



The School District of Palm Beach County

3300 Forest Hill Boulevard, West Palm Beach, FL 33406

2021

For Fiscal Year Ended June 30, 2021

ANNUAL COMPREHENSIVE **FINANCIAL REPORT**



The School District of Palm Beach County

2021

FISCAL YEAR



Michael J. Burke
Superintendent

SCHOOL BOARD MEMBERS



Barbara McQuinn
District 1



Alexandria Ayala
District 2



Karen Brill
District 3
Board Vice Chair



Erica Whitfield
District 4



Frank A. Barbieri, Jr., Esq.
District 5
Board Chair



Marcia Andrews
District 6



Debra L. Robinson, M.D.
District 7

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The School District of Palm Beach County, Florida

for the

Fiscal Year Ended June 30, 2021



Issued by:

**Michael J. Burke, Superintendent of Schools
Heather Frederick, C.P.A., 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**

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EVERYTHING YOU
WANT FOR
YOUR CHILD**



PALM BEACH COUNTY SCHOOLS
*Your **BEST** Choice!*

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2020 / 2021	ix
Principal Officials - Non-Partisan Elected	x
Principal Officials - June 30, 2021	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
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - Other Special Revenue Funds	28
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	46
3. Cash, Cash Equivalents and Investments	46

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

FINANCIAL SECTION (continued)

	<u>Page</u>
4. Due From Other Governments or Agencies	50
5. Interfund Activities	51
6. Capital Assets	52
7. Risk Management	52
8. Short Term Debt	53
9. Long-Term Liabilities	54
10. Retirement Plans	61
11. Post Employment Benefits Other Than Pensions	70
12. Net Position and Fund Balance Reporting	73
13. Commitments and Contingencies	76
14. Subsequent Events	76
D. Required Supplementary Information	
Schedule of District's Proportionate Share of the Net Position Liability - FRS	79
Schedule of District's Contributions - FRS	79
Schedule of District's Proportionate Share of the Net Position Liability - HIS	80
Schedule of District's Contributions -HIS	80
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	81
E. Combining and Individual Fund Statements and Schedules	
Non-Major Governmental Funds	
Combining Balance Sheet	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Combining Statement of Net Position (Deficit) - Internal Service Funds	92
Combining Statement of Revenues, Expenses and Changes in Net Position (Deficit) - Internal Service Funds	93
Combining Statement of Cash Flows - Internal Service Funds	94
Budgetary Comparison Schedules (Budgetary Basis) - Other Major and Non-Major Governmental Funds	
Major Funds	
Capital Projects - Capital Improvement	95
Capital Projects - Sales Tax	96
Capital Projects - COPS	97
Capital Projects - Other Capital Projects	98
Non-Major Funds	
Special Revenue - Food Service	99
Special Revenue - ESSER	100
Debt Service - SBE/COBI Bonds	101
Debt Service - Buses and Equipment	102
Debt Service - COPS	103
Debt Service - ARRA QSCB	104
Capital Projects - Public Education Capital Outlay (PECO)	105

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

FINANCIAL SECTION (continued)

	<u>Page</u>
Capital Projects - CO & DS	106
Capital Projects - Buses and Equipment	107

F. Other Supplementary Information

Long Term Liabilities

Schedule of Debt Service Requirements to Maturity - Bonds, Notes, and Lease Payables (Unaudited)	110
Schedule of Bonds, Notes and Lease Payables (Unaudited)	112

STATISTICAL SECTION (Unaudited)

	<u>Table</u>	<u>Page</u>
Financial Trends:		
Net Position by Component	1	118
Expenses, Program Revenues and Net (Expense)/Revenue	2	120
General Revenues and Total Changes in Net Position	3	122
Fund Balances - Governmental Funds	4	124
Governmental Funds Revenue	5	126
Changes in Fund Balances - Governmental Funds	6	128
Ratio of Debt Service to Non-Capital Expenditures	7	130
Revenue Capacity:		
Assessed and Estimated Actual Value of Taxable Property	8	131
Property Tax Levies and Collections	9	132
Property Tax Rates Per Thousand of Assessed Valuation All Countywide Direct and Overlapping Governments	10	134
Property Tax Levies - All Countywide Direct and Overlapping Governments	11	136
Debt Capacity:		
Ratio of Outstanding Debt by Type	12	139
Computation of Legal Debt Margin	13	140
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	14	142
Current Debt Ratios and Bonded Debt Per Capita of Palm Beach County Computation of Direct and Overlapping Debt	15	143
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures	16	144
Pledged Revenue Coverage	17	145
Demographic and Economic Information:		
Demographic Statistics	18	147
Principal Taxpayers and Ten Largest Private Employers	19	148
Property Value of Building Permits Issued, Construction and Bank Deposits	20	150
Comparative Enrollment Trends - Fifteen Largest School Districts	21	152
Labor Force Estimates	22	153
Employment Distribution by Major Industry	23	154

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

STATISTICAL SECTION (Unaudited) (continued)

	<u>Table</u>	<u>Page</u>
Operating Information:		
School Food Service Operating Data	24	156
Schedule of Insurance in Force	25	158
Teachers' Salaries	26	165
Full Time Staff by Assignment	27	166
Operating Statistics	28	168
Building Information	29	169
Miscellaneous Statistical Data	30	179



The School District of Palm Beach County

2021

INTRODUCTORY
SECTION



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

**MICHAEL J BURKE
SUPERINTENDENT**

**FRANK A. BARBIERI, JR., ESQ.
BOARD CHAIR**

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

**KAREN M. BRILL
BOARD VICE CHAIR**

PHONE: 561-629-8566 / FAX: 561-649-6837
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BARBARA McQUINN
ALEXANDRIA AYALA
ERICA WHITFIELD
MARCIA ANDREWS
DEBRA L. ROBINSON, M.D.

November 23, 2021

To: School Board Members
Residents of Palm Beach County

We respectfully submit the Annual Comprehensive Financial Report (ACFR) of the School District of Palm Beach County, Florida (the "District") for the fiscal year ended June 30, 2021. 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 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 2021.

The District received an unmodified ("clean") opinion on the financial statements for the fiscal year ended June 30, 2021. 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 ACFR 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 1,970 square miles (2,383 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 1.5 million, which represents a 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 179 District schools and 49 charter schools. Approximately 187,800 students were enrolled in Palm Beach County Public Schools during fiscal year 2021. Of the total students enrolled, approximately 166,260 are in District schools and 21,520 are in charter schools, representing a decrease of approximately 6,220 students in District schools and increase of 160 students in charter schools. As the largest employer in Palm Beach County, the District has over 23,000 full time employees, with nearly 13,000 teachers. The District owns and maintains nearly 30 million square feet of buildings with an average age of 21 years.

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 160 languages with more than 190 different countries or territories of birth. The Dual Language Program has over 7,000 participants across 27 schools. The population of the County is approximately 52.3% White, 23.5% Hispanic, 17.7% Black, 2.9% Asian, and 3.6% American Indian, Alaska Native, Multiple Races and Others (approximately 19% of the population is under the age of 18, 57% is between the age of 18 and 64, and 23% is 65 or older). There are over 40,000 students with Individualized Education Plans or Educational Plans (for gifted students). Of the total, approximately 30,700 are eligible for services under the Individuals with Disabilities Education Act.

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.

District Mission

The mission of the School District of Palm Beach County is to educate, affirm, and inspire each student in an equity-embedded school system.

Equity Definition

Equity means each student—regardless of race, ethnicity, poverty, disability, language status, undocumented status, religious affiliation, gender identity, and sexual orientation—will have access to the opportunities, resources, and support they need to imagine, nurture, and achieve their dreams.

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

In 2021, the County has a labor force of approximately 744,400, per capita income is approximately \$38,800, and the median family income is approximately \$63,300. There is no income tax in Florida. Palm Beach County residents pay 7% retail sales tax. 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. Industries include tourism, agriculture, construction, tech product manufacturing, 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

Fiscal Year 2022 budget year continues to be challenging due to the uncertainty in enrollment and COVID variants. Enrollment is expected to increase by approximately 2,600 students district-wide compared to fiscal year 2021. Enrollment in district operated schools is down approximately 600 students while charter schools and McKay, Family Empowerment Scholarship increased approximately 3,200. Even though there is an increase in the base student allocation of \$60.44, the District is facing a decrease in Florida Education Finance Program (FEFP) of \$25.0 million. The decrease in funding is due primarily to the elimination of the state hold harmless that utilized federal CARES Act to continue to fund school districts on projected enrollment. At the same time there is a decrease in state funding, the District share of COVID related federal funds is \$500 million over the next three years. Applying federal funds to eligible expenditures in fiscal year 2021 has freed up funds to help address the loss in revenue in fiscal year 2022. Using one-time funds to balance the budget is not ideal, although with the uncertainty surrounding enrollment and the potential resources needed to address the needs of the students returning, it is important to maintain a certain level of staffing. In addition, the use of the federal funds is consistent with how federal funds were utilized in 2009 after the Great Recession.

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 levy to a full 1.00 mill (up from 0.25 mill). The sales tax is projected to generate \$130 million per year (for 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 \$210 million per year (for a four-year period), enabling 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.

On September 9 the Florida Supreme Court declined to entertain the School Board's appeal of the 4th District Court of Appeal's decision in the Charter School Referendum case. The district is now required to start distributing funds monthly back to July 1, 2021. The annual amount is projected to be \$25.0 million and is fully reserved in the general fund budget. Even though the operating budget is balanced there will continue to be ongoing monitoring of enrollment to make the necessary adjustments to minimize the dependence on one-time revenue as well as the impact of the charter school litigation related to retroactivity.

ACADEMIC BASED AWARDS AND ACKNOWLEDGEMENTS

- SDPBC has an “A” rating and when compared to the other large districts in Florida, the District’s performance was equal to or higher than other large districts in three of the 11 components (Math Achievement, Math Learning Gains, and ELA Learning Gains of the Lowest 25% of students).
- The District was ranked 16th in the State of Florida comprised of 67 districts
- 322 award-winning programs in the areas of career academies
- Six schools in top 100 by US News Magazine’s Best High Schools in Florida 2021
- Graduation rate of 94.4 percent for District-operated high schools
- 80 schools recognized as Five Star Schools, measuring significant family and community involvement
- 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

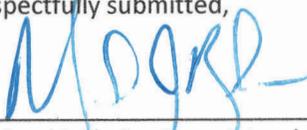
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2020. This was the 31st consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized ACFR. 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 ACFR for the fiscal year ended June 30, 2020. The Certificate of Excellence in Financial Reporting awarded by ASBO certifies that the ACFR 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 24 consecutive years for which it was submitted.

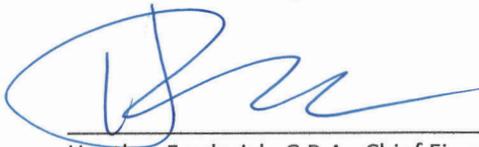
The GFOA Certificate of Achievement and the ASBO Certificate of Excellence are valid for a period of one year only. We believe that our current ACFR continues to meet the requirements of the Certificate of Achievement Program as well as the Certificate of Excellence Program. Accordingly, we are submitting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

The preparation of the ACFR 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,



Michael J. Burke, Superintendent of Schools



Heather Frederick, C.P.A., Chief Financial Officer



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

MJB/HF/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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

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
for the Fiscal Year Ended June 30, 2020.**

The report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

**W. Edward Chabal
President**

David J. Lewis

**David J. Lewis
Executive Director**

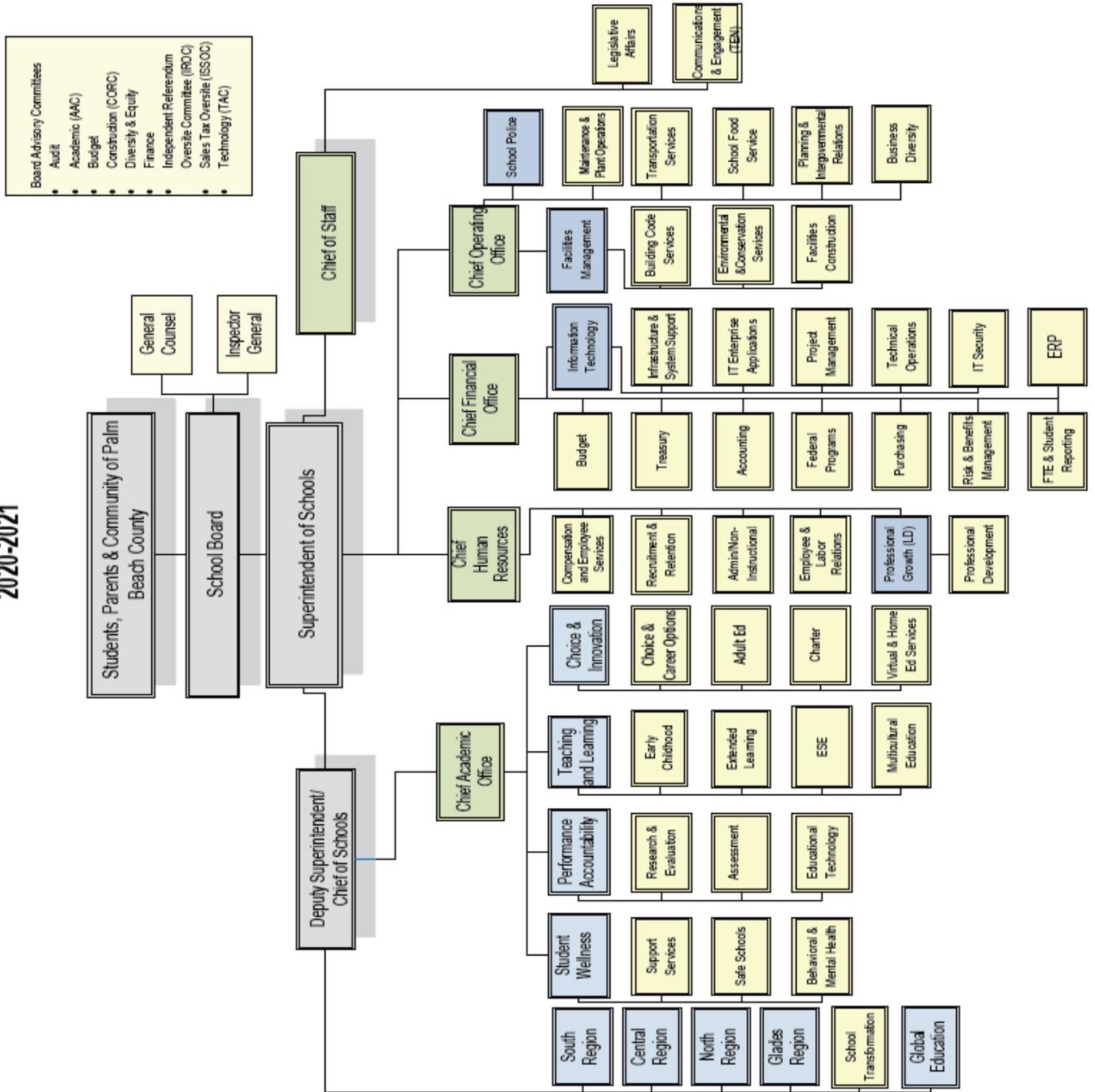
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PALM BEACH COUNTY SCHOOLS
*Your **BEST** Choice!*

School District of Palm Beach County

2020-2021





THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL OFFICIALS - NON-PARTISAN ELECTED
JUNE 30, 2021**

BOARD MEMBERS - TERMS OF OFFICE

Mrs. Barbara McQuinn Member from District 1 Present term expires	November 2024
Alexandria Ayala Member from District 2 Present term expires	November 2024
Mrs. Karen M. Brill, Board Vice Chair Member from District 3 Present term expires	November 2022
Mrs. Erica Whitfield Member from District 4 Present term expires	November 2022
Mr. Frank Barbieri, Jr., Esq., Board Chair Member from District 5 Present term expires	November 2024
Mrs. Marcia Andrews Member from District 6 Present term expires	November 2022
Debra L. Robinson, M.D. Member from District 7 Present term expires	November 2022



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**PRINCIPAL OFFICIALS - APPOINTED
JUNE 30, 2021**

Michael J. Burke	Superintendent
Shawntoyia Bernard, Esq.	Chief Counsel to the School Board
Teresa Michael	Inspector General
Keith Oswald	Deputy Superintendent/Chief of Schools
Heather Frederick	Chief Financial Officer
Gonzalo S. La Cava, Ed.D.	Chief of Human Resources
Wanda Paul	Chief Operating Officer
Glenda Sheffield, Ed.D.	Chief Academic Officer
Ed Tierney	Chief of Staff

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PALM BEACH COUNTY SCHOOLS
*Your **BEST** Choice!*



The School District of Palm Beach County

2021

FINANCIAL SECTION



Independent Auditor's Report

RSM US LLP

The Honorable Chairperson and Board Members of
The School District of Palm Beach County, Florida
West Palm Beach, 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, 2021, 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 from 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 District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and other special revenue 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. 84, *Fiduciary Activities*, effective July 1, 2020. The net position of the fiduciary funds of the District as of July 1, 2020, 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 23, 2021, 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 23, 2021

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021, based on currently known facts, decisions or conditions. It is intended to provide a broad overview using a short-term and long-term analysis of the District's activities based on information presented in the financial report and fiscal policies that have been adopted by the seven elected members of the school board (the "Board"). Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget) and identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$234 million, or 15.2%, from \$1.533 billion to \$1.767 billion. The District received \$86.1 million of Federal Education Stabilization Funds including Elementary and Secondary School Emergency Relief (ESSER) funds and Governor's Emergency Education Relief (GEER) Funds provided by the CARES Act. These are new grants for FY21 and provide emergency relief funds to address the impact of COVID-19 on elementary and secondary schools across the Nation. Enrollment at District schools decreased 3.6%, approximately 6,200, while charter schools experienced a slight increase (approximately 160 students) which resulted in passing through additional FEFP revenue. Due to COVID, the Department of Education held Districts harmless for enrollment losses, which allowed the District to avoid layoffs even though enrollment numbers were down. In addition, the District modified the terms of its Other Post Employment Benefit (OPEB) Plan to exclude retirees older than 65 years of age, which reduced overall liability for OPEB and created a benefit to net position of \$100 million.
- The District's total long-term debt increased by \$37.8 million or 2.6% primarily due to issuance of new COPS 2021A for par of \$101.9 million with a premium of \$33.0 million and COPS 2021B for \$9.9 million partially offset by debt repayments of \$84.8 million and amortization of Issuance Premiums of \$22.2 (discussed in Note 9).
- Total revenues increased by \$200.6 million or 7.9%, from \$2.552 billion to \$2.752 billion when compared to the prior year.
 - General revenue accounted for \$2.1 billion, or 76.0%, of all revenues and increased \$163.1 million or 8.5%. Property tax increase of \$41.6 million (mainly due to 5.0% increase in property values). Local Sales Taxes increased by \$16.7 million or 11.9%, this increase is partly due to the opening of business and tourism in the Florida area after the pandemic. In addition, Impact Fees increased by \$40.4, or 672%, which represents collections by Palm Beach County remitted to the District in the current year. The State eliminated specific programs and reallocated funds to increase minimum teacher salaries to be \$47,500, shifting funds from Program Revenue to General Revenue. Investment earnings decreased by \$18.5 million, or 87%, due to a decline in interest rates from an average of 1.6% to 0.2% offset slightly by higher cash balances.
 - Program specific revenue in the form of charges for services, grants and contributions accounted for \$659.5 million or 24.0% of all revenues and increased by \$37.4 million or 6.0%. Charges for services had an overall decrease of \$23.4 million, or 55.6%, this is due to a decrease of \$10.6 million, or 39%, in childcare service programs due to reduced enrollment as a result of COVID and \$11.2 million, or 94%, in food service sales largely due to the fewer students on campus with a high percentage participating through virtual

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

learning platform. Operating grants and contributions had an overall increase of \$59.0 million, or 10.6%, due to the District receipt of \$86.8 million of ESSER and GEER funds partially offset by elimination of Best and Brightest (\$19.8 million) and School Recognition (\$10.8 million) programs provided by the State in fiscal year 2020.

- Total expenses decreased \$50.3 million from \$2.569 billion to \$2.519 billion. The District modified the terms of its OPEB Plan to exclude retirees older than 65 years of age, which reduced overall liability for OPEB and created a decrease to expense of \$100 million, offset in part by increased costs associated with COVID, salary raises (including minimum salaries for teachers), facility repair and maintenance, depreciation of assets, and interest on long-term debt.
- The District's governmental funds reported combined ending fund balances of \$1.123 billion, an increase of \$298.5 million as compared with the prior year.
 - The General Fund (the primary operating fund), reflected on a current financial resources basis, ended the year with a fund balance of \$312.9 million, which is an increase of \$102.6, or 48.8%, million over the prior year. Of the fund balance amount, \$66.0 million is classified as unassigned that is available to cover unanticipated financial needs and includes the Board approved contingency, \$159.5 million is classified as assigned, \$76.8 million is classified as restricted and \$10.6 million is classified as nonspendable. During the current year, General Fund revenues (including other financing sources) exceeded expenditures (including other financing uses) by \$102.6 million, primarily due to cost containment measures taken, staff vacancies, and receipt of ESSER & GEER funds.
 - Other Special Revenue, a major fund, has a committed fund balance of \$18 thousand for Educational Network.
 - Capital Improvement Fund, a major fund, has a restricted fund balance of \$249.7 million, which is an increase of \$104.8 million, or 72.3%, over the prior year. Ad Valorem Taxes for Capital Projects totaled \$320.7 million with capital spending of \$60.8 million and transfers to the General Fund of \$84.4 million (mainly for capital maintenance) and to Other Non-Major Governmental Funds of \$71.0 million (mainly for debt service).
 - Sales Tax, another major fund, ended the year with a restricted fund balance of \$222.0 million, which is an increase of \$31.9 million, or 16.8%, when compared with the prior year. The increase for the current year is a result of timing of sales tax collections in excess of spending on capital projects.
 - COPS Capital, another major fund, ended the year with a restricted fund balance of \$165.7 million, which is an increase of \$74.7 million, or 82.2%, over the prior year. This increase is a result of issuance of COPS Series 2021A and 2021B partially offset by current year capital spending.
 - Other Capital Projects, a major fund, ended the year with a fund balance of \$5.5 million, which is a decrease of \$34.5 million, or 86.3%, as a result of transfers to Other Non-Major Governmental Funds of \$81.7 million primarily for debt service, partially offset by recognition of Impact Fees Revenue of \$46.8 million (representing fees for multiple years).

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 SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- 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.

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; and school police internal service 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 SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, sales taxes and state formula aid finance most of the activities.

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 and Internal Service fund activities charged to schools for school police officers.
- *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 SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

- 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 79.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Government-Wide

The District's net position was \$1.767 billion at June 30, 2021. The largest portion of the District's net position, \$1.830 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 are 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 (\$690 million) represents resources that are subject to external restrictions on how they may be used.

Table 1

Summary of Net Position
Governmental Activities
(in thousands)

	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
Current and other assets	\$ 1,619,129	\$ 1,360,164	\$ 258,965	19.0%
Capital assets (net)	3,135,367	3,154,831	(19,464)	(0.6%)
Total assets	4,754,496	4,514,995	239,501	5.3%
Deferred Loss on Debt Refunding	73,098	84,341	(11,243)	(13.3%)
Pension & OPEB Related	596,203	446,914	149,289	33.4%
Total Deferred Outflows of Resources	669,301	531,255	138,046	26.0%
Current and other liabilities	202,696	308,035	(105,339)	(34.2%)
Long-term liabilities	3,359,956	3,093,666	266,290	8.6%
Total liabilities	3,562,652	3,401,701	160,951	4.7%
Pension & OPEB Related	94,132	111,256	(17,124)	(15.4%)
Total Deferred Inflows of Resources	94,132	111,256	(17,124)	(15.4%)
Net position:				
Net investment in Capital Assets	1,829,425	1,814,240	15,185	0.8%
Restricted	690,493	537,506	152,987	28.5%
Unrestricted (deficit)	(752,905)	(818,453)	65,548	8.0%
Total net position	\$ 1,767,013	\$ 1,533,293	\$ 233,720	15.2%

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Cash and other assets increased \$258.9 million, or 19%, primarily as a result of issuance of debt and receipt of ESSER funds. Pension and OPEB Deferred Outflow of Resources increased by \$149.3, or 33.4%, primarily as a result of changes in actuarial assumptions and experience. Current liabilities decreased by \$105.3 million, or 34.2%, primarily due to pay off of TANS debt. Long-term Liabilities increased \$266.3 million, or 13.1%, primarily due to issuance of COPS 2021A and COPS 2021B offset in part by debt repayments as well as changes to Net Pension Liability and OPEB Liabilities which were actuarially determined. See Notes 9, 10 and 11 for additional information regarding Long Term Liabilities.

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, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
Revenues:				
Program revenue:				
Charges for services	\$ 18,695	\$ 42,101	\$ (23,406)	(55.6%)
Operating grants and contributions	615,896	556,919	58,977	10.6%
Capital grants and contributions	24,869	23,005	1,864	8.1%
General revenue:				
Property taxes	1,498,372	1,456,747	41,625	2.9%
Local sales taxes	156,621	139,910	16,711	11.9%
Grants and contributions not restricted	357,744	277,540	80,204	28.9%
Investment earnings	2,776	21,226	(18,450)	(86.9%)
Other general revenue	77,356	34,313	43,043	125.4%
Total revenues	<u>2,752,329</u>	<u>2,551,761</u>	<u>200,568</u>	<u>7.9%</u>
Functions/Programs Expenses				
Instruction	1,332,218	1,365,308	(33,090)	(2.4%)
Instructional support services	226,620	227,932	(1,312)	(0.6%)
Board	8,402	8,849	(447)	(5.1%)
General administration	17,664	13,780	3,884	28.2%
School administration	119,520	121,136	(1,616)	(1.3%)
Facilities acquisition and construction	184,339	175,394	8,945	5.1%
Fiscal services	7,908	8,043	(135)	(1.7%)
Food services	83,603	93,598	(9,995)	(10.7%)
Central services	31,732	20,483	11,249	54.9%
Student transportation services	49,051	56,917	(7,866)	(13.8%)
Operation and maintenance of plant	250,370	265,215	(14,845)	(5.6%)
Administrative technology services	6,465	6,919	(454)	(6.6%)
Community services	24,288	39,301	(15,013)	(38.2%)
Interest on long-term debt	53,268	50,970	2,298	4.5%
Unallocated depreciation	123,161	115,100	8,061	7.0%
Total expenses	<u>2,518,609</u>	<u>2,568,945</u>	<u>(50,336)</u>	<u>(2.0%)</u>
Change in net position	233,720	(17,184)	250,904	(1460.1%)
Net Position - beginning	<u>1,533,293</u>	<u>1,550,477</u>	<u>(17,184)</u>	<u>(1.1%)</u>
Net Position - ending	<u>\$ 1,767,013</u>	<u>\$ 1,533,293</u>	<u>\$ 233,720</u>	<u>15.2%</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 2020.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

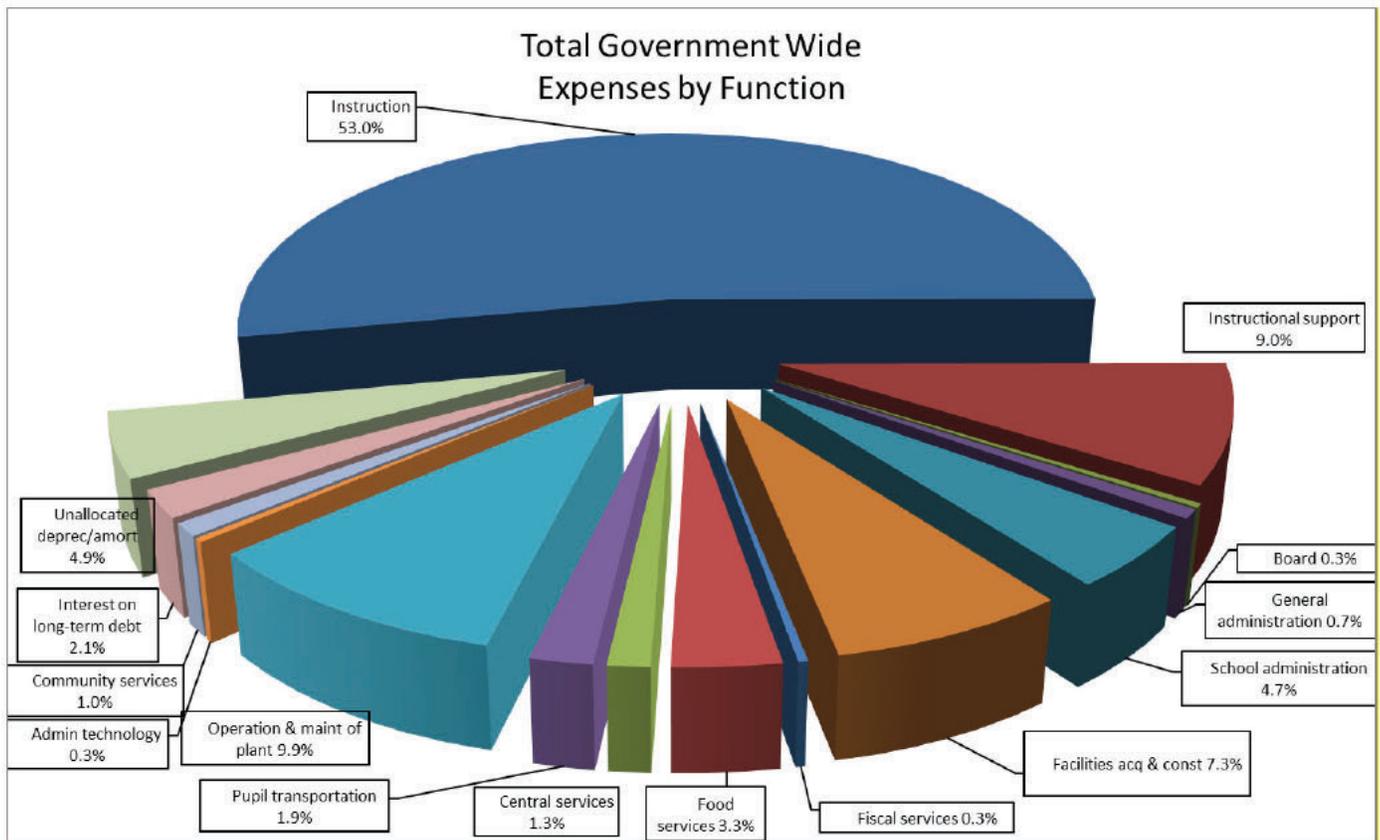
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

As reported in the Statement of Activities, the cost of all of the governmental activities this year was \$2.519 billion. Some costs were paid by those who benefited from the programs (\$18.7 million), or by other governments and organizations who subsidized certain programs with grants and contributions (\$640.8 million). The District paid for the remaining "public benefit" portion of the governmental activities with \$1.498 billion in property taxes, \$156.6 million in Sales Tax, \$357.8 million in grants and contributions not restricted to specific programs, \$2.8 million in investment earnings, and \$77.4 million in other general revenue.

Property taxes increased \$41.6 million or 2.9%, which is primarily attributed to a 5.0% increase in property value. As a property rich county, Palm Beach County property taxpayers are funding 60% of the district's education costs in FY21 compared to an average of 43% statewide not including voter approved referendums. Sales Tax Revenue increased \$16.7 million or 11.9%, which represents the impact of business openings due to the ease in COVID-19 restrictions by the state's governor.

Investment Earning decreased \$18.5 million or 87%, as a result of a reduction from 1.6% to 0.2% interest rates partially offset by 13% higher average invested cash balances.

The pie chart below represents total expenses classified by function.



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As of June 30, 2021, the District's governmental funds reported a combined fund balance of \$1.123 billion, which is an increase of \$298.5 million, or 36.2%, over the prior year.

The General Fund, which is the chief operating fund of the District and is a major fund, had a fund balance of \$312.9 million, which is an increase of \$102.6 million, or 48.8%, over the prior year. During the current year, General Fund revenues (including other financing sources) exceeded expenditures (including other financing uses) by \$102.6 million, primarily due to cost containment measures taken, staff vacancies, and receipt of ESSER & GEER funds.

The Special Revenue Fund, a major fund, has a committed fund balance of \$18 thousand for the Education Network Program. For the current year revenues equal expenditures.

The Capital Improvement Fund, another major fund, reported an ending fund balance of \$249.7 million, which is an increase of \$104.8 million, or 72.3%, over the prior year. The increase is due to the timing of revenue and capital outlay spending and transfers to General Fund and Other Governmental Funds.

The Sales Tax Fund, another major fund, ended the year with a restricted fund balance of \$222.0 million, which is an increase of \$31.9 million, or 16.8%, when compared with the prior year. The increase for the current year is a result of receiving Local Sales Tax Revenue of \$156.6 million with spending on capital related projects of \$125.7 million (Your Penny at Work).

COPS Capital, another major fund, ended the year with a restricted fund balance of \$165.7 million, which is an increase of \$74.7 million, or 82.2%, over the prior year. This increase is a result of The District issuance of COPS Series 2021A and 2021B for a total par of \$111.8 million and premium of \$33.0 million, partially offset by spending on capital related projects of \$69.3 million.

Other Capital Projects, a major fund, ended the year with a fund balance of \$5.5 million, which is a decrease of \$34.5 million, or 86.3%, as a result of transfers to Other Non-Major Governmental Funds of \$81.7 million primarily for debt service, partially offset by recognition of Impact Fees Revenue of \$46.8 million (representing fees for multiple years). This fund also includes a donation of two pieces of land with an estimate value of \$5.1 million.

Other Governmental Funds, which represent a summarization of all the other non-major governmental funds, ended the year with total fund balance of \$167.2 million, which is an increase of \$19.0 million, or 12.8%, over prior year. This increase is primarily due to food service revenue in excess of expenditures and amounts needed for debt service payments for August 2021.

Proprietary Funds

The District's internal service funds reported a combined net position of \$192.1 million. The Health Internal Service Fund ended the year with a net position of \$123.1 million, which is an increase of \$1.8 million over last year. The Worker's Compensation and Claims Fund ended the year with a net position of \$72.7 million, which is an increase of \$44.2 million due to premiums exceeding claims and other expenses. The School Police Internal Service Fund ended the year with a net position loss of \$3.7 million, which will be funded over the next four years. Proprietary funds use accrual basis accounting, thus this Fund records actuarially determined long-term liabilities.

General Fund Budgetary Highlights

During the year, General Fund revenue decreased \$36.1 million to \$1.877 billion. The decrease in revenue is attributed to decrease in after school fees of \$20.9 million, decrease of \$27.1 million in state revenue

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

allocation in FEFP funding, partially offset by additional \$7.1 million Federal funds (FEMA related to hurricane IRMA and delayed Medicaid claims), and \$3.7 higher property tax revenue.

The General Fund actual expenditures were less than the budgeted appropriations. This is primarily due to staff vacancies, cost containment measures, such as a hiring freeze on all positions, elimination of all temporary positions, and waiver process related to spending for the entire district, as well as transfer of eligible costs to ESSER funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in Table 3, at June 30, 2021, the District had \$3.135 billion invested in a broad range of capital assets, including land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials and computer software. This amount represents a net decrease (including additions, deletions and depreciation) of \$25.0 million from last year. Capital spending in the current year includes the acquisition of 65 new white fleet vehicles for \$2.6 million, computer technology of \$34.0 million (including \$13.9 million for approximately 3,400 interactive smart panels), capital construction of \$53.4 million, and equipment and classroom spending of \$4.2 million. In addition, the District received a donation of \$5.1 million worth of land. See Note 6 of the Notes to the Financial Statements for more information on Capital Assets.

Table 3

	Capital Assets at Year End Governmental Activities (in thousands)		
	June 30, 2021	June 30, 2020	Increase (Decrease)
Land	\$ 351,214	\$ 346,140	\$ 5,074
Construction in progress	68,704	80,705	(12,001)
Improvements other than buildings	67,649	59,835	7,814
Buildings and fixed equipment	4,212,458	4,155,691	56,767
Furniture, fixtures and equipment	187,896	149,483	38,413
Motor vehicles	130,575	133,577	(3,002)
AV materials and computer software	50,149	49,402	747
Less: accumulated depreciation	(1,933,278)	(1,820,002)	(113,276)
Total capital assets, net	<u>\$ 3,135,367</u>	<u>\$ 3,154,831</u>	<u>\$ (19,464)</u>

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 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.

Long-term Debt

As shown in Table 4, on next page, at the end of this year, the District had \$1.512 billion in debt outstanding, which is \$37.8 million, or 2.6%, higher than last year. The increase is primarily related to the issuance of COPS 2021A of \$101.9 million (plus premium of \$32.9 million) and issuance of COPS 2021B of \$9.9 million; offset in part by debt principal repayments of \$84.8 million and amortization of

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

issuance premium of \$22.1 million. See Note 9 of the Notes to the Financial Statements for more information on long-term liabilities.

Table 4

Long-term Debt Outstanding at Year End			
Governmental Activities			
(in thousands)			
	June 30, 2021	June 30, 2020	Increase (Decrease)
Notes / Loans Payable	\$ 18,678	\$ 26,832	\$ (8,154)
Capital Outlay Bond Issues	5,379	6,498	(1,119)
Certificates of Participation	1,342,130	1,305,860	36,270
Plus: Issuance Premium	146,077	135,243	10,834
Total	<u>\$ 1,512,264</u>	<u>\$ 1,474,433</u>	<u>\$ 37,831</u>

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, 2021, the statutory limit for the District was approximately \$23.1 billion, providing additional debt capacity of approximately \$23.1 billion.

State Statute requires that no more than 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, the Legislature reduced district debt service capacity by 25%. Debt service payments remain in compliance at 45.6% of capital millage proceeds. The District's legal lease purchase agreement remaining debt issuance capacity is \$77.4 million, and \$5.2 based on Board Policy recommends no more than 50% of capital millage levy. 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.

Fiscal year 2022 budget year continues to be challenging due to the uncertainty in enrollment and COVID variants. Enrollment is expected to increase 2,598 students district-wide compared to FY21. Enrollment in district operated schools is down approximately 600 students while charter schools and McKay, Family Empowerment Scholarship increased approximately 3,200. Even though there is an increase in the base student allocation of \$60.44, the District is facing a decrease in Florida Education Finance Program (FEFP) of \$25.0 million. The decrease in funding is due primarily to the elimination of the state hold harmless that utilized the federal CARES Act to continue to fund school districts on projected enrollment. At the same time there is a decrease in state funding, the District share of COVID related federal funds is \$500 million over the next three years. Applying federal funds to eligible expenditures in FY21 has freed up funds to help address the loss in revenue in FY22. Using one-time funds to balance the budget is not ideal, although with the uncertainty surrounding enrollment and the potential resources needed to

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

address the needs of the students returning, it is important to maintain a certain level of staffing. In addition, the use of the federal funds is consistent with how federal funds were utilized in 2009 after the Great Recession.

The District will continue to receive the 1.0 millage referendum approved in November 2018 generating over \$225.5 million for District operated schools in fiscal year 2022. The referendum will fund investments in teacher pay through recruitment and retention supplements, school behavioral health positions, school psychologists, expanded mental health co-located services, arts and music education, and school safety.

On September 9, 2021, the Florida Supreme Court declined to entertain the School Board's appeal of the 4th district Court of Appeal's decision in the Charter School Referendum case. The district is now required to start distributing funds monthly back to July 1, 2021. The annual amount is projected to be \$25.0 million and is fully reserved in the general fund budget.

School security has been a priority for the District prior to the passage of the Marjory Stoneman Douglas High School Public Safety Act in 2018. The District has consistently invested significantly more in school security than revenue received from the state Safe School Allocation. It will be a challenge to manage the competing priorities of school security and mental health versus academic initiatives and providing fair compensation for all employees that keeps pace with inflation.

Future budgets are dependent on the Florida Legislature, voter support and property tax values. The 1.0 mill referendum will sun set June 30, 2023, unless renewed by the voters. In addition, House Bill 7123 approved by the 2019 Legislature mandates future voted discretionary millages approved on or after July 1, 2019 must be shared with charter schools based upon student enrollment. As a result, any future operating millage referendum in 2022 or beyond will be subject to this requirement absent a change in legislation.

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:

Heather Frederick, C.P.A.
Chief Financial Officer
The School District of Palm Beach County, Florida
3328 Forest Hill Boulevard, Suite A-306
West Palm Beach, FL 33406

Visit our website at:

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

View an electronic copy of our ACFR at:

<https://www.palmbeachschools.org/cms/one.aspx?pageId=6498336>

BASIC FINANCIAL STATEMENTS



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2021
(amounts expressed in thousands)

	Primary Government Governmental Activities
ASSETS	
Cash, cash equivalents and investments	\$ 1,442,999
Ad Valorem and Sales Taxes receivable	55,500
Accounts, deposits and interest receivable	428
Due from other governments or agencies	97,741
Inventories	14,848
Restricted assets (cash with fiscal agent)	2,281
Other assets	5,332
Capital assets:	
Land	351,214
Construction in progress	68,704
Improvements other than buildings	67,649
Buildings and improvements	4,212,458
Furniture, fixtures and equipment	187,896
Motor vehicles	130,575
Audio/video materials and software	50,149
Less accumulated depreciation	(1,933,278)
Total capital assets, net of depreciation	3,135,367
TOTAL ASSETS	4,754,496
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on debt refunding	73,098
Pension Related Items	545,738
OPEB Related Items	50,465
TOTAL DEFERRED OUTFLOWS OF RESOURCES	669,301
LIABILITIES	
Accounts and contracts payable	69,059
Accrued payroll and payroll deductions	97,278
Retainage payable on contracts	6,481
Deposits payable	404
Interest payable	25,736
Unearned revenue	3,738
Noncurrent liabilities:	
Portion due or payable within one year:	
Loans/note payable	6,144
Bonds payable	1,106
Liability for compensated absences	15,239
Certificates of participation payable	77,320
Estimated claims	25,221
Portion due or payable after one year:	
Loans/note payable	12,534
Bonds payable	5,155
Liability for compensated absences	206,438
Certificates of participation payable	1,410,005
Estimated claims	37,075
Total other post-employment benefits	66,950
Net pension liability	1,496,769
TOTAL LIABILITIES	3,562,652
DEFERRED INFLOWS OF RESOURCES	
Pension related items	36,288
OPEB related items	57,844
TOTAL DEFERRED INFLOWS OF RESOURCES	94,132
NET POSITION	
Net investment in capital assets	1,829,425
Restricted for:	
Categorical carryover programs	28,546
Debt service	112,910
Capital projects	474,933
School food service	23,513
Other purposes (See Note 14)	50,591
Unrestricted (deficit)	(752,905)
TOTAL NET POSITION	\$ 1,767,013

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 FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 1,332,218	\$ 1,267	\$ 355,539	\$ 10,810
Instructional support services	226,620	-	64,806	-
Board	8,402	-	-	-
General administration	17,664	-	7,894	-
School administration	119,520	-	7,165	-
Facilities acquisition & construction	184,339	-	23	12,685
Fiscal services	7,908	-	155	-
Food services	83,603	709	83,667	-
Central services	31,732	-	13,216	-
Student transportation services	49,051	-	51,315	-
Operation of plant	169,575	-	20,517	-
Maintenance of plant	80,795	-	112	-
Administrative technology services	6,465	-	173	-
Community services	24,288	16,719	7,980	-
Interest on long-term debt	53,268	-	3,334	1,374
Unallocated depreciation expense (See Note 6)	123,161	-	-	-
Total primary government governmental activities	\$ 2,518,609	\$ 18,695	\$ 615,896	\$ 24,869

General revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for capital projects

Local sales taxes, levied for capital projects

Grants and entitlements not restricted to specific programs

Investment earnings

Other

Total general revenues

Change in net position

Net Position—beginning

Net Position—ending

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

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

**Primary Government
Governmental
Activities**

\$	(964,602)
	(161,814)
	(8,402)
	(9,770)
	(112,355)
	(171,631)
	(7,753)
	773
	(18,516)
	2,264
	(149,058)
	(80,683)
	(6,292)
	411
	(48,560)

(123,161)

(1,859,149)

	1,177,647
	320,725
	156,621
	357,744
	2,776
	77,356
	<u>2,092,869</u>
	233,720
	1,533,293
\$	<u><u>1,767,013</u></u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(amounts expressed in thousands)

	GENERAL FUND	OTHER SPECIAL REVENUE	CAPITAL IMPROVEMENT
ASSETS			
Cash, cash equivalents and investments	\$ 385,729	\$ 755	\$ 207,567
Ad Valorem and Sales taxes receivable	20,102	-	5,472
Accounts and interest receivable	428	-	-
Due from other governments or agencies	8,830	26,778	-
Due from other funds	16,000	-	44,000
Inventories	10,573	-	-
Other assets	10	4	-
TOTAL ASSETS	441,672	27,537	257,039
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts and contracts payable	26,214	2,762	7,077
Accrued payroll and payroll deductions	98,203	5,266	-
Due to other funds	-	16,000	-
Retainage payable on contracts	-	-	276
Deposits payable	404	-	-
Unearned revenue	-	3,491	-
TOTAL LIABILITIES	124,821	27,519	7,353
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	3,969	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,969	-	-
FUND BALANCES			
Nonspendable	10,573	-	-
Restricted	76,839	-	249,686
Committed	-	18	-
Assigned	159,470	-	-
Unassigned	66,000	-	-
TOTAL FUND BALANCES	312,882	18	249,686
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 441,672	\$ 27,537	\$ 257,039

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

SALES TAX	COPS CAPITAL	OTHER CAPITAL PROJECTS	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 209,820	\$ 178,496	\$ 99	\$ 165,789	\$ 1,148,255
29,926	-	-	-	55,500
-	-	-	-	428
-	-	50,362	6,298	92,268
-	-	-	-	60,000
-	-	-	4,275	14,848
-	-	-	-	14
<u>239,746</u>	<u>178,496</u>	<u>50,461</u>	<u>176,362</u>	<u>1,371,313</u>
14,217	10,617	243	5,746	66,876
-	-	105	3,148	106,722
-	-	44,000	-	60,000
3,500	2,226	479	-	6,481
-	-	-	-	404
-	-	-	247	3,738
<u>17,717</u>	<u>12,843</u>	<u>44,827</u>	<u>9,141</u>	<u>244,221</u>
-	-	175	-	4,144
-	-	175	-	4,144
-	-	-	4,275	14,848
222,029	165,653	3,013	162,946	880,166
-	-	-	-	18
-	-	2,446	-	161,916
-	-	-	-	66,000
<u>222,029</u>	<u>165,653</u>	<u>5,459</u>	<u>167,221</u>	<u>1,122,948</u>
<u>\$ 239,746</u>	<u>\$ 178,496</u>	<u>\$ 50,461</u>	<u>\$ 176,362</u>	<u>\$ 1,371,313</u>

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EVERYTHING YOU
WANT FOR
YOUR CHILD**



PALM BEACH COUNTY SCHOOLS
*Your **BEST** Choice!*

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021
(amounts expressed in thousands)

Total Fund Balances - Governmental Funds \$ 1,122,948

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 capital assets	\$ 5,068,645	
Accumulated depreciation	(1,933,278)	
Total capital assets, net of depreciation		3,135,367

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 outflows - Net unamortized amount for refunding transactions	73,098	
Deferred outflows - Pensions	529,349	
Deferred outflows - OPEB	49,701	
Deferred inflows - Pensions	(34,582)	
Deferred inflows - OPEB	(56,969)	
		560,597

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.

5,318

An internal service fund is used by management to charge the costs of health premiums, workers' compensation, auto and general liability, and school police 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	319,651	
Liabilities and deferred inflows of resources	127,569	
Net position		192,082

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

4,144

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 / Notes payable	18,678	
Bonds payable	6,261	
Certificates of participation payable	1,487,325	
Compensated absences	208,603	
Total other post employment benefits (OPEB)	65,938	
Net pension liability	1,440,902	
Accrued interest on long-term debt	25,736	
		(3,253,443)

Total Net Position - Governmental Activities **\$ 1,767,013**

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 FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	GENERAL FUND	OTHER SPECIAL REVENUE	CAPITAL IMPROVEMENT
REVENUES			
Local sources:			
Ad valorem taxes	\$ 1,177,647	\$ -	\$ 320,725
Local sales taxes	-	-	-
Interest income and other	1,333	-	248
School age child care fees	16,719	-	-
Food service sales	11	-	-
Impact fees	-	-	-
Local grants and other	22,986	6,633	-
Total local sources	<u>1,218,696</u>	<u>6,633</u>	<u>320,973</u>
State sources:			
Florida education finance program	398,241	-	-
Capital outlay and debt service	109	-	-
Food service	-	-	-
Class size reduction	224,383	-	-
Charter school capital outlay	-	-	-
State grants and entitlements	22,661	2,012	-
Total state sources	<u>645,394</u>	<u>2,012</u>	<u>-</u>
Federal sources:			
Federal grants and entitlements	12,929	125,670	-
National school lunch act	-	55	-
Total federal sources	<u>12,929</u>	<u>125,725</u>	<u>-</u>
TOTAL REVENUES	<u>1,877,019</u>	<u>134,370</u>	<u>320,973</u>
EXPENDITURES			
Current:			
Instruction	1,266,426	74,128	-
Instructional support services	163,908	53,060	-
Board	7,963	-	-
General administration	9,786	3,430	-
School administration	114,210	27	-
Facilities acquisition and construction	11,309	23	52,534
Fiscal services	7,649	120	-
Food services	101	103	-
Central services	17,929	666	-
Student transportation services	25,127	54	-
Operation of plant	153,844	6	-
Maintenance of plant	80,074	-	-
Administrative technology services	6,234	-	-
Community services	22,141	1,706	-
Total Current Expenditures	<u>1,886,701</u>	<u>133,323</u>	<u>52,534</u>

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

SALES TAX	COPS CAPITAL	OTHER CAPITAL PROJECTS	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ 1,498,372
156,621	-	-	-	156,621
170	-	48	705	2,504
-	-	-	-	16,719
-	-	-	697	708
-	-	46,847	-	46,847
842	-	7,459	87	38,007
157,633	-	54,354	1,489	1,759,778
-	-	-	-	398,241
-	-	-	7,249	7,358
-	-	-	1,025	1,025
-	-	-	-	224,383
-	-	-	10,810	10,810
-	-	6,354	38	31,065
-	-	6,354	19,122	672,882
-	-	927	99,865	239,391
-	-	-	80,681	80,736
-	-	927	180,546	320,127
157,633	-	61,635	201,157	2,752,787
-	-	-	18,568	1,359,122
-	-	-	2,145	219,113
-	-	-	-	7,963
-	-	-	3,987	17,203
-	-	-	1,267	115,504
106,170	5,577	7,683	2,810	186,106
-	-	-	-	7,769
-	-	-	80,712	80,916
-	-	-	12,550	31,145
-	-	-	22,437	47,618
-	-	-	12,238	166,088
-	-	-	112	80,186
-	-	-	82	6,316
-	-	-	416	24,263
106,170	5,577	7,683	157,324	2,349,312

(Continued)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	<u>GENERAL FUND</u>	<u>OTHER SPECIAL REVENUE</u>	<u>CAPITAL IMPROVEMENT</u>
Capital outlay	\$ 1,547	\$ 1,047	\$ 8,280
Debt service:			
Retirement of principal	-	-	-
Interest	300	-	-
Fiscal charges	-	-	-
TOTAL EXPENDITURES	<u>1,888,548</u>	<u>134,370</u>	<u>60,814</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,529)</u>	<u>-</u>	<u>260,159</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	114,105	-	-
Transfers out	-	-	(155,386)
Issuance of long-term debt	-	-	-
Net premium (discount) from issuance of long-term and refunded debt	-	-	-
Sale of capital assets and other	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>114,105</u>	<u>-</u>	<u>(155,386)</u>
NET CHANGE IN FUND BALANCES	102,576	-	104,773
FUND BALANCES, JULY 1, 2020	<u>210,306</u>	<u>18</u>	<u>144,913</u>
FUND BALANCES, JUNE 30, 2021	<u>\$ 312,882</u>	<u>\$ 18</u>	<u>\$ 249,686</u>

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

SALES TAX	COPS CAPITAL	OTHER CAPITAL PROJECTS	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 19,480	\$ 63,746	\$ 6,982	\$ 688	\$ 101,770
-	-	-	84,843	84,843
-	-	-	62,229	62,529
87	756	-	90	933
<u>125,737</u>	<u>70,079</u>	<u>14,665</u>	<u>305,174</u>	<u>2,599,387</u>
<u>31,896</u>	<u>(70,079)</u>	<u>46,970</u>	<u>(104,017)</u>	<u>153,400</u>
-	-	-	152,874	266,979
-	-	(81,695)	(29,898)	(266,979)
-	111,840	-	-	111,840
-	32,977	-	-	32,977
-	-	236	-	236
<u>-</u>	<u>144,817</u>	<u>(81,459)</u>	<u>122,976</u>	<u>145,053</u>
31,896	74,738	(34,489)	18,959	298,453
<u>190,133</u>	<u>90,915</u>	<u>39,948</u>	<u>148,262</u>	<u>824,495</u>
<u>\$ 222,029</u>	<u>\$ 165,653</u>	<u>\$ 5,459</u>	<u>\$ 167,221</u>	<u>\$ 1,122,948</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 FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

Total net change in fund balances - governmental funds \$ 298,453

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 capitalized capital outlay (\$103,894) in excess of depreciation expense (\$123,161) in the current period. (19,267)

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.

Debt refunding amortization	\$ (11,243)	
Premium on current year issuance	(32,977)	
Premium/discount amortization	22,143	(22,077)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 4,144

Revenues reported in the governmental funds that were reported as revenue in the statement of activities in the prior year under full accrual. (4,926)

Repayment of notes / loans is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 8,154

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 76,689

Proceeds of Lease-Purchase Agreements provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (111,840)

The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. (197)

Some 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 and software	599	
Compensated absences	(6,765)	
Other post employment benefits	98,380	
Pension Expense	(140,853)	
Accrued interest on long-term debt	(705)	(49,344)

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, and the cost of school police to schools. The net income of the internal service fund is reported with governmental activities. 53,931

Change in net position of governmental activities **\$ 233,720**

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 FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local sources	\$ 1,234,883	\$ 1,218,696	\$ 1,218,696	\$ (16,187)	\$ -
State sources	672,478	645,394	645,394	(27,084)	-
Federal sources	5,804	12,929	12,929	7,125	-
TOTAL REVENUES	<u>1,913,165</u>	<u>1,877,019</u>	<u>1,877,019</u>	<u>(36,146)</u>	<u>-</u>
EXPENDITURES					
Instruction	1,452,182	1,417,473	1,268,121	34,709	149,352
Instructional support services	177,409	178,898	163,923	(1,489)	14,975
Board	9,293	9,782	7,963	(489)	1,819
General administration	10,008	10,334	9,786	(326)	548
School administration	114,665	114,847	114,210	(182)	637
Facilities acquisition and construction	488	11,412	11,317	(10,924)	95
Fiscal services	7,205	7,662	7,653	(457)	9
Food Services	92	175	101	(83)	74
Central services	17,277	17,937	17,929	(660)	8
Student transportation services	52,717	52,458	25,127	259	27,331
Operation of plant	170,739	182,191	153,844	(11,452)	28,347
Maintenance of plant	93,925	90,899	80,392	3,026	10,507
Administrative Technology Services	6,138	6,309	6,234	(171)	75
Community services	52,826	33,377	22,183	19,449	11,194
Debt service	1,891	2,023	300	(132)	1,723
TOTAL EXPENDITURES	<u>2,166,855</u>	<u>2,135,777</u>	<u>1,889,083</u>	<u>31,078</u>	<u>246,694</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(253,690)</u>	<u>(258,758)</u>	<u>(12,064)</u>	<u>(5,068)</u>	<u>246,694</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	109,384	114,105	114,105	4,721	-
Transfers out	-	(188)	-	(188)	188
TOTAL OTHER FINANCING SOURCES	<u>109,384</u>	<u>113,917</u>	<u>114,105</u>	<u>4,533</u>	<u>188</u>
NET CHANGE IN FUND BALANCE	<u>\$ (144,306)</u>	<u>\$ (144,841)</u>	<u>102,041</u>	<u>\$ (535)</u>	<u>\$ 246,882</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>210,306</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			312,347		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>535</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 312,882</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, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
OTHER SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances -	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local sources	\$ 4,225	\$ 11,405	\$ 6,633	\$ 7,180	\$ (4,772)
State sources	4,911	6,026	2,012	1,115	(4,014)
Federal sources	121,126	160,582	125,725	39,456	(34,857)
TOTAL REVENUES	130,262	178,013	134,370	47,751	(43,643)
EXPENDITURES					
Instruction	66,228	99,285	75,428	(33,057)	23,857
Instructional support services	53,473	67,991	53,286	(14,518)	14,705
Board	5	5	-	-	5
General administration	3,619	4,694	3,430	(1,075)	1,264
School administration	13	388	27	(375)	361
Fiscal services	42	157	120	(115)	37
Food service	138	447	103	(309)	344
Central services	544	1,182	677	(638)	505
Student transportation services	734	486	54	248	432
Operation of plant	21	134	29	(113)	105
Maintenance of plant	-	25	-	(25)	25
Community services	2,335	3,772	1,751	(1,437)	2,021
TOTAL EXPENDITURES	127,152	178,566	134,905	(51,414)	43,661
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,110	(553)	(535)	(3,663)	18
NET CHANGE IN FUND BALANCE	\$ 3,110	\$ (553)	(535)	\$ (3,663)	\$ 18
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			18		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			(517)		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			535		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			\$ 18		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
ASSETS	
Current Assets:	
Cash, cash equivalents and investments	\$ 294,744
Due from other agencies	5,473
Total Current Assets	<u>300,217</u>
Noncurrent Assets:	
Restricted cash	2,281
Total Noncurrent Assets	<u>2,281</u>
Total assets	<u>302,498</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	16,389
Other post-employment benefits	764
Total Deferred Outflows of Resources	<u>17,153</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,183
Accrued payroll and payroll deductions	1,387
Portion due or payable within one year:	
Estimated unpaid claims	25,221
Total Current Liabilities	<u>28,791</u>
Noncurrent liabilities:	
Portion due or payable after one year:	
Liability for compensated absences	2,243
Estimated unpaid claims	37,075
Other post-employment benefits	1,012
Pension	55,867
Total Noncurrent Liabilities	<u>96,197</u>
Total liabilities	<u>124,988</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	1,706
Other post-employment benefits	875
Total Deferred Inflows of Resources	<u>2,581</u>
NET POSITION	
Unrestricted	<u>\$ 192,082</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 FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Premium revenue	\$ 276,399
Charges for services	41,577
Pharmacy Rebates	22,071
Other operating revenue	2,719
TOTAL OPERATING REVENUES	342,766
OPERATING EXPENSES	
Salaries	21,253
Benefits	12,872
Purchased services	3,947
Energy	277
Supplies	450
Capital outlay	184
Claims and other expenses	250,124
TOTAL OPERATING EXPENSES	289,107
OPERATING INCOME	53,659
NONOPERATING REVENUES	
Interest and other income	272
TOTAL NONOPERATING REVENUES	272
CHANGE IN NET POSITION	53,931
NET POSITION - Beginning of year	138,151
NET POSITION - End of year	\$ 192,082

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, 2021
(amounts expressed in thousands)

	PRIVATE- PURPOSE TRUST FUND	CUSTODIAL FUND	TOTAL FIDUCIARY FUNDS
	FLORIDA FUTURE EDUCATORS OF AMERICA	SCHOOL INTERNAL FUNDS	
ASSETS			
Cash, cash equivalents and investments	\$ 334	\$ 20,497	\$ 20,831
Accounts receivable	-	95	95
TOTAL ASSETS	\$ 334	\$ 20,592	\$ 20,926
LIABILITIES			
Accounts payable	\$ -	\$ 98	\$ 98
TOTAL LIABILITIES	-	98	98
NET POSITION - RESTRICTED			
Restricted for Student Activities	-	20,494	20,494
Held in trust for scholarships	334	-	334
TOTAL NET POSITION	\$ 334	\$ 20,494	\$ 20,828

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 FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	PRIVATE- PURPOSE TRUST FUND	CUSTODIAL FUND	
	FLORIDA FUTURE EDUCATORS OF AMERICA	SCHOOL INTERNAL FUNDS	TOTAL FIDUCIARY FUNDS
ADDITIONS			
Miscellaneous Revenue	\$ -	\$ 4,006	\$ 4,006
Donations	23	3,898	3,921
TOTAL ADDITIONS	<u>23</u>	<u>7,904</u>	<u>7,927</u>
DEDUCTIONS			
Purchased Svc	-	1,366	1,366
Supplies	-	3,756	3,756
Equipment	-	1,170	1,170
Other	-	2,932	2,932
Scholarships	25	-	25
TOTAL DEDUCTIONS	<u>25</u>	<u>9,224</u>	<u>9,249</u>
CHANGE IN NET POSITION	(2)	(1,320)	(1,322)
RESTRICTED NET POSITION - Beginning of year*	<u>336</u>	<u>21,814</u>	<u>22,150</u>
RESTRICTED NET POSITION - End of year	<u>\$ 334</u>	<u>\$ 20,494</u>	<u>\$ 20,828</u>

* The adoption of GASB Statement No. 84 required a restatement of Beginning Net Position of \$21.8 million from Due to Student Organizations (as presented in fiscal year end 2020) for Internal Funds which is a Custodial Fund. Also see Note 1(P).

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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Based on assessing the criteria of 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. Eliminations have been made from the statements to remove the "doubling-up" effect of interfund activity.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 by law or contractual agreement to other funds are accounted for in this fund. Similarly, general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from this fund.

Other Special Revenue Fund

The Other Special Revenue Fund accounts for federal, state and local grant revenue sources which are legally restricted.

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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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.

COPS Capital Fund

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

Other Capital Projects Fund

The Other Capital Projects Fund accounts for various miscellaneous revenue designated for construction projects.

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 Funds

Internal Service Fund is used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The District has two self-insurance 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. The District also has the School Police Internal Service Fund to aggregate and charge out the actual cost of school police officers to the schools. The negative net position in this new fund will be funded over a 4-year period.

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.

Custodial Funds

Custodial 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.

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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

BASIS OF ACCOUNTING

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

Modified Accrual

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review. Normally, such adjustments are treated as reductions of revenue in the year the reduction is made, as amounts are not significant.

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

The State allocates gross receipt taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from FDOE

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 and Impact Fees – Sales Tax and Impact Fee revenue anticipated to be collected within sixty days of year-end are 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 dated September 9, 2020 with the final amendments approved by the Board. 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. Within 35 days of tax roll certification, the District notifies the Palm Beach County Property Appraiser of proposed millage rates.

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

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

Unreserved appropriations are cancelled at the end of the fiscal year. However, encumbered appropriations for funds do not lapse at the end of the fiscal year. Restricted, committed and assigned fund balances at June 30, 2021 for funds under budgetary control have been re-appropriated for the fiscal year 2022 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, 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 stated at cost, principally on a weighted average cost basis. 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

G. Prepaid Items

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

H. Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
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) that will not be recognized as an outflow of resources (expense/expenditure) until then. One 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 second item, in accordance with GASB 68, reports pension related deferred outflows of resources and deferred inflows of resources on its financial statements. A third item, in accordance with GASB 75, reports OPEB related deferred inflows of resources on its financial statements.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

On the Government-Wide financial statements, Deferred Outflows of Resources total \$669.3 million with activity for fiscal year ended June 30, 2021 as follows (in thousands):

	Ending Balance June 30, 2020	Increase	Decrease	Ending Balance June 30, 2021
Deferred Outflows of Resources				
Net Carrying Amount of Deferred				
Refunding	\$ 84,341	\$ -	\$ 11,243	\$ 73,098
Pension Related - FRS (see Note 10)	333,281	102,508	-	435,789
Pension Related - HIS (see Note 10)	69,652	40,297	-	109,949
OPEB Related (see Note 11)	43,981	6,484	-	50,465
Total Deferred Outflows of Resources	\$ 531,255	\$ 149,289	\$ 11,243	\$ 669,301

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. In the governmental funds, the District has \$4.1 million Unavailable Revenue (\$4.0 million is related to Medicaid administration claims and \$0.1 million related to FEMA claims and fuel tax credit) that qualifies as a deferred inflow of resources and it is shown in the governmental funds Balance Sheet under the modified accrual basis of accounting.

On the Government-Wide financial statements, Deferred Inflows of Resources total \$94.1 million with activity for fiscal year ended June 30, 2021 as follows (in thousands):

	Ending Balance June 30, 2020	Increase	Decrease	Ending Balance June 30, 2021
Deferred Inflows of Resources				
Pension Related - FRS (see Note 10)	\$ 57,852	\$ -	\$ 50,036	\$ 7,816
Pension Related - HIS (see Note 10)	34,961	-	6,489	28,472
OPEB Related (see Note 11)	18,443	39,401	-	57,844
Total Deferred Inflows of Resources	\$ 111,256	\$ 39,401	\$ 56,525	\$ 94,132

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.

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 7).

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 retirements. At year end, the amount recorded in the general fund for compensated absences is \$10.8 million and was paid in July. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations (See Note 9).

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. The portion related to employees in the Internal Service Fund is recorded at the fund level. 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. The District's retirement plans and related amounts are described in Note 10.

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. OPEB is unfunded at June 30, 2021.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

P. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which is effective for the District beginning fiscal year ended June 30, 2021. The objective of this Statement is to improve guidance regarding what constitutes fiduciary activities for accounting and financial reporting purposes, the recognition of liabilities to beneficiaries, and how fiduciary activities should be reported. The adoption of GASB Statement No. 84 required a restatement of Beginning Net Position of \$21.8 million from Due to Student Organizations (as presented in fiscal year end 2020) in the agency fund which is now referred to as the custodial fund.

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, is effective for the District beginning with fiscal year ended June 30, 2021. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The adoption of GASB Statement No. 89 did not impact the District financial positions or results of operations.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statement No.14 and No. 61*, which is effective for the District beginning with fiscal year ended June 30, 2021. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information component units. The adoption of GASB Statement No. 90 did not impact the District financial positions or results of operations.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which will be effective for the District beginning with its year ending June 30, 2022. 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.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligation*, which will be effective for the District beginning with its year ending June 30, 2023. This standard will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosure. This standard is not expected to impact the District's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, which will be effective for the District beginning with its year ending year end June 30, 2022. This standard will enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; (4) The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; (8) Terminology used to refer to derivative instruments. This standard is not expected to impact the District's financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the District beginning with its year ending year end June 30, 2022, with the exception of the removal of LIBOR as an appropriate benchmark interest rate which will become effective June 30, 2023. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended. This standard is not expected to impact the District's financial statements.

In April 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* which will be effective for the District beginning with its year ending year end June 30, 2023. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This standard is not expected to impact the District's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* which will be effective for the District beginning with its year ending year end June 30, 2023. The objective of this Statement is to improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. This standard is not expected to impact the District's financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* which will be effective for the District beginning with its year ending year end June 30, 2022. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard is not expected to impact 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 Palm Beach County Tax Collector to distribute the taxes collected to each taxing authority at least four times during the first two months after the tax roll comes into the Tax Collector's possession, and at least once per month thereafter. Taxes are considered delinquent if not paid prior to April 1. State law provides for enforcement of collection of taxes by the sale of tax certificates on real property and for levy upon, seizure and sale of personal property after the Palm Beach County Tax Collector initiates a sequence of required procedures resulting in a court order to carry out the action.

The State Legislature prescribes the maximum non-voted millage that may be levied by the Board for each fiscal year. The total millage rate levy was 7.010 mills (including 1.00 mills approved by voters in November 2018) and the total assessed value on which the 2020-21 levy was based was \$221.9 billion. Gross taxes levied were approximately \$1.5 billion. Total revenue, net of discounts, was approximately \$1.5 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 2021, the maintenance transfer amounted to approximately \$73.8 million. Additionally, approximately \$10.6 million was transferred for property insurance; bringing the total transfer from Capital Improvement funds to approximately \$84.4 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 depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. All bank balances of the District are fully insured or collateralized. At June 30, 2021, the carrying amount of the District's cash deposits was approximately \$223.4 million and the bank balance was approximately \$237.1 million. The carrying amount of the Agency Fund - School Internal Funds cash deposits

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

was approximately \$20.5 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 Palm (FL Palm) and Florida Prime. FL Palm 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 FL Palm 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, FL Palm, securities of the United States Government, U.S. Government Agencies, Federal instrumentalities, interest bearing time deposit or savings accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state and/or local government debt, and money market mutual funds. The District's investment advisor used the effective duration method to calculate effective duration measures for the securities held by the District. Besides measuring the sensitivity of the securities market value to changes in interest rates, the effective duration method accounts for any call (early redemption) features 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

As of June 30, 2021, the District had the following unrestricted cash and investments with stated maturities that were categorized as Level 1 and Level 2 (amounts in thousands):

Investments by Level	Balance (in thousands)	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Effective Duration (years)
Core Fund Investments				
US Treasury - Notes	\$ 38,540	\$ 38,540	\$ -	1.77
Federal Agency - Bond/Notes	24,298	-	24,298	1.93
Corporate Notes	20,067	-	20,067	1.64
Municipal Bonds	3,659	-	3,659	1.95
Bank Note	615	-	615	1.43
Total Investments by Fair Value Level	\$ 87,179	\$ 38,540	\$ 48,640	
Investments Reported at Amortized Cost				
FL Palm	253,893			
Money Market Funds	764,056			
Florida Prime	114,440			
Total Investments Reported at Amortized Cost	1,132,389			
Total Investments	1,219,568			
Cash Deposits	223,430			
Total Cash and Investments*	\$ 1,442,998			

Interest Rate Risk

To limit exposure to fair value losses resulting from increases in interest rates, the District's Investment Policy limits operating funds to maturities of two years or less. Investments of reserves, project funds, debt proceeds and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years. The District's investment in the Federally Backed Securities (Fannie Mae, Freddie Mac (also known as Federal Home Loan Mortgage Corporation) and Farmer Mac) matures between August 2021 and May 2025. As of June 30, 2021, the District held \$20.1 million in Corporate Notes of which \$6.2M in fair value is callable, 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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

PORTFOLIO / INVESTMENTS	CARRYING AMOUNT (in thousands)	PERCENTAGE OF INVESTMENT BALANCE	RATING S&P / MOODY'S
Money Market Funds			
Wells Fargo	\$ 670,193	46.44%	AAAm/Aaa-mf
Dreyfus Treasury and Agency	37,642	2.61%	AAAm/Aaa-mf
Federated Government Obligation	8,129	0.56%	AAAm/Aaa-mf
Federal Home Loan Bank	28,999	2.02%	N/A
Fidelity Institutional Government Fund	19,093	1.32%	AAAm/Aaa-mf
FL Palm	253,893	17.59%	AAAm
Florida Prime (SBA)	114,440	7.93%	AAAm
Investments in Fixed Income Securities			
US Treasury - Notes/Bill	38,540	2.67%	AA+/Aaa
Bank Note	615	0.05%	A/A 2
Corporate Notes	20,067	1.39%	(1)
Federally Backed Securities (Fannie Mae, Farmer Mac & Freddie Mac) - Long Term	24,298	1.68%	AA+/Aaa
Municipal Bonds	3,659	0.25%	NR/Aa1
Total Investments	1,219,568	38.07%	
Plus Cash Deposits	223,430	15.49%	
Total Cash and Investments	\$ 1,442,998	53.56%	

As of June 30, 2021, 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, 2021, the District held \$20.1 million of corporate notes of which had an S&P rating between AAA- 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 other rated investments were rated between BBB+ and AAAm by S&P. As of June 30, 2021, 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the District's investment in fixed income securities was held with a third-party custodian.

4. DUE FROM OTHER GOVERNMENTS OR AGENCIES

At June 30, 2021, the District had a total of approximately \$97.7 million in Due From Other Governments or Agencies which consisted of the following balances (amount in thousands):

	Due From Other Governments or Agencies					
	General Fund	Other Special Revenue	Other Capital Projects	Other Non-major		Total
				Governmental Funds	Internal Service Fund	
Federal and State Sources						
Medicaid*	\$ 5,582	\$ -	\$ -	\$ -	\$ -	\$ 5,582
Grants and Entitlements	-	26,271	-	6,298	-	32,569
FEMA and Other Emergency Claims*	634	-	114	-	-	748
Fuel Tax*	-	-	121	-	-	121
Education Facilities Security	-	-	3,176	-	-	3,176
Impact Fee	-	-	46,951	-	-	46,951
Local Sources						
Early Learning Coalition	1,167	-	-	-	-	1,167
Pharmacy Rebates	-	-	-	-	5,473	5,473
Other	1,447	507	-	-	-	1,954
Total Due From Other Governments or Agencies	\$ 8,830	\$ 26,778	\$ 50,362	\$ 6,298	\$ 5,473	\$ 97,741

* 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, 2021

5. INTERFUND ACTIVITIES

Due to/from other funds consisted of the following balances at June 30, 2021 (amounts in thousands):

	Interfund Receivables	Interfund Payables
General Fund	\$ 16,000	\$ -
Other Special Revenue	-	16,000
Capital Improvement	44,000	-
Other Capital Projects	-	44,000
Total Interfund	\$ 60,000	\$ 60,000

The amount payable by Other Special Revenue and Other Capital Projects is to cover temporary cash shortages related to timing of receipts.

Interfund transfers for the year ended June 30, 2021 were as follows (amounts in thousands):

Transfer from:	Transfer to:		
	General Fund	Other Non-Major Governmental Funds	Total
Capital Improvement	\$ 84,381	\$ 71,005	\$ 155,386
Other Capital Projects	-	81,695	81,695
Other Non-Major Governmental Funds	29,724	173	29,897
Total	\$ 114,105	\$ 152,873	\$ 266,978

Transfers to the General Fund relate primarily to funding for the property insurance, maintenance, renovation and/or repair of school facilities, pursuant to Section 1011.71 of the Florida Statutes. Transfers to Other Non-Major Governmental funds mainly relate to amounts needed to make debt service payments. Transfers from Other Non-Major Governmental Funds relate primarily to ESSER eligible expenses originally charged to the General Fund, and charter school capital outlay.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 is as follows (amounts in thousands):

	Beginning Balance July 1, 2020	Additions and Transfer In	Retirements and Transfers Out	Ending Balance June 30, 2021
<u>Non-Depreciable Assets:</u>				
Land	\$ 346,140	\$ 5,074	\$ -	\$ 351,214
Construction in Progress	80,705	34,497	46,498	68,704
Total Non-Depreciable Assets	426,845	39,571	46,498	419,918
<u>Depreciable Assets:</u>				
Improvements Other Than Buildings	59,835	7,814	-	67,649
Buildings and Improvements	4,155,691	57,544	777	4,212,458
Furniture, Fixtures & Equipment	149,483	41,725	3,312	187,896
Motor Vehicles	133,577	2,795	5,797	130,575
Audio/Video Materials & Software	49,402	943	196	50,149
Total Depreciable Assets	4,547,988	110,821	10,082	4,648,727
<u>Less Depreciation For:</u>				
Improvements Other Than Buildings	(45,714)	(3,604)	-	(49,318)
Buildings and Improvements	(1,562,472)	(87,326)	(777)	(1,649,021)
Furniture, Fixtures & Equipment	(98,133)	(18,305)	(3,177)	(113,261)
Motor Vehicles	(73,226)	(10,838)	(5,770)	(78,294)
Audio/Video Materials & Software	(40,457)	(3,088)	(161)	(43,384)
Total Accumulated Depreciation	(1,820,002)	(123,161)	(9,885)	(1,933,278)
Capital Assets, Net	\$ 3,154,831	\$ 27,231	\$ 46,695	\$ 3,135,367

Depreciation expense for the year ended June 30, 2021 of approximately \$123.2 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.

7. 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. A third party administers these self-insured funds. 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, 2021

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, 2021 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, 2021, the liability for claims consisted of approximately \$16.6 million, \$9.7 million and \$36.0 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, 2020	Fiscal Year Ended June 30, 2021
Beginning Balance	\$ 57,694	\$ 56,206
Additions:		
Current year claims and changes in estimates	218,748	232,782
Reductions:		
Claim payments	(220,236)	(226,692)
Ending Balance	<u>\$ 56,206</u>	<u>\$ 62,296</u>

8. SHORT-TERM DEBT

Tax Anticipation Notes

As of July 1, 2020, the District had \$115.0 million outstanding for TANS Series 2019. This note was paid on August 28, 2020.

On September 22, 2020, the District issued Tax Anticipation Notes ("TANS") Series 2020. The \$115.0 million issue has a coupon rate of 1.50% with an effective yield of 0.16%. The notes are dated October 6, 2020 and were due and paid January 29, 2021.

Short-term debt activity for the year ended June 30, 2021 was as follows (amount in thousands):

	Beginning Balance July 1, 2020	Issued	Redeemed	Ending Balance June 30, 2021
Tax Anticipation Notes	\$ 115,000	\$ 115,000	\$ 230,000	\$ -
Total short-term debt	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 230,000</u>	<u>\$ -</u>

Revolving Line of Credit (RLOC)

The District has an unused \$80.0 million from PNC Bank, used to finance sales tax projects. The District pays an unused fee of 0.10% each month. Should the District make a draw on the RLOC, interest would be assessed at a rate of 79% of 1-M Libor plus 0.41%. The line of credit can be increased to a maximum amount of \$200.0 million with appropriate notice to the Bank. The RLOC matures on June 27, 2022.

Events of default related to RLOC would be failure to pay timely, failure to observe and perform any covenant, condition or agreement for a period of 90 days, false statement or representations related to the agreement,

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

filing of bankruptcy, reorganization, and insolvency. In addition, any debt of or assumed by the District with combined annual debt service in excess of \$10.0 million is not paid within any applicable grace period, the RLOC is due payable.

9. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2021, is as follows (amounts in thousands):

	Beginning Balance July 1, 2020	Additions	Reductions	Ending Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
Bonds, Notes and Other Payable:					
Notes/Loans Payable	\$ 26,832	\$ -	\$ (8,154)	\$ 18,678	\$ 6,144
Capital Outlay Bond Issue	6,498	-	(1,119)	5,379	1,106
Certificates of Participation	1,305,860	111,840	(75,570)	1,342,130	77,320
	<u>1,339,190</u>	<u>111,840</u>	<u>(84,843)</u>	<u>1,366,187</u>	<u>84,570</u>
Plus Issuance Premium	135,243	32,977	(22,143)	146,077	-
Total Bonds, Notes and Other Payable	<u>1,474,433</u>	<u>144,817</u>	<u>(106,986)</u>	<u>1,512,264</u>	<u>84,570</u>
Other Liabilities:					
Compensated Absences	212,428	25,284	(16,035)	221,677	15,239
Self-Insurance					
Claims and Judgments	56,206	232,782	(226,692)	62,296	25,221
Net OPEB Liability	199,429	-	(132,479)	66,950	-
Net Pension Liability	1,151,170	345,599	-	1,496,769	-
Total Other Liabilities	<u>1,619,233</u>	<u>603,665</u>	<u>(375,206)</u>	<u>1,847,692</u>	<u>40,460</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 3,093,666</u>	<u>\$ 748,482</u>	<u>\$ (482,192)</u>	<u>\$ 3,359,956</u>	<u>\$ 125,030</u>

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. OPEB is pay as you go and charged to the governmental fund consistent with employee benefits.

Notes/Loans Payable

On November 19, 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, a \$7.2 million issue with a coupon rate of 1.274%. Under the terms of the loan agreement, the debt was payable over five years and was fully paid on August 1, 2020.

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, a \$6.9 million issue with a coupon rate of 1.255%. Under the terms of the loan agreement, the debt was payable over five years and was fully paid on February 1, 2021.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

On October 18, 2018, the District entered into loan agreement 2018 with Banc of America Public Capital Corp for financing the acquisition of various HVAC systems and other components, a \$16.1 million issue with a coupon rate of 3.044%. Under the terms of the loan agreement, the debt was payable over five years and will mature on August 1, 2023.

On September 06, 2019, the District entered into loan agreement 2019 with Banc of America Public Capital Corp for financing the acquisition of various HVAC systems and other components, a \$14.7 million issue with a coupon rate of 1.719%. Under the terms of the loan agreement, the debt is payable over five years and will mature on August 1, 2024.

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		Debt
					Outstanding June 30, 2020	Debt Reedemed	Outstanding June 30, 2021
2015 A	11/19/15	\$ 7,152	-	08/01/20	\$ 733	\$ 733	\$ -
2016	03/18/16	6,950	-	02/01/21	1,422	1,422	-
2018	10/18/18	16,072	3.044%	08/01/23	11,414	3,139	8,275
2019	09/16/19	14,700	1.72%	08/01/24	13,263	2,860	10,403
		<u>\$ 44,874</u>			<u>\$ 26,832</u>	<u>\$ 8,154</u>	<u>\$ 18,678</u>

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

Year Ended June 30	Principal	Interest	Total Principal and Interest
2022	\$ 6,144	\$ 394	\$ 6,538
2023	6,294	244	6,538
2024	4,716	91	4,807
2025	1,524	13	1,537
	<u>\$ 18,678</u>	<u>\$ 742</u>	<u>\$ 19,420</u>

The District uses a Master Equipment Lease Purchase Agreement dated 2015 (direct placement), to finance the purchase of vehicles and equipment. In the event of a default, the Lessor may terminate the Lease. The Lessor may also demand all unpaid rental payments and liquidated damages. The Lessor may also request the District to convey any or all the equipment to the Lessor so the equipment can be sold or lease the equipment. The proceeds will be applied to the unpaid obligations. As of June 30, 2021, the District has two direct borrowings with \$18.7 million outstanding under the Master Equipment Lease Purchase Agreement.

Events of default related to Equipment Lease would be failure to pay within 10 days or failure to maintain insurance, failure to observe and perform any covenant, condition or agreement for a period of 30 days after written notice specifying such failure and requesting it be remedied. In addition, false statements or representation pursuant to the lease, any default occurs under any other agreement for borrowing money, lease financing, or otherwise receiving credit under which there is outstanding and aggregate amount of at least 10% of the District's current indebtedness, appointment of a receiver, trustee, custodian or liquidator of all or a substantial part of the assets of the District, filing of bankruptcy, consolidation, merger or otherwise combine with any other entity, or sell, lease or dispose of all or a substantial portion of assets.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

State Board of Education Capital Outlay Bond Issues

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

A summary of bond terms 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, 2020	Debt Matured	Debt Outstanding June 30, 2021
COBI 2011-A	12/7/2011	\$ 5,820	3.0% to 5.0%	1/1/2023	\$ 1,580	\$ 485	\$ 1,095
COBI 2020-A	1/14/2020	4,918	2.0% to 5.0%	1/1/2031	4,918	634	4,284
		<u>\$ 10,738</u>			<u>\$ 6,498</u>	<u>\$ 1,119</u>	<u>\$ 5,379</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
2022	\$ 1,106	\$ 235	\$ 1,341
2023	959	191	1,150
2024	404	166	570
2025	424	146	570
2026	450	124	574
2027-2031	2,036	261	2,297
Total	<u>\$ 5,379</u>	<u>\$ 1,123</u>	<u>\$ 6,502</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, 2021, the statutory limit for the District was approximately \$23.2 billion, providing additional debt capacity of approximately \$23.2 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

entered into Ground Leases with the Corporation for the Facilities sites.

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

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

The District deposits funds annually into an escrow account, which when coupled with interest earnings will be sufficient to pay off the principal at maturity. As of June 30, 2021, all QZABs are paid off.

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 has paid interest only in 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 \$53.7 million. A total subsidy of \$48.9 million will be recorded as revenue in the year earned. Therefore, the amount the District will pay net of the federal subsidy is \$4.9 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 2000A, Series 2001A, Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B, Series 2004A, Series 2006A, Series 2007A,

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Series 2007B, Series 2007E; 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 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; 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.

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

Certificate Series	Date of Issue	Amount Issued	Remaining Interest Rates (Percent)	Final Maturity Date	Debt			Debt		Ground Lease Term
					Outstanding June 30, 2020	Debt Issued	Debt Matured	Outstanding June 30, 2021		
2005 QZAB	12/15/2005	\$ 2,150	-	12/15/2020	\$ 2,150	\$ -	\$ 2,150	\$ -	N/A	
2010A QSCB	11/15/2010	67,665	5.40%	* 08/01/2025	67,665	-	-	67,665	08/01/2032	
2011A (1)	07/13/2011	112,425	4.00% to 5.00%	08/01/2021	12,230	-	5,895	6,335	08/01/2032	
2011D (2)	11/15/2011	25,065	2.64%	** 08/01/2021	6,335	-	4,670	1,665	08/01/2021	
2012A (3)	05/15/2012	20,085	5.00%	08/01/2022	1,795	-	-	1,795	08/01/2028	
2012C (4)	08/09/2012	67,145	4.00% to 5.00%	08/01/2029	52,125	-	4,180	47,945	08/01/2029	
2014B (5)	06/27/2014	166,010	4.00% to 5.00%	08/01/2025	108,830	-	16,190	92,640	08/01/2025	
2014C (6)	07/29/2014	33,280	5.00%	** 08/01/2031	33,280	-	-	33,280	08/01/2031	
2015A (7)	05/05/2015	106,315	2.52%	** 08/01/2022	24,390	-	5,475	18,915	08/01/2022	
2015B (8)	01/14/2015	145,535	5.00%	08/01/2031	124,275	-	7,805	116,470	08/01/2031	
2015D (9)	04/30/2015	221,640	5.00%	08/01/2032	197,450	-	5,535	191,915	08/01/2032	
2015C (10)	10/28/2015	62,970	5.00%	08/01/2032	62,970	-	-	62,970	08/01/2032	
2017A (11)	10/11/2017	147,850	5.00%	08/01/2027	147,850	-	12,805	135,045	08/01/2027	
2017B (12)	12/26/2017	41,945	5.00%	08/01/2028	41,945	-	-	41,945	08/01/2032	
2018A (13)	02/13/2018	114,770	5.00%	08/01/2027	101,730	-	10,680	91,050	08/01/2027	
2018B (14)	02/28/2018	103,955	5.00%	08/01/2028	98,230	-	185	98,045	08/01/2028	
2018C (15)	02/28/2018	120,790	5.00%	08/01/2029	118,790	-	-	118,790	08/01/2029	
2020A	05/12/2020	103,820	5.00%	08/01/2034	103,820	-	-	103,820	08/01/2034	
2021A	05/20/2021	101,905	5.00%	08/01/2040	-	101,905	-	101,905	08/01/2040	
2021B	05/20/2021	9,935	2.55%	08/01/2035	-	9,935	-	9,935	08/01/2035	
		<u>\$ 1,775,255</u>			<u>\$ 1,305,860</u>	<u>\$ 111,840</u>	<u>\$ 75,570</u>	<u>\$ 1,342,130</u>		

* 2010A QSCB - Average coupon rate before IRS subsidy is 5.4%. Net interest rate with IRS subsidy is 0.524%

**Outstanding direct placement debt

Notes to Certificates of Participation Series leases on previous pages:

- (1) Issued to advance refund and defease Series 2007B Certificates of Participation, refunded and partially defeased by 2015C Certificates of Participation. **
- (2) Issued to advance refund and defease a portion of Series 2003A Certificates of Participation. **
- (3) Issued to advance refund and defease a portion of Series 2002D Certificates of Participation, refunded and partially defeased by 2017B Certificates of Participation. **
- (4) Issued to advance refund and defease a portion of Series 2004A Certificates of Participation. **
- (5) Issued to advance refund and defease a portion of Series 2011B Certificates of Participation (which previously refunded Series 2001B Certificates of Participation). **
- (6) Issued to advance refund and defease Series a portion of 2007A Certificates of Participation. **
- (7) 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). **

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

- (8) Issued to advance refund and defease a portion of Series 2006A Certificates of Participation. **
- (9) Issued to advance refund and defease portions of Series 2007A and 2007E Cert. of Participation. **
- (10) Issued to advance refund and defease a portion of Series 2011A Certificates of Participation (which previously refunded Series 2007B Certificates of Participation). ***
- (11) Issued to advance refund and defease a portion of Series 2007C Certificates of Participation (which previously refunded Series 2001A and 2002C Certificates of Participation). **
- (12) Issued to advance refund and defease a portion of Series 2011A and 2012A Certificates of Participation (which previously refunded Series 2007B and 2002D Certificates of Participation). **
- (13) Issued to advance refund and defease Series 2002B Certificates of Participation. **
- (14) Issued to advance refund and defease Series 2012B Certificates of Participation (which previously refunded Series 2002D Certificates of Participation). **
- (15) Issued to advance refund and defease Series 2003B Certificates 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, 2021, no amount was expended for capital outlay in the Certificates of Participation Capital Projects Funds.

The District uses certificates of participation to finance capital projects, which is, based on a COP Master Lease Purchase Agreement dated 1994. If the School Board defaults on one series under the COP Master Lease, the default will apply to all series under the COP Master Lease. In the event of a default, the School Board is required to surrender and deliver all facilities financed under the COP Master Lease to the Trustee. The Trustee will then sell or lease the facilities. The proceeds will be applied to the unpaid obligations. Any excess remaining will be paid to the School Board. As of June 30, 2021, the District has three direct placements with \$53.9 million outstanding under the COP Master Lease Agreement.

Events of default related to COP would be if the School Board fails to pay in full any lease payment, failure to observe and perform any covenant or condition or agreement for 60 days after written notice specifying such failure and requesting it be remedied, filing of bankruptcy, insolvency, reorganization. However, any of these items caused by a failure of the School Board to appropriate funds shall not constitute an event of default.

All Certificates of Participation issued are subject to arbitrage rebate. At June 30, 2021, the arbitrage liability was zero.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 2011D	Series 2012A	Series 2012C	Series 2014B	Series 2014C	Series 2015A
2022	\$ 6,335	\$ 1,665	\$ -	\$ 4,385	\$ 16,965	\$ -	\$ 9,345
2023	-	-	1,795	4,565	17,685	-	9,570
2024	-	-	-	4,790	18,480	-	-
2025	-	-	-	5,030	19,325	-	-
2026	-	-	-	5,280	20,185	-	-
2027-2031	-	-	-	23,895	-	24,875	-
2032-2036	-	-	-	-	-	8,405	-
2037-2041	-	-	-	-	-	-	-
Total	\$ 6,335	\$ 1,665	\$ 1,795	\$ 47,945	\$ 92,640	\$ 33,280	\$ 18,915

Year ended June 30	Series 2015B	Series 2015C	Series 2015D	Series 2017A	Series 2017B	Series 2018A	Series 2018B
2022	\$ 8,200	\$ -	\$ 5,815	\$ 3,740	\$ -	\$ 11,255	\$ 6,310
2023	8,605	-	6,105	3,990	6,335	11,795	3,955
2024	9,040	-	6,410	15,020	6,365	12,365	6,785
2025	9,490	-	6,735	15,830	6,690	12,965	7,065
2026	9,965	-	7,780	16,740	5,625	13,535	7,205
2027-2031	57,815	25,470	123,305	79,725	16,930	29,135	66,725
2032-2036	13,355	37,500	35,765	-	-	-	-
2037-2041	-	-	-	-	-	-	-
Total	\$ 116,470	\$ 62,970	\$ 191,915	\$ 135,045	\$ 41,945	\$ 91,050	\$ 98,045

Year ended June 30	Series 2018C	Series 2020A	Series 2021A	Series 2021B	Series 2010A QSCB	Total Lease Payment	Total Interest
2022	\$ 3,305	\$ -	\$ -	\$ -	\$ -	\$ 77,320	\$ 63,151
2023	6,930	-	-	-	-	81,330	61,116
2024	6,320	-	-	-	-	85,575	57,061
2025	7,145	-	-	-	-	90,275	52,666
2026	9,115	-	-	-	67,665	163,095	46,196
2027-2031	85,975	-	-	-	-	533,850	140,103
2032-2036	-	103,820	6,705	9,935	-	215,485	46,006
2037-2041	-	-	95,200	-	-	95,200	12,364
Total	\$ 118,790	\$ 103,820	\$ 101,905	\$ 9,935	\$ 67,665	\$ 1,342,130	\$ 478,663

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

On May 20, 2021, the District issued a certificate of participation (Series 2021A) in the amount of \$101.9 million (premium of \$33.0 million) with interest rate of 5.0% and maturity of August 2040. The Series 2021A is a tax-exempt instrument and was issued to finance the cost of acquisition, construction, installation and equipping educational facilities.

On May 20, 2021, the District issued a certificate of participation (Series 2021B) in the amount of \$9.9 million with interest rate of 2.55% and maturity of August 2035. The Series 2021B is a taxable instrument and was issued to finance the cost of acquisition, construction, installation and equipping adult educational facilities.

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, the Legislature reduced District debt service capacity by 25%. During fiscal year 2020, the District analyzed the best structure of the future COP issues. Since most previously issued COP debt matures by 2030 and the remaining by 2032, it determined that significant savings should be achieved by shortening the maturity of future debt from 25 to 15 – 17 years with the principal payments beginning in 2030 with interest only for the first 10 years. Based on the wrapped structure, the District's legal lease purchase agreement remaining debt issuance capacity is \$1.8 billion and \$429 million based on Board Policy which recommends no more than 50% of capital millage levy be used for COP debt service. Debt service payments remain in compliance at 42.81% of capital millage proceeds.

Defeased Debt

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

As of June 30, 2021, 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		

10. 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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. An Annual Comprehensive 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 \$134.5 million for the fiscal year ended June 30, 2021.

Aggregate Amount of Net Pension Liability, Deferred Outflow/Inflow and Expenses

The aggregate amount of deferred outflows, deferred inflows, and net pension liability reported in the statement of net position and the aggregate total pension expense reported in the statement of activities is as follows (in thousands):

	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources	Pension Expense
District's proportion of the FRS Pension Plan	\$ 1,070,284	\$ 435,789	\$ 7,816	\$ 127,604
District's proportion of the HIS Pension Plan	426,485	109,949	28,472	18,665
Total	\$ 1,496,769	\$ 545,738	\$ 36,288	\$ 146,269

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* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elected offices in local government.
- *Senior Management Service* – Members in senior management level positions.
- *Special Risk* – 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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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.

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

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

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

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
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%
Regular Class members initially enrolled on or after July 1, 2011	
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%
Elected County Officers Class	3.00%
Senior Management Service class	2.00%
Special Risk Class	3.00%
Service from Dec. 1, 1970 through Sept. 30, 1974	2.00%
Service on and after Oct. 1, 1974	3.00%

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

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 2020-21 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employee (1)</u>
FRS, Regular	3.00	10.00
FRS, Elected County Officers	3.00	49.18
FRS, Senior Management Service	3.00	27.29
FRS, Special Risk Regular	3.00	24.45
FRS, Special Risk Administrative	3.00	35.84
DROP- Applicable to		
Members from all the above classes	N/A	16.98
TRS, Plan E	6.25	11.90

Note (1) Employer rates included 1.66 percent for the postemployment Health Insurance subsidy. Also, employer rates, include other for DROP participant, include 0.06 percent for administrative costs of the FRS Investment Plan.

The District's contributions to the Plan totaled \$133.9 million (which includes \$33.6 million of employee contributions) for the fiscal year ended June 30, 2021. 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, 2021, the District reported a liability of \$1,070.3 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 2.469 percent, which was an increase of 0.175 from its proportionate share measured as of June 30, 2019.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$127.6 million (\$227.9 million due to the District's share of changes in deferred inflows and deferred outflows of resources, reduced by \$100.3 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	\$ 40,962	\$ -
Change of assumptions	193,755	-
Net difference between projected and actual earnings on FRS pension plan investments	63,726	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	37,047	(7,816)
District FRS contributions subsequent to the measurement date	100,299	-
Total	\$ 435,789	\$ (7,816)

The deferred outflows of resources related to pensions, totaling \$100.3 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, 2021. 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>
2022	\$ 110,693
2023	100,533
2024	70,846
2025	39,074
2026	6,528
Total	\$ 327,674

Actuarial Assumptions. The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including Inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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%	2.2%	2.2%	1.2%
Fixed Income	19%	3.0%	2.9%	3.5%
Global Equity	54%	8.0%	6.7%	17.1%
Real Estate (property)	10%	6.4%	5.8%	11.7%
Private equity	11%	10.8%	8.1%	25.7%
Strategic Investment	4.4%	5.5%	5.3%	6.9%
Total	100%			

Assumed inflation - Mean 2.4% 1.7%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.80%. 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 6.80% rate of return assumption used in the June 30, 2020 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, 2019 valuation was 6.90%.

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 6.80 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 (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate (amounts in thousands):

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
District's proportionate share of the net pension liability	\$ 1,709,064	\$ 1,070,284	\$ 536,773

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2021, the District reported a payable of \$18.0 million for the outstanding amount of contributions owed to the Plan required for the fiscal year ended June 30, 2021.

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, 2020, 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 Federal 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, 2021, 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 \$20.1 million for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the District reported a net pension liability of \$426.5 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the District's 2018-19 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the District's proportionate share was 3.493 percent, which was an increase of 0.266 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$18.7 million (\$38.8 million due to the District's share of changes in deferred inflows and deferred outflows of resources, reduced by \$20.1 million for the District's contributions subsequent to the measurement date) related to the HIS Plan.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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>
Change of assumptions	\$ 45,859	\$ (24,798)
Net difference between projected and actual earnings on HIS pension plan investments	340	-
Difference between expected and actual experience	17,446	(329)
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	26,222	(3,345)
District contributions subsequent to the measurement date	20,082	-
Total	<u>\$ 109,949</u>	<u>\$ (28,472)</u>

The deferred outflows of resources related to pensions, totaling \$20.1 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, 2021. 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>
2022	\$ 8,440
2023	12,044
2024	14,189
2025	11,644
2026	9,342
Thereafter	5,736
Total	<u>\$ 61,395</u>

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including Inflation
Municipal Bond Rates	2.21 percent

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2018. While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Discount Rate. The discount rate used to measure the total pension liability was 2.21 percent, down from 3.50 percent in the prior year. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 2.21 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate (amounts in thousands):

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
District's proportionate share of the net pension liability (asset)	\$ 492,998	\$ 426,485	\$ 372,045

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2021, the District reported a payable of \$2.9 million for the outstanding amount of contributions owed the HIS Plan required for the fiscal year ended June 30, 2021.

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 Annual Comprehensive 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, 2021

Allocations to the investment member's accounts during the 2020-21 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	8.28%
FRS, Elected County Officers	47.46%
FRS, Senior Management Services	25.57%
FRS, Special Risk Regular	22.73%

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. Non-vested 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, 2021, 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 Contribution to the Investment Plan totaled \$15.3 million which includes \$7.9 million of employee contribution) for the fiscal year ended June 30, 2021. This excludes the HIS defined benefit pension plan contributions.

Payables to the Investment Plan. At June 30, 2021, the District reported a payable of \$2.4 million for the outstanding amount of contributions owed the Investment Plan required for the fiscal year ended June 30, 2021.

11. 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, 2021.

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 OPEB Plan contribution requirements and benefit terms of the District and the OPEB

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Plan members are established and may be amended through recommendations of District staff and action from the Board. The plan is a single employer plan, and no separate financial statements of the Plan are issued. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

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 2021, 313 retirees received health care benefits. The District provided required contributions of approximately \$8.9 million toward the annual OPEB cost. Retiree contributions total approximately \$2.0 million.

Total OPEB Liability.

The District's total OPEB liability of \$67.0 million was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs.

The total OPEB liability in the June 30, 2021, 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	2.16%
20-Year Tax-Exempt General Obligation Bonds	2.16%
Bond Rate Basis	Average Rating AA/Aa or higher
Salary Increases	2.5% per annum
Health Care Cost Trend Rate	7.0%
Inflation Rate	2.5% per annum
Census Data	Provided by the District as of March 2021.
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/Assumptions gains and losses are amortized over a closed period of 15.7 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members.
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	Pub-2010 mortality table with generational scale MP-2019.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Termination Tables	FRS Actuarial Valuation as of July 1, 2019
Retirement Tables	FRS Actuarial Valuation as of July 1, 2019

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, 2021.

Changes to the Total OPEB Liability.

Below are the details regarding the total OPEB liability for the measurement period from July 1, 2020 to June 30, 2021 (amounts in thousands):

	Total OPEB Liability
Balance Recognized at 7/1/2020	\$ 199,429
Changes for the Fiscal Year:	
Service Cost	8,911
Interest on the Total OPEB Liability	4,583
Removal of Post 65 Benefits	(110,639)
Difference Between Expected and Actual Experience	(43,937)
Changes in Assumptions and Other Inputs	10,565
Benefit Payments	(1,962)
Net Change in total OPEB	<u>(132,479)</u>
Total OPEB Liability at 6/30/2021	<u>\$ 66,950</u>

Difference Between Expected and Actual Experience is a result of census data being updated to exclude post 65 employees, new 24-month experience period and trend rates reset to 7%.

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 (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate (amounts in thousands):

	Decrease (1.16%)	Discount Rate (2.16%)	Increase (3.16%)
Total OPEB Liability	\$ 60,925	\$ 66,950	\$ 73,645

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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%		Healthcare Cost		1%
		Decrease		Current Trend		Increase
Total OPEB Liability	\$	58,247	\$	66,950	\$	77,662

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$97.6 million. At June 30, 2021, 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	\$ -	\$ (47,238)
Changes of Assumptions or Other Inputs	50,465	(10,606)
Total	\$ 50,465	\$ (57,844)

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):

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ (456)
2023	(455)
2024	(456)
2025	(456)
2026	(456)
Thereafter	(5,100)
	\$ (7,379)

12. 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:

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

- 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 \$66.0 million or 3.5% of general fund total expenditures.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

The following table shows the District's fund balance classification at June 30, 2021 (in thousands):

	Major Funds							Total Governmental
	General Fund	Other Special Revenue	Capital Improvement	Sales Tax	COPS Capital	Other Capital Projects	Other Non-Major Governmental	
FUND BALANCES:								
<u>Nonspendable:</u>								
<u>Inventory:</u>								
Textbooks	\$ 8,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,275	\$ 12,677
Transportation	798	-	-	-	-	-	-	798
Warehouse	1,361	-	-	-	-	-	-	1,361
Other	12	-	-	-	-	-	-	12
Total Nonspendable	10,573	-	-	-	-	-	4,275	14,848
<u>Restricted for:</u>								
Categorical carryover programs	28,546	-	-	-	-	-	-	28,546
IB, AP, AICE & Industry cert prog	27,702	-	-	-	-	-	-	27,702
Industry Certification	11,177	-	-	-	-	-	-	11,177
School Improvement	2,359	-	-	-	-	-	-	2,359
Local Sales Tax Projects	-	-	-	222,029	-	-	-	222,029
Workforce development	6,392	-	-	-	-	-	-	6,392
Turn-Around Schls Ext Instruction	663	-	-	-	-	-	-	663
Child nutrition	-	-	-	-	-	-	19,238	19,238
Debt service	-	-	-	-	-	-	138,646	138,646
Capital projects	-	-	249,686	-	165,653	3,013	5,062	423,414
Total Restricted	76,839	-	249,686	222,029	165,653	3,013	162,946	880,166
<u>Committed to:</u>								
The Education Network program	-	18	-	-	-	-	-	18
Total Committed	-	18	-	-	-	-	-	18
<u>Assigned to:</u>								
<u>School Operations</u>								
Instruction	148	-	-	-	-	-	-	148
Instructional support services	15	-	-	-	-	-	-	15
General & School admin	4	-	-	-	-	-	-	4
Pupil transportation services	8	-	-	-	-	-	-	8
Operation of plant	318	-	-	-	-	-	-	318
<u>Community services:</u>								
After care/summer camp	8,266	-	-	-	-	-	-	8,266
Pre-K/VPK Fee Based Activities	268	-	-	-	-	-	-	268
Community Schools	903	-	-	-	-	-	-	903
Other	42	-	-	-	-	-	-	42
Capital projects	13	-	-	-	-	2,446	-	2,459
Misc local grants/donations	4,239	-	-	-	-	-	-	4,239
Next year budget appropriations	145,246	-	-	-	-	-	-	145,246
Total Assigned	159,470	-	-	-	-	2,446	-	161,916
Unassigned	66,000	-	-	-	-	-	-	66,000
Total fund balance	\$ 312,882	\$ 18	\$ 249,686	\$ 222,029	\$ 165,653	\$ 5,459	\$ 167,221	\$ 1,122,948

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

13. 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.

On September 9, 2021, the Florida Supreme Court declined to entertain the School Board's appeal of the 4th district Court of Appeal's decision in the Charter School Referendum case. The district is now required to start distributing funds monthly back to July 1, 2021. The 2021-22 school year annual amount is projected to be \$25.0 million and is fully reserved in the general fund budget. The issue about the first two years of the Referendum (2019-20 and 2020-21 school years) is still being litigated in the circuit court, and an unfavorable

The District is also 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 \$214.1 million and other encumbrances of \$4.5 million as of June 30, 2021 are shown below (amounts in thousands):

	Encumbrances	Construction Commitments	Total
General Fund	\$ 535	\$ -	\$ 535
Other Special Revenue	535	-	535
Capital Improvement	-	21,359	21,359
Sales Tax	-	76,278	76,278
COPS Capital	-	110,823	110,823
Other Capital Projects	-	824	824
Other Non-Major Governmental	3,441	4,829	8,270
Total Commitments	\$ 4,511	\$ 214,113	\$ 218,624

14. SUBSEQUENT EVENTS

On July 21, 2021, the School Board approved the forward refunding of the 2012C and 2014C COP issues. At this time, the Board has agreed to refund the certificates 90 days prior to the call dates in 2022 and 2024

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

respectively and locked in the rate. The transaction will occur as private placements with Bank of America. 2022A will close on May 5, 2022 to refund the 2012C certificates which will be redeemed on the call date of August 1, 2022. The par amount will be \$39.6 million with a coupon of 1.37% and maturity of August 1, 2029. The transaction will generate PV savings of 13.89% or \$5.4 million between 2022 and 2029. 2024A will close on May 6, 2024 to refund the 2014C certificates which will be redeemed on the call date of August 1, 2024. The par amount will be \$33.8 million with a coupon of 1.37% and maturity of August 1, 2031. The transaction will generate PV savings of 17.90% or \$5.9 million between 2022 and 2031.

REQUIRED SUPPLEMENTARY INFORMATION



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the FRS net pension liability (asset)	2.4694%	2.2943%	2.3163%	2.3208%	2.3253%	2.4332%	2.5354%
District's proportionate share of the FRS net pension liability (asset)	\$ 1,070,284	\$ 790,114 *	\$ 697,680	\$ 686,486	\$ 587,133	\$ 314,284	\$ 154,697
District's covered payroll	\$ 1,204,586	\$ 1,072,877	\$ 1,051,957	\$ 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 payroll	88.85%	73.64%	66.32%	67.88%	59.32%	32.53%	15.92%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* Reflects restatement of net pension liability at July 1, 2019.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required FRS contribution	\$ 100,299	\$ 83,294	\$ 72,055	\$ 66,459	\$ 60,417	\$ 57,082	\$ 59,324
District FRS contributions in relation to the contractually required contribution	(100,299)	(83,294)	(72,055)	(66,459)	(60,417)	(57,082)	(59,324)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,208,170	\$ 1,204,586	\$ 1,072,877	\$ 1,051,957	\$ 1,011,258	\$ 989,739	\$ 966,098
FRS contributions as a percentage of covered payroll	8.30%	6.91%	6.72%	6.32%	5.97%	5.77%	6.14%

Change in Assumption:

The discount rate was changed from 6.90 percent as of June 30, 2019 to 6.80 percent as of June 30, 2020.

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, 2021

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the HIS net pension liability (asset)	3.4930%	3.2267%	3.2499%	3.2460%	3.2461%	3.1986%	3.3048%
District's proportionate share of the HIS net pension liability (asset)	\$ 426,485	\$ 361,034	\$ 343,983	\$ 347,078	\$ 378,316	\$ 326,211	\$ 309,012
District's covered payroll	\$ 1,204,586	\$ 1,072,877	\$ 1,051,957	\$ 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 payroll	35.41%	33.65%	32.70%	34.32%	38.22%	33.77%	31.80%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required HIS contribution	\$ 20,082	\$ 20,118	\$ 17,883	\$ 17,613	\$ 17,178	\$ 16,674	\$ 12,227
District HIS contributions in relation to the contractually required contribution	(20,082)	(20,118)	(17,883)	(17,613)	(17,178)	(16,674)	(12,227)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,208,170	\$ 1,204,586	\$ 1,072,877	\$ 1,051,957	\$ 1,011,258	\$ 989,739	\$ 966,098
HIS contributions as a percentage of covered payroll	1.66%	1.67%	1.67%	1.67%	1.70%	1.68%	1.27%

Change in Assumption:

The discount rate was changed from 3.50 percent as of June 30, 2019 to 2.21 percent as of June 30, 2020.

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, 2021

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	\$ 8,911	\$ 7,678	\$ 7,418	\$ 7,142	\$ -
Interest	4,583	5,688	5,591	5,546	-
Changes of benefit terms	(110,639)				
Differences between expected and actual experience	(43,937)		(3,464)		
Changes of assumptions or other inputs	10,565	34,006	14,398	(7,413)	-
Benefit Payments	<u>(1,962)</u>	<u>(5,594)</u>	<u>(4,455)</u>	<u>(6,557)</u>	<u>-</u>
Net change in total OPEB Liability	(132,479)	41,778	19,488	(1,282)	-
Total OPEB Liability - beginning	<u>199,429</u>	<u>157,651</u>	<u>138,163</u>	<u>139,445</u>	<u>-</u>
Total OPEB Liability - ending	<u>\$ 66,950</u>	<u>\$ 199,429</u>	<u>\$ 157,651</u>	<u>\$ 138,163</u>	<u>\$ 139,445</u>
District's covered-employee payroll	\$ 1,003,847	\$ 989,952	\$ 956,475	\$ 1,036,539	\$ 1,011,258
Total OPEB Liability as a percentage of covered-employee payroll	6.67%	20.15%	16.48%	13.33%	13.79%

Change in Assumption:

The discount rate was changed from 2.21 percent as of June 30, 2020 to 2.16 percent as of June 30, 2021.

Note: (1) The amounts presented for each fiscal year were determined as of June 30 (in thousands). GASB Statement No. 75 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

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PALM BEACH COUNTY SCHOOLS
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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 Service Fund

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

ESSER Fund

To account for federal coronavirus relief programs awarded through the Elementary and Secondary School Emergency Relief Fund.

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.

COPS Debt Service Fund

To account for the repayment of Certificates of Participation (COPS)

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.

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.

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
 (amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>ESSER</u>	<u>SBE/COBI BONDS</u>	<u>BUSES & EQUIPMENT</u>	<u>COPS</u>
ASSETS					
Cash, cash equivalents and investments	\$ 18,261	\$ 2,707	\$ 118	\$ 3,269	\$ 106,092
Due from other governments or agencies	6,298	-	-	-	-
Inventories	4,275	-	-	-	-
TOTAL ASSETS	<u>\$ 28,834</u>	<u>\$ 2,707</u>	<u>\$ 118</u>	<u>\$ 3,269</u>	<u>\$ 106,092</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts and contracts payable	3,954	679	-	-	3
Accrued payroll and payroll deductions	1,367	1,781	-	-	-
Unearned revenue	-	247	-	-	-
TOTAL LIABILITIES	<u>5,321</u>	<u>2,707</u>	<u>-</u>	<u>-</u>	<u>3</u>
FUND BALANCES					
Nonspendable	4,275	-	-	-	-
Restricted	19,238	-	118	3,269	106,089
TOTAL FUND BALANCES	<u>23,513</u>	<u>-</u>	<u>118</u>	<u>3,269</u>	<u>106,089</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 28,834</u>	<u>\$ 2,707</u>	<u>\$ 118</u>	<u>\$ 3,269</u>	<u>\$ 106,092</u>

CAPITAL PROJECTS FUNDS

ARRA QSCB	PECO	CO & DS	BUSES & EQUIPMENT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ 29,170	\$ -	\$ -	\$ 6,172	\$ 165,789
-	-	-	-	6,298
-	-	-	-	4,275
<u>\$ 29,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,172</u>	<u>\$ 176,362</u>
-	-	-	1,110	5,746
-	-	-	-	3,148
-	-	-	-	247
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,110</u>	<u>9,141</u>
-	-	-	-	4,275
29,170	-	-	5,062	162,946
<u>29,170</u>	<u>-</u>	<u>-</u>	<u>5,062</u>	<u>167,221</u>
<u>\$ 29,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,172</u>	<u>\$ 176,362</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 FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>ESSER</u>	<u>SBE/COBI BONDS</u>	<u>BUSES & EQUIPMENT</u>	<u>COPS</u>
REVENUES					
Local sources:					
Food service sales	\$ 697	\$ -	\$ -	\$ -	\$ -
Interest income and other	-	-	-	-	12
Local grants and other	17	-	-	70	-
Total local sources	<u>714</u>	<u>-</u>	<u>-</u>	<u>70</u>	<u>12</u>
State sources:					
Capital outlay and debt service	-	-	1,374	-	-
Food service	1,025	-	-	-	-
Charter school capital outlay	-	-	-	-	-
State grants and entitlements	38	-	-	-	-
Total state sources	<u>1,063</u>	<u>-</u>	<u>1,374</u>	<u>-</u>	<u>-</u>
Federal sources:					
Federal grants and entitlements	7,591	88,940	-	-	-
National school lunch act	80,681	-	-	-	-
Total federal sources	<u>88,272</u>	<u>88,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>90,049</u>	<u>88,940</u>	<u>1,374</u>	<u>70</u>	<u>12</u>
EXPENDITURES					
Current:					
Instruction	-	18,568	-	-	-
Instructional support services	-	2,145	-	-	-
General administration	-	3,987	-	-	-
School administration	-	1,267	-	-	-
Facilities acquisition and construction	-	1	-	-	-
Food services	79,113	1,599	-	-	-
Central services	-	12,550	-	-	-
Student transportation services	-	22,437	-	-	-
Operation of plant	-	12,238	-	-	-
Maintenance of plant	-	112	-	-	-
Administrative Technology Services	-	82	-	-	-
Community services	-	416	-	-	-
Total Current Expenditures	<u>79,113</u>	<u>75,402</u>	<u>-</u>	<u>-</u>	<u>-</u>

CAPITAL PROJECTS FUNDS

ARRA QSCB	PECO	CO & DS	BUSES & EQUIPMENT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ 697
693	-	-	-	705
-	-	-	-	87
693	-	-	-	1,489
-	-	5,875	-	7,249
-	-	-	-	1,025
-	10,810	-	-	10,810
-	-	-	-	38
-	10,810	5,875	-	19,122
3,334	-	-	-	99,865
-	-	-	-	80,681
3,334	-	-	-	180,546
4,027	10,810	5,875	-	201,157
-	-	-	-	18,568
-	-	-	-	2,145
-	-	-	-	3,987
-	-	-	-	1,267
-	-	-	2,809	2,810
-	-	-	-	80,712
-	-	-	-	12,550
-	-	-	-	22,437
-	-	-	-	12,238
-	-	-	-	112
-	-	-	-	82
-	-	-	-	416
-	-	-	2,809	157,324

(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 FISCAL YEAR ENDED JUNE 30, 2021
 (amounts expressed in thousands)

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>ESSER</u>	<u>SBE/COBI BONDS</u>	<u>BUSES & EQUIPMENT</u>	<u>COPS</u>
Capital outlay	283	405	-	-	-
Debt service:					
Retirement of principal	-	-	1,119	8,154	75,570
Interest	-	-	282	558	57,735
Fiscal charges	-	-	1	-	76
TOTAL EXPENDITURES	<u>79,396</u>	<u>75,807</u>	<u>1,402</u>	<u>8,712</u>	<u>133,381</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,653</u>	<u>13,133</u>	<u>(28)</u>	<u>(8,642)</u>	<u>(133,369)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	137	-	-	7,186	136,153
Transfers out	-	(13,133)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>137</u>	<u>(13,133)</u>	<u>-</u>	<u>7,186</u>	<u>136,153</u>
NET CHANGE IN FUND BALANCES	10,790	-	(28)	(1,456)	2,784
FUND BALANCES, JULY 1, 2020	<u>12,723</u>	<u>-</u>	<u>146</u>	<u>4,725</u>	<u>103,305</u>
FUND BALANCES, JUNE 30, 2021	<u>\$ 23,513</u>	<u>\$ -</u>	<u>\$ 118</u>	<u>\$ 3,269</u>	<u>\$ 106,089</u>

CAPITAL PROJECTS FUNDS

ARRA QSCB	PECO	CO & DS	BUSES & EQUIPMENT	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
-	-	-	-	688
-	-	-	-	84,843
3,654	-	-	-	62,229
5	-	8	-	90
<u>3,659</u>	<u>-</u>	<u>8</u>	<u>2,809</u>	<u>305,174</u>
<u>368</u>	<u>10,810</u>	<u>5,867</u>	<u>(2,809)</u>	<u>(104,017)</u>
9,398	-	-	-	152,874
-	(10,810)	(5,881)	(74)	(29,898)
<u>9,398</u>	<u>(10,810)</u>	<u>(5,881)</u>	<u>(74)</u>	<u>122,976</u>
9,766	-	(14)	(2,883)	18,959
<u>19,404</u>	<u>-</u>	<u>14</u>	<u>7,945</u>	<u>148,262</u>
<u>\$ 29,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,062</u>	<u>\$ 167,221</u>

(Concluded)

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION (DEFICIT)
INTERNAL SERVICE FUNDS
JUNE 30, 2021
(amounts expressed in thousands)

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	SCHOOL POLICE FUND	TOTAL INTERNAL SERVICE FUNDS
ASSETS				
Current assets:				
Cash, cash equivalents and investments	\$ 134,092	\$ 119,885	\$ 40,767	\$ 294,744
Due from Other Agencies	5,473	-	-	5,473
Total Current Assets	<u>139,565</u>	<u>119,885</u>	<u>40,767</u>	<u>300,217</u>
Noncurrent assets:				
Restricted cash	1,904	377	-	2,281
Total Noncurrent assets	<u>1,904</u>	<u>377</u>	<u>-</u>	<u>2,281</u>
TOTAL ASSETS	<u>141,469</u>	<u>120,262</u>	<u>40,767</u>	<u>302,498</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	343	297	15,749	16,389
Other post-employment benefits	27	15	722	764
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>370</u>	<u>312</u>	<u>16,471</u>	<u>17,153</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	926	1,133	124	2,183
Accrued payroll and payroll deductions	32	33	1,322	1,387
Portion due or payable within one year:				
Estimate unpaid claims	16,600	8,621	-	25,221
Total Current Liabilities	<u>17,558</u>	<u>9,787</u>	<u>1,446</u>	<u>28,791</u>
Noncurrent liabilities:				
Portion due or payable after one year:				
Liability for compensated absences	205	108	1,930	2,243
Estimate unpaid claims	-	37,075	-	37,075
Other post-employment benefits	35	20	957	1,012
Net pension liability	927	827	54,113	55,867
Total Noncurrent Liabilities	<u>1,167</u>	<u>38,030</u>	<u>57,000</u>	<u>96,197</u>
TOTAL LIABILITIES	<u>18,725</u>	<u>47,817</u>	<u>58,446</u>	<u>124,988</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	27	16	1,663	1,706
Other post-employment benefits	30	18	827	875
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>57</u>	<u>34</u>	<u>2,490</u>	<u>2,581</u>
NET POSITION (DEFICIT)				
Unrestricted	<u>\$ 123,057</u>	<u>\$ 72,723</u>	<u>\$ (3,698)</u>	<u>\$ 192,082</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITIONS (DEFICITS)
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	SCHOOL POLICE FUND	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES				
Premium revenue	\$ 213,369	\$ 63,030	\$ -	\$ 276,399
Charges for services	-	-	41,577	41,577
Pharmacy rebates	22,071	-	-	22,071
Other operating revenue	1,071	357	1,291	2,719
TOTAL REVENUES	236,511	63,387	42,868	342,766
OPERATING EXPENSES				
Salaries	732	694	19,827	21,253
Benefits	252	240	12,380	12,872
Purchased services	1,313	506	2,128	3,947
Energy	-	-	277	277
Supplies	30	144	276	450
Capital outlay	-	57	127	184
Claims and other expenses	232,468	17,636	20	250,124
TOTAL OPERATING EXPENSES	234,795	19,277	35,035	289,107
OPERATING INCOME	1,716	44,110	7,833	53,659
NONOPERATING REVENUES				
Interest and other income	112	73	87	272
TOTAL NONOPERATING REVENUES	112	73	87	272
CHANGE IN NET POSITION	1,828	44,183	7,920	53,931
NET POSITION (DEFICIT) - Beginning of year	121,229	28,540	(11,618)	138,151
NET POSITION (DEFICIT) - End of year	\$ 123,057	\$ 72,723	\$ (3,698)	\$ 192,082

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	HEALTH INSURANCE FUND	WORKERS COMP & CLAIMS INSURANCE FUND	SCHOOL POLICE FUND	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers and interfund services provided	\$ 213,369	\$ 63,030	\$ 41,577	\$ 317,976
Cash payments for claims and administration	(232,744)	(12,320)	(2,140)	(247,204)
Cash receipts for pharmacy rebates	22,071	-	-	22,071
Cash payments for salaries and benefits	(961)	(919)	(28,211)	(30,091)
Other receipts and expenses	(2,568)	156	611	(1,801)
Net cash provided (used) by operating activities	<u>(833)</u>	<u>49,947</u>	<u>11,837</u>	<u>60,951</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings on investments	<u>112</u>	<u>73</u>	<u>87</u>	<u>272</u>
Net cash provided by investing activities	<u>112</u>	<u>73</u>	<u>87</u>	<u>272</u>
Net increase (decrease) in cash and cash equivalents	(721)	50,020	11,924	61,223
Cash and cash equivalents, beginning of year*	<u>136,717</u>	<u>70,242</u>	<u>28,843</u>	<u>235,802</u>
Cash and cash equivalents, end of year*	<u>\$ 135,996</u>	<u>\$ 120,262</u>	<u>\$ 40,767</u>	<u>\$ 297,025</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED IN OPERATING ACTIVITIES				
Operating income	<u>\$ 1,716</u>	<u>\$ 44,110</u>	<u>\$ 7,833</u>	<u>\$ 53,659</u>
Adjustments to reconcile operating income to net cash provided (used) in operating activities:				
Changes in assets, liabilities, deferred inflows, and deferred outflows of resources:				
(Increase) decrease in due from other agencies	(3,609)	-	-	(3,609)
Increase (decrease) in accounts payable	(363)	1,132	8	777
Increase (decrease) in payroll and payroll deductions	3	4	(1)	6
Increase (decrease) in compensated absences	(6)	(35)	(165)	(206)
Increase (decrease) in net pension liability	203	214	11,057	11,474
Increase (decrease) in OPEB liability	(76)	(59)	(1,496)	(1,631)
Increase (decrease) in deferred inflows	(13)	(24)	(1,208)	(1,245)
Increase (decrease) in deferred outflows	(88)	(85)	(4,191)	(4,364)
Increase (decrease) in estimated unpaid claims - Self-Insurance Program	<u>1,400</u>	<u>4,690</u>	<u>-</u>	<u>6,090</u>
Total adjustments	<u>(2,549)</u>	<u>5,837</u>	<u>4,004</u>	<u>7,292</u>
Net cash provided (used) by operating activities	<u>\$ (833)</u>	<u>\$ 49,947</u>	<u>\$ 11,837</u>	<u>\$ 60,951</u>

*Includes restricted cash

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - CAPITAL IMPROVEMENT
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 319,584	\$ 320,725	\$ 320,725	\$ 1,141	\$ -
Interest income, local grants and other	1,000	248	248	(752)	-
TOTAL REVENUES	<u>320,584</u>	<u>320,973</u>	<u>320,973</u>	<u>389</u>	<u>-</u>
EXPENDITURES					
Facilities acquisitions and construction:					
Buildings and fixed equipment	50,723	151,949	-	(101,226)	151,949
Furniture, fixtures and equipment	42,997	87,165	56,476	(44,168)	30,689
Motor vehicles (Including buses)	4,273	4,313	2,068	(40)	2,245
Land	1,129	1,169	8	(40)	1,161
Improvements other than buildings	2,553	9,833	3,593	(7,280)	6,240
Remodeling and renovations	139	73,539	18,336	(73,400)	55,203
Computer software	3,491	3,891	1,692	(400)	2,199
TOTAL EXPENDITURES	<u>105,305</u>	<u>331,859</u>	<u>82,173</u>	<u>(226,554)</u>	<u>249,686</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>215,279</u>	<u>(10,886)</u>	<u>238,800</u>	<u>(226,165)</u>	<u>249,686</u>
OTHER FINANCING SOURCES (USES)					
Transfers to general fund	(103,724)	(84,381)	(84,381)	19,343	-
Transfers to debt service	(160,475)	(71,005)	(71,005)	89,470	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(264,199)</u>	<u>(155,386)</u>	<u>(155,386)</u>	<u>108,813</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (48,920)</u>	<u>\$ (166,272)</u>	<u>83,414</u>	<u>\$ (117,352)</u>	<u>\$ 249,686</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>144,913</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			228,327		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>21,359</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 249,686</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - SALES TAX
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 104,246	\$ 156,621	\$ 156,621	\$ 52,375	\$ -
Interest income, local grants and other	-	204	1,012	204	808
TOTAL REVENUES	<u>104,246</u>	<u>156,825</u>	<u>157,633</u>	<u>52,579</u>	<u>808</u>
EXPENDITURES					
Facilities acquisitions and construction:					
Buildings and fixed equipment	31,604	6,686	2,086	24,918	4,600
Furniture, fixtures and equipment	35,707	44,653	24,033	(8,946)	20,620
Motor vehicles (Including buses)	8,999	15,227	6,619	(6,228)	8,608
Improvements other than buildings	1,243	14,411	4,052	(13,168)	10,359
Remodeling and renovations	9,940	340,394	165,133	(330,454)	175,261
Software	-	10	5	(10)	5
Debt service:					
Fiscal charges	181	181	87	-	94
TOTAL EXPENDITURES	<u>87,674</u>	<u>421,562</u>	<u>202,015</u>	<u>(333,888)</u>	<u>219,547</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,572</u>	<u>(264,737)</u>	<u>(44,382)</u>	<u>(281,309)</u>	<u>220,355</u>
OTHER FINANCING SOURCES (USES)					
Loan proceeds	128,983	-	-	(128,983)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>128,983</u>	<u>-</u>	<u>-</u>	<u>(128,983)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 145,555</u>	<u>\$ (264,737)</u>	<u>(44,382)</u>	<u>\$ (410,292)</u>	<u>\$ 220,355</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>190,133</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			145,751		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>76,278</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 222,029</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - COPS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Facilities acquisitions and construction:					
Buildings and fixed equipment	284,916	331,396	169,535	(46,480)	161,861
Furniture, fixtures and equipment	2,060	15,411	6,210	(13,351)	9,201
Motor vehicles (Including buses)	31	31	31	-	-
Remodeling and renovations	-	7,155	4,370	(7,155)	2,785
Debt service:					
Fiscal charges	-	757	756	(757)	1
TOTAL EXPENDITURES	<u>287,007</u>	<u>354,750</u>	<u>180,902</u>	<u>(67,743)</u>	<u>173,848</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(287,007)</u>	<u>(354,750)</u>	<u>(180,902)</u>	<u>(67,743)</u>	<u>173,848</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	208,495	120,034	111,840	(88,461)	(8,194)
Premium on issuance of long-term debt	-	32,977	32,977	32,977	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>208,495</u>	<u>153,011</u>	<u>144,817</u>	<u>(55,484)</u>	<u>(8,194)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (78,512)</u>	<u>\$ (201,739)</u>	<u>(36,085)</u>	<u>\$ (123,227)</u>	<u>\$ 165,654</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>90,915</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			54,830		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>110,823</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 165,653</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - OTHER CAPITAL PROJECTS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 9,000	\$ 46,847	\$ 46,847	\$ 37,847	\$ -
Interest income and other	-	48	48	48	-
Miscellaneous local sources	-	1,891	7,459	1,891	5,568
Total local sources	9,000	48,786	54,354	39,786	5,568
State sources:					
State grants and entitlements	150	6,354	6,354	6,204	-
Total state sources	150	6,354	6,354	6,204	-
Federal sources:					
Federal grants and entitlements	1,884	1,716	927	(168)	(789)
Total federal sources	1,884	1,716	927	(168)	(789)
TOTAL REVENUES	11,034	56,856	61,635	45,822	4,779
EXPENDITURES					
Payments to charter schools	346	784	210	(438)	574
Facilities acquisitions and construction:					
Buildings and fixed equipment	14,987	2,334	1,301	12,653	1,033
Furniture, fixtures and equipment	733	2,641	2,592	(1,908)	49
Motor vehicles (Including buses)	1,246	1,482	-	(236)	1,482
Land	341	392	5,074	(51)	(4,682)
Improvements other than buildings	1,724	2,824	1,435	(1,100)	1,389
Remodeling and renovations	-	6,206	4,877	(6,206)	1,329
TOTAL EXPENDITURES	19,377	16,663	15,489	2,714	1,174
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(8,343)	40,193	46,146	48,536	5,953
OTHER FINANCING SOURCES (USES)					
Transfers from internal service fund	-	494	-	494	(494)
Transfers to general fund	-	(37)	(37)	(37)	-
Transfers to debt service	-	(81,658)	(81,658)	(81,658)	-
Sale of capital assets and other	-	236	236	236	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(80,965)	(81,459)	(80,965)	(494)
NET CHANGE IN FUND BALANCE	\$ (8,343)	\$ (40,772)	(35,313)	\$ (32,429)	\$ 5,459
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			39,948		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			4,635		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			824		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			\$ 5,459		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
SPECIAL REVENUE FUNDS - FOOD SERVICE
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ -	\$ -	\$ (40)	\$ -
Food service sales	16,760	685	697	(16,075)	12
Miscellaneous local sources	176	29	17	(147)	(12)
Total local sources	<u>16,976</u>	<u>714</u>	<u>714</u>	<u>(16,262)</u>	<u>-</u>
State sources:					
School breakfast/lunch supplement	1,060	1,063	1,063	3	-
Total state sources	<u>1,060</u>	<u>1,063</u>	<u>1,063</u>	<u>3</u>	<u>-</u>
Federal sources:					
Federal grants and entitlements	-	7,591	7,591	7,591	-
National school lunch act	88,390	80,681	80,681	(7,709)	-
Total federal sources	<u>88,390</u>	<u>88,272</u>	<u>88,272</u>	<u>(118)</u>	<u>-</u>
TOTAL REVENUES	<u>106,426</u>	<u>90,049</u>	<u>90,049</u>	<u>(16,377)</u>	<u>-</u>
EXPENDITURES					
Food service:					
Salaries	34,515	25,999	25,999	8,516	-
Employee benefits	14,761	10,945	10,945	3,816	-
Purchased services	8,216	5,705	5,705	2,511	-
Energy services	2,545	2,180	2,181	365	(1)
Materials and supplies	43,545	32,394	32,394	11,151	-
Capital outlay	3,061	763	763	2,298	-
Other expenses	2,783	1,774	1,774	1,009	-
TOTAL EXPENDITURES	<u>109,426</u>	<u>79,760</u>	<u>79,761</u>	<u>29,666</u>	<u>(1)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,000)</u>	<u>10,289</u>	<u>10,288</u>	<u>13,289</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other special revenue	-	136	137	136	1
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>136</u>	<u>137</u>	<u>136</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,000)</u>	<u>\$ 10,425</u>	<u>10,425</u>	<u>\$ 13,425</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>12,723</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			23,148		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			<u>365</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 23,513</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
SPECIAL REVENUE FUNDS - ESSER
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances -	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local sources			\$ -	\$ -	\$ -
State sources			-	-	-
Federal sources	39,919	129,248	88,940	89,329	(40,308)
TOTAL REVENUES	39,919	129,248	88,940	89,329	(40,308)
EXPENDITURES					
Instruction	21,727	95,921	19,440	(74,194)	76,481
Instructional support services	2,493	1,410	2,202	1,083	(792)
General administration	1,568	5,042	3,987	(3,474)	1,055
School administration	1,099	1,117	1,267	(18)	(150)
Food service	-	2,049	1,650	(2,049)	399
Central services	-	68	12,550	(68)	(12,482)
Student transportation services	-	16,463	22,437	(16,463)	(5,974)
Operation of plant	7,034	7,963	14,740	(929)	(6,777)
Maintenance of plant	146	464	112	(318)	352
Administrative technology services	-	-	82	-	(82)
Community services	2	1,691	416	(1,689)	1,275
TOTAL EXPENDITURES	34,069	132,188	78,883	(98,119)	53,305
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,850	(2,940)	10,057	(8,790)	12,997
OTHER FINANCING SOURCES (USES)					
Transfer to special revenue	-	(136)	(13,133)	136	12,997
TOTAL OTHER FINANCING SOURCES (USES)	-	(136)	(13,133)	136	12,997
NET CHANGE IN FUND BALANCE	\$ 5,850	\$ (3,076)	(3,076)	\$ (8,926)	\$ -
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			-		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			(3,076)		
Adjustment To Conform With GAAP:					
Elimination of encumbrances			3,076		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			\$ -		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - SBE/COBI BONDS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances -	
				Original	Final
	Original	Final		Original to Final	Final to Actual
REVENUES					
State sources:					
CO & DS withheld for SBE/COBI bonds	\$ 2,010	\$ 1,374	\$ 1,374	\$ (636)	\$ -
TOTAL REVENUES	<u>2,010</u>	<u>1,374</u>	<u>1,374</u>	<u>(636)</u>	<u>-</u>
EXPENDITURES					
Debt service:					
Retirement of principal	1,543	1,119	1,119	424	-
Interest	494	282	282	212	-
Fiscal charges	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,038</u>	<u>1,402</u>	<u>1,402</u>	<u>636</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(28)</u>	<u>(28)</u>	<u>(28)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (28)</u>	<u>\$ (28)</u>	<u>(28)</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>146</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			118		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 118</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - BUSES AND EQUIPMENT
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances -	
				Original	Final
	Original	Final		Original to Final	Final to Actual
REVENUES					
Local sources:					
Interest income, local grants and other	\$ -	\$ 70	\$ 70	\$ 70	\$ -
TOTAL REVENUES	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 70</u>	<u>\$ 70</u>	<u>\$ -</u>
EXPENDITURES					
Debt service:					
Retirement of Principal	9,630	8,154	8,154	1,476	-
Interest	695	558	558	137	-
TOTAL EXPENDITURES	<u>10,325</u>	<u>8,712</u>	<u>8,712</u>	<u>1,613</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,325)</u>	<u>(8,642)</u>	<u>(8,642)</u>	<u>1,683</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfers from capital projects	<u>10,419</u>	<u>7,186</u>	<u>7,186</u>	<u>(3,233)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>10,419</u>	<u>7,186</u>	<u>7,186</u>	<u>(3,233)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 94</u>	<u>\$ (1,456)</u>	<u>(1,456)</u>	<u>\$ (1,550)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>4,725</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			3,269		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 3,269</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - COPS DEBT SERVICE
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variances -</u>	
				<u>Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original</u> <u>to Final</u>	<u>Final</u> <u>to Actual</u>
REVENUES					
Local sources:					
Interest income, local grants and other	\$ -	\$ 12	\$ 12	\$ 12	\$ -
TOTAL REVENUES	<u>-</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
EXPENDITURES					
Debt service:					
Retirement of principal	75,570	75,570	75,570	-	-
Interest	57,788	57,735	57,735	53	-
Fiscal Charges	235	76	76	159	-
TOTAL EXPENDITURES	<u>133,593</u>	<u>133,381</u>	<u>133,381</u>	<u>212</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(133,593)</u>	<u>(133,369)</u>	<u>(133,369)</u>	<u>224</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfers from capital projects	140,717	136,153	136,153	(4,564)	-
TOTAL OTHER FINANCING SOURCES	<u>140,717</u>	<u>136,153</u>	<u>136,153</u>	<u>(4,564)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 7,124</u>	<u>\$ 2,784</u>	<u>2,784</u>	<u>\$ (4,340)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>103,305</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			106,089		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 106,089</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
DEBT SERVICE FUNDS - ARRA QSCB
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ -	\$ 693	\$ 693	\$ 693	\$ -
Federal sources:					
Federal grants and entitlements	3,280	3,334	3,334	54	-
TOTAL REVENUES	3,280	4,027	4,027	747	-
EXPENDITURES					
Debt service:					
Interest	3,305	3,654	3,654	(349)	-
Fiscal Charges	10	5	5	5	-
TOTAL EXPENDITURES	3,315	3,659	3,659	(344)	-
EXCESS OF REVENUES OVER EXPENDITURES	(35)	368	368	403	-
OTHER FINANCING SOURCES					
Transfers from capital projects	9,339	9,398	9,398	59	-
TOTAL OTHER FINANCING SOURCES	9,339	9,398	9,398	59	-
NET CHANGE IN FUND BALANCE	\$ 9,304	\$ 9,766	9,766	\$ 462	\$ -
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			19,404		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			29,170		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			-		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			\$ 29,170		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS - PUBLIC EDUCATION CAPITAL OUTLAY (PECO)
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
State sources:					
Charter school capital outlay	\$ 10,936	\$ 10,810	\$ 10,810	\$ (126)	\$ -
TOTAL REVENUES	<u>10,936</u>	<u>10,810</u>	<u>10,810</u>	<u>(126)</u>	<u>-</u>
EXPENDITURES					
Payments to Charter Schools	10,936	-	-	10,936	-
TOTAL EXPENDITURES	<u>10,936</u>	<u>-</u>	<u>-</u>	<u>10,936</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>10,810</u>	<u>10,810</u>	<u>10,810</u>	<u>-</u>
OTHER FINANCING USES					
Transfer to general fund	-	(10,810)	(10,810)	(10,810)	-
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(10,810)</u>	<u>(10,810)</u>	<u>(10,810)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>-</u>		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			<u>-</u>		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			<u>-</u>		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ -</u>		

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS - CO & DS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>		<u>Original to Final</u>	<u>Final to Actual</u>
REVENUES					
State sources:					
Capital outlay and debt service	\$ 5,646	\$ 5,875	\$ 5,875	\$ 229	\$ -
TOTAL REVENUES	<u>5,646</u>	<u>5,875</u>	<u>5,875</u>	<u>229</u>	<u>-</u>
EXPENDITURES					
Debt service:					
Fiscal charges	-	8	8	(8)	-
TOTAL EXPENDITURES	<u>-</u>	<u>8</u>	<u>8</u>	<u>(8)</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,646</u>	<u>5,867</u>	<u>5,867</u>	<u>221</u>	<u>-</u>
OTHER FINANCING USES					
Transfers to general fund	-	(5,881)	(5,881)	(5,881)	-
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(5,881)</u>	<u>(5,881)</u>	<u>(5,881)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,646</u>	<u>\$ (14)</u>	<u>(14)</u>	<u>\$ (5,660)</u>	<u>\$ -</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			<u>14</u>		
FUND BALANCE, JUNE 30, 2021 (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 FISCAL YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Remodeling and renovations	-	12,700	7,638	(12,700)	5,062
TOTAL EXPENDITURES	-	12,700	7,638	(12,700)	5,062
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(12,700)	(7,638)	(12,700)	5,062
OTHER FINANCING SOURCES (USES)					
Loan proceeds	15,000	-	-	(15,000)	-
Transfer to debt service	-	(74)	(74)	(74)	-
TOTAL OTHER FINANCING SOURCES (USES)	15,000	(74)	(74)	(15,074)	-
NET CHANGE IN FUND BALANCE	<u>\$ 15,000</u>	<u>\$ (12,774)</u>	(7,712)	<u>\$ (27,774)</u>	<u>\$ 5,062</u>
FUND BALANCE, JULY 1, 2020 (GAAP BASIS)			7,945		
FUND BALANCE, JUNE 30, 2021 (BUDGETARY BASIS)			233		
Adjustments To Conform With GAAP:					
Elimination of encumbrances			4,829		
FUND BALANCE, JUNE 30, 2021 (GAAP BASIS)			<u>\$ 5,062</u>		

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OTHER SUPPLEMENTARY INFORMATION



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
BONDS, NOTES AND LEASE PAYABLES (UNAUDITED)
JUNE 30, 2021
(amounts expressed in thousands)

YEAR ENDED JUNE 30	NOTES AND LOANS PAYABLE		STATE BOARD OF EDUCATION CAPITAL OUTLAY BOND ISSUES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2022	\$ 6,144	\$ 394	\$ 1,106
2023	6,294	244	959	191
2024	4,716	91	404	166
2025	1,524	13	424	146
2026	-	-	450	124
2027-2031	-	-	2,036	261
2032-2036	-	-	-	-
2037-2041	-	-	-	-
Total	\$ 18,678	\$ 742	\$ 5,379	\$ 1,123

OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS CERTIFICATES OF PARTICIPATION		TOTAL		TOTAL PRINCIPAL AND INTEREST
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
\$ 77,320	\$ 63,151	\$ 84,570	\$ 63,780	\$ 148,350
81,330	61,116	88,583	61,551	150,134
85,575	57,061	90,695	57,318	148,013
90,275	52,666	92,223	52,825	145,048
163,095	46,196	163,545	46,320	209,865
533,850	140,103	535,886	140,364	676,250
215,485	46,006	215,485	46,006	261,491
95,200	12,364	95,200	12,364	107,564
<u>\$ 1,342,130</u>	<u>\$ 478,663</u>	<u>\$ 1,366,187</u>	<u>\$ 480,528</u>	<u>\$ 1,846,715</u>

THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
LONG-TERM LIABILITIES
SCHEDULE OF BONDS, NOTES AND LEASE PAYABLES (UNAUDITED)
JUNE 30, 2021
(amounts expressed in thousands)

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT ISSUED</u>	<u>INTEREST RATES FOR DEBT OUTSTANDING</u>	
NOTES AND LOANS PAYABLE				
2015-A Equipment Lease	11/19/2015	\$ 7,152	-	
2016 Bus Lease	03/18/2016	6,950	-	
2018 Equipment Lease	10/18/2018	16,072	3.044%	**
2019 Equipment Lease	09/16/2019	14,700	1.720%	**
TOTAL NOTES AND LOANS PAYABLE		<u>\$ 44,874</u>		
STATE BOARD OF EDUCATION				
CAPITAL OUTLAY BOND ISSUES (COBI):				
COBI 2011-A	12/07/2011	\$ 5,820	3.00% to 5.00%	
COBI 2020-A	01/14/2020	4,918	2.00% to 5.00%	
TOTAL COBI		<u>\$ 10,738</u>		
OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS:				
Certificates of participation Series 2005A qualified zone academy bonds (QZAB)	12/15/2005	\$ 2,150	-	
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%	
Certificates of participation Series 2011D	11/15/2011	25,065	2.64%	**
Certificates of participation Series 2012A	05/15/2012	20,085	5.00%	
Certificates of participation Series 2012C	08/09/2012	67,145	4.00% to 5.00%	
Certificates of participation Series 2014B	06/27/2014	166,010	4.00% to 5.00%	
Certificates of participation Series 2014C	07/29/2014	33,280	5.00%	**
Certificates of participation Series 2015A	05/05/2015	106,315	2.52%	**
Certificates of participation Series 2015B	01/14/2015	145,535	5.00%	
Certificates of participation Series 2015D	04/30/2015	221,640	5.00%	
Certificates of participation Series 2015C	09/22/2015	62,970	5.00%	
Certificates of participation Series 2017A	10/11/2017	147,850	5.00%	
Certificates of participation Series 2017B	12/26/2017	41,945	5.00%	
Certificates of participation Series 2018A	02/13/2018	114,770	5.00%	
Certificates of participation Series 2018B	02/28/2018	103,955	5.00%	
Certificates of participation Series 2018C	02/28/2018	120,790	5.00%	
Certificates of participation Series 2020A	05/12/2020	103,820	5.00%	
Certificates of participation Series 2021A	05/20/2021	101,905	5.00%	
Certificates of participation Series 2021B	05/20/2021	9,935	2.55%	
TOTAL OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS		<u>\$ 1,775,255</u>		

* 2010A QSCB - Average coupon rate before IRS subsidy is 5.4%. Net interest rate with IRS subsidy is 0.524%

**Outstanding direct placement debt

FINAL MATURITY DATE	DEBT OUTSTANDING JUNE 30, 2020	DEBT ISSUED FY 20-21	DEBT MATURED FY 20-21	DEBT OUTSTANDING JUNE 30, 2021
08/01/2020	\$ 733	\$ -	\$ 733	\$ -
02/01/2021	1,422	-	1,422	-
08/01/2023	11,414	-	3,139	8,275
08/01/2024	13,263	-	2,860	10,403
	<u>\$ 26,832</u>	<u>\$ -</u>	<u>\$ 8,154</u>	<u>\$ 18,678</u>
01/01/2023	\$ 1,580	\$ -	\$ 485	\$ 1,095
01/01/2030	4,918	-	634	4,284
	<u>\$ 6,498</u>	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ 5,379</u>
12/15/2020	\$ 2,150	\$ -	\$ 2,150	\$ -
08/01/2025	67,665	-	-	67,665
08/01/2021	12,230	-	5,895	6,335
08/01/2021	6,335	-	4,670	1,665
08/01/2022	1,795	-	-	1,795
08/01/2029	52,125	-	4,180	47,945
08/01/2025	108,830	-	16,190	92,640
08/01/2031	33,280	-	-	33,280
08/01/2022	24,390	-	5,475	18,915
08/01/2031	124,275	-	7,805	116,470
08/01/2032	197,450	-	5,535	191,915
08/01/2032	62,970	-	-	62,970
08/01/2027	147,850	-	12,805	135,045
08/01/2028	41,945	-	-	41,945
08/01/2027	101,730	-	10,680	91,050
08/01/2028	98,230	-	185	98,045
08/01/2029	118,790	-	-	118,790
08/01/2034	103,820	-	-	103,820
08/01/2040	-	101,905	-	101,905
08/01/2035	-	9,935	-	9,935
	<u>\$ 1,305,860</u>	<u>\$ 111,840</u>	<u>\$ 75,570</u>	<u>\$ 1,342,130</u>

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The School District of Palm Beach County

2021

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This part of The School District of Palm Beach County's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

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



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2012</u>	<u>2013*</u>	<u>2014**</u>	<u>2015</u>
Net Position components				
Primary Government				
Net Investment in capital assets	\$ 1,825,814	\$ 1,794,798	\$ 1,781,012	\$ 1,816,220
Restricted	334,924	301,111	257,756	207,159
Unrestricted (deficit)	<u>(75,034)</u>	<u>(100,978)</u>	<u>(775,703)</u>	<u>(742,933)</u>
Total primary government net position	<u>\$ 2,085,704</u>	<u>\$ 1,994,931</u>	<u>\$ 1,263,065</u>	<u>\$ 1,280,446</u>

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

* Restated - Adoption of GASB 65

** Restated - Adoption of GASB 68

*** Restated - Adoption of GASB 75

TABLE 1

Fiscal Year					
<u>2016</u>	<u>2017***</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,760,930	\$ 1,756,568	\$ 1,777,638	\$ 1,768,987	\$ 1,814,240	\$ 1,829,425
237,692	320,003	449,958	519,938	537,506	690,493
<u>(688,026)</u>	<u>(721,254)</u>	<u>(739,991)</u>	<u>(738,448)</u>	<u>(818,453)</u>	<u>(752,905)</u>
<u>\$ 1,310,596</u>	<u>\$ 1,355,317</u>	<u>\$ 1,487,605</u>	<u>\$ 1,550,477</u>	<u>\$ 1,533,293</u>	<u>\$ 1,767,013</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Primary Government Expenses				
Instruction	\$ 910,896	\$ 949,936	\$ 1,047,726	\$ 1,030,417
Instructional support services	157,679	161,937	174,848	168,660
Board	4,806	5,495	6,149	6,606
General administration	9,108	9,887	9,231	9,033
School administration	89,247	92,887	96,911	94,125
Facilities acquisition and construction	31,494	29,525	26,343	20,846
Fiscal services	4,999	5,726	5,881	5,677
Food services	66,675	70,710	74,047	77,063
Central services	12,771	13,550	15,715	14,928
Pupil transportation services	48,105	46,955	47,036	45,795
Operation of plant	123,043	123,343	124,757	123,559
Maintenance of plant	63,250	63,694	67,135	68,083
Administrative technology services	8,096	7,260	6,114	7,022
Community services	30,861	33,897	36,157	36,537
Interest on long-term debt	81,386	84,780	80,122	47,229
Unallocated depreciation expense	109,871	109,590	108,894	108,480
Amortization expense	2,716	1,596	562	1,173
Total Expenses	<u>1,755,003</u>	<u>1,810,768</u>	<u>1,927,628</u>	<u>1,865,233</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	2,591	2,783	2,684	2,359
Food	16,814	15,024	14,429	13,506
Pupil transportation	3,512	2,576	931	885
Community	24,349	25,858	29,945	31,156
Operating grants and contributions	461,369	471,831	476,357	480,756
Capital grants and contributions	12,401	14,568	14,357	15,585
Total Program Revenues	<u>521,036</u>	<u>532,640</u>	<u>538,703</u>	<u>544,247</u>
Net (Expense)/Revenue	<u>\$ (1,233,967)</u>	<u>\$ (1,278,128)</u>	<u>\$ (1,388,925)</u>	<u>\$ (1,320,986)</u>

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

TABLE 2

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,062,354	\$ 1,154,360	\$ 1,197,458	\$ 1,225,972	\$ 1,365,308	\$ 1,332,218
170,617	173,946	185,883	195,060	227,932	226,620
6,634	7,468	7,643	8,323	8,849	8,402
10,089	10,449	13,609	14,484	13,780	17,664
97,556	107,027	109,988	113,823	121,136	119,520
14,750	20,761	54,526	133,721	175,394	184,339
6,805	6,853	7,205	7,511	8,043	7,908
81,095	89,897	95,977	103,194	93,598	83,603
15,646	16,052	16,647	18,034	20,483	31,732
48,223	54,396	59,170	59,704	56,917	49,051
124,526	126,506	135,988	143,627	184,872	169,575
69,603	73,741	80,359	81,074	80,343	80,795
7,916	7,644	7,041	7,183	6,919	6,465
40,980	43,149	46,737	45,745	39,301	24,288
90,428	62,739	53,137	53,496	50,970	53,268
108,978	107,633	107,047	109,908	115,100	123,161
156	109	62	-	-	-
<u>1,956,356</u>	<u>2,062,730</u>	<u>2,178,477</u>	<u>2,320,859</u>	<u>2,568,945</u>	<u>2,518,609</u>
2,335	2,334	2,213	2,410	1,983	1,267
13,377	13,465	11,815	15,007	11,911	709
820	709	1,447	1,319	931	-
36,961	37,872	37,904	37,942	27,276	16,719
491,973	511,816	547,857	562,289	556,919	615,896
13,430	22,197	18,932	22,204	23,005	24,869
<u>558,896</u>	<u>588,393</u>	<u>620,168</u>	<u>641,171</u>	<u>622,025</u>	<u>659,460</u>
<u>\$ (1,397,460)</u>	<u>\$ (1,474,337)</u>	<u>\$ (1,558,309)</u>	<u>\$ (1,679,688)</u>	<u>\$ (1,946,920)</u>	<u>\$ (1,859,149)</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Primary Government				
Net (Expense)/Revenue	\$ (1,233,967)	\$ (1,278,128)	\$ (1,388,925)	\$ (1,320,986)
General Revenue and other				
Changes in Net Position				
Taxes				
Property taxes, levied for general purposes	\$ 846,738	\$ 802,052	\$ 809,909	\$ 878,769
Property taxes, levied for capital projects	200,551	199,078	202,891	216,293
Local sales taxes, levied for capital projects	-	-	-	-
Grants and entitlements not restricted to				
specific purposes	55,613	144,821	221,228	197,265
Investment earnings	4,195	1,155	2,348	2,299
Other	41,142	53,006	56,186	43,741
Transfers	6,713	-	13,000	-
Total General Revenue and Transfers	<u>\$ 1,154,952</u>	<u>\$ 1,200,112</u>	<u>\$ 1,305,562</u>	<u>\$ 1,338,367</u>
Change in Net Position	<u>\$ (79,015)</u>	<u>\$ (78,016)</u>	<u>\$ (83,363)</u>	<u>\$ 17,381</u>

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

TABLE 3

2016	2017	2018	2019	2020	2021
<u>\$ (1,397,460)</u>	<u>\$ (1,474,337)</u>	<u>\$ (1,558,309)</u>	<u>\$ (1,679,688)</u>	<u>\$ (1,946,920)</u>	<u>\$ (1,859,149)</u>
\$ 960,468	\$ 959,828	\$ 963,059	\$ 979,948	\$ 1,151,676	\$ 1,177,647
241,089	258,379	274,218	289,776	305,071	320,725
-	65,783	138,127	145,848	139,910	156,621
180,622	228,152	260,096	265,547	277,540	357,744
3,493	6,047	12,991	26,075	21,226	2,776
41,938	40,947	42,106	35,366	34,313	77,356
-	-	-	-	-	-
<u>\$ 1,427,610</u>	<u>\$ 1,559,136</u>	<u>\$ 1,690,597</u>	<u>\$ 1,742,560</u>	<u>\$ 1,929,736</u>	<u>\$ 2,092,869</u>
<u>\$ 30,150</u>	<u>\$ 84,799</u>	<u>\$ 132,288</u>	<u>\$ 62,872</u>	<u>\$ (17,184)</u>	<u>\$ 233,720</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 5,658	\$ 11,312	\$ 9,619	\$ 9,016
Restricted	23,335	27,816	28,170	28,105
Assigned	86,561	49,746	27,524	30,011
Unassigned	51,113	44,400	46,500	50,000
Total General Fund	<u>\$ 166,667</u>	<u>\$ 133,274</u>	<u>\$ 111,813</u>	<u>\$ 117,132</u>
All Other Governmental Funds				
Nonspendable	\$ 2,867	\$ 2,872	\$ 2,684	\$ 3,200
Restricted	384,995	287,751	237,578	168,124
Committed	1,290	1,115	186	85
Assigned - Capital Projects Funds	48,756	61,178	35,490	38,006
Total all other governmental funds	<u>\$ 437,908</u>	<u>\$ 352,916</u>	<u>\$ 275,938</u>	<u>\$ 209,415</u>
All Governmental Funds				
Nonspendable	\$ 8,525	\$ 14,184	\$ 12,303	\$ 12,216
Restricted	408,330	315,567	265,748	196,229
Committed	1,290	1,115	186	85
Assigned	135,317	110,924	63,014	68,017
Unassigned	51,113	44,400	46,500	50,000
Total all governmental funds	<u>\$ 604,575</u>	<u>\$ 486,190</u>	<u>\$ 387,751</u>	<u>\$ 326,547</u>

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

TABLE 4

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 6,040	\$ 7,969	\$ 8,220	\$ 6,359	\$ 4,139	\$ 10,573
18,255	20,378	25,476	29,865	39,123	76,839
52,955	58,199	69,531	83,542	103,044	159,470
50,000	52,000	55,000	64,000	64,000	66,000
<u>\$ 127,250</u>	<u>\$ 138,546</u>	<u>\$ 158,227</u>	<u>\$ 183,766</u>	<u>\$ 210,306</u>	<u>\$ 312,882</u>
\$ 4,168	\$ 5,232	\$ 6,698	\$ 4,229	\$ 5,014	\$ 4,275
230,327	290,001	399,884	466,235	569,209	803,327
37	35	22	18	18	18
28,923	35,703	41,381	40,560	39,948	2,446
<u>\$ 263,455</u>	<u>\$ 330,971</u>	<u>\$ 447,985</u>	<u>\$ 511,042</u>	<u>\$ 614,189</u>	<u>\$ 810,066</u>
\$ 10,208	\$ 13,201	\$ 14,918	\$ 10,588	\$ 9,153	\$ 14,848
248,582	310,379	425,360	496,100	608,332	880,166
37	35	22	18	18	18
81,878	93,902	110,912	124,102	142,992	161,916
50,000	52,000	55,000	64,000	64,000	66,000
<u>\$ 390,705</u>	<u>\$ 469,517</u>	<u>\$ 606,212</u>	<u>\$ 694,808</u>	<u>\$ 824,495</u>	<u>\$ 1,122,948</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 1,047,289	\$ 1,001,130	\$ 1,012,800	\$ 1,095,062
Sales tax	-	-	-	-
Impact fees	-	12,808	-	22,568
Interest income and other	3,712	1,146	2,405	2,149
School age child care fees	24,349	25,858	29,945	31,156
Food service sales	16,814	15,024	14,429	13,506
Local grants and other	41,475	43,334	38,464	43,710
Total local sources	<u>1,133,639</u>	<u>1,099,300</u>	<u>1,098,043</u>	<u>1,208,151</u>
State sources:				
Florida education finance program	99,433	187,320	266,681	242,366
Capital outlay and debt service	6,856	6,900	6,939	7,165
Food service	952	948	1,000	1,015
Public education capital outlay	-	-	-	-
Class size reduction	202,704	206,594	207,018	209,873
Charter School Capital Outlay	-	-	-	-
State grants and entitlements	33,082	36,984	39,352	43,149
Total state sources	<u>343,027</u>	<u>438,746</u>	<u>520,990</u>	<u>503,568</u>
Federal sources:				
Federal grants and entitlements	135,373	128,546	129,305	125,937
National school lunch act	51,279	56,431	61,818	65,453
Total federal sources	<u>186,652</u>	<u>184,977</u>	<u>191,123</u>	<u>191,390</u>
TOTAL REVENUES	<u>\$ 1,663,318</u>	<u>\$ 1,723,023</u>	<u>\$ 1,810,156</u>	<u>\$ 1,903,109</u>

TABLE 5

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,201,557	\$ 1,218,207	\$ 1,237,277	\$ 1,269,724	\$ 1,456,747	\$ 1,498,372
-	65,783	138,127	145,848	139,910	156,621
7,725	6,948	6,031	-	6,447	46,847
3,205	5,398	11,445	22,647	18,141	2,504
36,961	37,872	37,904	37,942	27,276	16,719
13,377	13,465	11,815	15,007	11,912	708
37,425	40,647	44,446	41,511	39,289	38,007
<u>1,300,250</u>	<u>1,388,320</u>	<u>1,487,045</u>	<u>1,532,679</u>	<u>1,699,722</u>	<u>1,759,778</u>
232,694	277,399	315,036	322,660	361,814	398,241
7,762	7,793	7,777	7,389	7,740	7,358
1,013	995	1,005	998	1,003	1,025
-	-	-	2,758	-	-
212,396	216,754	218,990	220,000	222,100	224,383
3,088	5,329	-	9,672	10,349	10,810
36,701	44,584	58,879	61,148	43,830	31,065
<u>493,654</u>	<u>552,854</u>	<u>601,687</u>	<u>624,625</u>	<u>646,836</u>	<u>672,882</u>
122,405	130,052	138,533	142,286	131,218	239,391
69,897	75,187	80,280	80,956	73,453	80,736
<u>192,302</u>	<u>205,239</u>	<u>218,813</u>	<u>223,242</u>	<u>204,671</u>	<u>320,127</u>
<u>\$ 1,986,206</u>	<u>\$ 2,146,413</u>	<u>\$ 2,307,545</u>	<u>\$ 2,380,546</u>	<u>\$ 2,551,229</u>	<u>\$ 2,752,787</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenditures				
Current:				
Instruction	\$ 924,120	\$ 964,140	\$ 1,047,481	\$ 1,058,183
Instructional support services	160,739	163,653	174,998	172,288
Board	4,784	5,467	6,044	6,828
General administration	8,750	9,759	9,138	8,998
School administration	90,618	93,665	96,411	96,772
Facilities acquisition and construction	1,062	490	27,181	21,667
Fiscal services	5,289	5,576	5,817	5,893
Food services	66,740	70,572	73,944	76,781
Central services	12,841	13,721	15,408	15,434
Pupil transportation services	48,438	47,810	46,976	47,270
Operation of plant	124,413	124,654	124,939	126,187
Maintenance of plant	59,048	64,252	67,402	69,683
Administrative technology services	8,239	7,446	6,238	7,085
Community services	31,041	34,239	36,179	37,171
Total Current Expenditures	<u>1,546,122</u>	<u>1,605,444</u>	<u>1,738,156</u>	<u>1,750,240</u>
Capital outlay	68,597	93,891	45,102	48,401
Debt service:				
Retirement of principal	61,405	60,815	68,350	74,822
Interest	84,721	84,890	116,489	73,506
Fiscal charges	2,060	699	1,510	1,956
TOTAL EXPENDITURES	<u>1,762,905</u>	<u>1,845,739</u>	<u>1,969,607</u>	<u>1,948,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(99,587)</u>	<u>(122,716)</u>	<u>(159,451)</u>	<u>(45,816)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	232,831	237,637	250,043	237,858
Transfers out	(226,118)	(237,637)	(237,043)	(237,858)
Loans Incurred	-	-	-	-
Issuance of long-term and refunded debt	295,305	67,145	295,572	511,045
Net premium (discount) from issuance of long-term and refunded debt	10,539	10,990	25,748	67,974
Payments to refunded debt escrow agent	(311,780)	(77,969)	(278,468)	(599,420)
Proceeds of loss recoveries	3,429	4,109	5,057	117
Sale of capital assets and other	1	56	103	4,896
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,207</u>	<u>4,331</u>	<u>61,012</u>	<u>(15,388)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (95,380)</u>	<u>\$ (118,385)</u>	<u>\$ (98,439)</u>	<u>\$ (61,204)</u>

TABLE 6

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,086,124	\$ 1,148,826	\$ 1,178,208	\$ 1,192,694	\$ 1,301,956	\$ 1,359,122
173,694	173,548	180,080	188,926	214,303	219,113
6,798	7,295	7,517	8,316	8,204	7,963
10,599	10,851	12,659	13,336	13,223	17,203
99,764	105,370	106,227	109,669	113,365	115,504
15,475	21,159	31,854	133,712	175,702	186,106
6,671	6,766	6,959	7,223	7,442	7,769
81,199	89,931	94,433	102,121	91,174	80,916
16,024	15,923	16,279	17,219	18,978	31,145
49,333	53,899	57,932	58,084	53,894	47,618
126,268	127,098	135,256	141,391	178,224	166,088
70,455	73,064	79,342	80,090	76,172	80,186
8,052	7,540	6,834	7,045	6,451	6,316
41,681	43,128	46,437	45,255	37,821	24,263
<u>1,792,137</u>	<u>1,884,398</u>	<u>1,960,017</u>	<u>2,105,081</u>	<u>2,296,909</u>	<u>2,349,312</u>
25,470	25,778	57,035	49,521	117,040	101,770
63,488	85,883	86,847	87,670	87,722	84,843
69,300	71,542	115,915	65,726	63,305	62,529
523	231	3,247	269	861	934
<u>1,950,918</u>	<u>2,067,832</u>	<u>2,223,061</u>	<u>2,308,267</u>	<u>2,565,837</u>	<u>2,599,388</u>
<u>35,288</u>	<u>78,581</u>	<u>84,484</u>	<u>72,279</u>	<u>(14,608)</u>	<u>153,399</u>
258,742	238,858	243,059	237,093	257,259	266,979
(258,742)	(238,858)	(243,059)	(237,093)	(257,259)	(266,979)
28,338	-	-	16,071	14,700	-
62,970	-	529,310	-	108,738	111,840
8,541	-	94,098	-	-	-
(71,111)	-	(571,623)	-	26,440	32,978
119	7	11	-	(5,793)	-
13	224	415	246	4	236
<u>28,870</u>	<u>231</u>	<u>52,211</u>	<u>16,317</u>	<u>144,089</u>	<u>145,054</u>
<u>\$ 64,158</u>	<u>\$ 78,812</u>	<u>\$ 136,695</u>	<u>\$ 88,596</u>	<u>\$ 129,481</u>	<u>\$ 298,453</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
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	49,179	1,899,746	7.81%
2016	132,788	1,950,918	26,487	1,924,431	6.90%
2017	157,425	2,067,832	26,255	2,041,577	7.71%
2018	202,762	2,223,061	35,130	2,187,931	9.27%
2019	153,396	2,308,267	49,788	2,258,479	6.79%
2020	151,027	2,565,837	115,100	2,450,737	6.16%
2021	147,372	2,599,388	103,894	2,495,494	5.91%

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

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



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

FISCAL YEAR	REAL PROPERTY			PERSONAL PROPERTY	TOTAL JUST VALUE	ASSESSED VALUE	EXEMPTIONS	NET TAXABLE ASSESSED VALUATION	% ²	DIRECT TAX RATE
	RESIDENTIAL	COMMERCIAL	OTHER ¹							
2012	\$ 118,927,021	\$ 16,264,373	\$ 19,508,984	\$ 8,584,234	\$ 163,284,612	\$ 152,332,012	\$ 28,062,318	\$ 124,269,694	76 11	8 180
2013	118,105,507	16,251,322	19,388,620	9,266,245	163,011,694	152,792,949	27,711,700	125,081,249	76 73	7 778
2014	124,767,998	16,967,663	20,484,908	9,444,021	171,664,590	157,928,325	27,968,541	129,959,784	75 71	7 586
2015	141,889,587	18,937,143	22,187,956	9,604,974	192,619,660	167,702,639	28,483,761	139,218,878	72 28	7 594
2016	159,401,365	21,591,568	25,425,449	11,003,146	217,421,528	181,697,014	29,375,518	152,321,496	70 06	7 512
2017	174,606,753	23,943,993	27,484,079	11,289,143	237,323,968	195,392,413	30,636,199	164,756,214	69 42	7 070
2018	185,814,608	25,983,805	29,552,134	10,335,685	251,686,232	208,470,889	32,179,438	176,291,451	70 04	6 769
2019	195,434,146	27,223,402	31,244,236	10,564,305	264,466,089	220,863,513	33,528,738	187,334,775	70 84	6 572
2020	205,776,341	28,278,565	32,488,009	10,845,055	277,387,970	233,046,883	34,484,677	198,562,206	71 58	7 164
2021	213,351,266	29,416,261	34,129,269	11,746,824	288,643,620	246,137,900	35,992,145	210,145,755	72 80	7 010

Source Palm Beach County ACFR
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
2012	\$ 124,269,694	8.1800	\$ 1,016,526	\$ 25,998	\$ 1,037,782
2013	125,081,249	7.7780	972,882	21,689	991,951
2014	129,959,784	7.5860	985,875	22,683	1,009,053
2015	139,218,878	7.5940	1,057,228	24,358	1,094,037
2016	152,321,496	7.5120	1,144,239	26,428	1,193,392
2017	164,756,214	7.0700	1,164,826	28,663	1,214,201
2018	176,291,451	6.7690	1,193,317	30,737	1,237,398
2019	187,334,775	6.5720	1,231,164	32,580	1,268,072
2020	198,562,206	7.1640	1,422,500	34,386	1,447,624
2021	210,145,755	7.0100	1,473,122	36,215	1,496,062

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>
\$ 9,507	\$ 1,047,289	102.09	104.65	103.03	105.58
9,179	1,001,130	101.96	104.19	102.90	105.13
3,747	1,012,800	102.35	104.65	102.73	105.03
1,025	1,095,063	103.48	105.79	103.58	105.88
8,165	1,201,557	104.30	106.61	105.01	107.32
4,006	1,218,207	104.24	106.70	104.58	107.04
121	1,237,519	103.69	106.27	103.70	106.28
1,651	1,269,723	103.00	105.64	103.13	105.78
1,849	1,449,473	101.77	104.18	101.90	104.31
2,310	1,498,372	101.56	104.02	101.71	104.17



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)**

DIRECT			
FISCAL YEAR	GENERAL FUND	CAPITAL PROJECTS	TOTAL
2012	6.6200	1.5600	8.1800
2013	6.2320	1.5460	7.7780
2014	6.0860	1.5000	7.5860
2015	6.0940	1.5000	7.5940
2016	6.0120	1.5000	7.5120
2017	5.5700	1.5000	7.0700
2018	5.2690	1.5000	6.7690
2019	5.0720	1.5000	6.5720
2020	5.6640	1.5000	7.1640
2021	5.5100	1.5000	7.0100

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

TABLE 10

OVERLAPPING							SOUTH	TOTAL
PALM BEACH CNTY			CHILD	HEALTH	EVER-		FLORIDA	COUNTY-
GENERAL	DEBT		SVC	CARE	GLADES		WATER	WIDE
FUND	SERVICE	FIND		DISTRICT	CONST.	TOTAL	MGT DIST	
4.7815	0.2110	0.0345	0.7475	1.1250	0.0624	6.9619	0.3739	15.5158
4.7815	0.2087	0.0345	0.7300	1.1220	0.0613	6.9380	0.3676	15.0836
4.7815	0.2037	0.0345	0.7025	1.0800	0.0587	6.8609	0.3523	14.7992
4.7815	0.1914	0.0345	0.6745	1.0800	0.0548	6.8167	0.3294	14.7401
4.7815	0.1462	0.0320	0.6677	1.0426	0.0506	6.7206	0.3045	14.5371
4.7815	0.1327	0.0320	0.6833	0.8993	0.0471	6.5759	0.2836	13.9295
4.7815	0.1208	0.0320	0.6590	0.7808	0.4410	6.8151	0.2659	13.8500
4.7815	0.1165	0.0320	0.6403	0.7261	0.0417	6.3381	0.2519	13.1620
4.7815	0.7650	0.0320	0.6497	0.7261	0.0397	6.9940	0.2398	14.3978
4.7815	0.0309	0.0320	0.6497	0.7261	0.0380	6.2582	0.2295	13.4977



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	GENERAL FUND
2012	\$ 822,665	\$ 193,861	\$ 1,016,526	\$ 821,068
2013	779,506	193,376	972,882	599,590
2014	790,935	210,370	1,001,305	622,195
2015	900,204	224,602	1,124,806	673,232
2016	915,757	228,482	1,144,239	731,754
2017	917,692	247,134	1,164,826	789,241
2018	928,880	264,437	1,193,317	844,747
2019	950,162	281,002	1,231,164	897,489
2020	1,124,656	297,843	1,422,500	950,981
2021	1,157,903	315,219	1,473,122	1,004,819

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

TABLE 11

PALM BEACH COUNTY (1)					SOUTH FLORIDA	TOTAL
DEBT		CHILD	HEALTH		WATER MGMT.	COUNTYWISE
SERVICE	F.I.N.D.	SERVICES	CARE	TOTAL	DISTRICT	
			DISTRICT			
\$ 36,232	\$ 4,316	\$ 93,508	\$ 140,731	\$ 1,095,854	\$ 52,571	\$ 2,164,951
26,171	4,339	91,802	141,098	862,999	53,937	1,889,818
27,157	4,506	91,756	141,063	886,678	53,683	1,941,666
20,585	4,825	94,332	151,043	944,018	53,732	2,122,556
20,308	4,896	102,151	159,506	1,018,615	54,327	2,217,180
21,904	5,294	113,053	148,790	1,078,282	54,715	2,297,824
21,342	5,668	116,723	138,296	1,126,776	54,908	2,375,001
21,867	6,021	120,475	136,618	1,182,470	55,242	2,468,876
15,215	6,381	129,551	144,785	1,246,912	55,733	2,725,144
6,494	6,742	136,893	152,990	1,307,938	56,363	2,837,423

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (1)	PER CAPITA (1)
	STATE BOARD OF EDUCATION BONDS	LOAN PAYABLE	CERTIFICATES OF PARTICIPATION			
2012	\$ 32,532	\$ -	\$ 1,832,145	\$ 1,864,677	2.19	\$ 138
2013	28,050	-	1,772,905	1,800,955	2.15	131
2014	23,956	14,002	1,769,950	1,807,908	1.95	129
2015	19,103	9,785	1,703,977	1,732,865	1.73	122
2016	15,175	31,846	1,635,503	1,682,524	1.62	116
2017	12,647	23,485	1,547,095	1,583,227	1.40	108
2018	10,892	15,031	1,509,807	1,535,730	1.27	104
2019	9,381	22,374	1,408,967	1,440,722	1.16	96
2020	7,535	26,832	1,440,066	1,474,433	N/A	101
2021	6,261	18,678	1,487,325	1,512,264	N/A	103

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)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Limit of bonded indebtedness, 10% of net assessed value of taxable property	\$12,426,969	\$12,508,125	\$12,995,978	\$13,921,888
Total bonded debt	32,532	28,050	23,956	19,103
Less amount available in Debt Service Funds	792	676	535	326
Total amount applicable to debt limit	<u>31,740</u>	<u>27,374</u>	<u>23,421</u>	<u>18,777</u>
Legal debt margin on bonded debt	<u>\$12,395,229</u>	<u>\$12,480,751</u>	<u>\$12,972,557</u>	<u>\$13,903,111</u>
Legal debt margin on bonded debt as a percentage of bonded debt limit	<u>99.74%</u>	<u>99.78%</u>	<u>99.82%</u>	<u>99.87%</u>

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

TABLE 13

2016	2017	2018	2019	2020	2021
\$15,232,150	\$16,475,621	\$17,629,145	\$18,733,478	\$19,856,221	\$21,014,576
15,175	12,647	10,892	9,381	7,535	6,261
307	248	220	183	146	118
14,868	12,399	10,672	9,198	7,389	6,143
<u>\$15,217,282</u>	<u>\$16,463,222</u>	<u>\$17,618,473</u>	<u>\$18,724,280</u>	<u>\$19,848,832</u>	<u>\$21,008,433</u>
<u>99.90%</u>	<u>99.92%</u>	<u>99.94%</u>	<u>99.95%</u>	<u>99.96%</u>	<u>99.97%</u>



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

FISCAL YEAR	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)
2012	1,354,936	\$ 124,269,694	\$ 32,532	\$ 792	\$ 31,740	0.03%	\$ 23
2013	1,376,462	125,081,249	28,050	676	27,374	0.02%	20
2014	1,398,656	129,959,784	23,956	535	23,421	0.02%	17
2015	1,424,256	139,218,878	19,103	326	18,777	0.01%	13
2016	1,450,890	152,321,496	15,175	307	14,868	0.01%	10
2017	1,470,344	164,756,214	12,647	248	12,399	0.01%	8
2018	1,482,876	176,291,451	10,892	220	10,672	0.01%	7
2019	1,496,770	187,334,775	9,381	183	9,198	0.00%	6
2020	1,466,494	198,562,206	7,535	146	7,389	0.00%	5
2021	1,473,738	210,145,755	6,261	118	6,143	0.00%	4

(1) Source: U.S. Department of Commerce, Bureau of Economic Analysis
Source: Palm Beach County ACFR (2020) and Business Development Snapshot (2021)
(2) Source: SDPBC Budget 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		\$	1,487,325
Special Obligation (1)			6,261
Notes/Loans Payable			18,678
TOTAL DIRECT DEBT			1,512,264

Overlapping Debt: (2)

Palm Beach County - In Thousands			
Total Outstanding Debt	\$	947,154	
Estimated Percentage Applicable (3)		5.23%	
TOTAL OVERLAPPING DEBT			49,498

TOTAL DIRECT AND OVERLAPPING DEBT		\$	1,561,762
--	--	----	------------------

Population of Palm Beach County			1,473,738
---------------------------------	--	--	-----------

Assessed property valuation - In Thousands		\$	288,643,620
--	--	----	-------------

Assessed taxable property valuation - In Thousands		\$	210,145,755
--	--	----	-------------

DEBT RATIOS:

	PERCENT OF ASSESSED PROPERTY VALUATION	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION	PER CAPITA (4)
Direct debt	0.52%	0.72%	\$ 1,026
Overlapping debt	0.02%	0.02%	\$ 34
Direct and overlapping debt	0.54%	0.74%	\$ 1,060

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

Amounts presented are net of related premiums, discounts and adjustments

- (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)

Table with 6 columns: YEAR, PRINCIPAL, INTEREST, TOTAL DEBT SERVICE, TOTAL GENERAL FUND EXPENDITURES, RATIO OF DEBT SERVICE TO TOTAL GENERAL FUND EXPENDITURES. Rows for years 2012-2021.

Note: Debt amounts reported include Certificates of Participation.

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



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

FISCAL YEAR	STATE BOARD OF EDUCATION BONDS				
	MOTOR VEHICLE	DEBT SERVICE		COVERAGE	
	LICENSE TAX	PRINCIPAL	INTEREST		
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	
2019	1,688	1,311	417	0.98	
2020	1,503	1,177	358	0.98	
2021	1,374	1,119	283	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.

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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>
2012	1,354,936	\$ 85,062,731	\$ 62,780	174,594	8.8
2013	1,376,462	83,928,862	60,974	177,797	7.4
2014	1,398,656	92,592,527	66,201	180,172	5.9
2015	1,424,256	100,093,764	70,278	183,447	5.0
2016	1,450,890	103,553,784	71,373	186,291	4.8
2017	1,470,344	113,276,100	77,041	189,320	4.1
2018	1,482,876	120,772,867	81,445	190,021	3.6
2019	1,496,770	124,632,614	83,268	190,146	3.3
2020	1,466,494	N/A	N/A	192,669	7.6
2021	1,473,738	N/A	N/A	186,915	4.7

- (1) Source: U.S. Department of Commerce, Bureau of Economic Analysis
Source: Palm Beach County ACFR (2020) and Business Development Snapshot (2021) (considered preliminary until US DOC information is available).
- (2) Source: U.S. Department of Commerce, Bureau of Economic Analysis,
Per capita personal income for Palm Beach County, FL (updated annually)
- (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, 2021 (UNAUDITED)**

<u>TAXPAYER (1)</u>	<u>TYPE OF BUSINESS</u>	<u>2021</u>		
		<u>2020 TAXES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL AGGREGATE TAX LEVY</u>
Florida Power & Light Company	Utility	\$ 111,099	1	8.37%
Town Center	Retail Mall	11,262	2	0.85%
Gardens Venture LLC	Retail Mall	7,323	3	0.55%
Boca Owner LLC	Elevators	7,241	4	0.55%
Breakers Hotel - Palm Beach	Resort Hotel	7,221	5	0.54%
U.S. Sugar Corporation	Agriculture	5,533	6	0.42%
Publix Super Markets	Retail Store	5,035	7	0.38%
JFK Medical Center Lmt Pship	Medical	4,592	8	0.35%
CPT Phillips Point LLC	Property Manager	4,444	9	0.33%
KH ALTON LLC	Real Estate Developer	4,330	10	0.33%
BellSouth Telecommunications	Telecommunications	-		-
Lawrence L. Landry	Charitable Foundation	-		-
Comcast of Florida/Georgia LLC	Cable/Internet Provider	-		-
Panthers BRHC Ltd.	Resort Hotel	-		-
TJ Palm Beach Assoc LTD Ptnrs	Retail Mall	-		-
2700 North Ocean, LLC	Condominiums	-		-
BRE Boca Corporate Center, LLC	Property Manager	-		-
Total principal taxpayers		\$ 168,078		12.67%

<u>Ten Largest Private Employers (Excludes Agricultural) (2)</u>	<u>2021</u>		
	<u>NUMBER OF EMPLOYEES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL COUNTY EMPLOYMENT</u>
Tenet Healthcare Corp	6,505	1	0.87%
NextEra Energy (Florida Power & Light)	5,119	2	0.69%
Boca Raton Regional Hospital (3)	3,052	4	0.41%
Veterans Health Administration	3,000	5	0.40%
Hospital Corporation of America	2,806	3	0.38%
Breakers Hotel - Palm Beach	2,300	7	0.31%
Bethesda Memorial Hospital	2,282	6	0.31%
Office Depot	2,000	8	0.27%
Jupiter Medical Center	1,800	9	0.24%
G4S Secure Solutions (4)	1,451	10	0.19%
Boca Raton Resort & Club	-		-
Total	30,315		4.07%

(1) Source: Palm Beach County Annual Comprehensive Financial Report.

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

(3) Boca Raton Regional Hospital was operating as Boca Raton Community Hospital in 2012.

(4) G4S Secure Solutions was operating as Wackenhut in 2012.

TABLE 19

2012		
2011 TAXES	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
\$ 57,319	1	6.56%
6,934	3	0.79%
-		-
-		-
2,709	9	0.31%
-		-
-		-
-		-
-		-
7,429	2	0.85%
4,562	4	0.52%
3,666	5	0.42%
3,420	6	0.39%
2,974	7	0.34%
2,903	8	0.33%
2,634	10	0.30%
<hr/>		<hr/>
\$ 94,550		10.81%

2012		
NUMBER OF EMPLOYEES	RANK	PERCENT OF TOTAL COUNTY EMPLOYMENT
6,100	1	0.96%
3,635	2	0.57%
2,250	6	0.35%
2,207	8	0.35%
2,714	4	0.43%
1,800	9	0.28%
2,391	5	0.38%
2,250	6	0.35%
-		-
3,000	3	0.47%
1,800	9	0.28%
<hr/>		<hr/>
28,147		4.42%



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
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
2019	385,342	414,476	2,714	858,999
2020	416,157	442,108	2,167	1,008,470
2021	531,057	628,681	2,009	1,268,801

(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
\$ 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
51,181,000	2,634,000	48,579,206	205,991,716	12,031,662	266,602,584
58,422,000	2,729,000	50,718,809	213,420,649	12,644,868	276,784,327
66,039,000	2,603,000	51,328,683	232,375,757	12,869,784	296,574,224



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

RANK	SCHOOL DISTRICT	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	New York City, NY	995,336	990,145	989,387	988,931	995,192	981,667	984,832	977,233	961,040	957,195
2	Los Angeles, CA	667,273	659,639	655,455	653,826	646,683	639,337	633,621	621,414	495,255	483,234
3	Chicago, IL	405,644	403,004	395,948	396,641	392,558	387,311	378,199	373,700	359,476	347,484
4	Miami -Dade County, FL	347,366	350,239	354,262	356,233	356,964	357,579	357,249	354,840	350,434	347,307
5	Clark County, NV	314,059	313,398	316,778	320,532	324,093	325,990	326,953	329,259	330,225	328,991
6	Broward County, FL	256,472	258,478	260,226	262,666	266,265	269,098	271,852	271,956	270,978	269,172
7	Hillsborough County, FL	194,525	197,041	200,466	203,439	207,469	211,923	214,386	217,072	220,252	223,305
8	Houston, TX	204,245	203,066	203,354	211,552	215,225	215,627	216,106	214,175	209,772	210,061
9	Orange County, FL	176,008	180,000	183,066	187,092	191,648	196,951	200,674	203,982	208,203	208,875
10	Palm Beach County, FL	174,663	176,901	179,514	182,895	186,605	189,322	192,721	191,786	192,533	194,675
11	Fairfax County, VA	174,479	177,606	180,616	183,417	185,541	185,828	187,467	188,556	187,797	188,887
12	State of Hawaii	179,601	182,706	184,760	186,825	182,384	181,995	181,550	180,837	181,278	181,088
13	Gwinnett County, GA	160,744	162,370	164,976	169,150	173,246	176,052	178,214	179,266	179,758	180,589
14	Montgomery County, MD						156,380	159,010	161,546	162,680	165,267
15	Wake County, NC					155,820	157,839	160,467	161,417	161,784	163,404

Based on students enrolled in grades kindergarten through twelve during the fall
Rank is based on most current fiscal year enrollment

Source The National Center for Education Statistics



LABOR FORCE ESTIMATES
LAST TEN YEARS (UNAUDITED)

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

YEAR	PALM BEACH COUNTY CIVILIAN LABOR FORCE	UNEMPLOYMENT RATES (%)		
		PALM BEACH COUNTY	FLORIDA	UNITED STATES
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	731,003	3.6	3.6	3.9
2019	733,663	3.3	3.1	3.7
2020 ▶	717,379	7.6	7.7	8.1
2021 [1]	744,399	4.7	5.1	4.6

(1) Preliminary. Average through September 2021 (not seasonally adjusted)

▶ Prior year is updated to reflect the 12-month average

Source: Florida Dept of Economic Opportunity



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>
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
2018	20,100	36,500	12,900	103,700
2019	20,300	38,500	13,100	103,500
2020	19,800	38,000	13,600	100,300
2021	19,600	37,700	14,100	98,000

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>
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
41,100	345,900	63,700	623,900
42,400	352,800	65,100	635,700
43,400	344,800	64,800	624,700
43,800	335,800	60,000	609,000



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Days meals served:			
Regular school program	180	180	180
Total pupil lunches served			
Paid lunches	3,221,528	3,033,273	2,999,416
Reduced lunches	1,096,907	901,181	745,399
Free lunches	11,301,427	11,953,474	12,853,471
Total pupil lunches served	<u>15,619,862</u>	<u>15,887,928</u>	<u>16,598,286</u>
Average number of pupil lunches served daily (regular):			
Paid lunches	17,897	16,852	16,663
Reduced lunches	6,094	5,007	4,141
Free lunches	62,786	66,408	71,408
Total average pupil lunches served daily	<u>86,777</u>	<u>88,266</u>	<u>92,212</u>
Number of pupil breakfasts served (regular):			
Paid breakfasts	1,032,181	1,395,381	1,388,567
Reduced breakfasts	480,603	481,008	416,806
Free breakfasts	5,420,994	5,754,749	6,122,378
Total pupil breakfasts served	<u>6,933,778</u>	<u>7,631,138</u>	<u>7,927,751</u>
Average number of pupil breakfasts served daily (regular):			
Paid breakfasts	5,734	7,752	7,714
Reduced breakfasts	2,670	2,672	2,316
Free breakfasts	30,117	31,971	34,013
Total average pupil breakfasts served daily	<u>38,521</u>	<u>42,395</u>	<u>44,043</u>
Number of adult lunches served (regular)	<u>407,943</u>	<u>379,496</u>	<u>255,664</u>
Average number of adult lunches served daily (regular)	<u>2,266</u>	<u>2,108</u>	<u>1,420</u>
REVENUES (IN THOUSANDS):			
Federal sources:			
Federal assistance	\$ 47,956	\$ 52,677	\$ 57,459
USDA donated food	3,323	3,754	4,359
State sources - State supplement	952	948	1,000
Local sources:			
Local food service sales:			
Students	14,897	13,290	12,721
Adults	873	789	767
Other	838	726	670
Interest on investments	38	28	56
TOTAL REVENUES	<u>\$ 68,877</u>	<u>\$ 72,213</u>	<u>\$ 77,032</u>
TOTAL COST AND OTHER FINANCING USES - Net	<u>\$ 68,098</u>	<u>\$ 71,736</u>	<u>\$ 75,083</u>

* The number of meals was affected by the COVID pandemic. School Food Service switched to the summer feeding program as of 3/20/2020.

** Due to national waivers in place, all children were served meals free regardless of economic need.

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

TABLE 24

<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>*2019/20</u>	<u>*2020/21</u>
<u>180</u>	<u>180</u>	<u>180</u>	<u>175</u>	<u>179</u>	<u>177</u>	<u>178</u>
3,105,281	3,043,245	3,146,385	2,605,996	3,609,981	2,908,790	0
796,359	683,383	858,546	486,409	1,195,163	1,034,759	0
<u>13,021,892</u>	<u>13,552,030</u>	<u>13,639,973</u>	<u>15,095,274</u>	<u>13,682,265</u>	<u>10,790,020</u>	<u>11,749,074</u>
<u>16,923,532</u>	<u>17,278,658</u>	<u>17,644,904</u>	<u>18,187,679</u>	<u>18,487,409</u>	<u>14,733,569</u>	<u>11,749,074</u>
17,252	16,907	17,480	14,891	20,167	16,434	0
4,424	3,797	4,770	2,779	6,677	5,846	0
<u>72,344</u>	<u>75,289</u>	<u>75,778</u>	<u>86,259</u>	<u>76,437</u>	<u>60,961</u>	<u>66,006</u>
<u>94,020</u>	<u>95,993</u>	<u>98,028</u>	<u>103,929</u>	<u>103,281</u>	<u>83,241</u>	<u>66,006</u>
1,492,436	1,451,588	1,513,010	1,112,089	1,639,963	1,413,340	0
430,115	293,647	384,462	190,069	516,401	469,710	0
<u>6,052,523</u>	<u>6,405,117</u>	<u>6,598,614</u>	<u>6,802,730</u>	<u>6,450,187</u>	<u>6,850,550</u>	<u>7,157,268</u>
<u>7,975,074</u>	<u>8,150,352</u>	<u>8,496,086</u>	<u>8,104,888</u>	<u>8,606,551</u>	<u>8,733,600</u>	<u>7,157,268</u>
8,291	8,064	8,406	6,355	9,162	7,985	0
2,390	1,631	2,136	1,086	2,885	2,654	0
<u>33,625</u>	<u>35,584</u>	<u>36,659</u>	<u>38,873</u>	<u>36,035</u>	<u>38,704</u>	<u>40,209</u>
<u>44,306</u>	<u>45,279</u>	<u>47,201</u>	<u>46,314</u>	<u>48,082</u>	<u>49,343</u>	<u>40,209</u>
<u>230,221</u>	<u>204,635</u>	<u>181,779</u>	<u>181,779</u>	<u>173,692</u>	<u>119,070</u>	<u>21,415</u>
<u>1,279</u>	<u>1,137</u>	<u>1,010</u>	<u>1,039</u>	<u>970</u>	<u>673</u>	<u>120</u>
\$ 60,356	\$ 64,971	\$ 69,596	\$ 75,214	\$ 75,103	\$ 67,730	\$ 83,191
5,097	4,926	5,592	5,051	5,810	5,723	5,081
1,015	1,013	994	1,005	1,045	1,044	1,063
12,075	12,085	12,376	10,862	13,999	11,210	613
691	614	545	510	521	357	64
527	447	295	232	348	163	146
<u>57</u>	<u>179</u>	<u>152</u>	<u>229</u>	<u>403</u>	<u>195</u>	<u>28</u>
<u>\$ 79,818</u>	<u>\$ 84,235</u>	<u>\$ 89,550</u>	<u>\$ 93,103</u>	<u>\$ 97,229</u>	<u>\$ 86,422</u>	<u>\$ 90,186</u>
<u>\$ 78,073</u>	<u>\$ 83,762</u>	<u>\$ 91,920</u>	<u>\$ 95,849</u>	<u>\$ 102,839</u>	<u>\$ 91,025</u>	<u>\$ 79,395</u>



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2021 (UNAUDITED)

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Petroleum Contamination Liability CST201534115	Nautilus Ins Company Insurance Company	Leakage of underground motor vehicle petroleum storage tanks
All Risk Property 019946411	Westchester Surplus Lines Ins	School Board buildings including personal property & extra expense \$5.3 billion of property values
National Flood Ins. Program 6 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
Cyber & Privacy Liability	Allied World Assurance Company (U.S) Inc. Policy #0311-9125	School district network property losses and coverage for breaches of personal information.
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
07/13/20 - 07/13/21	\$25,000	\$1 million per incident, \$4 million annual aggregate	\$ 15,674
12/31/20 - 12/31/21	\$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	\$ 8,053,214
6/20/2020 - 6/20/2021	\$50,000 per building \$50,000 for contents	\$1 million per building \$500,000 Building \$500,000 Contents	\$ 65,795
12/31/20 - 12/31/21	\$10,000 \$40,000 A/C Refrigeration	\$100 million per accident	\$ 130,000
09/07/20 - 09/07/21	1) \$100,000 per loss 2) \$1,000	1) \$5 million per loss 2) \$100,000 per loss	\$ 43,635
	3) \$10,000	3) \$10,000	
Under Crime Insurance			
8/1/2020 - 8/1/2021	\$100,000	\$10,000,000 Aggregate; \$500,000 Cyber Crime; \$2,500 Bus Interruption	\$ 118,587

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

SCHEDULE OF INSURANCE IN FORCE AS OF JUNE 30, 2021 (UNAUDITED)

<u>POLICY/NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Employee Dental Option 1 - DHMO Enhanced with Orthodontia	Humana Dental Plans	Employee Dental
Option 2 -DHMO Basic with Orthodontia		
Option 3 - PPO Dental High With Orthodontia		
Option 4 - PPO Dental Low (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
01/01/20 - 12/31/21	Individual monthly premiums: \$14.40 Emp; \$30.60 Emp & Children, \$25.2 Emp & Spouse, \$39.60 Emp & Family \$10.94 Emp; \$23.40 Emp & Children, \$19.04 Emp & Spouse, \$29.96 Emp & Family \$31.96 Emp; \$87.90 Emp & Children, \$78.32 Emp & Spouse, \$118.28 Emp & Family \$25.20 Emp; \$69.30 Emp & Children, \$61.74 Emp & Spouse, \$93.26 Emp & Family	No annual limits No annual limits \$1,000 limit per year occurrence;	Paid by employee
01/01/19- 12/31/22	Individual premiums \$5.45 single \$14.00 family	Limited schedule of benefits	Paid by employee
01/01/20 - 12/31/22	Board paid \$1.25 per employee per month	Financial and legal services excluded	\$ 493,099 (Actual amount)
01/01/120 12/31/21	\$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	\$ 863,874 (Actual amount)

(Continued)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

**SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 2021 (UNAUDITED)**

<u>POLICY /NUMBER</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
High School Interscholastic Athletic #09-0143-2021	Reliance Standard Life Insurance	Medical expenses for students injured while participating in high school interscholastic athletics
Student Catastrophe SB21CC-FL-LG-P-088935	Mutual of Omaha	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	HPSO	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
08/01/20 - 08/01/21	None	\$25,000 per person	\$ 863,552
08/01/20 - 08/01/21	1) \$25,000 per student, per accident 2) None	1) \$5 million max aggregate/injury 2) \$600,000 per student	\$ 229,982
12/31/20- 12/31/21	None	\$1 million per claim (\$5 million annual aggregate)	\$ 12,009
07/01/20 - 07/01/21	\$500 per claimant	\$1 million each occurrence \$2 million aggregate	(paid by vendor)
	None	\$1 million per claim \$2 million aggregate	\$ - No camp due to COVID

(Concluded)

**MORE OF
EVERYTHING YOU
WANT FOR
YOUR CHILD**



PALM BEACH COUNTY SCHOOLS
*Your **BEST** Choice!*



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

<u>FISCAL YEAR</u>	<u>MINIMUM SALARY</u>	<u>MAXIMUM SALARY</u>	<u>MEAN SALARY</u>
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
2019	41,000	90,245	65,623
2020	41,000	102,983 *	71,992
2021	47,500	106,029	76,765

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

* Includes Maximum Referendum Retention Supplement (currently approved thru fiscal year 2023)



THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assignment			
Administrators	135	140	155
Supervisors of instruction	13	10	11
Principals	212	213	224
Assistant principals	364	372	382
Classroom teachers - Elementary	4,945	5,042	5,172
Classroom teachers - Secondary	4,656	4,729	4,881
ESE teachers	1,833	1,923	2,030
Other teachers	114	103	108
Guidance counselors	363	367	378
Social workers	63	66	68
Psychologists	81	83	83
Media center	134	131	132
Professional - (instructional)	834	883	930
Professional - (non-instructional)	693	703	759
Aides	1,784	1,547	1,699
Technicians	275	269	265
Secretarial/clerical	1,427	1,417	1,463
Service workers	2,535	2,795	2,863
Skilled crafts	247	240	231
Unskilled labors	47	43	39
Total Full Time Employees	<u>20,755</u>	<u>21,076</u>	<u>21,873</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
164	159	157	170	207	210	209
16	13	16	14	14	16	18
224	225	223	225	224	219	214
381	382	379	391	394	392	391
5,175	5,045	5,056	4,915	5,017	4,907	4,828
4,888	4,868	4,945	4,969	5,036	5,119	5,145
2,030	2,073	2,129	2,296	2,398	2,408	2,387
155	185	213	208	222	299	257
383	377	389	399	416	435	434
75	83	92	106	126	111	105
92	94	93	96	104	132	130
133	160	160	135	162	163	152
913	897	838	991	915	902	883
777	804	826	927	989	1,161	1,166
1,785	1,851	1,884	2,179	2,224	2,007	1,877
267	267	264	266	270	253	249
1,503	1,479	1,488	1,424	1,437	1,515	1,477
2,904	3,013	3,159	2,915	3,469	3,360	3,232
214	210	187	210	213	208	206
36	32	33	23	22	39	36
<u>22,115</u>	<u>22,217</u>	<u>22,531</u>	<u>22,859</u>	<u>23,859</u>	<u>23,856</u>	<u>23,396</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
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
2019	190,146	2,105,081	11,071	7.33%	12,673	15.0
2020	192,669	2,296,909	11,922	7.68%	12,733	15.1
2021	186,915	2,599,388	13,907	16.65%	12,617	14.8

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Chuck Shaw Center										
Square feet	48,200	-	-	-	-	-	-	-	-	-
Capacity	506	-	-	-	-	-	-	-	-	-
Enrollment										
Acreage Pines Elementary (1985)										
Square feet	85,958	85,958	85,958	85,958	85,958	85,958	85,956	85,956	85,958	85,958
Capacity	553	553	553	553	553	553	553	553	553	553
Enrollment	490	466	477	479	454	405	450	412	425	434
Addison Mizner Elementary (1966)										
Square feet	-	-	98,547	98,547	98,547	98,547	98,547	98,547	98,547	99,411
Capacity	-	-	996	996	996	996	996	996	996	924
Enrollment	806	842	850	868	805	837	839	878	872	955
Allamanda Elementary (1964) (Modernization 2008)										
Square feet	129,697	129,697	129,697	129,697	129,697	129,697	129,697	130,872	130,872	130,872
Capacity	740	740	740	740	740	740	740	720	720	720
Enrollment	643	695	701	692	654	630	629	621	661	647
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	410,680
Capacity	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444	2,444
Enrollment	2,090	2,165	2,291	2,301	2,376	2,274	2,220	2,125	2,085	2,156
Bak Middle School of the Arts (1965) (Modernization 2004)										
Square feet	217,585	217,585	217,585	217,585	217,585	217,585	217,585	223,324	223,324	223,324
Capacity	1,406	1,406	1,406	1,406	1,406	1,406	1,406	1,335	1,335	1,335
Enrollment	1,355	1,365	1,367	1,366	1,358	1,347	1,341	1,342	1,355	1,360
Banyan Creek Elementary (1960) (Modernization 2013)										
Square feet	141,298	141,298	141,298	141,298	141,298	141,298	141,298	143,788	141,298	140,673
Capacity	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,200
Enrollment	850	900	925	935	936	923	944	945	917	967
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	1,400	1,400	1,400
Enrollment	1,036	1,062	827	852	911	914	896	818	759	900
Beacon Cove Elementary(3-5) (2000)										
Square feet	121,247	121,247	121,247	121,247	121,247	121,247	121,247	120,487	120,487	120,487
Capacity	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001
Enrollment	598	701	742	761	794	797	843	922	1,001	940
Bear Lakes Middle (1986)										
Square feet	180,773	180,507	180,507	180,507	180,507	180,507	180,507	180,507	180,507	179,525
Capacity	1,433	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,491
Enrollment	808	760	799	709	697	729	744	779	777	743
Belle Glade Elementary (1985)										
Square feet	120,366	120,366	120,366	120,366	120,366	120,366	120,366	120,366	120,366	125,934
Capacity	978	978	978	978	978	978	978	978	978	978
Enrollment	654	673	689	695	665	592	565	523	481	476
Belvedere Elementary (1996)										
Square feet	96,315	96,315	96,315	96,315	96,315	96,315	96,315	94,677	94,677	94,428
Capacity	658	658	658	658	658	658	658	658	658	658
Enrollment	474	562	562	528	542	542	528	547	517	562
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	856	856	856
Enrollment	405	419	459	476	485	500	514	646	633	624
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	138,137
Capacity	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229
Enrollment	1,041	1,089	1,082	1,147	1,096	1,102	1,088	1,126	1,108	1,073
Binks Forest Elementary (1999)										
Square feet	134,606	134,606	134,606	134,606	134,606	134,606	135,380	135,380	125,952	125,952
Capacity	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206
Enrollment	903	949	966	1,020	1,048	1,029	1,018	1,065	1,042	1,060
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	344	339	351	379	297	302	305	344	343	354
Boca Raton High (1963) (Modernization 2006)										
Square feet	354,289	354,289	354,289	354,289	354,289	354,289	353,579	353,579	353,579	352,859
Capacity	2,936	2,936	2,880	2,880	2,928	2,928	2,928	2,928	2,928	2,798
Enrollment	3,096	3,293	3,388	3,562	3,402	3,310	3,133	3,068	3,022	2,993
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	1,417	1,417	1,417	1,416	1,416	1,416	1,417	1,417
Enrollment	1,381	1,571	1,536	1,584	1,530	1,558	1,489	1,413	1,382	1,308

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



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2021-2012) and rows for various schools including Boynton Beach High, C O Taylor/Kirklane Elementary, Calusa Elementary, Carver Middle, Cholee Lake Elementary, Christa McAuliffe Middle, Citrus Cove Elementary, Congress Community Middle, Conniston Middle, Coral Reef Elementary, Coral Sunset Elementary, Crestwood Community Middle, Crosspointe Elementary, Crossroads Academy, Crystal Lakes Elementary, Cypress Trails Elementary, Del Prado Elementary, and Dwight D Eisenhower Elementary. Each row lists metrics: Square feet, Capacity, and Enrollment.



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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Diamond View Elementary (2004)										
Square feet	149,571	149,571	149,571	149,571	149,571	149,571	148,691	148,691	148,691	148,691
Capacity	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130
Enrollment	779	820	787	807	801	854	874	848	956	1,079
Discovery Key Elementary (2000)										
Square feet	138,253	138,253	138,253	138,253	138,253	138,253	138,253	138,253	133,097	133,097
Capacity	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188	1,188
Enrollment	928	972	950	868	838	803	809	863	868	914
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	1,254	1,254
Enrollment	1,267	1,276	1,274	1,264	1,261	1,239	1,239	1,239	1,254	1,233
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	117,962
Capacity	798	798	806	806	806	806	806	806	806	806
Enrollment	536	553	549	533	570	530	479	423	433	508
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	249,212
Capacity	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218
Enrollment	1,357	1,364	1,372	1,383	1,414	1,388	1,371	1,320	1,363	1,297
Eagles Landing Middle (1993)										
Square feet	151,644	151,644	151,644	151,644	151,644	151,644	151,644	151,644	151,644	171,036
Capacity	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286
Enrollment	1,559	1,563	1,477	1,488	1,443	1,340	1,300	1,317	1,303	1,304
Egret Lake Elementary (1970)										
Square feet	105,935	105,935	105,935	105,935	105,935	105,935	105,935	101,465	101,465	101,464
Capacity	727	727	727	727	727	727	727	727	727	727
Enrollment	547	568	657	617	642	685	670	672	582	623
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	1,038
Enrollment	948	1,056	1,047	1,011	998	983	963	966	993	1,003
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	1,409
Enrollment	1,287	1,328	1,274	1,285	1,216	1,207	1,224	1,227	1,237	1,164
Everglades Elementary (2010) (03-W)										
Square feet	119,246	119,246	119,246	119,246	119,246	119,246	119,246	119,246	119,246	119,246
Capacity	942	942	942	942	942	942	942	942	942	942
Enrollment	890	967	950	952	972	956	879	860	833	731
Equestrian Trails Elementary (2004)										
Square feet	127,383	127,383	127,383	127,383	127,383	127,383	127,383	127,383	127,383	127,383
Capacity	910	910	910	910	910	910	910	910	910	910
Enrollment	800	854	849	788	790	794	803	820	770	795
Forest Hill Elementary (1965)										
Square feet	113,446	113,446	113,446	113,446	113,446	113,446	113,446	113,446	113,446	124,966
Capacity	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Enrollment	787	817	813	818	841	787	810	796	804	782
Forest Hill High (1971)										
Square feet	313,415	313,415	313,415	313,415	313,415	313,415	313,415	312,415	312,415	312,415
Capacity	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837
Enrollment	2,521	2,458	2,458	2,468	2,469	2,315	2,197	2,013	1,905	1,838
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	780	780	780
Enrollment	475	504	501	451	504	534	564	551	574	594
Freedom Shores Elementary (2003)										
Square feet	135,829	135,829	135,829	135,829	135,829	135,829	135,829	135,829	135,829	135,829
Capacity	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Enrollment	677	733	796	783	897	951	922	895	870	924
Frontier Elementary (2000)										
Square feet	116,501	116,501	116,501	116,501	116,501	118,421	118,421	118,421	116,741	116,741
Capacity	846	846	846	846	846	882	882	882	900	900
Enrollment	583	618	604	617	625	588	570	613	586	669
Galaxy Elementary (1958) (Modernization 2014)										
Square feet	110,476	110,476	110,476	110,476	110,476	110,476	110,476	143,992	33,516	33,516
Capacity	752	752	752	752	752	752	752	752	158	581
Enrollment	566	603	611	621	671	625	596	585	520	372
Glade View Elementary (1960) - Modernization 2015										
Square feet	89,651	89,651	89,651	89,651	89,651	89,651	77,467	6,869	72,447	73,927
Capacity	402	402	402	402	402	403	403	72	580	580
Enrollment	266	282	276	300	318	321	301	314	398	348



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Glades Central High (1975)										
Square feet	245,163	245,163	245,163	245,163	245,163	245,163	245,163	245,163	245,163	248,043
Capacity	1,519	1,519	1,519	1,519	1,572	1,572	1,572	1,572	1,572	1,572
Enrollment	936	1,005	994	1,003	993	927	982	998	1,045	1,062
Gold Coast Community School (1958) Chuck Shaw Tech Center										
Square feet	60,021	60,021	10,357	10,357	77,878	77,878	77,878	77,878	77,878	95,447
Capacity	825	825	-	-	585	585	585	585	585	587
Enrollment					94	127	114	144	169	120
Golden Grove Elementary (1985)										
Square feet	106,750	106,750	106,750	106,750	106,750	106,750	106,750	106,750	106,750	106,750
Capacity	749	749	749	749	749	749	749	749	749	738
Enrollment	644	692	665	620	586	555	538	552	532	566
Gove Elementary (1964) (Modernization 2014)										
Square feet	128,408	128,408	230,356	230,356	230,356	230,356	230,356	230,356	129,716	129,716
Capacity	924	924	924	924	924	924	924	924	780	780
Enrollment	644	685	702	700	736	804	876	906	953	886
Grassy Waters Elementary (2005)										
Square feet	130,567	130,567	130,567	130,567	130,567	130,567	130,567	124,550	124,550	124,550
Capacity	983	983	983	983	983	983	983	983	983	983
Enrollment	748	801	811	800	774	710	617	668	650	697
Greenacres Elementary (1986) (Modernization 2003)										
Square feet	107,563	107,563	107,563	107,563	107,563	107,563	107,563	107,563	102,183	102,183
Capacity	822	822	822	822	822	822	822	822	822	822
Enrollment	675	726	726	722	735	708	718	711	684	647
Grove Park Elementary (1966)										
Square feet	105,033	105,033	105,033	105,033	105,033	105,033	105,033	94,284	94,284	102,732
Capacity	954	954	954	954	954	954	954	954	954	954
Enrollment	517	562	516	544	534	661	670	659	632	684
H L Johnson Elementary (1984)										
Square feet	138,266	138,266	138,266	138,266	138,266	138,266	138,266	138,266	138,266	138,266
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	735	757	746	730	737	768	796	874	892	894
H L Watkins Middle (1962) (Modernization 2005)										
Square feet	198,663	198,663	198,663	198,663	198,663	198,663	198,663	193,024	193,024	193,024
Capacity	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,000
Enrollment	862	866	914	963	957	931	863	776	828	904
Hagen Road Elementary (1967) (Modernization 2008)										
Square feet	123,115	123,115	123,115	123,115	123,115	123,115	123,115	123,115	123,115	123,115
Capacity	849	849	849	849	849	849	849	849	849	849
Enrollment	699	702	696	713	743	693	669	702	748	835
Hammock Pointe Elementary (1990) (Addition 2005)										
Square feet	141,603	141,603	141,603	141,603	141,603	141,603	141,603	141,603	141,603	141,603
Capacity	980	980	980	980	980	980	980	980	980	980
Enrollment	859	910	939	938	923	924	886	899	968	837
Heritage Elementary (1994)										
Square feet	131,309	131,309	131,309	131,309	131,309	131,309	131,309	131,309	121,688	133,880
Capacity	846	846	846	846	846	846	846	846	846	1,080
Enrollment	784	831	812	785	840	904	935	946	1,000	926
Hidden Oaks Elementary (2006)										
Square feet	136,761	136,761	136,761	136,761	136,761	136,761	136,761	136,761	136,761	136,761
Capacity	1,028	1,028	1,010	1,010	1,122	1,122	1,122	1,122	1,122	1,122
Enrollment	813	813	782	762	691	731	715	811	912	883
Highland Elementary (1964)										
Square feet	138,823	138,823	138,823	138,823	138,823	138,103	138,103	138,103	138,103	138,103
Capacity	1,072	1,072	1,072	1,072	1,072	1,053	1,072	1,072	1,072	1,094
Enrollment	967	1,027	1,188	1,168	1,122	1,053	979	920	960	831
Hope Centennial Elementary (2009) (06-D)										
Square feet	123,111	123,111	123,111	123,111	123,111	123,111	123,111	123,111	121,311	123,111
Capacity	952	952	952	952	952	952	952	952	952	952
Enrollment	650	686	605	594	604	631	654	635	716	641
Independence Middle (2003)										
Square feet	192,873	192,873	192,873	192,873	192,873	192,873	192,873	184,458	184,458	184,458
Capacity	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503
Enrollment	1,292	1,353	1,377	1,398	1,445	1,342	1,324	1,325	1,309	1,308
Indian Pines Elementary (1970)										
Square feet	138,771	138,771	138,771	138,771	138,771	138,771	138,771	136,265	136,265	136,265
Capacity	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
Enrollment	561	602	614	617	601	660	670	746	758	750
Indian Ridge School (2007)										
Square feet	76,691	76,691	76,691	76,691	76,691	76,691	76,691	76,691	76,691	76,691
Capacity	269	269	269	269	269	269	269	269	269	253
Enrollment	109	113	106	95	106	125	112	106	104	95



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2012-2021) and rows for various schools including J C Mitchell Elementary, John F Kennedy Middle, Jeaga Middle, Jerry Thomas Elementary, John I Leonard High, Jupiter Elementary, Jupiter Middle, Jupiter High, Jupiter Farms Elementary, K E Cunningham/Canal Point Elem, L C Swain Middle, Lake Park Elementary, Lake Shore Middle, Lake Worth Middle, Lake Worth High, Lantana Elementary, Lantana Middle, and Liberty Park Elementary. Each row lists metrics: Square feet, Capacity, and Enrollment.

Source - School District of Palm Beach County Planning Department



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2021-2012) and rows for various schools including Lighthouse Elementary, Limestone Creek Elementary, Lincoln Elementary, Loggers Run Middle, Loxahatchee Groves Elementary, Manatee Elementary, Marsh Pointe Elementary, Meadow Park Elementary, Melaleuca Elementary, Morikami Park Elementary, New Horizons Elementary, North Grade Elementary, The Conservatory at North Palm Beach Elementary, Northboro Elementary, Northmore Elementary, Odyssey Middle, Okecheelee Middle, and Olympic Heights High. Each row lists metrics like Square feet, Capacity, and Enrollment.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2021-2012) and rows for various schools including Omni Middle (1989), Orchard View Elementary (1994), Osceola Creek Middle (2006), Pahokee Elementary (K-6) (1985), Pahokee Mid/Sr (1970) (Modernization 2010), Palm Beach Central High (2004), Palm Beach Gardens ES (1962) (Modernization 2008), Palm Beach Gardens High (1965) (Modernization 2010), Palm Beach Lakes High (1986), Palm Beach Public School (1921) (Modernization 2006), Palm Springs Elementary (1988), Palm Springs Middle (2006) (formerly named Jeff Davis 1968), Palmetto Elementary (1989), Panther Run Elementary (1965), Park Vista High (2005), Pierce Hammock Elementary (2005), Pine Grove Elementary (1966), and Pine Jog Elementary (2008) 03-Y. Each row lists metrics: Square feet, Capacity, and Enrollment.



BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table with columns for Fiscal Year (2021-2012) and rows for various schools including Pioneer Park Elementary, Pleasant City Elementary, Plumosa Elementary, Poinciana Elementary, Polo Park Middle, Riviera Beach Preparatory, Rolling Green Elementary, Roosevelt Elementary, Roosevelt Middle, Rosenwald Elementary, Royal Palm Beach Elementary, Royal Palm Beach High, Royal Palm School, S D Spady Elementary, Sandpiper Shores Elementary, Santaluces High, Seminole Ridge High, and Seminole Trails Elementary. Each row lists metrics: Square feet, Capacity, and Enrollment.



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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
South Grade Elementary (1926) (Modernization 1999)										
Square feet	99,413	99,413	99,413	99,413	99,413	99,413	99,413	99,413	99,413	102,869
Capacity	715	715	715	715	715	715	715	715	715	715
Enrollment	650	727	866	805	810	739	705	655	646	542
South Intensive Transition (1965)										
Square feet	14,085	14,085	14,085	14,085	14,085	14,085	13,635	13,635	13,635	33,051
Capacity	20	20	20	20	20	20	20	20	20	318
Enrollment	43	53	64	61	56	68	69	65	84	81
South Olive Elementary (1988)										
Square feet	99,372	99,372	99,372	99,372	99,372	99,372	99,372	97,302	97,302	101,142
Capacity	637	637	637	637	637	637	637	637	637	601
Enrollment	466	542	591	563	607	653	697	706	693	671
Spanish River High (1965)										
Square feet	347,576	347,576	335,096	335,096	335,096	335,096	335,096	335,096	335,096	338,957
Capacity	2,574	2,544	2,235	2,235	2,259	2,259	2,259	2,259	2,259	2,242
Enrollment	2,394	2,393	2,433	2,385	2,334	2,306	2,356	2,336	2,376	2,381
Starlight Cove Elementary (1988)										
Square feet	129,633	129,633	129,633	129,633	129,663	129,663	129,663	128,790	128,790	128,790
Capacity	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086
Enrollment	633	733	784	757	801	820	847	911	961	741
Suncoast High (1955) (Modernization 2011)										
Square feet	294,344	294,344	294,344	294,344	294,344	294,344	294,344	294,344	294,344	294,344
Capacity	1,714	1,714	1,714	1,714	1,714	1,733	1,733	1,733	1,733	1,733
Enrollment	1,558	1,529	1,556	1,577	1,551	1,498	1,505	1,486	1,500	1,510
Sunrise Park Elementary (2000)										
Square feet	121,509	121,509	121,509	121,509	121,509	121,509	121,509	121,509	121,509	134,949
Capacity	972	972	972	972	972	972	972	972	972	972
Enrollment	914	902	903	893	807	815	854	867	880	894
Sunset Palm Elementary(2008)										
Square feet	130,946	130,946	130,946	130,946	130,946	130,946	127,106	127,106	127,106	127,106
Capacity	1,024	1,024	1,024	1,024	1,024	1,024	978	978	978	978
Enrollment	693	1,036	1,004	986	1,067	1,096	1,034	986	995	953
Timber Trace Elementary (1990)										
Square feet	114,808	114,808	114,808	114,808	114,808	114,808	114,808	114,841	114,841	114,841
Capacity	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,001	1,001	1,001
Enrollment	853	946	988	970	877	852	860	935	847	866
Tradewinds Middle (2005)										
Square feet	192,126	192,126	192,126	192,126	192,126	192,126	192,126	192,066	192,066	192,066
Capacity	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,245
Enrollment	1,002	1,078	1,085	1,063	1,045	1,054	1,152	1,189	1,235	1,214
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	820	820	820	818
Enrollment	41	89	89	69	80	125	125	102	126	127
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	104,577
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	603	611	588	601	612	564	549	559	516	515
Verde Elementary (1980)										
Square feet	135,546	135,546	109,513	109,513	109,513	109,513	109,513	109,513	104,581	105,349
Capacity	1,364	1,364	926	926	926	926	926	926	838	806
Enrollment	1,126	1,026	1,121	1,082	1,035	982	901	847	823	855
Village Academy (1999)										
Square feet	176,884	176,884	176,884	176,884	176,884	176,884	176,884	176,884	176,884	181,264
Capacity	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,303
Enrollment	619	592	590	633	657	685	731	746	788	763
Washington Elementary (1964)										
Square feet	71,809	18,736	70,005	70,005	70,005	70,005	70,005	70,005	70,005	74,229
Capacity	514	20	484	484	484	484	484	484	484	484
Enrollment	187	226	311	320	330	360	370	380	309	334
Waters Edge Elementary (1985)										
Square feet	110,031	110,031	110,031	110,031	110,031	110,031	110,031	110,031	109,995	115,695
Capacity	818	818	818	818	818	818	818	818	818	818
Enrollment	762	818	830	867	865	856	782	811	791	841
Watson B Duncan Middle (1960)										
Square feet	164,501	164,235	164,235	164,235	164,235	164,235	164,235	156,217	156,217	160,731
Capacity	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,358	1,358	1,378
Enrollment	1,221	1,267	1,305	1,300	1,264	1,310	1,275	1,311	1,301	1,381
Wellington High (1965)										
Square feet	342,888	342,878	342,878	342,878	342,878	342,878	342,878	348,110	342,878	357,064
Capacity	2,258	2,258	2,252	2,251	2,297	2,297	2,297	2,297	2,297	2,297
Enrollment	2,547	2,514	2,564	2,618	2,524	2,465	2,380	2,346	2,417	2,428
Wellington Elementary (1970)										
Square feet	118,684	118,684	118,684	118,684	118,684	118,684	118,684	118,684	118,684	118,684
Capacity	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022
Enrollment	761	861	850	835	758	689	664	710	732	813



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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Wellington Landings Middle (1970)										
Square feet	185,796	185,622	185,622	185,622	185,622	187,542	187,542	187,542	178,806	181,290
Capacity	1,588	1,571	1,571	1,570	1,570	1,610	1,610	1,610	1,610	1,610
Enrollment	1,274	1,337	1,335	1,337	1,202	1,044	1,032	1,117	1,110	1,292
West Boca Community High (2005)										
Square feet	373,319	373,319	373,319	373,319	373,319	373,319	373,319	373,319	373,319	373,007
Capacity	2,305	2,305	2,305	2,304	2,315	2,315	2,315	2,315	2,315	2,315
Enrollment	2,257	2,165	2,173	2,124	2,031	1,958	1,968	2,054	2,065	2,216
West Gate Elementary (2001)										
Square feet	114,859	114,859	114,859	114,859	114,859	114,859	114,859	118,783	125,479	125,479
Capacity	734	734	734	734	734	734	734	734	734	734
Enrollment	724	759	780	788	778	747	711	721	719	764
West Riviera Elementary (1966)										
Square feet	82,391	82,391	82,391	82,391	82,391	82,391	82,391	82,391	82,391	82,391
Capacity	729	729	729	729	729	729	729	729	729	734
Enrollment	536	590	557	591	695	673	656	671	571	500
Western Pines Middle (1970)										
Square feet	143,361	143,361	143,361	143,361	143,361	143,361	143,361	143,361	143,361	152,432
Capacity	1,024	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054
Enrollment	1,072	1,148	1,162	1,075	1,117	1,077	1,052	1,100	1,150	1,190
Westward ES (1961) (Modernization 2008)										
Square feet	119,796	119,796	119,796	119,796	119,796	119,796	119,796	119,796	119,796	119,796
Capacity	890	890	890	890	890	890	890	890	890	1,014
Enrollment	501	527	605	606	596	535	578	664	699	654
Whispering Pines Elementary (1984)										
Square feet	135,474	135,474	135,474	135,474	135,474	135,474	135,474	135,474	135,474	139,314
Capacity	932	932	932	932	932	932	932	932	932	642
Enrollment	945	981	929	888	887	881	852	823	787	594
William T. Dwyer High (1960)										
Square feet	368,796	368,796	368,796	368,796	368,559	368,559	368,559	358,719	358,719	360,447
Capacity	2,424	2,424	2,424	2,424	2,481	2,456	2,456	2,456	2,456	2,456
Enrollment	2,174	2,242	2,271	2,261	2,212	2,006	2,000	2,031	1,974	2,348
Woodlands Community Middle (1998)										
Square feet	200,139	200,139	200,139	200,139	200,139	200,699	200,699	200,699	187,385	196,985
Capacity	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411
Enrollment	1,521	1,536	1,354	1,236	1,104	1,097	1,145	1,199	1,264	1,219
Wynnebrook Elementary (1966)										
Square feet	88,103	88,103	88,103	88,103	88,103	88,103	88,103	88,103	88,103	92,231
Capacity	861	861	861	861	861	861	861	861	861	861
Enrollment	772	794	846	900	880	853	835	849	835	835
TOTAL										
Square feet	27,447,986	27,390,445	27,556,980	27,555,630	27,614,592	27,610,353	27,587,109	27,310,907	27,133,351	27,591,783
Capacity	199,507	199,686	198,517	198,526	199,660	199,657	199,601	198,231	198,472	199,806



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 109
Junior High and Middle Schools 33
High Schools 23
Special Schools 14 *
Total 179
Charter Schools 50

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.

**MORE OF
EVERYTHING YOU
WANT FOR
YOUR CHILD**



PALM BEACH COUNTY SCHOOLS
*Your **BEST** Choice!*



2016-2021 Strategic Plan

LONG-TERM OUTCOMES

 Increase reading on grade level by 3rd grade GOAL: 75%	 Ensure high school readiness Including: Academic achievement, behavior & engagement GOAL: 75%	 Increase the high school graduation rate GOAL: 90%	 Foster post-graduate success Including: High school scholars, dual-enrollment degrees, industry certifications, college enrollment and persistence, military enlistment GOAL: 75%
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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
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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
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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
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STRATEGIC THEME High-Performance Culture 	OBJECTIVES Ensure continuous improvement throughout the district Increase employee engagement, retention and performance Instill resource optimization to yield maximum return on investment Increase customer service and support	INITIATIVES Implement a comprehensive performance management system Implement rigorous project management structures, protocols and processes	Build a district-wide culture of pride, trust & respect Develop resource allocation processes aligned with student needs Enact systemic customer service	Establish and implement recognition and differentiated compensation systems
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The School District of Palm Beach County, Florida

Single Audit Reports in
Accordance with the Uniform Guidance
Year Ended June 30, 2021

Contents

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
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	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

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, 2021, 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 23, 2021. Our report included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020.

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) as a basis for designing 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 financial statements. 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 23, 2021



RSM US LLP

**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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 23, 2021, 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 23, 2021, except for the Schedule of Expenditures of Federal Awards
which the date is February 22, 2022

The School District of Palm Beach County, Florida

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

	Assistance Listing 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	19002	\$ 2,042	\$ -
National School Lunch Program	10.555	19001, 19003	7,593,660	-
Summer Food Service Program	10.559	18006, 18007, 19006, 19007	65,166,554	-
Child Nutrition Discretionary Grants	10.579	19001, 19003	55,432	-
Total Child Nutrition Cluster			72,817,688	-
Florida Department of Health:				
Child and Adult Care Food Program	10.558	None	15,152,877	-
Florida Department of Agriculture and Consumer Services:				
Fresh Fruit and Vegetable Program	10.582	19004	356,950	-
Total United States Department of Agriculture			88,327,515	-
<u>United States Department of Justice</u>				
Direct:				
STOP School Violence	16.839	N/A	262,800	-
Total United States Department of Justice			262,800	-
<u>United States Department of Treasury</u>				
Indirect:				
Pass through from Palm Beach County-Board of County Commissions				
COVID-19 – Coronavirus Relief Fund	21.019	N/A	1,887,707	-
Total United States Department of Treasury			1,887,707	-
<u>United States Department of Education</u>				
Direct:				
Impact Aid	84.041	N/A	9,380	-
Magnet Schools Assistance	84.165	N/A	381,921	-
School Safety National Activities	84.184	N/A	498,641	-
Total Direct			889,942	-
Indirect:				
Special Education Cluster:				
Special Education – Grants to States:				
Florida Department of Education	84.027	262,263	43,238,344	3,323,347
Putman County District School Board	84.027	None	4,100	-
University of South Florida	84.027	None	829	-
Special Education – Preschool Grants	84.173	266,267	1,145,436	28,198
Total Special Education Cluster			44,388,709	3,351,545
Pass-through from Insight Education Group:				
Teacher and School Leader Incentive Grants	84.374	None	31,951	-

(Continued)

The School District of Palm Beach County, Florida
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Entity Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Amount Provided to Sub-Recipients
Florida Department of Education:				
Adult Education-State Grant Program	84.002	191,193	2,517,060	-
Title I Grants to Local Educational Agencies	84.010	212,222,223,226,228	46,397,143	3,184,682
Migrant Education-State Grant Program	84.011	217	2,198,881	-
Career & Technical Education-Basic Grant to States	84.048	161	1,932,150	-
Education for Homeless Children & Youth	84.196	127	154,373	-
Charter Schools	84.282	298	2,146,300	2,141,584
Twenty-First Century Community Learning Centers	84.287	244	5,698,732	225,319
English Language Acquisition Grants	84.365	102	4,512,595	-
Improving Teacher Quality State Grants	84.367	224	6,513,661	24,396
School Improvements Grants	84.377	126	345,500	-
Student Support and Academic Enrichment Program	84.424	241	3,785,191	50,497
Education Stabilization Fund Under The Coronavirus Aid, Relief and Economic Security Act:				
COVID-19 – Governor’s Emergency Education Relief (GEER) Fund	84.425C	123	3,671,229	27,178
COVID-19 – Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	124	83,125,728	1,284,323
Total Indirect			<u>162,998,543</u>	<u>6,937,978</u>
Total United States Department of Education			<u>208,309,145</u>	<u>10,289,523</u>
United States Department of Health & Human Services				
Direct:				
Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	N/A	319,313	-
COVID-19 – Provider Relief Fund	93.498	N/A	255,260	-
Total Direct			<u>574,573</u>	<u>-</u>
Indirect:				
Pass-through Department of Community Services Division of Head Start & Children Services Head Start	93.600	04CH011690	3,572,364	-
Total Indirect			<u>3,572,364</u>	<u>-</u>
Total United States Department of Health & Human Services			<u>4,146,937</u>	<u>-</u>
United States Department of Homeland Security:				
Indirect:				
Pass-through from the Florida Department of Community Affairs: Disaster Grants-Public Assistance	97.036	Z1127	3,080,264	-
Total United States Department of Homeland Security			<u>3,080,264</u>	<u>-</u>
United States Department of Defense:				
Direct:				
Reserve Officers Training Corps (ROTC)	12.UNK	N/A	1,548,038	-
Total United States Department of Defense			<u>1,548,038</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 307,562,406</u>	<u>\$ 10,289,523</u>

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, 2021. 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 Summer Food Service Program for Federal Assistance Listing Number 10.559 includes \$5,080,726 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, 2021**

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued on whether financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal Controls over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
21.019	COVID-19 – Coronavirus Relief Fund
84.027/84.173	Special Education Cluster (IDEA)
84.365	English Language Acquisition State Grants
84.367	Supporting Effective Instruction State Grants
84.425	COVID-19 – Education Stabilization Fund (ESF)

Dollar threshold used to distinguish between type A and type B program:

 \$3,000,000

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, 2021**

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, 2021

I – Financial Statement Findings

Finding Number 2020-001

Condition – Pursuant to guidance from the FDOE, the District was responsible for reporting 51, 48 and 49 charter schools as DPCUs on the District's financial statements for the 2016-17, 2017-18, 2018-19 and 2019-20 fiscal years, respectively. However, for those fiscal years, the District did not report the charter schools as DPCUs on the District's Annual Comprehensive Financial Report (ACFR).

Corrective Action Plan – Management disagrees with the comment. In response to Finding AM 2019-001, the District has reassessed and since no facts or circumstances have changed the District continues to conclude that charter schools do not meet the criterion to be considered component units under Governmental Accounting Standards Board (GASB) Statement 14, 39 and 61, even after careful consideration of GASB Statement 39, paragraph 6 GASB 39, paragraph 6 states that other organizations should also be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government. Paragraph 6 also states it is a matter of professional judgment to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrant inclusion in the reporting entity. District staff consulted with the GASB in July 2017 as to the meaning of closely related and professional judgement. The term closely related is intended to focus on financial relationships. GASB 61 clearly lays out guidance to determine financial accountability and charter schools do not meet that definition. As for professional judgement, it is the professional judgement of the reporting entity meaning the District. Professional judgment of the District, it is misleading to include charter schools as component units. GASB 61 clearly defines guidelines for determining misleading to exclude and charter schools do not meet the criteria. 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, 2020. 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 2021 – No change in management's position

II – Federal Awards Findings and Questioned Costs

No matters to report.



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, 2021, and have issued our report thereon dated November 23, 2021.

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; 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) and Chapter 10.800, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on 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 Required by 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 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 to identify 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 communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Section 10.804(1)(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 shall prominently post on their Web site 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 23, 2021, except for the report on compliance for each major federal program and report on internal control over compliance, for which the date of each report is February 22, 2022



**Office of
Financial Management & Budget**

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**Palm Beach County
Board of County
Commissioners**

Dave Kerner, Mayor
Robert S. Weinroth, Vice Mayor
Maria G. Marino
Gregg K. Weiss
Maria Sachs
Melissa McKinlay
Mack Bernard

County Administrator

Verdenia C. Baker

*"An Equal Opportunity
Affirmative Action Employer"*

INTEROFFICE COMMUNICATION

TO: Joseph Abruzzo
Palm Beach County Clerk & Comptroller

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

DATE: June 15, 2021

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.

The County has complied with Sec. 163.31801 F.S. for the fiscal year ended 9/30/2020 and OFMB certifies as follows:

Impact fees are adopted by ordinance.

Fee calculations are based on the most recent and localized data.

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.

Administrative charges are limited to actual costs.

Notice is provided not less than 90 days before any amendment of impact fees.

The County does not require payment of the impact fee before the date of issuance of the building permit.

The impact fee is proportional and reasonably connected to, or has a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction.

The County specifically (earmarks) uses the impact fee to acquire, construct or improve capital facilities to benefit new users.

The County does not use revenues generated by the impact fee to pay existing debt for previously approved projects unless the expenditure is reasonably connected to or has a rational nexus with the increased impact generated by the new residential or commercial construction.

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
 Derrek Moore
 Willie Swoope
 Chelsea Koester
 Paul A. Guzenski



RSM US LLP

Independent Accountant's Report

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

We have examined the School District of Palm Beach County, Florida's (the District) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* for the year ended June 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

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

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

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2021.

The purpose of this report is to comply with the local investment policy requirements of Section 218.415, *Florida Statutes* and the Rules of the Auditor General.

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

RSM US LLP

West Palm Beach, Florida
November 23, 2021

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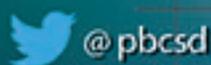


The School District of Palm Beach County

2021

MISSION STATEMENT

The mission of the School District of Palm Beach County is to educate, affirm, and inspire each student in an equity-embedded school system.



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School District of Palm Beach County



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