,180	16,190	-	5,475
2022	-	-	1,665	1,795	4,385	16,965	-	9,345
2023	-	-	-	-	4,565	17,685	-	9,570
2024-2028	-	-	-	-	26,465	57,990	-	-
2029-2033	-	-	-	-	12,530	-	33,280	-
Total	\$ 17,860	\$ 1,355	\$ 15,325	\$ 1,795	\$ 59,965	\$ 139,390	\$ 33,280	\$ 61,555

Year ended June 30	Series 2015B	Series 2015C	Series 2015D	Series 2017A	Series 2017B	Series 2018A	Series 2018B	Series 2018C
2019	\$ 7,080	\$ -	\$ 18,915	\$ -	\$ -	\$ 2,780	\$ 5,475	\$ -
2020	7,435	-	5,275	-	-	10,260	250	2,000
2021	7,805	-	5,535	12,805	-	10,680	185	-
2022	8,200	-	5,815	3,740	-	11,255	6,310	3,305
2023	8,605	-	6,105	3,990	6,335	11,795	3,955	6,930
2024-2028	49,940	-	75,900	127,315	18,680	68,000	36,490	30,715
2029-2033	49,725	62,970	104,095	-	16,930	-	51,290	77,840
Total	\$ 138,790	\$ 62,970	\$ 221,640	\$ 147,850	\$ 41,945	\$ 114,770	\$ 103,955	\$ 120,790

Year ended June 30	Series 2004 QZAB	Series 2005 QZAB	Series 2010A QSCB	Total Lease Payment	Total Interest	Total Lease Payment & Interest
2019	\$ -	\$ -	\$ -	\$ 83,260	\$ 63,117	\$ 146,377
2020	2,923	-	-	76,568	60,839	137,407
2021	-	2,150	-	76,010	57,655	133,665
2022	-	-	-	72,780	54,230	127,010
2023	-	-	-	79,535	50,576	130,111
2024-2028	-	-	67,665	559,160	176,316	735,476
2029-2033	-	-	-	408,660	39,755	448,415
Total	\$ 2,923	\$ 2,150	\$ 67,665	\$ 1,355,973	\$ 502,488	\$ 1,858,461

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 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Defeased Debt

The District refinanced five debt issues during fiscal year 2018. The last three converted the outstanding variable rate debt to fixed rate debt and terminated all remaining interest rate swaps. The District terminated the SWAP agreements to eliminate the risk of rising interest rates and exposure to other market conditions. While there was an economic loss related to the issuance of Series 2018A and Series 2018B, the total present value savings achieved through the current year refundings were in excess of \$30 million. Over the life of the three swaps, the District achieved savings of \$15.8 million due to upfront payment received of \$13.4 million and interest differential between theoretical fixed rates financing of \$6.0 million partially offset by current year net loss on termination of \$3.6 million.

On October 11, 2017, the District issued certificates of participation (Series 2017A) in the amount of \$147.8 million (plus a premium of \$31.9 million) with interest rate of 5.00% to refund certificates of participation Series 2007C with and average interest rate of 4.47%. The District made a principal payment of \$176.7 million and a call premium of \$2.0 million, the total is recorded in the fund level financial statements as a payment to escrow agent. The net savings from this transaction is \$28.8 million or 16.3%, and a decrease in the District's total debt service requirement of \$32.0 million. The refunding meets the requirements of an in-substance defeasance and the liability for the refunded certificates was removed from the District's financial statements in the current fiscal year.

On December 26, 2017, the District issued certificates of participation (Series 2017B) in the amount of \$41.9 million (plus a premium of \$7.8 million) with net interest cost of 5.00% to partially refund certificates of participation Series 2011A & Series 2012A with interest rates ranging from 4.125% to 5.00%. The District made a principal payment of \$45.0 million and a call premium payment of \$5.3 million, both are recorded in the fund level financial statements as a payment to escrow agent. As a result of the refunding, the District achieved an economic savings (the difference between the present value of the debt service payments on the old and new debt) of \$2.9 million, or 6.39% of the principal amount being refunded, and a decrease in the District's total debt service requirement of \$3.5 million. The refunding meets the requirements of an in-substance defeasance and the liability for the refunded certificates was removed from the District's financial statements in the current fiscal year.

On February 13, 2018, the District issued certificates of participation (Series 2018A) \$114.8 million for (plus a premium of \$16.1 million) with net interest cost of 5.00% to refund certificates of participation Series 2002B with an average coupon interest rate of 4.68%. The District made a principal payment of \$115.3 million, and a call premium of \$0.2 million both are recorded in the fund level financial statements as a payment to escrow agent. The District also made a SWAP termination payment of \$14.9 million. As a result, of the refunding, the District recognized an economic loss (the difference between the present value of the debt service payments on the old and new debt) of \$1.3 million, or -1.14% of the principal amount being refunded, and the District's total debt service increased \$1.5 million. The refunding meets the requirements of an in-substance defeasance and the liability for the refunded certificates and the derivative were removed from the District's financial statements in the current fiscal year.

On February 28, 2018, the District issued certificates of participation (Series 2018B) in the amount of \$104.0 million (plus a premium of \$17.4 million) with net interest cost of 5.00% to refund certificates of participation Series 2012B SWAP with average coupon interest rate of 5.2%. The District made a principal payment of \$102.0 million and a call premium payment of \$0.4 million, both are recorded in the fund level financial statements as a payment to escrow agent. The District also made a SWAP termination payment of \$18.8 million. As a result of the refunding, the District recorded an economic loss (the difference between the present value of the debt service payments on the old and new debt) of \$0.6 million, or -0.60% of the principal amount being refunded, and the District's total debt service increased \$0.8 million. The refunding meets the requirements of an in-substance defeasance and the liability for the refunded certificates and the derivative were removed from the District's financial statements in the current fiscal year.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

On February 28, 2018, the District issued certificates of participation (Series 2018C) in the amount of \$120.8 million (plus a premium of \$20.8 million) with net interest cost of 5.00% to refund certificates of participation Series 2003B SWAP with average coupon interest rate of 4.56%. The District made a principal payment of \$124.3 million and a call premium payment of \$0.4 million, both are recorded in the fund level financial statements as a payment to escrow agent. The District also made a SWAP termination payment of \$16.7 million. As a result, of the refunding, the District achieved an economic savings (the difference between the present value of the debt service payments on the old and new debt) of \$0.4 million, or 0.32% of the principal amount being refunded, and a decrease in the District's total debt service requirement of \$2.4 million. The refunding meets the requirements of an in-substance defeasance and the liability for the refunded certificates and derivative were removed from the District's financial statements in the current fiscal year.

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, 2018, the total amount of defeased debt outstanding but removed from the District's financial statements amounted to \$45.0 million.

Certificates of Participation:

Series	Maturities	Outstanding (in thousands)	Call Date	Defeased by COPS Series
2011A	8/2022 - 8/2025	\$ 26,660	8/1/2021	2017B
2012A	8/1/2028	18,290	8/1/2022	2017B
Total Defeased COPS		\$ 44,950		

11. DERIVATIVE INSTRUMENTS

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2018, 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, 2018	
	Classification	Amount	Classification	Amount
<u>Governmental Activities Hedging Derivatives:</u>				
2002B/2014A Pay-fixed Interest Rate Swap	Deferred outflow of resources	\$ (18,562)	Liability	\$ -
2003B Pay-fixed Interest Rate Swap	Deferred outflow of resources	(23,060)	Liability	-
2002D/2012B Pay-fixed Interest Rate Swap	Deferred outflow of resources	(20,324)	Liability	-
Total Hedging Derivative Instruments		<u>\$ (61,946)</u>		<u>\$ -</u>

As of June 30, 2018, Series 2002B/2014A, 2003B and 2022D/2012B Pay Fixed Interest Rate Swap Agreements were terminated.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 \$90.0 million for the fiscal year ended June 30, 2018.

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 "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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 2017-18 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	7.92
FRS, Elected County Officers	3.00	45.50
FRS, Senior Management Service	3.00	22.71
FRS, Special Risk Regular	3.00	23.27
DROP - Applicable to		
Members from All of the Above Classes	0.00	13.26
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 \$95.6 million (which includes \$29.2 million of employee contributions) for the fiscal year ended June 30, 2018. 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, 2018, the District reported a liability of \$686.5 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-17 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 2.320 percent, which was a decrease of 0.005 percent from its proportionate share measured as of June 30, 2016.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$43.4 million (\$109.9 million due to the District's share of changes in deferred inflows and deferred outflows of resources, reduced by \$66.5 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	\$ 63,003	\$ (3,803)
Change of assumptions	230,708	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(17,013)
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	1,381	(19,385)
District FRS contributions subsequent to the measurement date	66,459	-
Total	\$ 361,551	\$ (40,201)

The deferred outflows of resources related to pensions, totaling \$66.5 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>
2019	\$ 31,127
2020	95,642
2021	63,323
2022	6,311
2023	42,613
Thereafter	15,875

Actuarial Assumptions. The total pension liability in the July 1, 2017 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	7.50 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 SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013

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%	1.8%
Fixed Income	18.0%	4.5%	4.4%	4.2%
Global Equity	53.0%	7.8%	6.6%	17.0%
Real Estate (Property)	10.0%	6.6%	5.9%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investment	12.0%	6.1%	5.6%	9.7%
Total	100.00%			
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 7.10%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The Pension 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. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 7.10% rate of return assumption used in the June 30, 2017 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes, which differs from the rate used for funding purposes, which is used to establish the contribution rates for the Pension Plan. The discount rate used in the July 1, 2016 valuation was 7.60%.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 7.10 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate (amounts in thousands):

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability (asset)	\$ 1,242,499	\$ 686,486	\$ 224,869

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, 2018, the District reported a payable of \$17.9 million for the outstanding amount of contributions owed to the Plan required for the fiscal year ended June 30, 2018.

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, 2018, 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, 2018, 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 \$17.6 million for the fiscal year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a net pension liability of \$347.1 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, 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 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 3.246 percent, which is approximately the same proportionate share measured as of June 30, 2016.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$8.8 million (\$26.4 million due to the District's share of changes in deferred inflows and deferred outflows of resources, reduced by \$17.6 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:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 48,787	\$ (30,012)
Net difference between projected and actual earnings on HIS pension plan investments	192	-
Difference between expected and actual experience	-	(723)
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	5,459	(5,589)
District contributions subsequent to the measurement date	17,613	-
Total	\$ 72,051	\$ (36,324)

The deferred outflows of resources related to pensions, totaling \$17.6 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:

Fiscal Year Ending June 30	Amount
2019	\$ 5,645
2020	5,608
2021	5,592
2022	3,595
2023	2,025
Thereafter	(4,351)

Actuarial Assumptions. The total pension liability in the July 1, 2017, 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	3.58 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Discount Rate. The discount rate used to measure the total pension liability was 3.58 percent, up from 2.85 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 3.58 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 (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate (amounts in thousands):

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net pension liability	\$ 396,062	\$ 347,078	\$ 306,277

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, 2018, the District reported a payable of \$3.5 million for the outstanding amount of contributions owed the HIS Plan required for the fiscal year ended June 30, 2018.

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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Allocations to the investment member's accounts during the 2017-18 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	7.92
FRS, Elected County Officers	45.50
FRS, Senior Management Service	22.71
FRS, Special Risk Regular	23.27

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 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 \$5.3 million for the fiscal year ended June 30, 2018.

Payables to the Investment Plan. At June 30, 2018, the District reported a payable of \$2.1 million for the outstanding amount of contributions owed the Investment Plan required for the fiscal year ended June 30, 2018.

13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The District follows the guidance contained in Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, (GASB 75); for certain post-employment health care benefits provided by the District for the fiscal year ended June 30, 2018

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, and no separate financial statements of the Plan are issued.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 2018, 999 retirees received health care benefits. The District provided required contributions of approximately \$7.1 million toward the annual OPEB cost. Retiree contributions total approximately \$6.6 million.

Total OPEB Liability.

The District's total OPEB liability of \$138.2 million was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs.

The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.87%
20-Year Tax-Exempt General Obligation Bonds	3.87%
Bond Rate Basis	Average Rating AA/Aa or higher
Salary Increases	2.5% per annum
Health Care Cost Trend Rate	7% / 6%
Medical Consumer Price Index Trend	3.0% per annum
Inflation Rate	2.5% per annum
Census Data	Provided by the District as of July 2017.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary.
Amortization Method	Experience gains and losses are amortized over a closed period of 14 years starting on July 1, 2017, equal to the average remaining service of active and inactive plan members (who have no future service).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 30% of all employees and their dependents who are eligible for the early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	RP 2014 Generational Mortality Table projected using Scale MP-16, applied on a gender-specific basis.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Termination Tables	FRS Actuarial Valuation as of July 1, 2016
Retirement Tables	FRS Actuarial Valuation as of July 1, 2016

Actuarial valuations of an ongoing plan involve 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 and termination, mortality, and the healthcare cost trends. 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 multiyear trend information.

Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The valuation date was June 30, 2017, and rolled forward to June 30, 2018.

Changes to the Total OPEB Liability.

Below are the details regarding the total OPEB liability for the measurement period from July 01, 2017 (as restated) to June 30, 2018 (amounts in thousands):

	Total OPEB Liability
Balance Recognized at 7/1/2017, as Restated	\$ 139,445
Changes for the Fiscal Year:	
Service Cost	7,142
Interest on the Total OPEB Liability	5,546
Changes in Assumptions and Other Inputs	(7,413)
Benefit Payments	(6,557)
Net Change in total OPEB	(1,282)
Total OPEB Liability at 6/30/2018	\$ 138,163

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent as of June 30, 2017 to 3.87 percent as of June 30, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current discount rate (amounts in thousands):

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ 160,974	\$ 138,163	\$ 109,828

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates (amounts in thousands):

	1% Decrease	Healthcare Cost Current Trend	1% Increase
Total OPEB Liability	\$ 110,384	\$ 138,163	\$ 159,545

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2018, the District recognized OPEB expense of \$11.2 million. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Deferred Outflows	Deferred Inflows
Difference between Expected and Actual Experience	\$ -	\$ (4,487)
Changes of Assumptions or Other Inputs	-	(13,978)
Total	\$ -	\$ (18,465)

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows (amounts in thousands):

Year Ending June 30	Amount
2019	\$ (1,499)
2020	(1,499)
2021	(1,499)
2022	(1,500)
2023	(1,499)
Thereafter	(10,969)
	\$ (18,465)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 \$55.0 million or 3.27% of general fund total expenditures.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

The following table shows the District's fund balance classification at June 30, 2018 (in thousands):

	Major Funds					
	General Fund	COPS Debt Service	Capital Improvement	Sales Tax	Other Non-Major Governmental	Total Governmental
FUND BALANCES:						
<u>Nonspendable:</u>						
<u>Inventory:</u>						
Textbooks	\$ 6,766	\$ -	\$ -	\$ -	\$ -	\$ 6,766
Child Nutrition	-	-	-	-	6,698	6,698
Transportation	329	-	-	-	-	329
Warehouse	1,106	-	-	-	-	1,106
Other	19	-	-	-	-	19
Total Nonspendable	8,220	-	-	-	6,698	14,918
<u>Restricted for:</u>						
Categorical carryover programs	3,792	-	-	-	-	3,792
IB, AP, AICE & Industry cert prog	10,708	-	-	-	-	10,708
Industry Certification	6,472	-	-	-	-	6,472
School Improvement	1,671	-	-	-	-	1,671
Local Sales Tax Projects	-	-	-	159,923	-	159,923
Workforce development	2,833	-	-	-	-	2,833
Child nutrition	-	-	-	-	16,124	16,124
Debt service	-	123,089	-	-	5,251	128,340
Capital projects	-	-	79,476	-	16,021	95,497
Total Restricted	25,476	123,089	79,476	159,923	37,396	425,360
<u>Committed to:</u>						
The Education Network program	-	-	-	-	22	22
Total Committed	-	-	-	-	22	22
<u>Assigned to:</u>						
<u>School Operations</u>						
Instruction	14	-	-	-	-	14
Instructional support services	12	-	-	-	-	12
General & School admin	31	-	-	-	-	31
Central services	3	-	-	-	-	3
Operation of plant	724	-	-	-	-	724
<u>Community services:</u>						
After care/summer camp	10,133	-	-	-	-	10,133
Pre-K/VPK Fee Based Activities	390	-	-	-	-	390
Community Schools	691	-	-	-	-	691
Other	127	-	-	-	-	127
Capital projects	221	-	-	-	41,381	41,602
Misc local grants/donations	2,341	-	-	-	-	2,341
Next year budget appropriations	54,844	-	-	-	-	54,844
Total Assigned	69,531	-	-	-	41,381	110,912
Unassigned	55,000	-	-	-	-	55,000
Total fund balance	\$ 158,227	\$ 123,089	\$ 79,476	\$ 159,923	\$ 85,497	\$ 606,212

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

The District has entered into various construction and other contracts that extend beyond year-end. The District has capital outlay commitments of \$67.1 million and other encumbrances of \$1.4 million as of June 30, 2018 are shown below (amounts in thousands):

	Other Encumbrances	Capital Outlay Commitments	Total
General Fund	\$ 912	\$ -	\$ 912
Capital Improvement	-	14,798	14,798
Sales Tax	-	45,378	45,378
Other Non-Major Governmental	527	6,972	7,499
Total Commitments	\$ 1,439	\$ 67,148	\$ 68,587

16. SUBSEQUENT EVENTS

On September 25, 2018, the District issued Tax Anticipation Notes ("TANS") Series 2018. The \$115.0 million issue has a coupon rate of 3.00% with an effective yield of 1.97%. The notes are dated October 03, 2018.

On October 09, 2018, the District entered into a loan agreement with Banc of America Public Capital Corp for financing the acquisition of Air Conditioner Chillers of \$16.1 million. The \$16.1 million loan has a coupon rate of 3.04% and under the terms of the loan agreement the debt is payable over five years.

On November 06, 2018, the taxpayers of Palm Beach County approved to increase the millage rate to 1.0 mill. This increase will provide approximately \$200.0 million per year to the District over the next four years.

REQUIRED SUPPLEMENTARY INFORMATION



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the FRS net pension liability (asset)	2.3208%	2.3253%	2.4332%	2.5354%
District's proportionate share of the FRS net pension liability (asset)	\$ 686,486	\$ 587,133	\$ 314,284	\$ 154,697
District's covered-employee payroll	\$ 1,011,258	\$ 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	67.88%	59.32%	32.53%	15.92%
FRS Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 66,459	\$ 60,417	\$ 57,082	\$ 59,324	\$ 55,536
District FRS contributions in relation to the contractually required contribution	<u>(66,459)</u>	<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>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,051,957	\$ 1,011,258	\$ 989,739	\$ 966,098	\$ 971,624
FRS contributions as a percentage of covered-employee payroll	6.32%	5.97%	5.77%	6.14%	5.72%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability (asset)	3.2460%	3.2461%	3.1986%	3.3048%
District's proportionate share of the HIS net pension liability (asset)	\$ 347,078	\$ 378,316	\$ 326,211	\$ 309,012
District's covered-employee payroll	\$ 1,011,258	\$ 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	34.32%	38.22%	33.77%	31.80%
HIS Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%

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, 2018**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 17,613	\$ 17,178	\$ 16,674	\$ 12,227	\$ 11,321
District HIS contributions in relation to the contractually required contribution	<u>(17,613)</u>	<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>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,051,957	\$ 1,011,258	\$ 989,739	\$ 966,098	\$ 971,624
HIS contributions as a percentage of covered-employee payroll	1.67%	1.70%	1.68%	1.27%	1.17%

**Schedule of Changes in the District's Total
Other Postemployment Benefits Liability and Related Ratios (1)
(amounts expressed in thousands)**

	<u>2018</u>	<u>2017</u>
Service Cost	\$ 7,142	\$ -
Interest	5,546	-
Changes of assumptions or other inputs	(7,413)	-
Benefit Payments	<u>(6,557)</u>	<u>-</u>
Net change in total OPEB Liability	(1,282)	-
Total OPEB Liability - beginning, as restated	<u>139,445</u>	<u>-</u>
Total OPEB Liability - ending	<u>\$ 138,163</u>	<u>\$ 139,445</u>
District's covered-employee payroll	\$ 1,051,957	\$ 1,011,258
Total OPEB Liability as a percentage of covered-employee payroll	13.13%	13.79%

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.

Method Changes:

There was a change in the Government Accounting Standards that were used to develop the current actuarial report. The prior actuarial report was based on GASB Statement No. 45, while the current actuarial report is based on GASB Statement No. 75. This change is a result of the adoption GASB Statement No. 75 by the District.

Change in Assumption:

The discount rate was changed from 3.58 percent as of June 30, 2017 to 3.87 percent as of June 30, 2018

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.

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 project funds are maintained to account for the financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and acquisition of buses and equipment.

Capital Outlay Bond Indebtedness (COBI) Fund

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

Public Education Capital Outlay (PECO) Fund

To account for capital projects from proceeds received from the State of Florida for approved projects.

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.

Buses and Equipment Capital Fund

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

Certificates of Participation (COPS) Fund

To account 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, 2018
 (amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>OTHER SPECIAL REVENUE</u>	<u>SBE/COBI BONDS</u>	<u>BUSES & EQUIPMENT</u>	<u>ARRA QSCB</u>
ASSETS					
Cash, cash equivalents and investments	\$ 18,667	\$ 17	\$ 220	\$ 4,356	\$ 675
Due from other governments or agencies	1,366	12,301	-	-	-
Due from other funds	-	-	-	-	-
Inventories	6,698	-	-	-	-
Other assets	-	79	-	-	-
TOTAL ASSETS	<u>\$ 26,731</u>	<u>\$ 12,397</u>	<u>\$ 220</u>	<u>\$ 4,356</u>	<u>\$ 675</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts and contracts payable	2,707	3,326	-	-	-
Accrued payroll and payroll deductions	1,151	4,996	-	-	-
Due to other funds	-	2,000	-	-	-
Retainage payable on contracts	51	-	-	-	-
Unearned revenue	-	2,053	-	-	-
TOTAL LIABILITIES	<u>3,909</u>	<u>12,375</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	6,698	-	-	-	-
Restricted	16,124	-	220	4,356	675
Committed	-	22	-	-	-
Assigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>22,822</u>	<u>22</u>	<u>220</u>	<u>4,356</u>	<u>675</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 26,731</u>	<u>\$ 12,397</u>	<u>\$ 220</u>	<u>\$ 4,356</u>	<u>\$ 675</u>

CAPITAL PROJECTS FUNDS

COBI	PECO	CO & DS	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ 5	\$ 245	\$ -	\$ -	\$ -	\$ 50,139	\$ 74,324
-	1,192	-	-	-	6,208	21,067
-	-	-	-	-	464	464
-	-	-	-	-	-	6,698
-	-	-	-	-	-	79
<u>\$ 5</u>	<u>\$ 1,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,811</u>	<u>\$ 102,632</u>
5	289	-	-	-	262	6,589
-	-	-	-	-	48	6,195
-	-	-	-	-	-	2,000
-	-	-	-	-	109	160
-	-	-	-	-	6	2,059
<u>5</u>	<u>289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425</u>	<u>17,003</u>
-	-	-	-	-	132	132
-	-	-	-	-	132	132
-	-	-	-	-	-	6,698
-	1,148	-	-	-	14,873	37,396
-	-	-	-	-	-	22
-	-	-	-	-	41,381	41,381
-	1,148	-	-	-	56,254	85,497
<u>\$ 5</u>	<u>\$ 1,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,811</u>	<u>\$ 102,632</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, 2018
(amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>OTHER SPECIAL REVENUE</u>	<u>SBE/COBI BONDS</u>	<u>BUSES & EQUIPMENT</u>	<u>ARRA QSCB</u>
REVENUES					
Local sources:					
Food service sales	\$ 11,587	\$ -	\$ -	\$ -	\$ -
Impact fees	-	-	-	-	-
Interest income and other	179	-	-	-	-
Local grants and other	67	5,705	-	-	-
Total local sources	<u>11,833</u>	<u>5,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
State sources:					
Capital outlay and debt service	-	-	2,010	-	-
Food service	1,005	-	-	-	-
State grants and entitlements	-	19,728	-	-	-
Total state sources	<u>1,005</u>	<u>19,728</u>	<u>2,010</u>	<u>-</u>	<u>-</u>
Federal sources:					
Federal grants and entitlements	-	129,000	-	-	3,274
National school lunch act	80,265	15	-	-	-
Total federal sources	<u>80,265</u>	<u>129,015</u>	<u>-</u>	<u>-</u>	<u>3,274</u>
TOTAL REVENUES	<u>93,103</u>	<u>154,448</u>	<u>2,010</u>	<u>-</u>	<u>3,274</u>
EXPENDITURES:					
Current:					
Instruction	-	90,030	-	-	-
Instructional support services	-	55,939	-	-	-
General administration	-	3,372	-	-	-
School administration	-	201	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Fiscal services	-	166	-	-	-
Food services	94,260	21	-	-	-
Central services	-	957	-	-	-
Student transportation services	-	476	-	-	-
Operation of plant	-	4	-	-	-
Maintenance of plant	-	2	-	-	-
Community services	-	2,650	-	-	-
Total Current Expenditures	<u>94,260</u>	<u>153,818</u>	<u>-</u>	<u>-</u>	<u>-</u>

CAPITAL PROJECTS FUNDS

COBI	PECO	CO & DS	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,587
-	-	-	-	-	6,031	6,031
-	-	-	-	48	635	862
-	-	-	-	-	186	5,958
-	-	-	-	48	6,852	24,438
-	-	5,652	-	-	-	7,662
-	-	-	-	-	-	1,005
-	6,079	-	-	-	496	26,303
-	6,079	5,652	-	-	496	34,970
-	-	-	-	-	-	132,274
-	-	-	-	-	-	80,280
-	-	-	-	-	-	212,554
-	6,079	5,652	-	48	7,348	271,962
-	-	-	-	-	-	90,030
-	-	-	-	-	-	55,939
-	-	-	-	-	-	3,372
-	-	-	-	-	-	201
-	3,655	-	-	-	486	4,141
-	-	-	-	-	-	166
-	-	-	-	-	-	94,281
-	-	-	-	-	-	957
-	-	-	-	-	-	476
-	-	-	-	-	-	4
-	-	-	-	-	-	2
-	-	-	-	-	-	2,650
-	3,655	-	-	-	486	252,219

(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, 2018
(amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>OTHER SPECIAL REVENUE</u>	<u>SBE/COBI BONDS</u>	<u>BUSES & EQUIPMENT</u>	<u>ARRA QSCB</u>
Capital outlay	1,589	643	-	-	-
Debt service:					
Retirement of principal	-	-	1,543	8,454	-
Interest	-	-	494	268	3,654
Fiscal charges	-	-	1	-	5
TOTAL EXPENDITURES	<u>95,849</u>	<u>154,461</u>	<u>2,038</u>	<u>8,722</u>	<u>3,659</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,746)</u>	<u>(13)</u>	<u>(28)</u>	<u>(8,722)</u>	<u>(385)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	8,722	5
Transfers out	-	-	-	-	-
Sale of capital assets and other	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,722</u>	<u>5</u>
NET CHANGE IN FUND BALANCES	(2,746)	(13)	(28)	-	(380)
FUND BALANCES, JULY 1, 2017	<u>25,568</u>	<u>35</u>	<u>248</u>	<u>4,356</u>	<u>1,055</u>
FUND BALANCES, JUNE 30, 2018	<u>\$ 22,822</u>	<u>\$ 22</u>	<u>\$ 220</u>	<u>\$ 4,356</u>	<u>\$ 675</u>

CAPITAL PROJECTS FUNDS

COBI	PECO	CO & DS	BUSES & EQUIPMENT	COPS	OTHER CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	-	-	2,230	4,462
-	-	-	-	-	-	9,997
-	-	-	-	-	-	4,416
-	-	6	-	-	-	12
-	3,655	6	-	-	2,716	271,106
-	2,424	5,646	-	48	4,632	856
-	-	-	-	-	207	8,934
-	(2,707)	(5,715)	(301)	(15,179)	-	(23,902)
-	-	-	-	-	415	415
-	(2,707)	(5,715)	(301)	(15,179)	622	(14,553)
-	(283)	(69)	(301)	(15,131)	5,254	(13,697)
-	1,431	69	301	15,131	51,000	99,194
\$ -	\$ 1,148	\$ -	\$ -	\$ -	\$ 56,254	\$ 85,497

(Concluded)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018
(amounts expressed in thousands)

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
ASSETS			
Current Assets:			
Cash, cash equivalents and investments	\$ 123,606	\$ 62,516	\$ 186,122
Due from Other Agencies	3,035	-	3,035
Total Current Assets	126,641	62,516	189,157
Noncurrent Assets:			
Restricted cash	1,796	1,191	2,987
Total Noncurrent Assets	1,796	1,191	2,987
TOTAL ASSETS	128,437	63,707	192,144
DEFERRED OUTFLOWS OF RESOURCES			
Pension	276	228	504
TOTAL DEFERRED OUTFLOWS OF RESOURCES	276	228	504
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	1,299	432	1,731
Accrued payroll and payroll deductions	23	23	46
Portion due or payable within one year:			
Estimate unpaid claims	14,000	9,581	23,581
Total Current Liabilities	15,322	10,036	25,358
Noncurrent liabilities:			
Portion due or payable after one year:			
Liability for compensated absences	168	92	260
Estimate unpaid claims	-	35,547	35,547
Other post-employment benefits	57	49	106
Net Pension Liability	656	540	1,196
Total Noncurrent Liabilities	881	36,228	37,109
TOTAL LIABILITIES	16,203	46,264	62,467
DEFERRED INFLOWS OF RESOURCES			
Pension	49	41	90
TOTAL DEFERRED INFLOWS OF RESOURCES	49	41	90
NET POSITION			
Unrestricted	\$ 112,461	\$ 17,630	\$ 130,091

**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, 2018
 (amounts expressed in thousands)**

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES:			
Premium revenue	\$ 201,871	\$ 28,600	\$ 230,471
Pharmacy Rebates	13,482	-	13,482
Other operating revenue	357	715	1,072
TOTAL REVENUES	<u>215,710</u>	<u>29,315</u>	<u>245,025</u>
OPERATING EXPENSES:			
Salaries	791	660	1,451
Benefits	239	216	455
Purchased services	331	188	519
Claims and other expenses	199,326	14,722	214,048
TOTAL OPERATING EXPENSES	<u>200,687</u>	<u>15,786</u>	<u>216,473</u>
OPERATING INCOME (LOSS)	15,023	13,529	28,552
NONOPERATING REVENUES:			
Interest and other income	1,009	537	1,546
TOTAL NONOPERATING REVENUES	<u>1,009</u>	<u>537</u>	<u>1,546</u>
CHANGE IN NET POSITION	16,032	14,066	30,098
NET POSITION - Beginning of year	<u>96,429</u>	<u>3,564</u>	<u>99,993</u>
NET POSITION - End of year	<u>\$ 112,461</u>	<u>\$ 17,630</u>	<u>\$ 130,091</u>

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
(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	\$ 201,871	\$ 28,600	\$ 230,471
Cash payments for claims and administration	(199,936)	(14,983)	(214,919)
Cash receipts for pharmacy rebates	13,482	-	13,482
Cash payments for salaries and benefits	(959)	(844)	(1,803)
Other receipts	(489)	(2,185)	(2,674)
Net cash provided by operating activities	<u>13,969</u>	<u>10,588</u>	<u>24,557</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earnings on investments	<u>1,009</u>	<u>537</u>	<u>1,546</u>
Net cash provided by investing activities	<u>1,009</u>	<u>537</u>	<u>1,546</u>
Net increase in cash and cash equivalents	14,978	11,125	26,103
Cash and cash equivalents, beginning of year*	<u>110,424</u>	<u>52,582</u>	<u>163,006</u>
Cash and cash equivalents, end of year*	<u>\$ 125,402</u>	<u>\$ 63,707</u>	<u>\$ 189,109</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED IN OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 15,023</u>	<u>\$ 13,529</u>	<u>\$ 28,552</u>
Adjustments to reconcile operating income to net cash provided (used) in operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in due from other agencies	(846)	-	(846)
Increase (decrease) in accounts payable	(279)	(73)	(352)
Increase (decrease) in payroll and payroll deductions	1	1	2
Increase (decrease) in pension	33	30	63
Increase (decrease) in compensated absences	37	1	38
Increase (decrease) in estimated unpaid claims - Self-Insurance Program	-	(2,900)	(2,900)
Total adjustments	<u>(1,054)</u>	<u>(2,941)</u>	<u>(3,995)</u>
Net cash provided by operating activities	<u>\$ 13,969</u>	<u>\$ 10,588</u>	<u>\$ 24,557</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, 2018
(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	\$ -	\$ 496	\$ 496	\$ 496	\$ -
TOTAL REVENUES	<u>-</u>	<u>496</u>	<u>496</u>	<u>496</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Retirement of principal	76,850	76,850	76,850	-	-
Interest	63,385	110,518	110,518	(47,133)	-
Fiscal Charges	7,298	3,235	3,235	4,063	-
TOTAL EXPENDITURES	<u>147,533</u>	<u>190,603</u>	<u>190,603</u>	<u>(43,070)</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(147,533)</u>	<u>(190,107)</u>	<u>(190,107)</u>	<u>(42,574)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Issuance of long-term and refunded debt	-	529,310	529,310	529,310	-
Net premium (discount) from issuance of long-term and refunded debt	-	94,098	94,098	94,098	-
Payments to refunded debt escrow agent	-	(571,623)	(571,623)	(571,623)	-
Transfer from Capital Project Fund	144,610	144,995	144,995	385	-
TOTAL OTHER FINANCING SOURCES	<u>144,610</u>	<u>196,780</u>	<u>196,780</u>	<u>52,170</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,923)</u>	<u>\$ 6,673</u>	<u>6,673</u>	<u>\$ 9,596</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>116,416</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			123,089		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 123,089</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, 2018
(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	\$ 273,839	\$ 274,218	\$ 274,218	\$ 379	\$ -
Interest income, local grants and other	1,000	2,354	2,354	1,354	-
TOTAL REVENUES	<u>274,839</u>	<u>276,572</u>	<u>276,572</u>	<u>1,733</u>	<u>-</u>
EXPENDITURES:					
Payments to Charter Schools	-	9,272	9,272	(9,272)	-
Facilities acquisitions and construction:					
Buildings and fixed equipment	1,612	304	-	1,308	304
Furniture, fixtures and equipment	28,400	32,497	19,766	(4,097)	12,731
Improvements other than buildings	247	2,083	856	(1,836)	1,227
Land	1,786	1,786	-	-	1,786
Remodeling and renovations	152	61,711	14,278	(61,559)	47,433
Computer software	2,637	5,564	4,367	(2,927)	1,197
TOTAL EXPENDITURES	<u>34,834</u>	<u>113,217</u>	<u>48,539</u>	<u>(78,383)</u>	<u>64,678</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>240,005</u>	<u>163,355</u>	<u>228,033</u>	<u>(76,650)</u>	<u>64,678</u>
				(76,650)	64,678
OTHER FINANCING USES:					
Transfers to the general fund	(99,985)	(80,708)	(80,708)	19,277	-
Transfers to debt service funds	(142,340)	(138,242)	(138,242)	4,098	-
TOTAL OTHER FINANCING USES	<u>(242,325)</u>	<u>(218,950)</u>	<u>(218,950)</u>	<u>23,375</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,320)</u>	<u>\$ (55,595)</u>	<u>9,083</u>	<u>\$ (53,275)</u>	<u>\$ 64,678</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>55,595</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			64,678		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>14,798</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 79,476</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, 2018
(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	\$ 119,250	\$ 138,127	\$ 138,127	\$ 18,877	\$ -
Interest income, local grants and other	-	1,535	6,726	1,535	5,191
TOTAL REVENUES	<u>119,250</u>	<u>139,662</u>	<u>144,853</u>	<u>20,412</u>	<u>5,191</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Buildings and fixed equipment	1,500	2,141	63	(641)	2,078
Furniture, fixtures and equipment	23,272	32,802	12,772	(9,530)	20,030
Motor Vehicles (Including Buses)	15,958	20,476	20,452	(4,518)	24
Improvements Other than Buildings	-	9,850	4,078	(9,850)	5,772
Remodeling and Renovations	1,000	134,157	52,707	(133,157)	81,450
Software	-	2	2	(2)	-
TOTAL EXPENDITURES	<u>41,730</u>	<u>199,428</u>	<u>90,074</u>	<u>(157,698)</u>	<u>109,354</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>77,520</u>	<u>(59,766)</u>	<u>54,779</u>	<u>(137,286)</u>	<u>114,545</u>
OTHER FINANCING SOURCES (USES):					
Loan Proceeds	19,599	-	-	(19,599)	-
Transfers to debt service funds	(13,366)	-	-	13,366	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,233</u>	<u>-</u>	<u>-</u>	<u>(6,233)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 83,753</u>	<u>\$ (59,766)</u>	<u>54,779</u>	<u>\$ (143,519)</u>	<u>\$ 114,545</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>59,766</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			114,545		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>45,378</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 159,923</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, 2018
(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	\$ 179	\$ 179	\$ 139	\$ -
Food service sales	15,590	11,603	11,587	(3,987)	(16)
Miscellaneous local sources	176	51	67	(125)	16
Total local sources	<u>15,806</u>	<u>11,833</u>	<u>11,833</u>	<u>(3,973)</u>	<u>-</u>
State sources:					
School breakfast/lunch supplement	1,060	1,005	1,005	(55)	-
Total state sources	<u>1,060</u>	<u>1,005</u>	<u>1,005</u>	<u>(55)</u>	<u>-</u>
Federal sources:					
National school lunch act	78,395	80,265	80,265	1,870	-
Total federal sources	<u>78,395</u>	<u>80,265</u>	<u>80,265</u>	<u>1,870</u>	<u>-</u>
TOTAL REVENUES	<u>95,261</u>	<u>93,103</u>	<u>93,103</u>	<u>(2,158)</u>	<u>-</u>
EXPENDITURES:					
Food service:					
Salaries	24,299	28,604	28,604	(4,305)	-
Employee benefits	11,264	11,412	11,412	(148)	-
Purchased services	10,810	8,268	8,348	2,542	(80)
Energy services	2,430	2,661	2,661	(231)	-
Materials and supplies	39,400	38,794	38,795	606	(1)
Capital outlay	4,593	3,624	4,865	969	(1,241)
Other expenses	2,788	2,486	2,486	302	-
TOTAL EXPENDITURES	<u>95,584</u>	<u>95,849</u>	<u>97,171</u>	<u>(265)</u>	<u>(1,322)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(323)</u>	<u>(2,746)</u>	<u>(4,068)</u>	<u>(2,423)</u>	<u>(1,322)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (323)</u>	<u>\$ (2,746)</u>	<u>(4,068)</u>	<u>\$ (2,423)</u>	<u>\$ (1,322)</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>25,568</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			21,500		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>1,322</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 22,822</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
OTHER SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES:					
Local sources	\$ 565	\$ 8,248	\$ 5,705	\$ 7,683	\$ (2,543)
State sources	460	25,775	19,728	25,315	(6,047)
Federal sources	115,743	148,536	129,015	32,793	(19,521)
TOTAL REVENUES	116,768	182,559	154,448	65,791	(28,111)
EXPENDITURES:					
Instruction	53,446	102,153	90,698	(48,707)	11,455
Instructional support services	56,340	67,851	56,310	(11,511)	11,541
Board	5	-	-	5	-
General administration	2,892	4,215	3,372	(1,323)	843
School administration	33	817	201	(784)	616
Fiscal services	-	262	166	(262)	96
Food service	-	102	-	(102)	102
Central services	824	1,770	71	(946)	1,699
Student transportation services	612	1,080	957	(468)	123
Operation of plant	1	8	476	(7)	(468)
Maintenance of plant	2	2	4	-	(2)
Administrative Technology Services	-	-	2	-	(2)
Community services	40	4,312	2,687	(4,272)	1,625
TOTAL EXPENDITURES	114,195	182,572	154,944	(68,377)	27,628
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,573	(13)	(496)	(2,586)	(483)
NET CHANGE IN FUND BALANCE	\$ 2,573	\$ (13)	(496)	\$ (2,586)	\$ (483)
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			35		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			(461)		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			483		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			\$ 22		

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, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
State sources:					
CO & DS withheld for SBE/COBI bonds	\$ 1,998	\$ 2,010	\$ 2,010	\$ 12	\$ -
TOTAL REVENUES	<u>1,998</u>	<u>2,010</u>	<u>2,010</u>	<u>12</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Retirement of principal	1,543	1,543	1,543	-	-
Interest	494	494	494	-	-
Fiscal charges	-	1	1	(1)	-
TOTAL EXPENDITURES	<u>2,037</u>	<u>2,038</u>	<u>2,038</u>	<u>(1)</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(39)</u>	<u>(28)</u>	<u>(28)</u>	<u>11</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (39)</u>	<u>\$ (28)</u>	<u>(28)</u>	<u>\$ 11</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>248</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			220		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 220</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, 2018
(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	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Retirement of Principal	12,379	8,454	8,454	3,925	-
Interest	393	268	268	125	-
TOTAL EXPENDITURES	<u>12,772</u>	<u>8,722</u>	<u>8,722</u>	<u>4,050</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(12,772)</u>	<u>(8,722)</u>	<u>(8,722)</u>	<u>(4,050)</u>	<u>-</u>
OTHER FINANCING SOURCES:					
Transfer from Capital Project Fund	26,138	8,722	8,722	17,416	-
TOTAL OTHER FINANCING SOURCES	<u>26,138</u>	<u>8,722</u>	<u>8,722</u>	<u>17,416</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,366</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 13,366</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>4,356</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			4,356		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 4,356</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - ARRA QSCB
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Federal sources:					
Federal grants and entitlements	\$ 3,269	\$ 3,274	\$ 3,274	\$ 5	\$ -
TOTAL REVENUES	<u>3,269</u>	<u>3,274</u>	<u>3,274</u>	<u>5</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Interest	3,654	3,654	3,654	-	-
Fiscal Charges	5	5	5	-	-
TOTAL EXPENDITURES	<u>3,659</u>	<u>3,659</u>	<u>3,659</u>	<u>-</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(390)</u>	<u>(385)</u>	<u>(385)</u>	<u>5</u>	<u>-</u>
OTHER FINANCING SOURCES:					
Transfer from Capital Project Fund	390	5	5	(385)	-
TOTAL OTHER FINANCING SOURCES	<u>390</u>	<u>5</u>	<u>5</u>	<u>(385)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (380)</u>	<u>(380)</u>	<u>\$ (380)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>1,055</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			675		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 675</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, 2018
(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	\$ 2,707	\$ 6,079	\$ 6,079	\$ 3,372	\$ -
TOTAL REVENUES	<u>2,707</u>	<u>6,079</u>	<u>6,079</u>	<u>3,372</u>	<u>-</u>
EXPENDITURES:					
Payments to Charter Schools	-	3,372	3,372	(3,372)	-
Facilities acquisitions and construction:					
Furniture, fixtures and equipment	77	78	-	(1)	78
Remodeling and renovations	-	1,353	1,111	(1,353)	242
TOTAL EXPENDITURES	<u>77</u>	<u>4,803</u>	<u>4,483</u>	<u>(4,726)</u>	<u>320</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,630</u>	<u>1,276</u>	<u>1,596</u>	<u>(1,354)</u>	<u>320</u>
OTHER FINANCING USES:					
Transfer to the general fund	(2,707)	(2,707)	(2,707)	-	-
TOTAL OTHER FINANCING USES	<u>(2,707)</u>	<u>(2,707)</u>	<u>(2,707)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (77)</u>	<u>\$ (1,431)</u>	<u>(1,111)</u>	<u>\$ (1,354)</u>	<u>\$ 320</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>1,431</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			320		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>828</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 1,148</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, 2018
(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	\$ 4,754	\$ 5,652	\$ 5,652	\$ 898	\$ -
TOTAL REVENUES	<u>4,754</u>	<u>5,652</u>	<u>5,652</u>	<u>898</u>	<u>-</u>
EXPENDITURES:					
Debt service:					
Fiscal charges	-	6	6	(6)	-
TOTAL EXPENDITURES	<u>-</u>	<u>6</u>	<u>6</u>	<u>(6)</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,754</u>	<u>5,646</u>	<u>5,646</u>	<u>892</u>	<u>-</u>
OTHER FINANCING USES:					
Transfer to General Fund	(4,754)	(5,715)	(5,715)	(961)	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (69)</u>	<u>(69)</u>	<u>\$ (69)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>69</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			-		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2017 (GAAP BASIS)			<u>\$ -</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, 2018
(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	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES:					
Motor Vehicles (Including Buses)	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	-	-	-
OTHER FINANCING SOURCES:					
Loan Proceeds	19,118	-	-	(19,118)	-
Transfer to Debt Service	-	(301)	(301)	(301)	-
TOTAL OTHER FINANCING SOURCES	19,118	(301)	(301)	(19,419)	-
NET CHANGE IN FUND BALANCE	<u>\$ 19,118</u>	<u>\$ (301)</u>	(301)	<u>\$ (19,419)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			301		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			-		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			-		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ -</u>		

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
 CAPITAL PROJECTS FUNDS - COPS
 BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2018
 (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	\$ -	\$ 48	\$ 48	\$ 48	\$ -
TOTAL REVENUES	<u>-</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>-</u>
EXPENDITURES:					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers to Debt Service	<u>(15,131)</u>	<u>(15,179)</u>	<u>(15,179)</u>	<u>(48)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>(15,131)</u>	<u>(15,179)</u>	<u>(15,179)</u>	<u>(48)</u>	<u>-</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(15,131)</u>	<u>(15,131)</u>	<u>(15,131)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (15,131)</u>	<u>\$ (15,131)</u>	<u>(15,131)</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>15,131</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			<u>-</u>		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ -</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, 2018
(amounts expressed in thousands)**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local source:					
Impact fees	\$ 5,390	\$ 6,031	\$ 6,031	\$ 641	\$ -
Interest income and other	-	635	635	635	-
Miscellaneous local sources	1,843	186	186	(1,657)	-
Total local sources	<u>7,233</u>	<u>6,852</u>	<u>6,852</u>	<u>(381)</u>	<u>-</u>
State sources:					
State grants and entitlements	3,650	496	496	(3,154)	-
Total state sources	<u>3,650</u>	<u>496</u>	<u>496</u>	<u>(3,154)</u>	<u>-</u>
TOTAL REVENUES	<u>10,883</u>	<u>7,348</u>	<u>7,348</u>	<u>(3,535)</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisitions and construction:					
Buildings and fixed equipment	47,276	48,009	5,781	(733)	42,228
Furniture, fixtures and equipment	1,092	1,096	81	(4)	1,015
Motor Vehicles	1,405	1,624	449	(219)	1,175
Land	749	776	500	(27)	276
Improvements other than buildings	850	1,558	317	(708)	1,241
Remodeling and renovations	1,000	5,907	490	(4,907)	5,417
TOTAL EXPENDITURES	<u>52,372</u>	<u>58,970</u>	<u>7,618</u>	<u>(6,598)</u>	<u>51,352</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(41,489)</u>	<u>(51,622)</u>	<u>(270)</u>	<u>(10,133)</u>	<u>51,352</u>
OTHER FINANCING SOURCES (USES):					
Transfers from General fund	163	207	207	44	-
Transfers to General fund	(3,500)	-	-	3,500	-
Sale of capital assets and other	-	415	415	415	-
TOTAL OTHER FINANCING USES	<u>(3,337)</u>	<u>622</u>	<u>622</u>	<u>3,959</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (44,826)</u>	<u>\$ (51,000)</u>	<u>352</u>	<u>\$ (6,174)</u>	<u>\$ 51,352</u>
FUND BALANCE, JULY 1, 2017 (GAAP BASIS)			<u>51,000</u>		
FUND BALANCE, JUNE 30, 2018 (BUDGETARY BASIS)			<u>51,352</u>		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>4,902</u>		
FUND BALANCE, JUNE 30, 2018 (GAAP BASIS)			<u>\$ 56,254</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

<u>SCHOOL INTERNAL FUNDS</u>	<u>JUNE 30, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>JUNE 30, 2018</u>
<u>ASSETS</u>				
Cash, cash equivalents and investments	\$ 18,936	\$ 81,954	\$ 81,000	\$ 19,890
Accounts receivable	<u>1,248</u>	<u>1,427</u>	<u>1,248</u>	<u>1,427</u>
TOTAL ASSETS	<u>\$ 20,184</u>	<u>\$ 83,381</u>	<u>\$ 82,248</u>	<u>\$ 21,317</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 249	\$ 178	\$ 249	\$ 178
Due to student organizations	<u>19,935</u>	<u>83,203</u>	<u>81,999</u>	<u>21,139</u>
TOTAL LIABILITIES	<u>\$ 20,184</u>	<u>\$ 83,381</u>	<u>\$ 82,248</u>	<u>\$ 21,317</u>



2018

**OTHER
SUPPLEMENTARY
INFORMATION**

SECTION

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, 2018
(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
2019	\$ 1,311	\$ 417	\$ 77,630	\$ 63,117
2020	1,177	358	76,303	60,839
2021	1,200	300	75,570	57,655
2022	1,280	241	77,320	54,231
2023	1,070	187	81,330	50,576
2024-2028	2,120	474	559,160	176,316
2029-2033	1,695	137	408,660	39,755
Total	\$ 9,853	\$ 2,114	\$ 1,355,973	\$ 502,489

TOTAL		TOTAL PRINCIPAL AND INTEREST	
PRINCIPAL	INTEREST		
\$ 78,941	\$ 63,534	\$	142,475
77,480	61,197		138,677
76,770	57,955		134,725
78,600	54,472		133,072
82,400	50,763		133,163
561,280	176,790		738,070
410,355	39,892		450,247
<u>\$ 1,365,826</u>	<u>\$ 504,603</u>	<u>\$</u>	<u>1,870,429</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, 2018
(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	10/18/2010	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%	07/01/2020
TOTAL COBI		\$ 23,240		
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS:				
Certificates of participation Series 2003B	06/26/2003	\$ 124,295	-	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 2007A	02/28/2007	268,545	-	08/01/2031
Certificates of participation Series 2007C	03/22/2007	192,310	-	08/01/2027
Certificates of participation Series 2007E	10/31/2007	147,390	-	08/01/2017
Certificates of participation Series 2010A QSCB	11/15/2010	67,665	5.40%	*
Certificates of participation Series 2011A	07/13/2011	112,425	4.00% to 5.00%	08/01/2021
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%	08/01/2022
Certificates of participation Series 2012B	06/29/2012	116,555	-	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	-	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
Certificates of participation Series 2017A	09/22/2015	62,970	5.00%	08/01/2027
Certificates of participation Series 2017B	09/22/2015	62,970	5.00%	08/01/2028
Certificates of participation Series 2018A	09/22/2015	62,970	5.00%	08/01/2027
Certificates of participation Series 2018B	09/22/2015	62,970	4.00% to 5.00%	08/01/2028
Certificates of participation Series 2018C	09/22/2015	62,970	5.00%	08/01/2029
TOTAL OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS		\$ 2,328,068		

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

DEBT OUTSTANDING JUNE 30, 2017	DEBT ISSUED FY 17-18	DEBT MATURED FY 17-18	DEBT REFUNDED/ DEFEASED FY 17-18	DEBT OUTSTANDING JUNE 30, 2018
\$ 400	\$ -	\$ 195	\$ -	\$ 205
6,695	-	455	-	6,240
1,080	-	180	-	900
2,790	-	365	-	2,425
431	-	348	-	83
\$ 11,396	\$ -	\$ 1,543	\$ -	\$ 9,853

\$ 124,295	\$ -	\$ -	\$ 124,295	\$ -
2,923	-	-	-	2,923
2,150	-	-	-	2,150
13,990	-	13,990	-	-
177,265	-	605	176,660	-
5,215	-	5,215	-	-
67,665	-	-	-	67,665
44,520	-	-	26,660	17,860
1,585	-	230	-	1,355
19,650	-	4,325	-	15,325
20,085	-	-	18,290	1,795
107,120	-	5,130	101,990	-
63,645	-	3,680	-	59,965
115,350	-	-	115,350	-
153,725	-	14,335	-	139,390
33,280	-	-	-	33,280
84,150	-	22,595	-	61,555
145,535	-	6,745	-	138,790
221,640	-	-	-	221,640
62,970	-	-	-	62,970
-	147,850	-	-	147,850
-	41,945	-	-	41,945
-	114,770	-	-	114,770
-	103,955	-	-	103,955
-	120,790	-	-	120,790
\$ 1,466,758	\$ 529,310	\$ 76,850	\$ 563,245	\$ 1,355,973





2018

STATISTICAL
SECTION

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 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>2009</u> *	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net Position components				
Primary Government				
Net Investment in capital assets	\$ 1,752,405	\$ 1,851,072	\$ 1,840,467	\$ 1,825,814
Restricted	362,395	378,402	390,082	334,924
Unrestricted (deficit)	<u>(89,132)</u>	<u>(125,200)</u>	<u>(65,830)</u>	<u>(75,034)</u>
Total primary government net position	<u>\$ 2,025,668</u>	<u>\$ 2,104,274</u>	<u>\$ 2,164,719</u>	<u>\$ 2,085,704</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

**** Restated - Adoption of GASB 75

TABLE 1

<u>2013**</u>	<u>2014***</u>	<u>2015</u>	<u>2016</u>	<u>2017****</u>	<u>2018</u>
\$ 1,794,798	\$ 1,781,012	\$ 1,816,220	\$ 1,760,930	\$ 1,756,568	\$ 1,777,638
301,111	257,756	207,159	237,692	320,003	449,958
<u>(100,978)</u>	<u>(775,703)</u>	<u>(742,933)</u>	<u>(688,026)</u>	<u>(721,254)</u>	<u>(739,991)</u>
<u>\$ 1,994,931</u>	<u>\$ 1,263,065</u>	<u>\$ 1,280,446</u>	<u>\$ 1,310,596</u>	<u>\$ 1,355,317</u>	<u>\$ 1,487,605</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>2009 *</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Primary Government				
Expenses				
Instruction	\$ 954,271	\$ 918,127	\$ 934,817	\$ 910,896
Instructional support services	170,854	187,977	180,478	157,679
Board	5,293	5,634	4,776	4,806
General administration	10,161	13,061	10,868	9,108
School administration	98,528	95,817	96,845	89,247
Facilities acquisition and construction	92,500	44,039	27,544	31,494
Fiscal services	6,141	6,285	6,056	4,999
Food services	60,858	62,997	64,757	66,675
Central services	14,520	14,793	14,553	12,771
Pupil transportation services	46,217	44,954	44,092	48,105
Operation of plant	131,285	133,055	133,559	123,043
Maintenance of plant	47,184	62,677	62,422	63,250
Administrative technology services	5,588	10,450	9,607	8,096
Community services	30,125	28,626	30,262	30,861
Interest on long-term debt	99,581	83,404	86,464	81,386
Unallocated depreciation expense	107,044	110,820	113,902	109,871
Amortization expense	1,136	1,552	3,244	2,716
Total Expenses	<u>1,881,286</u>	<u>1,824,268</u>	<u>1,824,246</u>	<u>1,755,003</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	1,724	1,958	2,104	2,591
Food	23,015	20,437	18,482	16,814
Pupil transportation	2,233	2,269	2,381	3,512
Community	21,538	22,705	24,325	24,349
Operating grants and contributions	250,964	266,066	565,764	461,369
Capital grants and contributions	44,383	15,122	26,711	12,401
Total Program Revenues	<u>343,857</u>	<u>328,557</u>	<u>639,767</u>	<u>521,036</u>
Net (Expense)/Revenue	<u>\$ (1,537,429)</u>	<u>\$ (1,495,711)</u>	<u>\$ (1,184,479)</u>	<u>\$ (1,233,967)</u>

* Restated

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

TABLE 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	949,936	\$ 1,047,726	\$ 1,030,417	\$ 1,062,354	\$ 1,154,360	\$ 1,197,458
	161,937	174,848	168,660	170,617	173,946	185,883
	5,495	6,149	6,606	6,634	7,468	7,643
	9,887	9,231	9,033	10,089	10,449	13,609
	92,887	96,911	94,125	97,556	107,027	109,988
	29,525	26,343	20,846	14,750	20,761	54,526
	5,726	5,881	5,677	6,805	6,853	7,205
	70,710	74,047	77,063	81,095	89,897	95,977
	13,550	15,715	14,928	15,646	16,052	16,647
	46,955	47,036	45,795	48,223	54,396	59,170
	123,343	124,757	123,559	124,526	126,506	135,988
	63,694	67,135	68,083	69,603	73,741	80,359
	7,260	6,114	7,022	7,916	7,644	7,041
	33,897	36,157	36,537	40,980	43,149	46,737
	84,780	80,122	47,229	90,428	62,739	53,137
	109,590	108,894	108,480	108,978	107,633	107,047
	<u>1,596</u>	<u>562</u>	<u>1,173</u>	<u>156</u>	<u>109</u>	<u>62</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>	<u>2,178,477</u>
	2,783	2,684	2,359	2,335	2,334	2,213
	15,024	14,429	13,506	13,377	13,465	11,815
	2,576	931	885	820	709	1,447
	25,858	29,945	31,156	36,961	37,872	37,904
	471,831	476,357	480,756	491,973	511,816	547,857
	<u>14,568</u>	<u>14,357</u>	<u>15,585</u>	<u>13,430</u>	<u>22,197</u>	<u>18,932</u>
	<u>532,640</u>	<u>538,703</u>	<u>544,247</u>	<u>558,896</u>	<u>588,393</u>	<u>620,168</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>	<u>(1,558,309)</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>2009 *</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Primary Government				
Net (Expense)/Revenue	\$ (1,537,429)	\$ (1,495,711)	\$ (1,184,479)	\$ (1,233,967)
General Revenue and other				
Changes in Net Position				
Taxes				
Property taxes, levied for general purposes	\$ 887,265	\$ 873,359	\$ 859,190	\$ 846,738
Property taxes, levied for capital projects	282,362	263,239	205,657	200,551
Local sales taxes	100,100	99,284	50,632	-
Grants and entitlements not restricted to specific purposes	241,445	279,840	77,277	55,613
Investment earnings	9,903	23,066	9,439	4,195
Other	27,675	35,529	42,729	41,142
Transfers	-	-	-	6,713
Total General Revenue and Transfers	<u>\$ 1,548,750</u>	<u>\$ 1,574,317</u>	<u>\$ 1,244,924</u>	<u>\$ 1,154,952</u>
Change in Net Position	<u>\$ 11,321</u>	<u>\$ 78,606</u>	<u>\$ 60,445</u>	<u>\$ (79,015)</u>

* Restated

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

TABLE 3

2013	2014	2015	2016	2017	2018
<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>	<u>\$ (1,558,309)</u>
\$ 802,052	\$ 809,909	\$ 878,769	\$ 960,468	\$ 959,828	\$ 963,059
199,078	202,891	216,293	241,089	258,379	274,218
-	-	-	-	65,783	138,127
144,821	221,228	197,265	180,622	228,152	260,096
1,155	2,348	2,299	3,493	6,047	12,991
53,006	56,186	43,741	41,938	40,947	42,106
-	13,000	-	-	-	-
<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>\$ 1,690,597</u>
<u>\$ (78,016)</u>	<u>\$ (83,363)</u>	<u>\$ 17,381</u>	<u>\$ 30,150</u>	<u>\$ 84,799</u>	<u>\$ 132,288</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Pre-GASB 54</u>				
General Fund				
Reserved	\$ 9,715	\$ 19,096		
Unreserved	82,697	77,936		
Total general fund	<u>\$ 92,412</u>	<u>\$ 97,032</u>		
All Other Governments Funds				
Reserved	\$ 300,934	\$ 192,909		
Unreserved, reported in:				
Special revenue funds	(398)	(297)		
Capital projects funds	233,858	278,145		
Total all other governmental funds	<u>\$ 534,394</u>	<u>\$ 470,757</u>		
<u>Post-GASB 54</u>				
General Fund				
Nonspendable	\$ 6,039	\$ 14,814	\$ 12,498	\$ 5,658
Restricted	12,050	13,193	17,098	23,335
Assigned	34,923	24,656	102,702	86,561
Unassigned	39,400	44,369	54,640	51,113
Total General Fund	<u>\$ 92,412</u>	<u>\$ 97,032</u>	<u>\$ 186,938</u>	<u>\$ 166,667</u>
All Other Governments Funds				
Nonspendable	\$ 1,777	\$ 1,438	\$ 2,883	\$ 2,867
Restricted	498,580	440,688	465,534	384,995
Committed	-	1,750	1,549	1,290
Assigned - Capital Projects Funds	34,037	26,881	43,051	48,756
Total all other governmental funds	<u>\$ 534,394</u>	<u>\$ 470,757</u>	<u>\$ 513,017</u>	<u>\$ 437,908</u>

Note: GASB 54 was implemented for the fiscal year 2011. The amounts calculated for FY09 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 11,312	\$ 9,619	\$ 9,016	\$ 6,040	\$ 7,969	\$ 8,220
27,816	28,170	28,105	18,255	20,378	25,476
49,746	27,524	30,011	52,955	58,199	69,531
44,400	46,500	50,000	50,000	52,000	55,000
<u>\$ 133,274</u>	<u>\$ 111,813</u>	<u>\$ 117,132</u>	<u>\$ 127,250</u>	<u>\$ 138,546</u>	<u>\$ 158,227</u>
\$ 2,872	\$ 2,684	\$ 3,200	\$ 4,168	\$ 5,232	\$ 6,698
287,751	237,578	168,124	230,327	290,001	399,884
1,115	186	85	37	35	22
61,178	35,490	38,006	28,923	35,703	41,381
<u>\$ 352,916</u>	<u>\$ 275,938</u>	<u>\$ 209,415</u>	<u>\$ 263,455</u>	<u>\$ 330,971</u>	<u>\$ 447,985</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	-
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>	<u>2018</u>
\$ 1,001,130	\$ 1,012,800	\$ 1,095,062	\$ 1,201,557	\$ 1,218,207	\$ 1,237,277
-	-	-	-	65,783	138,127
12,808	-	22,568	7,725	6,948	6,031
1,146	2,405	2,149	3,205	5,398	11,445
25,858	29,945	31,156	36,961	37,872	37,904
15,024	14,429	13,506	13,377	13,465	11,815
43,334	38,464	43,710	37,425	40,647	44,446
<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>	<u>1,487,045</u>
187,320	266,681	242,366	232,694	277,399	315,036
6,900	6,939	7,165	7,762	7,793	7,777
948	1,000	1,015	1,013	995	1,005
-	-	-	-	-	-
-	-	-	-	-	-
206,594	207,018	209,873	212,396	216,754	218,990
-	-	-	3,088	5,329	-
36,984	39,352	43,149	36,701	44,584	58,879
<u>438,746</u>	<u>520,990</u>	<u>503,568</u>	<u>493,654</u>	<u>552,854</u>	<u>601,687</u>
128,546	129,305	125,937	122,405	130,052	138,533
56,431	61,818	65,453	69,897	75,187	80,280
184,977	191,123	191,390	192,302	205,239	218,813
<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>	<u>\$ 2,307,545</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenditures				
Current:				
Instruction	\$ 936,120	\$ 910,600	\$ 926,516	\$ 924,120
Instructional support services	167,864	185,569	179,969	160,739
Board	5,169	5,579	4,694	4,784
General administration	9,930	13,186	11,323	8,750
School administration	96,097	94,163	96,042	90,618
Facilities acquisition and construction	808	999	1,245	1,062
Fiscal services	5,828	6,234	5,918	5,289
Food services	60,613	63,172	64,540	66,740
Central services	14,311	14,709	14,660	12,841
Pupil transportation services	45,583	44,454	43,940	48,438
Operation of plant	128,868	131,965	133,576	124,413
Maintenance of plant	46,190	60,702	62,787	59,048
Administrative technology services	5,451	9,533	9,697	8,239
Community services	29,713	28,078	30,004	31,041
Total Current Expenditures	<u>1,552,545</u>	<u>1,568,943</u>	<u>1,584,911</u>	<u>1,546,122</u>
Capital outlay	395,329	226,576	90,665	68,597
Debt service:				
Retirement of principal	58,705	61,185	64,035	61,405
Interest	101,587	91,971	88,315	84,721
Fiscal charges	1,359	546	4,139	2,060
TOTAL EXPENDITURES	<u>2,109,525</u>	<u>1,949,221</u>	<u>1,832,065</u>	<u>1,762,905</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(186,829)</u>	<u>(63,900)</u>	<u>48,406</u>	<u>(99,587)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	216,104	277,655	249,817	232,831
Transfers out	(216,104)	(277,655)	(249,817)	(226,118)
Proceeds of long-term and refunded debt	-	1,655	245,425	295,305
Issuance of long-term and refunded debt	-	-	-	-
Net premium (discount) from issuance of long-term and refunded debt	-	166	1,159	10,539
Payments to refunded debt escrow agent	-	(1,806)	(172,184)	(311,780)
Proceeds of loss recoveries	4,869	4,501	3,900	3,429
Sale of capital assets and other	3,301	367	5,460	1
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,170</u>	<u>4,883</u>	<u>83,760</u>	<u>4,207</u>
NET CHANGE IN FUND BALANCES	<u>\$ (178,659)</u>	<u>\$ (59,017)</u>	<u>\$ 132,166</u>	<u>\$ (95,380)</u>

TABLE 6

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	964,140	\$ 1,047,481	\$ 1,058,183	\$ 1,086,124	\$ 1,148,826	\$ 1,178,208
	163,653	174,998	172,288	173,694	173,548	180,080
	5,467	6,044	6,828	6,798	7,295	7,517
	9,759	9,138	8,998	10,599	10,851	12,659
	93,665	96,411	96,772	99,764	105,370	106,227
	490	27,181	21,667	15,475	21,159	31,854
	5,576	5,817	5,893	6,671	6,766	6,959
	70,572	73,944	76,781	81,199	89,931	94,433
	13,721	15,408	15,434	16,024	15,923	16,279
	47,810	46,976	47,270	49,333	53,899	57,932
	124,654	124,939	126,187	126,268	127,098	135,256
	64,252	67,402	69,683	70,455	73,064	79,342
	7,446	6,238	7,085	8,052	7,540	6,834
	34,239	36,179	37,171	41,681	43,128	46,437
	<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>	<u>1,960,017</u>
	93,891	45,102	48,401	25,470	25,778	57,035
	60,815	68,350	74,822	63,488	85,883	86,847
	84,890	116,489	73,506	69,300	71,542	115,915
	699	1,510	1,956	523	231	3,247
	<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>2,223,061</u>
	<u>(122,716)</u>	<u>(159,451)</u>	<u>(45,816)</u>	<u>35,288</u>	<u>78,581</u>	<u>84,484</u>
	237,637	250,043	237,858	258,742	238,858	243,059
	(237,637)	(237,043)	(237,858)	(258,742)	(238,858)	(243,059)
	67,145	14,002	-	-	-	-
	-	281,570	511,045	91,308	-	529,310
	10,990	25,748	67,974	8,541	-	94,098
	(77,969)	(278,468)	(599,420)	(71,111)	-	(571,623)
	4,109	5,057	117	119	7	11
	56	103	4,896	13	224	415
	<u>4,331</u>	<u>61,012</u>	<u>(15,388)</u>	<u>28,870</u>	<u>231</u>	<u>52,211</u>
\$	<u>(118,385)</u>	<u>(98,439)</u>	<u>(61,204)</u>	<u>64,158</u>	<u>78,812</u>	<u>136,695</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
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%
2017	157,425	2,067,832	84,799	1,983,033	7.94%
2018	202,762	2,223,061	132,288	2,090,773	9.70%

(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)**

ACTUAL VALUE											
FISCAL YEAR	REAL PROPERTY			PERSONAL PROPERTY	TOTAL JUST VALUE	ASSESSED VALUE	EXEMPTIONS	NET TAXABLE ASSESSED VALUATION	% ²	DIRECT TAX RATE	
	RESIDENTIAL	COMMERCIAL	OTHER ¹								
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	174,606,753	23,943,993	27,484,079	11,289,143	237,323,968	195,392,413	17,113,004	178,279,409	75.12	7.070	
2018	186,000,465	26,084,020	29,478,162	10,340,486	251,903,133	208,751,431	19,138,888	189,612,543	75.27	6.769	

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
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
2018	189,612,543	6.7690	1,283,487	30,737	1,237,398

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>
\$ 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
121	1,237,519	96.41	98.80	96.42	98.81



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
	2009	5.5010	1.7500	0.0000	7.2510	3.7811
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	6.0860	1.5000	0.0000	7.5860	4.7815	0.2037
2015	6.0940	1.5000	0.0000	7.5940	4.7815	0.1914
2016	6.0120	1.5000	0.0000	7.5120	4.7815	0.1462
2017	5.5700	1.5000	0.0000	7.0700	4.7815	0.1327
2018	5.2690	1.5000	0.0000	6.7690	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	0.6009	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	0.7025	1.0800	0.0587	6.8609	0.3523	14.7992
0.0345	0.6745	1.0800	0.0548	6.8167	0.3294	14.7401
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	13.9295
0.0320	0.6590	0.7808	0.4410	6.8151	0.2659	13.8500



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	TOTAL
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	841,757	210,370	1,052,127
2015	900,204	224,602	1,124,806
2016	991,177	247,300	1,238,476
2017	993,016	267,419	1,260,435
2018	999,068	284,419	1,283,487

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

PALM BEACH COUNTY (1)							
GENERAL FUND	DEBT SERVICE	F.I.N.D.	CHILD SERVICES	HEALTH CARE DISTRICT	TOTAL	SOUTH FLORIDA WATER MGT. DISTRICT	TOTAL COUNTYWIDE
\$ 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	1,992,487
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	2,311,418
789,241	21,904	5,294	113,053	148,790	1,078,282	54,715	2,393,433
844,747	21,342	5,668	116,723	138,296	1,126,776	54,908	2,465,171





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

<u>GOVERNMENTAL ACTIVITIES</u>						
<u>FISCAL YEAR</u>	<u>STATE BOARD OF EDUCATION BONDS</u>	<u>LOAN PAYABLE</u>	<u>CERTIFICATES OF PARTICIPATION</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>PERCENTAGE OF PERSONAL INCOME (1)</u>	<u>PER CAPITA (1)</u>
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	1.62	117
2017	12,647	23,485	1,547,095	1,583,227	N/A	112
2018	10,892	15,031	1,509,807	1,535,730	N/A	107

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$16,823,790	\$14,811,991	\$13,446,967	\$13,204,871
Total bonded debt	41,937	30,132	38,816	32,532
Less amount available in Debt Service Funds	<u>842</u>	<u>768</u>	<u>884</u>	<u>792</u>
Total amount applicable to debt limit	<u>41,095</u>	<u>29,364</u>	<u>37,932</u>	<u>31,740</u>
Legal debt margin on bonded debt	<u>\$16,782,695</u>	<u>\$14,782,627</u>	<u>\$13,409,035</u>	<u>\$13,173,131</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.76%</u>	<u>99.80%</u>	<u>99.72%</u>	<u>99.76%</u>

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

TABLE 13

2013	2014	2015	2016	2017	2018
\$13,271,903	\$13,831,033	\$14,973,453	\$16,486,640	\$178,279,409	\$189,612,543
26,370	23,956	19,103	15,175	12,647	10,892
676	535	326	307	248	220
<u>25,694</u>	<u>23,421</u>	<u>18,777</u>	<u>14,868</u>	<u>12,399</u>	<u>10,672</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>\$189,601,871</u>
<u>99.81%</u>	<u>99.83%</u>	<u>99.87%</u>	<u>99.91%</u>	<u>99.99%</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)

Table with 8 columns: FISCAL YEAR, POPULATION (1), 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). Rows for years 2009-2018.

(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		\$	1,355,973
Special Obligation (1)			9,853
Notes/Loans Payable			<u>15,031</u>
TOTAL DIRECT DEBT			1,380,857

Overlapping Debt: (2)

Palm Beach County - In Thousands			
Total Outstanding Debt	\$	1,218,226	
Estimated Percentage Applicable (3)		<u>9.13%</u>	
TOTAL OVERLAPPING DEBT			<u>111,216</u>
TOTAL DIRECT AND OVERLAPPING DEBT	\$		1,492,073

Population of Palm Beach County			1,433,367
Assessed property valuation - In Thousands	\$		251,903,133
Assessed taxable property valuation - In Thousands	\$		189,612,543

DEBT RATIOS:

	<u>PERCENT OF ASSESSED PROPERTY VALUATION</u>	<u>PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION</u>	<u>PER CAPITA (4)</u>
Direct debt	0.55%	0.73%	\$ 963
Overlapping debt	0.04%	0.06%	\$ 78
Direct and overlapping debt	0.59%	0.79%	\$ 1,041

- (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>
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%
2018	86,847	114,934	201,781	1,682,915	11.99%

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)**

<u>FISCAL YEAR</u>	<u>STATE BOARD OF EDUCATION BONDS</u>				<u>COVERAGE</u>
	<u>MOTOR VEHICLE LICENSE TAX</u>	<u>DEBT SERVICE</u>			
		<u>PRINCIPAL</u>	<u>INTEREST</u>		
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	
2018	1,998	1,543	494	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>
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	103,876,015	71,946	186,291	4.8
2017	1,414,144	N/A	N/A	189,320	4.1
2018	1,433,367	N/A	N/A	190,021	3.6

(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, 2018 (UNAUDITED)**

<u>TAXPAYER (1)</u>	<u>TYPE OF BUSINESS</u>	<u>2018</u>		
		<u>2017 TAXES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL AGGREGATE TAX LEVY</u>
Florida Power & Light Company	Utility	\$ 96,089	1	2.55%
Town Center	Retail Mall	9,091	2	0.24%
Gardens Venture LLC	Retail Mall	6,204	3	0.16%
Breakers Hotel - Palm Beach	Resort Hotel	5,803	4	0.15%
U.S. Sugar Corporation	Agriculture	5,522	5	0.15%
TM Wellington Green Mall LP	Retail Mall	5,269	6	0.14%
CPT Phillips Point LLC	Property Manager	4,405	7	0.12%
Panthers BRHC Ltd.	Resort Hotel	4,292	8	0.11%
Palm Beach Outlets I LLC	Retail Mall	3,940	9	0.10%
Okeelanta Corporation	Agriculture	3,871	10	0.10%
BellSouth Telecommunications	Telecommunications	-	-	-
Lawrence L. Landry	Charitable Foundation	-	-	-
TJ Palm Beach Assoc. Ltd. Ptnrs.	Retail Mall	-	-	-
James H. Batmasian	Real Estate	-	-	-
Total principal taxpayers		\$ 144,486		3.82%

<u>Ten Largest Private Employers (Excludes Agricultural) (2)</u>	<u>2018</u>		
	<u>NUMBER OF EMPLOYEES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL COUNTY EMPLOYMENT</u>
Tenet Healthcare Corp	6,136	1	0.85%
NextEra Energy (Florida Power & Light)	4,021	2	0.56%
Hospital Corporation of America	3,550	3	0.49%
Boca Raton Regional Hospital (3)	2,800	4	0.39%
Veterans Health Administration	2,468	5	0.34%
Bethesda Memorial Hospital	2,200	6	0.30%
Office Depot	2,034	7	0.28%
Breakers Hotel - Palm Beach	2,000	8	0.28%
Jupiter Medical Center	1,907	9	0.26%
Boca Raton Resort & Club	1,376	10	0.19%
G4S Secure Solutions (4)	-	-	0.00%
Total	28,492		3.94%

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

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

(3) Boca Raton Regional Hospital was operating as Boca Raton Community Hospital in 2009

(4) G4S Secure Solutions was operating as Wackenhut in 2009

TABLE 19

2009		
2008 TAXES	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
\$ 26,881	1	0.85%
8,619	3	0.27%
-		-
4,817	5	0.15%
5,479	4	0.17%
-		-
3,424	10	0.11%
4,474	6	0.14%
-		-
-		-
8,719	2	0.28%
4,339	7	0.14%
3,618	8	0.11%
3,589	9	0.11%
<hr/>		<hr/>
\$ 73,959		2.33%

2009		
NUMBER OF EMPLOYEES	RANK	PERCENT OF TOTAL COUNTY EMPLOYMENT
4,500	1	0.70%
3,632	2	0.57%
3,395	3	0.53%
2,100	7	0.33%
2,207	5	0.34%
1,496	10	0.23%
2,100	6	0.33%
1,800	9	0.28%
-		0.00%
2,000	8	0.31%
3,000	4	0.47%
<hr/>		<hr/>
26,230		4.09%



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
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
2018	306,884	350,744	2,178	686,871

- (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)			
COMMERCIAL	SAVINGS AND LOAN	COMMERCIAL	RESIDENTIAL	GOVERNMENT	TOTAL VALUE
\$ 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
50,325,000	2,334,000	44,111,658	185,814,608	11,276,053	241,202,319



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

RANK	SCHOOL DISTRICT	2007	2008	2009	2010
1	New York City, NY	997,618	989,941	981,690	1,014,020
2	Los Angeles, CA	707,627	693,680	687,534	670,746
3	Chicago, IL	413,694	407,510	421,430	407,157
4	Miami -Dade County, FL	353,790	348,128	345,525	345,804
5	Clark County, NV	303,448	309,051	312,761	307,059
6	Broward County, FL	262,813	258,893	256,351	256,137
7	Houston, TX	202,936	199,534	200,225	202,773
8	Hillsborough County, FL	193,517	193,180	192,007	193,265
9	Orange County, FL	175,245	174,142	172,257	173,259
10	Palm Beach County, FL	171,431	170,883	170,757	172,897
12	Fairfax County, VA	163,952	165,722	169,030	171,956
11	State of Hawaii	180,728	179,897	179,478	180,196
13	Gwinnett County, GA				159,296
14	Dallas, TX	159,144	157,804	157,352	157,111
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 2017 information is not available at time of publication.

Source: The National Center for Education Statistics.

TABLE 21

2011	2012	2013	2014	2015	2016
995,336	990,145	989,387	988,931	995,192	981,667
667,273	659,639	655,455	653,826	646,683	639,337
405,644	403,004	395,948	396,641	392,558	387,311
347,366	350,239	354,262	356,233	356,964	357,579
314,059	313,398	316,778	320,532	324,093	325,990
256,472	258,478	260,226	262,666	266,265	269,098
204,245	203,066	203,354	211,552	215,225	215,627
194,525	197,041	200,466	203,439	207,469	211,923
176,008	180,000	183,066	187,092	191,648	196,951
174,663	176,901	179,514	182,895	186,605	189,322
174,479	177,606	180,616	183,417	185,541	185,828
179,601	182,706	184,760	186,825	182,384	181,995
160,744	162,370	164,976	169,150	173,246	176,052
157,162	157,575	158,932	159,713	160,253	158,604
				155,820	157,839





**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>
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 ▶	724,464	4.1	4.2	4.4
2018 [1]	728,180	3.6	3.7	4.0

(1) Preliminary. Average through September 2018 (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>
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
2017	19,800	36,100	12,700	103,300

Source: Florida Department of Labor and Employment Security, Division of
Employment Security (not seasonally adjusted).

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

<u>Finance</u>	<u>Services</u>	<u>Government</u>	<u>Total</u>
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
40,300	343,700	63,400	619,300



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2007/08</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Days meals served:				
Regular school program	180	180	180	180
Total pupil lunches served				
Paid lunches	3,654,980	3,346,432	3,271,823	3,221,528
Reduced lunches	1,214,814	1,137,135	953,139	1,096,907
Free lunches	7,951,941	9,575,363	10,581,277	11,301,427
Total pupil lunches served	<u>12,821,735</u>	<u>14,058,930</u>	<u>14,806,239</u>	<u>15,619,862</u>
Average number of pupil lunches served daily (regular):				
Paid lunches	20,304	18,591	18,177	17,897
Reduced lunches	6,749	6,317	5,295	6,094
Free lunches	44,177	53,196	58,785	62,786
Total average pupil lunches served daily	<u>71,231</u>	<u>78,105</u>	<u>82,257</u>	<u>86,777</u>
Number of pupil breakfasts served (regular):				
Paid breakfasts	597,893	802,043	921,316	1,032,181
Reduced breakfasts	352,856	446,122	481,680	480,603
Free breakfasts	3,983,650	4,652,907	5,104,743	5,420,994
Total pupil breakfasts served	<u>4,934,399</u>	<u>5,901,072</u>	<u>6,507,739</u>	<u>6,933,778</u>
Average number of pupil breakfasts served daily (regular):				
Paid breakfasts	3,322	4,456	5,118	5,734
Reduced breakfasts	1,960	2,478	2,676	2,670
Free breakfasts	22,131	25,849	28,360	30,117
Total average pupil breakfasts served daily	<u>27,413</u>	<u>32,784</u>	<u>36,154</u>	<u>38,521</u>
Number of adult lunches served (regular)				
	<u>431,762</u>	<u>461,276</u>	<u>422,422</u>	<u>407,943</u>
Average number of adult lunches served daily (regular)				
	<u>2,399</u>	<u>2,563</u>	<u>2,347</u>	<u>2,266</u>
REVENUES (IN THOUSANDS):				
Federal sources:				
Federal assistance	\$ 31,064	\$ 40,237	\$ 44,029	\$ 47,956
USDA donated food	2,680	2,753	3,513	3,323
State sources - State supplement	911	926	928	952
Local sources:				
Local food service sales:				
Students	21,814	17,694	16,219	14,897
Adults	1,306	999	897	873
Other	2,090	1,796	1,162	838
Interest on investments	745	124	73	38
TOTAL REVENUES	<u>\$ 60,610</u>	<u>\$ 64,529</u>	<u>\$ 66,821</u>	<u>\$ 68,877</u>
TOTAL COST AND OTHER FINANCING USES - Net	<u>\$ 60,925</u>	<u>\$ 63,397</u>	<u>\$ 65,477</u>	<u>\$ 68,098</u>

* The number of days was affected by Hurricane Irma during FY2018.
Source - The School District of Palm Beach County School Food Service Department

TABLE 24

<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>*2017/18</u>
<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>	<u>175</u>
3,033,273	2,999,416	3,105,281	3,043,245	3,146,385	2,605,996
901,181	745,399	796,359	683,383	858,546	486,409
<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>15,095,274</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>	<u>18,187,679</u>
16,852	16,663	17,252	16,907	17,480	14,891
5,007	4,141	4,424	3,797	4,770	2,779
<u>66,408</u>	<u>71,408</u>	<u>72,344</u>	<u>75,289</u>	<u>75,778</u>	<u>86,259</u>
<u>88,266</u>	<u>92,212</u>	<u>94,020</u>	<u>95,993</u>	<u>98,028</u>	<u>103,929</u>
1,395,381	1,388,567	1,492,436	1,451,588	1,513,010	1,112,089
481,008	416,806	430,115	293,647	384,462	190,069
<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>6,802,730</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>	<u>8,104,888</u>
7,752	7,714	8,291	8,064	8,406	6,355
2,672	2,316	2,390	1,631	2,136	1,086
<u>31,971</u>	<u>34,013</u>	<u>33,625</u>	<u>35,584</u>	<u>36,659</u>	<u>38,873</u>
<u>42,395</u>	<u>44,043</u>	<u>44,306</u>	<u>45,279</u>	<u>47,201</u>	<u>46,314</u>
379,496	255,664	230,221	204,635	181,779	181,779
<u>2,108</u>	<u>1,420</u>	<u>1,279</u>	<u>1,137</u>	<u>1,010</u>	<u>1,039</u>
\$ 52,677	\$ 57,459	\$ 60,356	\$ 64,971	\$ 69,596	\$ 75,214
3,754	4,359	5,097	4,926	5,592	5,051
948	1,000	1,015	1,013	994	1,005
13,290	12,721	12,075	12,085	12,376	10,862
789	767	691	614	545	510
726	670	527	447	295	232
<u>28</u>	<u>56</u>	<u>57</u>	<u>179</u>	<u>152</u>	<u>229</u>
<u>\$ 72,213</u>	<u>\$ 77,032</u>	<u>\$ 79,818</u>	<u>\$ 84,235</u>	<u>\$ 89,550</u>	<u>\$ 93,103</u>
<u>\$ 71,736</u>	<u>\$ 75,083</u>	<u>\$ 78,073</u>	<u>\$ 83,762</u>	<u>\$ 91,920</u>	<u>\$ 95,849</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2018 (UNAUDITED)

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Petroleum Contamination Liability CST201534112	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
07/13/17 - 07/12/18	\$10,000	\$1 million per incident, \$4 million annual aggregate	\$ 13,179
12/31/17 - 12/31/18	\$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	\$ 7,075,313
6/20/2018 - 6/20/2019	\$50,000 per building \$50,000 for contents	\$1 million per building \$500,000 Building \$500,000 Contents	\$ 57,435
12/31/17 - 12/31/18	\$10,000	\$100 million per accident	\$ 56,365
09/07/17 - 09/07/18	1) \$100,000 per loss	1) \$5 million per loss	\$ 41,528
	2) \$1,000	2) \$100,000 per loss	
	3) \$10,000	3) \$10,000	

Under Crime Insurance

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2018 (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	West Health Advocate	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
01/01/18 - 12/31/19	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
01/01/18 - 12/31/19	Board paid \$1.26 per employee per month	Financial and legal services excluded	\$ 280,967 (Actual amount)
01/01/18- 12/31/19	\$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	\$ 807,797 (Actual amount)

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2018 (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 CPS2709286	Burns and Wilcox	General liability for permittees and licensees of the District
Summer Camp Liability CPS2480455	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
08/01/17 - 08/01/18	None	\$25,000 per person	\$ 1,079,440
08/01/17 - 08/01/18	1) \$25,000 per student, per accident	1) \$5 million	\$ 210,993
	2) None	2) \$600,000 per student	
12/31/17- 12/31/18	None	\$1 million per claim (\$5 million annual aggregate)	\$ 12,819
07/01/17 - 07/01/18	\$500 per claimant	\$1 million each occurrence \$2 million aggregate	(paid by vendor)
06/07/18 - 08/11/18	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>
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
2018	41,000	87,396	64,198

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assignment				
Administrators	194	179	142	135
Supervisors of instruction	38	82	12	13
Principals	192	209	208	212
Assistant principals	350	354	358	364
Classroom teachers - Elementary	4,714	4,624	4,668	4,945
Classroom teachers - Secondary	4,552	4,624	4,599	4,656
ESE teachers	1,630	1,658	1,745	1,833
Other teachers	388	380	103	114
Guidance counselors	352	361	365	363
Social workers	24	27	63	63
Psychologists	77	78	83	81
Media center	121	135	134	134
Professional - (instructional)	593	704	976	834
Professional - (non-instructional)	819	789	750	693
Aides	1,580	1,384	1,713	1,784
Technicians	286	278	279	275
Secretarial/clerical	1,402	1,501	1,498	1,427
Service workers	2,951	3,168	2,851	2,535
Skilled crafts	312	291	279	247
Unskilled labors	35	44	58	47
Total Full Time Employees	<u>20,610</u>	<u>20,870</u>	<u>20,884</u>	<u>20,755</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
140	155	164	159	157	170
10	11	16	13	16	14
213	224	224	225	223	225
372	382	381	382	379	391
5,042	5,172	5,175	5,045	5,056	4,915
4,729	4,881	4,888	4,868	4,945	4,969
1,923	2,030	2,030	2,073	2,129	2,296
103	108	155	185	213	208
367	378	383	377	389	399
66	68	75	83	92	106
83	83	92	94	93	96
131	132	133	160	160	135
883	930	913	897	838	991
703	759	777	804	826	927
1,547	1,699	1,785	1,851	1,884	2,179
269	265	267	267	264	266
1,417	1,463	1,503	1,479	1,488	1,424
2,795	2,863	2,904	3,013	3,159	2,915
240	231	214	210	187	210
43	39	36	32	33	23
<u>21,076</u>	<u>21,873</u>	<u>22,115</u>	<u>22,217</u>	<u>22,531</u>	<u>22,859</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
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
2018	190,021	1,960,017	10,315	3.63%	12,388	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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Acreage Pines Elementary (1985)										
Square feet	85,958	85,958	85,958	85,956	85,956	85,958	85,958	91,272	94,392	95,182
Capacity	553	553	553	553	553	553	553	543	543	543
Enrollment	479	454	405	450	412	425	434	458	456	500
Addison Mizner Elementary (1966)										
Square feet	98,547	98,547	98,547	98,547	98,547	98,547	99,411	95,571	95,571	95,571
Capacity	996	996	996	996	996	996	924	924	924	924
Enrollment	868	805	837	839	878	872	955	923	901	849
Allamanda Elementary (1964) (Modernization 2008)										
Square feet	129,697	129,697	129,697	129,697	130,872	130,872	130,872	130,872	130,872	130,872
Capacity	740	740	740	740	720	720	720	834	834	834
Enrollment	692	654	630	629	621	661	647	631	582	548
Atlantic High (1949) (Modernization 2004)										
Square feet	410,680	410,680	410,680	410,680	410,680	410,680	410,680	410,680	410,680	408,139
Capacity	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,436	2,437	2,365
Enrollment	2,301	2,376	2,274	2,220	2,125	2,085	2,156	2,258	2,374	2,423
Bak Middle School of the Arts (1965) (Modernization 2004)										
Square feet	217,585	217,585	217,585	217,585	223,324	223,324	223,324	223,324	223,324	222,884
Capacity	1,406	1,406	1,406	1,406	1,335	1,335	1,335	1,335	1,335	1,335
Enrollment	1,366	1,358	1,347	1,341	1,342	1,355	1,360	1,359	1,358	1,360
Banyan Creek Elementary (1960) (Modernization 2013)										
Square feet	141,298	141,298	141,298	141,298	143,788	141,298	140,673	140,673	143,031	138,917
Capacity	1,136	1,136	1,136	1,136	1,136	1,136	1,200	1,136	1,122	1,104
Enrollment	935	936	923	944	945	917	967	976	1,031	919
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	154,476
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,426	1,426	1,426
Enrollment	852	911	914	896	818	759	900	846	869	588
Beacon Cove Elementary(3-5) (2000)										
Square feet	121,247	121,247	121,247	121,247	120,487	120,487	120,487	120,487	120,487	118,951
Capacity	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	979	915
Enrollment	761	794	797	843	922	1,001	940	917	875	881
Bear Lakes Middle (1986)										
Square feet	180,507	180,507	180,507	180,507	180,507	180,507	179,525	179,525	179,525	180,045
Capacity	1,432	1,432	1,432	1,432	1,432	1,432	1,491	1,599	1,599	1,599
Enrollment	709	697	729	744	779	777	743	780	774	920
Belle Glade Elementary (1985)										
Square feet	120,366	120,366	120,366	120,366	120,366	120,366	125,934	125,934	126,798	108,243
Capacity	978	978	978	978	978	978	978	978	782	782
Enrollment	695	665	592	565	523	481	476	549	594	522
Belvedere Elementary (1996)										
Square feet	96,315	96,315	96,315	96,315	94,677	94,677	94,428	94,428	94,428	94,428
Capacity	658	658	658	658	658	658	658	658	648	648
Enrollment	528	542	542	528	547	517	562	553	547	593
Benoist Farms Elementary (2003)										
Square feet	117,508	117,508	117,508	117,508	117,508	117,508	117,508	117,508	117,508	117,508
Capacity	856	856	856	856	856	856	856	882	882	882
Enrollment	476	485	500	514	646	633	624	677	740	684
Berkshire Elementary (1958) (Modernization 2007)										
Square feet	138,137	138,137	138,137	138,137	138,137	138,137	138,137	138,137	138,137	135,490
Capacity	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,211	1,247
Enrollment	1,147	1,096	1,102	1,088	1,126	1,108	1,073	978	1,027	953
Binks Forest Elementary (1999)										
Square feet	134,606	134,606	134,606	135,380	135,380	125,952	125,952	125,952	125,952	125,696
Capacity	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206
Enrollment	1,020	1,048	1,029	1,018	1,065	1,042	1,060	1,115	1,121	1,095
Boca Raton Elementary (2001)										
Square feet	67,630	67,630	67,630	67,630	67,630	67,630	67,630	67,630	67,630	67,630
Capacity	401	401	401	401	401	401	401	401	401	401
Enrollment	379	297	302	305	344	343	354	380	345	394
Boca Raton High (1963) (Modernization 2006)										
Square feet	354,289	354,289	354,289	353,579	353,579	353,579	352,859	352,859	349,216	349,216
Capacity	2,880	2,928	2,928	2,928	2,928	2,928	2,798	2,786	2,784	2,807
Enrollment	3,562	3,402	3,310	3,133	3,068	3,022	2,993	2,926	2,823	2,567
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	195,394
Capacity	1,417	1,417	1,416	1,416	1,416	1,417	1,417	1,417	1,416	1,416
Enrollment	1,584	1,530	1,558	1,489	1,413	1,382	1,308	1,338	1,378	1,352
Boynton Beach High (1999)										
Square feet	350,295	350,295	349,344	349,344	348,393	348,393	360,489	360,489	362,217	362,217
Capacity	2,197	2,197	2,197	2,197	2,197	2,197	1,484	2,197	2,195	2,195
Enrollment	1,655	1,746	1,844	1,804	1,673	1,723	2,197	1,465	1,394	1,387

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



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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
C.O. Taylor/Kirklane Elementary (1970) (Modernization 2010)										
Square feet	171,830	171,830	171,830	171,830	171,432	171,432	171,432	171,444	176,486	103,020
Capacity	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,462	1,594	941
Enrollment	1,189	1,248	1,235	1,277	1,210	1,217	1,110	1,126	1,051	1,059
Calusa Elementary (1986)										
Square feet	104,652	104,652	102,936	102,936	102,106	102,106	115,390	115,403	115,403	111,563
Capacity	836	836	800	800	728	728	728	728	728	656
Enrollment	1,122	1,189	1,104	1,007	897	890	829	754	795	773
Carver Middle (1960)										
Square feet	168,449	168,449	168,449	168,449	168,449	168,564	168,564	168,564	168,564	167,385
Capacity	1,534	1,534	1,534	1,534	1,535	1,534	1,534	1,534	1,503	1,503
Enrollment	826	820	868	876	926	940	915	904	940	914
Cholee Lake Elementary (2003)										
Square feet	135,046	135,046	135,046	135,046	129,167	129,167	129,167	129,167	132,047	133,007
Capacity	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,152	1,206	1,224
Enrollment	1,084	1,116	1,094	1,049	1,024	955	957	895	978	928
Christa McAuliffe Middle (1965)										
Square feet	170,940	170,940	170,940	170,940	156,923	156,923	166,523	166,523	164,084	165,560
Capacity	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,132	1,132
Enrollment	1,280	1,231	1,129	1,099	1,142	1,168	1,265	1,135	1,171	1,201
Citrus Cove Elementary (1965)										
Square feet	131,689	131,689	131,689	131,689	131,659	131,689	131,689	131,689	131,689	130,891
Capacity	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,263	1,263	1,263
Enrollment	1,044	930	1,008	999	931	909	980	972	927	898
Congress Community Middle (1960) (Modernization 2007)										
Square feet	192,959	192,959	192,959	192,959	192,959	192,959	192,959	192,959	192,959	192,059
Capacity	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,468
Enrollment	877	887	927	969	974	921	1,021	1,015	922	971
Conniston Middle (1992)										
Square feet	172,808	172,808	172,808	172,808	172,808	172,808	172,808	172,808	172,808	172,808
Capacity	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,175	1,136
Enrollment	1,206	1,210	1,201	1,163	1,147	1,100	1,097	1,003	972	935
Coral Reef Elementary (1999)										
Square feet	133,629	133,629	133,629	133,629	132,405	132,405	136,245	136,245	136,245	134,495
Capacity	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162
Enrollment	956	935	937	935	914	914	979	1,024	1,119	1,112
Coral Sunset Elementary (1984) (Addition 2006)										
Square feet	129,391	129,391	129,391	129,391	129,391	129,391	129,391	129,391	129,391	129,391
Capacity	990	990	990	990	990	990	990	990	990	990
Enrollment	772	799	705	639	618	591	623	639	780	766
Crestwood Community Middle (1970) (Addition 2012)										
Square feet	186,261	186,261	186,261	186,261	186,261	186,261	186,261	155,786	160,034	159,718
Capacity	1,653	1,653	1,653	1,653	1,653	1,653	1,911	1,276	1,275	1,275
Enrollment	737	750	876	948	1,042	1,077	1,170	1,206	1,257	1,279
Crosspointe Elementary (2003)										
Square feet	115,515	115,515	115,515	115,515	115,515	112,252	112,252	112,267	112,267	112,267
Capacity	882	882	882	882	882	882	900	900	900	900
Enrollment	680	674	672	730	722	652	756	746	731	720
Crossroads Academy (1949) Modularity in 2009)										
Square feet	37,533	37,533	37,533	37,533	37,533	37,533	60,898	61,185	59,447	47,855
Capacity	297	297	297	297	297	297	747	747	747	570
Enrollment	104	154	226	190	196	206	164	179	165	240
Crystal Lakes Elementary (1985)										
Square feet	103,946	103,946	103,946	103,946	103,946	103,946	103,946	104,113	104,113	103,698
Capacity	890	890	890	890	890	890	905	927	927	927
Enrollment	697	682	650	605	600	650	584	542	616	612
Cypress Trails Elementary (1985)										
Square feet	93,561	93,561	93,561	93,561	93,561	91,593	91,593	95,401	101,161	101,161
Capacity	803	803	803	803	803	803	803	1,067	983	911
Enrollment	460	481	441	439	523	500	529	565	852	884
Del Prado Elementary (1985)										
Square feet	95,918	95,918	95,918	95,918	95,918	95,918	98,606	99,646	99,646	93,886
Capacity	929	929	929	929	929	929	929	929	947	821
Enrollment	945	885	894	888	866	826	1,002	953	951	923
Dwight D. Eisenhower Elementary (1970)										
Square feet	205,234	207,034	207,034	207,034	207,034	207,034	207,034	220,266	220,266	220,266
Capacity	659	659	659	659	659	659	677	864	864	864
Enrollment	368	404	375	387	382	417	423	396	387	504
Diamond View Elementary (2004)										
Square feet	149,571	149,571	149,571	148,691	148,691	148,691	148,691	148,691	148,691	148,552
Capacity	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,076
Enrollment	807	801	854	874	848	956	1,079	1,086	1,026	1,023



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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Discovery Key Elementary (2000)										
Square feet	138,253	138,253	138,253	138,253	138,253	133,097	133,097	133,097	140,777	140,777
Capacity	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,372	1,372
Enrollment	868	838	803	809	863	868	914	960	955	915
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	185,874
Capacity	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,252	121
Enrollment	1,264	1,261	1,239	1,239	1,239	1,254	1,233	1,242	1,230	1,213
Dr. Mary McLeod Bethune Elementary (2000)										
Square feet	117,962	117,962	117,962	117,962	117,962	117,962	117,962	117,962	117,962	116,629
Capacity	806	806	806	806	806	806	806	806	806	794
Enrollment	533	570	530	479	423	433	508	488	487	534
Dreyfoos High School of the Arts										
Square feet	249,212	249,212	249,212	249,212	249,212	249,212	249,212	249,212	249,212	248,117
Capacity	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,285	1,216	1,175
Enrollment	1,383	1,414	1,388	1,371	1,320	1,363	1,297	1,310	1,302	1,322
Eagles Landing Middle (1993)										
Square feet	151,644	151,644	151,644	151,644	151,644	151,644	171,036	171,036	171,036	161,436
Capacity	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,283	1,105
Enrollment	1,488	1,443	1,340	1,300	1,317	1,303	1,304	1,340	1,332	1,338
Egret Lake Elementary (1970)										
Square feet	105,935	105,935	105,935	105,935	101,465	101,465	101,464	101,464	101,464	102,516
Capacity	727	727	727	727	727	727	727	727	727	727
Enrollment	617	642	685	670	672	582	623	544	592	631
Elbridge Gale Elementary (2006)										
Square feet	125,858	125,858	125,858	125,858	125,858	125,858	125,858	125,858	125,858	125,858
Capacity	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,056
Enrollment	1,011	998	983	963	966	993	1,003	1,005	1,035	997
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	201,305
Capacity	1,409	1,409	1,409	1,409	1,409	1,409	1,409	1,409	1,409	1,490
Enrollment	1,285	1,216	1,207	1,224	1,227	1,237	1,164	1,113	1,128	1,136
Everglades Elementary (2010) (03-W)										
Square feet	119,246	119,246	119,246	119,246	119,246	119,246	119,246	119,246	0	0
Capacity	942	942	942	942	942	942	942	960	0	0
Enrollment	952	972	956	879	860	833	731	630	0	0
Equestrian Trails Elementary (2004)										
Square feet	127,383	127,383	127,383	127,383	127,383	127,383	127,383	127,383	136,983	136,983
Capacity	910	910	910	910	910	910	910	910	1,090	1,090
Enrollment	788	790	794	803	820	770	795	799	1,122	1,129
Forest Hill Elementary (1965)										
Square feet	113,446	113,446	113,446	113,446	113,446	113,446	124,966	124,966	134,224	135,032
Capacity	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,150	1,150
Enrollment	818	841	787	810	796	804	782	734	768	827
Forest Hill High (1971)										
Square feet	313,415	313,415	313,415	313,415	312,415	312,415	312,415	312,415	311,620	303,857
Capacity	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,814	1,814
Enrollment	2,468	2,469	2,315	2,197	2,013	1,905	1,838	1,858	1,876	1,882
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	122,127
Capacity	780	780	780	780	780	780	780	793	793	918
Enrollment	451	504	534	564	551	574	594	570	521	479
Freedom Shores Elementary (2003)										
Square feet	135,829	135,829	135,829	135,829	135,829	135,829	135,829	145,564	146,388	142,851
Capacity	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Enrollment	783	897	951	922	895	870	924	886	914	978
Frontier Elementary (2000)										
Square feet	116,501	116,501	118,421	118,421	118,421	116,741	116,741	116,741	116,741	116,341
Capacity	846	846	882	882	882	900	900	900	900	900
Enrollment	617	625	588	570	613	586	669	691	773	820
Galaxy Elementary (1958) (Modernization 2014)										
Square feet	110,476	110,476	110,476	110,476	143,992	33,516	33,516	90,255	90,255	90,255
Capacity	752	752	752	752	752	158	581	657	657	635
Enrollment	621	671	625	596	585	520	372	423	463	467
Glade View Elementary (1960) - Modernization 2015										
Square feet	89,651	89,651	89,651	77,467	6,869	72,447	73,927	76,007	82,159	81,951
Capacity	402	402	403	403	72	580	580	580	580	580
Enrollment	300	318	321	301	314	398	348	335	399	398
Glades Central High (1975)										
Square feet	245,163	245,163	245,163	245,163	245,163	245,163	248,043	248,043	260,603	262,443
Capacity	1,519	1,572	1,572	1,572	1,572	1,572	1,572	1,572	1,571	1,571
Enrollment	1,003	993	927	982	998	1,045	1,062	1,111	1,108	1,116



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns: Building Name, Fiscal Year (2018-2009), Square feet, Capacity, Enrollment. Rows include schools like Gold Coast Community School (1958), Golden Grove Elementary (1985), Gove Elementary (1964), etc.

Source - School District of Palm Beach County Planning Department



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
John F. Kennedy Middle (1960)										
Square feet	189,426	189,426	189,426	189,426	188,925	188,925	188,925	188,925	188,925	189,987
Capacity	1,504	1,504	1,504	1,504	1,504	1,504	1,504	1,504	1,503	1,503
Enrollment	790	799	731	675	867	901	633	688	676	799
Jeaga Middle (2004)										
Square feet	184,984	184,984	184,984	184,984	180,076	180,076	180,076	180,076	180,076	179,776
Capacity	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,254
Enrollment	992	1,011	1,034	1,146	1,165	1,180	1,189	1,304	1,189	1,145
Jerry Thomas Elementary (1980)										
Square feet	130,736	130,805	130,805	130,805	130,805	130,805	130,805	130,805	130,805	132,027
Capacity	1,012	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	820	779	831	844	911	912	857	865	861	834
John I. Leonard High (1999) (Modernization 2006)										
Square feet	398,222	388,085	382,733	382,733	382,733	382,733	382,733	382,733	382,733	382,733
Capacity	3,132	2,970	2,903	2,903	2,903	2,903	2,903	2,903	2,902	2,902
Enrollment	3,534	3,594	3,405	3,192	2,937	2,968	2,511	2,498	2,277	2,156
Jupiter Elementary (1989) DOE FISH validation										
Square feet	133,867	133,867	131,191	131,191	119,071	119,071	119,071	119,083	119,083	119,083
Capacity	875	875	824	824	820	820	820	838	838	820
Enrollment	906	895	907	860	831	734	688	691	657	640
Jupiter Middle (1970) FISH Validation										
Square feet	182,282	182,282	182,282	182,282	199,063	199,063	199,063	199,083	183,961	172,616
Capacity	1,728	1,728	1,728	1,728	1,724	1,724	1,724	1,766	1,779	1,399
Enrollment	1,385	1,336	1,237	1,241	1,167	1,264	1,320	1,382	1,319	1,357
Jupiter High (2001)										
Square feet	354,416	354,416	354,416	354,416	352,572	352,572	352,572	352,572	352,572	352,572
Capacity	2,720	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,764	2,643
Enrollment	3,132	3,008	2,870	2,815	2,672	2,800	2,828	2,871	2,974	2,939
Jupiter Farms Elementary (1990)										
Square feet	94,145	94,145	94,145	94,145	91,958	91,958	93,878	93,878	86,569	88,055
Capacity	677	677	677	677	677	677	677	677	677	677
Enrollment	642	576	546	524	540	539	601	619	639	643
K.E. Cunningham/Canal Point Elem (1987)										
Square feet	80,868	80,868	80,868	80,868	80,868	80,168	80,168	82,072	82,072	82,072
Capacity	707	707	707	707	707	707	707	707	707	707
Enrollment	309	333	325	279	263	317	314	366	489	505
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	192,805
Capacity	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,453	1,453
Enrollment	1,319	1,250	1,175	1,208	1,193	1,172	1,073	986	986	949
Lake Park Elementary (1923) (Modernization 2003)										
Square feet	71,139	71,139	71,139	71,139	74,772	74,620	75,580	75,580	75,580	75,365
Capacity	418	418	418	418	411	411	411	411	411	401
Enrollment	350	364	338	343	326	301	341	353	365	379
Lake Shore Middle (1999)										
Square feet	207,378	207,378	207,378	207,378	207,378	207,378	207,378	207,378	207,378	207,378
Capacity	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,438	1,416
Enrollment	719	679	666	673	743	750	679	714	753	816
Lake Worth Middle (1960)										
Square feet	176,547	176,547	176,547	176,547	172,515	172,515	172,515	172,515	172,515	172,515
Capacity	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422
Enrollment	1,151	1,091	993	1,011	1,022	1,057	935	929	837	794
Lake Worth High (1922) (Modernization 2003)										
Square feet	331,422	331,422	331,422	331,422	331,422	331,422	331,422	331,422	331,422	331,778
Capacity	2,831	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,836	2,845
Enrollment	2,572	2,706	2,606	2,478	2,245	2,190	2,108	1,969	1,992	2,060
Lantana Elementary (1968) (Modernization 2004)										
Square feet	96,394	96,394	96,394	96,394	95,745	95,745	95,745	95,745	95,745	95,220
Capacity	599	599	599	599	599	599	599	647	647	647
Enrollment	454	479	487	490	489	516	437	458	451	457
Lantana Middle (1992)										
Square feet	161,776	161,776	161,776	161,776	160,218	160,218	160,218	160,250	160,250	160,250
Capacity	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,001	1,001	1,001
Enrollment	886	841	774	867	851	874	776	788	804	829
Liberty Park Elementary (1965)										
Square feet	138,068	138,068	138,068	138,068	135,187	135,187	135,187	135,187	135,187	135,162
Capacity	1,035	1,035	1,035	1,035	981	981	976	976	966	966
Enrollment	962	995	1,025	1,024	993	1,008	901	859	889	854
Lighthouse Elementary (1985) FISH Validation										
Square feet	93,644	93,644	93,644	93,644	86,535	86,535	92,654	92,715	92,759	92,759
Capacity	841	841	841	841	841	841	841	841	841	775
Enrollment	654	654	672	699	728	723	827	817	816	792



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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Limestone Creek Elementary (1965)										
Square feet	137,750	137,750	137,750	137,750	130,346	130,346	134,762	134,762	134,762	134,762
Capacity	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,018
Enrollment	980	967	909	913	943	920	832	787	763	739
Lincoln Elementary (1988)										
Square feet	163,261	163,261	163,261	163,261	163,261	163,261	165,165	165,165	165,165	165,165
Capacity	968	968	968	968	968	968	968	968	968	1,182
Enrollment	437	475	572	556	511	511	472	444	445	420
Loggers Run Middle (1981)										
Square feet	124,233	124,233	124,233	124,233	124,233	124,233	135,537	135,537	135,315	135,315
Capacity	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	964	964
Enrollment	1,152	1,120	1,101	1,082	1,049	992	1,057	1,109	1,162	1,082
Loxahatchee Groves Elementary (1985)										
Square feet	110,048	110,048	110,048	110,048	110,048	110,048	110,048	110,048	110,048	110,048
Capacity	860	860	860	860	860	860	860	860	860	716
Enrollment	481	498	481	465	474	475	518	519	639	660
Manatee Elementary (1985) Addition in 2011										
Square feet	167,460	167,460	168,420	172,260	178,980	178,980	178,980	185,732	131,704	127,514
Capacity	1,441	1,441	1,459	1,531	1,585	1,747	1,747	1,747	1,080	1,080
Enrollment	1,215	1,201	1,165	1,094	1,030	1,062	1,044	1,036	1,118	1,141
Marsh Pointe Elementary (2007) 03-X										
Square feet	115,984	115,984	115,984	115,984	115,984	115,984	115,984	115,984	115,984	110,895
Capacity	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	960
Enrollment	892	925	917	938	915	845	808	714	589	483
Meadow Park Elementary (1955) (Modernization 2004)										
Square feet	115,435	115,435	115,435	115,435	115,435	113,725	113,725	113,728	113,728	114,231
Capacity	672	672	672	672	672	672	672	878	878	878
Enrollment	628	635	605	584	596	544	571	571	690	682
Melaleuca Elementary (1966)										
Square feet	92,608	92,608	92,608	92,608	92,608	87,539	87,539	90,059	90,059	90,059
Capacity	964	964	964	964	964	964	964	964	964	964
Enrollment	753	819	801	799	783	750	828	812	827	822
Morikami Park Elementary (1997)										
Square feet	109,837	109,837	109,837	109,837	109,837	109,837	109,837	109,837	109,837	109,837
Capacity	844	844	844	844	844	844	794	844	844	844
Enrollment	799	800	799	790	802	795	812	829	845	876
New Horizons Elementary (1985)										
Square feet	89,542	89,542	89,542	89,542	91,230	91,230	93,302	93,302	95,382	95,382
Capacity	749	749	749	749	749	749	749	749	749	749
Enrollment	681	631	609	593	591	648	572	592	628	656
North Grade Elementary (1999)										
Square feet	118,820	118,820	118,820	118,820	113,426	119,186	119,186	115,346	115,346	115,346
Capacity	784	784	784	784	784	784	730	741	741	741
Enrollment	683	742	755	772	779	751	770	763	745	788
The Conservatory at North Palm Beach Elementary (1958)										
Square feet	116,739	116,739	116,739	116,739	32,248	32,248	80,263	80,263	80,263	80,119
Capacity	697	774	774	745	239	180	676	676	676	676
Enrollment	883	725	660	538	415	383	396	434	461	475
Northboro Elementary (1921) (Modernization 2010)										
Square feet	123,968	123,968	123,968	123,968	125,775	125,775	125,775	125,775	125,775	38,962
Capacity	970	970	970	970	970	970	970	988	720	720
Enrollment	683	660	650	657	643	628	627	634	632	727
Northmore Elementary (1991)										
Square feet	95,673	95,673	95,673	95,673	95,673	95,673	104,313	104,313	104,313	104,193
Capacity	637	637	637	637	637	637	637	637	637	637
Enrollment	507	460	439	452	485	435	487	480	501	493
Odyssey Middle (2000)										
Square feet	197,505	197,505	197,505	197,505	197,505	187,533	187,533	187,533	187,533	186,345
Capacity	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,489	1,489
Enrollment	673	749	725	828	911	1,045	1,003	1,045	1,078	1,139
Okeehetee Middle (1965)										
Square feet	178,042	178,042	178,042	178,042	178,042	178,042	183,952	184,744	184,760	184,760
Capacity	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,574	1,571	1,571
Enrollment	1,505	1,463	1,447	1,402	1,441	1,454	1,413	1,344	1,309	1,245
Olympic Heights High (1990)										
Square feet	366,496	366,496	366,496	366,496	366,496	366,496	366,496	366,496	366,496	362,034
Capacity	2,248	2,271	2,271	2,271	2,271	2,271	2,271	2,271	2,268	2,289
Enrollment	2,040	2,018	2,009	1,996	1,943	1,922	2,076	1,901	1,917	1,680
Omni Middle (1989)										
Square feet	168,085	168,085	168,085	168,085	168,085	168,085	168,085	168,085	168,085	168,085
Capacity	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396
Enrollment	1,401	1,372	1,404	1,444	1,406	1,442	1,567	1,581	1,400	1,431

Source - School District of Palm Beach County Planning Department



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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Orchard View Elementary (1994)										
Square feet	115,617	115,617	115,617	115,617	115,617	115,713	115,713	115,713	115,713	113,953
Capacity	800	800	800	800	800	800	800	800	800	764
Enrollment	540	574	570	594	618	559	576	642	627	614
Osceola Creek Middle (2006)										
Square feet	171,771	171,771	171,771	171,771	171,771	170,721	170,721	170,721	170,721	169,322
Capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,067	1,067
Enrollment	724	708	667	634	607	607	840	865	917	846
Pahokee Elementary (K-6) (1985)										
Square feet	81,140	81,140	81,140	81,140	81,140	81,140	84,020	84,020	84,020	84,020
Capacity	671	671	671	671	671	671	671	671	725	671
Enrollment	427	360	379	359	376	333	357	347	456	496
Pahokee Mid/Sr. (1970) (Modernization 2010)										
Square feet	320,135	320,135	320,147	319,787	319,787	306,692	306,765	319,822	310,609	198,413
Capacity	1,945	1,945	1,950	1,950	1,950	1,953	1,971	1,971	1,151	1,151
Enrollment	854	849	790	811	823	853	950	1,035	877	915
Palm Beach Central High (2004)										
Square feet	395,877	395,877	395,877	395,877	395,877	388,257	388,257	388,257	388,163	388,163
Capacity	2,730	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,753	2,777
Enrollment	2,999	2,921	3,004	2,894	2,856	2,921	2,867	2,880	2,933	2,890
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	111,459	109,426
Capacity	739	739	739	739	739	739	739	770	770	770
Enrollment	718	694	714	709	732	689	661	600	571	533
Palm Beach Gardens High (1965) (Modernization 2010)										
Square feet	379,095	379,095	379,095	379,095	379,095	379,095	379,095	379,095	378,775	340,849
Capacity	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,843	2,979	2,635
Enrollment	2,735	2,712	2,664	2,604	2,505	2,539	2,537	2,562	2,578	2,416
Palm Beach Lakes High (1986)										
Square feet	411,424	411,424	411,424	411,424	405,655	405,655	407,383	407,383	410,839	410,495
Capacity	2,742	2,750	2,750	2,750	2,750	2,750	2,750	2,921	2,921	2,213
Enrollment	2,343	2,314	2,165	2,019	1,886	2,071	1,694	1,923	1,999	1,839
Palm Beach Public School (1921) (Modernization 2006)										
Square feet	68,595	68,595	68,595	68,595	68,595	68,595	68,595	68,574	68,574	68,574
Capacity	393	393	393	393	393	393	393	393	383	383
Enrollment	365	399	406	406	413	402	378	415	478	451
Palm Springs Elementary (1988)										
Square feet	140,281	140,281	140,281	140,281	140,281	140,281	140,281	134,648	134,648	134,648
Capacity	1,012	1,012	1,012	1,012	1,012	1,012	1,023	1,023	1,023	1,013
Enrollment	859	848	836	850	888	896	881	896	856	883
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	1,704	1,699	1,695
Enrollment	1,645	1,585	1,488	1,535	1,635	1,650	1,514	1,530	1,569	1,664
Palmetto Elementary (1989)										
Square feet	125,940	125,940	125,940	125,940	125,940	125,544	124,584	125,544	125,544	125,486
Capacity	882	882	882	882	882	882	882	882	864	864
Enrollment	549	549	535	580	583	555	613	624	590	579
Panther Run Elementary (1965)										
Square feet	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092	130,092
Capacity	978	978	978	978	978	978	978	978	978	978
Enrollment	822	736	734	638	660	704	759	720	783	814
Park Vista High (2005)										
Square feet	428,411	428,411	428,411	428,411	428,411	428,411	428,411	428,411	433,211	424,224
Capacity	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,269	3,269
Enrollment	3,088	3,022	3,026	2,967	2,892	2,904	2,888	2,938	2,913	3,157
Pierce Hammock Elementary (2005)										
Square feet	122,505	122,505	122,505	122,505	122,505	121,773	121,773	121,773	121,773	121,773
Capacity	808	808	808	808	808	808	808	808	808	808
Enrollment	469	476	505	523	563	577	620	679	695	701
Pine Grove Elementary (1966)										
Square feet	86,483	86,483	86,483	86,483	86,483	83,331	94,771	98,755	98,755	98,015
Capacity	654	654	654	654	654	654	654	654	654	654
Enrollment	372	418	386	393	413	467	462	452	447	448
Pine Jog Elementary (2008) 03-Y										
Square feet	125,990	125,990	125,990	125,990	125,990	125,990	125,991	125,991	125,991	125,991
Capacity	974	974	974	974	974	967	982	988	988	1,034
Enrollment	932	936	945	953	910	948	850	810	757	630
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	309	273	253	291	375	326	374	373	364	405



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for Building Name, Fiscal Year (2018-2009), and metrics for Square feet, Capacity, and Enrollment. Rows include schools like Pleasant City Elementary, Plumosa Elementary, Poinciana Elementary, etc.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
South Intensive Transition (1965)										
Square feet	14,085	14,085	14,085	13,635	13,635	13,635	33,051	33,051	32,118	32,118
Capacity	20	20	20	20	20	20	318	318	372	372
Enrollment	61	56	68	69	65	84	81	83	115	71
South Olive Elementary (1988)										
Square feet	99,372	99,372	99,372	99,372	97,302	97,302	101,142	99,222	99,222	99,222
Capacity	637	637	637	637	637	637	601	618	608	626
Enrollment	563	607	653	697	706	693	671	636	603	631
Spanish River High (1965)										
Square feet	335,096	335,096	335,096	335,096	335,096	335,096	338,957	345,341	345,341	345,341
Capacity	2,235	2,259	2,259	2,259	2,259	2,259	2,242	2,240	2,239	2,239
Enrollment	2,385	2,334	2,306	2,356	2,336	2,376	2,381	2,288	2,227	2,149
Starlight Cove Elementary (1988)										
Square feet	129,633	129,663	129,663	129,663	128,790	128,790	128,790	128,790	128,790	128,431
Capacity	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,112	1,112	1,112
Enrollment	757	801	820	847	911	961	741	733	738	770
Suncoast High (1955) (Modernization 2011)										
Square feet	294,344	294,344	294,344	294,344	294,344	294,344	294,344	294,344	177,870	178,365
Capacity	1,714	1,714	1,733	1,733	1,733	1,733	1,733	1,811	1,269	1,269
Enrollment	1,577	1,551	1,498	1,505	1,486	1,500	1,510	1,445	1,391	1,327
Sunrise Park Elementary (2000)										
Square feet	121,509	121,509	121,509	121,509	121,509	121,509	134,949	134,949	134,949	134,949
Capacity	972	972	972	972	972	972	972	972	972	972
Enrollment	893	807	815	854	867	880	894	985	1,004	1,057
Sunset Palm Elementary(2008)										
Square feet	130,946	130,946	130,946	127,106	127,106	127,106	127,106	127,106	127,106	127,106
Capacity	1,024	1,024	1,024	978	978	978	978	978	978	990
Enrollment	986	1,067	1,096	1,034	986	995	953	996	913	766
Timber Trace Elementary (1990)										
Square feet	114,808	114,808	114,808	114,808	114,841	114,841	114,841	114,841	114,841	114,841
Capacity	1,013	1,013	1,013	1,013	1,001	1,001	1,001	1,001	1,001	1,001
Enrollment	970	877	852	860	935	847	866	859	838	833
Tradewinds Middle (2005)										
Square feet	192,126	192,126	192,126	192,126	192,066	192,066	192,066	192,066	192,066	191,938
Capacity	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,220	1,220
Enrollment	1,063	1,045	1,054	1,152	1,189	1,235	1,214	1,232	1,182	1,179
Turning Points Academy (2007)										
Square feet	71,047	71,047	71,047	71,047	71,047	71,047	71,047	71,047	71,047	71,047
Capacity	820	820	820	820	820	820	818	818	818	818
Enrollment	69	80	125	125	102	126	127	185	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	104,577	104,462
Capacity	700	700	700	700	700	700	700	700	695	695
Enrollment	601	612	564	549	559	516	515	507	514	557
Verde Elementary (1980)										
Square feet	109,513	109,513	109,513	109,513	109,513	104,581	105,349	105,589	105,589	105,250
Capacity	926	926	926	926	926	838	806	806	806	806
Enrollment	1,082	1035	982	901	847	823	855	825	791	759
Village Academy (1999)										
Square feet	176,884	176,884	176,884	176,884	176,884	176,884	181,264	181,264	181,290	183,024
Capacity	1,083	1,083	1,083	1,083	1,083	1,083	1,303	599	541	1,302
Enrollment	633	657	685	731	746	788	763	788	420	693
Washington Elementary (1964)										
Square feet	70,005	70,005	70,005	70,005	70,005	70,005	74,229	77,861	77,861	77,514
Capacity	484	484	484	484	484	484	484	484	484	484
Enrollment	320	330	360	370	380	309	334	334	342	397
Waters Edge Elementary (1985)										
Square feet	110,031	110,031	110,031	110,031	110,031	109,995	115,695	116,559	115,671	115,671
Capacity	818	818	818	818	818	818	818	818	746	746
Enrollment	867	865	856	782	811	791	841	836	855	833
Watson B. Duncan Middle (1960)										
Square feet	164,235	164,235	164,235	164,235	156,217	156,217	160,731	160,731	160,731	160,731
Capacity	1,369	1,369	1,369	1,369	1,358	1,358	1,378	1,378	1,377	1,065
Enrollment	1,300	1,264	1,310	1,275	1,311	1,301	1,381	1,258	1,178	1,163
Wellington High (1965)										
Square feet	342,878	342,878	342,878	342,878	348,110	342,878	357,064	360,312	360,312	360,312
Capacity	2,251	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,297	2,193
Enrollment	2,618	2,524	2,465	2,380	2,346	2,417	2,428	2,306	2,188	2,149
Wellington Elementary (1970)										
Square feet	118,684	118,684	118,684	118,684	118,684	118,684	118,684	118,684	123,484	119,007
Capacity	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,061	1,439	1,032
Enrollment	835	758	689	664	710	732	813	758	835	834



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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Wellington Landings Middle (1970)										
Square feet	185,622	185,622	187,542	187,542	187,542	178,806	181,290	181,339	190,130	174,179
Capacity	1,570	1,570	1,610	1,610	1,610	1,610	1,610	1,610	1,391	1,391
Enrollment	1,337	1,202	1,044	1,032	1,117	1,110	1,292	1,264	1,221	1,138
West Boca Community High (2005)										
Square feet	373,319	373,319	373,319	373,319	373,319	373,319	373,007	373,007	373,007	373,049
Capacity	2,304	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315
Enrollment	2,124	2,031	1,958	1,968	2,054	2,065	2,216	2,101	2,107	2,165
West Gate Elementary (2001)										
Square feet	114,859	114,859	114,859	114,859	118,783	125,479	125,479	125,479	134,119	134,119
Capacity	734	734	734	734	734	734	734	734	896	896
Enrollment	788	778	747	711	721	719	764	781	792	1,078
West Riviera Elementary (1966)										
Square feet	82,391	82,391	82,391	82,391	82,391	82,391	82,391	89,607	89,607	89,607
Capacity	729	729	729	729	729	729	734	734	734	752
Enrollment	591	695	673	656	671	571	500	550	621	602
Western Pines Middle (1970)										
Square feet	143,361	143,361	143,361	143,361	143,361	143,361	152,432	158,368	152,637	151,020
Capacity	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,094	1,091	1,091
Enrollment	1,075	1,117	1,077	1,052	1,100	1,150	1,190	1,193	1,148	1,192
Westward ES (1961) (Modernization 2008)										
Square feet	119,796	119,796	119,796	119,796	119,796	119,796	119,796	119,914	119,914	119,914
Capacity	890	890	890	890	890	890	1,014	1,040	1,040	1,040
Enrollment	606	596	535	578	664	699	654	676	638	617
Whispering Pines Elementary (1984)										
Square feet	135,474	135,474	135,474	135,474	135,474	135,474	139,314	111,605	111,605	111,130
Capacity	932	932	932	932	932	932	642	666	609	609
Enrollment	888	887	881	852	823	787	594	570	544	568
William T. Dwyer High (1960)										
Square feet	368,796	368,559	368,559	368,559	358,719	358,719	360,447	360,447	360,447	355,126
Capacity	2,424	2,481	2,456	2,456	2,456	2,456	2,456	2,475	2,476	2,481
Enrollment	2,261	2,212	2,006	2,000	2,031	1,974	2,348	2,283	2,198	1,893
Woodlands Community Middle (1998)										
Square feet	200,139	200,139	200,699	200,699	200,699	187,385	196,985	197,849	217,335	198,311
Capacity	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,211	1,211
Enrollment	1,236	1,104	1,097	1,145	1,199	1,264	1,219	1,246	1,317	1,281
Wynnebrook Elementary (1966)										
Square feet	88,103	88,103	88,103	88,103	88,103	88,103	92,231	98,471	98,471	98,311
Capacity	861	861	861	861	861	861	861	861	861	861
Enrollment	900	880	853	835	849	835	835	823	801	830
TOTAL										
Square feet	27,555,630	27,614,592	27,610,353	27,587,109	27,310,907	27,133,351	27,591,783	27,701,710	27,345,748	26,659,584
Capacity	198,526	199,660	199,657	199,601	198,231	198,472	199,806	201,608	198,238	192,108



MISCELLANEOUS STATISTICAL DATA (UNAUDITED)

PALM BEACH COUNTY (INCORPORATED - 1909)

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

Climate

Average temperature 75.5 degrees F
Average high 83.1 degrees F
Average low 67.8 degrees F
Average rainfall (per month) 5.2 inches

Number of Public Schools

Elementary 108
Junior High and Middle Schools 34
High Schools 23
Special Schools 17 *
Total 182

Communications

Major newspapers: Palm Beach Post
Sun Sentinel

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

Telephone service: AT&T

Colleges/Universities

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

Transportation

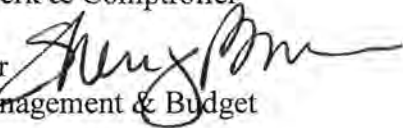
Airports Palm Beach International Airport
Palm Beach County Park Airport (Lantana)
North County General Aviation Airport
Boca Raton Airport
Glades Airport
Seaport Port of Palm Beach
Railroad - Passenger Amtrak
Brightline
Tri-Rail
Railroad - Freight Florida East Coast Railway
CSX Corporation
Bus - Interstate/Intrastate Greyhound/Trailways Bus Lines
Bus - Local Palm Tran

Sources: Palm Beach County Development Board, Palm Beach County Department of Public Affairs, Weather.com

* Includes 11 Alternative, 1 virtual, 1 K-12, 2 Technical and Adult Education, and 2 ESE schools.
Five Alternative Schools are located in District buildings.

INTER-OFFICE COMMUNICATION
PALM BEACH COUNTY

To: Sharon R. Bock
Palm Beach County Clerk & Comptroller

From: Sherry Brown, Director 
Office of Financial Management & Budget

Date: March 15, 2018

Subject: Certification of Compliance (Sec. 163.31801 F.S.)

Pursuant to law, the County's Chief Financial Officer is required to file an affidavit with the County's annual audit submittal to the Auditor General, stating that the County has complied with Sec. 163.31801 F.S. To permit you to carry out that requirement, OFMB certifies as follows:

Yes	No	Action or Event Required
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Impact fees are adopted by ordinance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Fee calculations are based on the most recent and localized data
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The County's impact fee ordinance provides for accounting and reporting of impact fee collections and expenditures. Revenues and expenditures for each impact fee are accounted for in a separate accounting fund.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Administrative charges are limited to actual costs
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Notice is provided not less than 90 days before any amendment of impact fees

If there are questions concerning any of these points, please contact Richard Iavarone, Director of the Financial Management Division, at 355-4369.

Copies: Richard Iavarone
 Willie Swoope
 Leonard Berger
 Paul Guzenski

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, 2018



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, 2018, and have issued our report thereon dated November 16, 2018.

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 Guidance, Schedule of Findings and Questioned Costs and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 16, 2018, 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. There were no recommendations made in the preceding annual financial audit report.

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.

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 16, 2018

The School District of Palm Beach County, Florida

Single Audit Reports in
Accordance with the Uniform Guidance
Year Ended June 30, 2018

Contents

Independent auditor's report on: Internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	1-2
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	3-4
Schedule of expenditures of federal awards	5-6
Notes to schedule of expenditures of federal awards	7
Schedule of findings and questioned costs	8-9
Summary schedule of prior audit findings	10



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, 2018, 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 16, 2018.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

West Palm Beach, Florida
November 16, 2018

**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, 2018. 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; and 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 District'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, 2018.

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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 16, 2018, 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 16, 2018

The School District of Palm Beach County, Florida

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

	CFDA Number	Pass-through Entity Identifying 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	\$ 14,858,004	\$ -
National School Lunch Program	10.555	16001, 16003	59,504,322	-
Summer Food Service Program	10.559	16006, 16007	2,212,811	-
Total Child Nutrition Cluster			76,575,137	-
Florida Department of Health:				
Child and Adult Care Food Program	10.558	16004	3,103,802	-
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	None	586,223	-
Farm to School Grant Program	10.575	None	15,642	-
Total United States Department of Agriculture			80,280,804	-
<u>United States Department of Justice</u>				
Direct:				
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	None	1,215,246	-
Total United States Department of Justice			1,215,246	-
<u>United States General Services Administration</u>				
Indirect:				
Florida Department of Management Services:				
Donation of Federal Surplus Personal Property	39.003	None	38,004	-
Total United States General Services Administration			38,004	-
<u>United States Department of Education</u>				
Direct:				
Impact Aid	84.041	None	3,723	-
Magnet Schools Assistance	84.165	None	3,867,711	-
Fund for Improvement of Education	84.215	None	182,365	-
Transition to Teaching	84.350	None	57,817	-
Arts in Education	84.351	None	335,624	-
Total Direct			4,447,240	-

(Continued)

The School District of Palm Beach County, Florida

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Federal Grantor/Pass-Through Entity Program Title	CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amount Provided to Sub-Recipients
Indirect:				
Special Education Cluster:				
Special Education – Grants to States:				
Florida Department of Education	84.027	262,263	\$ 39,818,992	\$ 2,608,284
Putman County District School Board	84.027	None	12,623	-
University of South Florida	84.027	None	1,866	-
Special Education – Preschool Grants	84.173	266,267	1,161,874	75,158
Total Special Education Cluster			40,995,355	2,683,442
Florida Department of Education:				
Adult Education-State Grant Program	84.002	191,193	2,541,109	-
Title I Grants to Local Educational Agencies	84.010	212,222,223,226,228	54,655,942	2,363,007
Migrant Education-State Grant Program	84.011	217	1,950,114	-
Career & Technical Education-Basic Grant to States	84.048	161	1,709,224	19,662
Education for Homeless Children & Youth	84.196	127	93,021	-
Charter Schools	84.282	298	549,990	546,313
Twenty-First Century Community Learning Centers	84.287	244	4,584,957	392,412
English Language Acquisition Grants	84.365	102	3,716,742	-
School Improvements Grants	84.377	126	1,071,520	-
Student Support and Academic Enrichment Program	84.424	241	427,906	-
Improving Teacher Quality State Grants	84.367	224	6,538,130	27,400
Improving Teacher Quality State Grants - Florida Atlantic University	84.367	None	60,098	-
University of Florida:				
Investing in Innovation Fund	84.411	None	8,138	-
Total Indirect			77,906,891	3,348,794
Total United States Department of Education			123,349,486	6,032,236
<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 Substance Abuse & Mental Health Services Projects of Regional and National Significance	93.079	None	364,628	-
	93.243	None	115,517	-
Total Direct			480,145	-
Indirect:				
Pass-through from the Florida Department of Children & Families:				
Refugee and Entrant Assistance-State Administered Programs	93.566	XK041	406,731	-
Refugee & Entrant Assistance-Discretionary Grant	93.576	XK041	150,435	-
Pass-through Department of Community Services				
Division of Head Start & Children Services				
Head Start	93.600 (5)	04CH4702/04	3,420,729	-
Total Indirect			3,977,895	-
Total United States Department of Health & Human Services			4,458,040	-
<u>United States Department of Defense:</u>				
Direct:				
Reserve Officers Training Corps (ROTC)	12.Unknown	None	1,070,206	-
Total United States Department of Defense			1,070,206	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 210,411,786	\$ 6,032,236

See Notes to Schedule of Expenditures of Federal Awards.

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, 2018. 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. The information in this 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). Therefore, 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 since grants are accounted for in the governmental fund types of the District. Such expenditures are reported following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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 and the Summer Food Service Program for CFDA Number 10.559 includes \$4,989,391 and \$61,839, respectively, 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, 2018**

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:

CFDA Numbers

Name of Federal Program

10.558	United States Department of Agriculture: Child And Adult Care Food Program (CACFP)
84.027, 84.173	Department of Education: Special Education Cluster (IDEA)
84.365	Department of Education: English Language Acquisition
84.367	Department of Education: Improving Teacher Quality
84.002	Department of Education: Adult Education-State Grant Program
84.011	Department of Education: Migrant Education-State Grant Program

- 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, 2018

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, 2018**

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.

Corrective Action Plan 2017 – No change in management's position

Corrective Action Plan 2018 – No change in management's position

II – Federal Awards Findings and Questioned Costs

No matters to report.





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



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.

2018

